Chapter: One

The State, Politics and the Poor in India

This chapter has two objectives. First, it focuses on larger theoretical issues concerning state, and the second objective is to frame the issues in Indian context. While constructing the Indian framework, the main focus is going to be on the state’s relationship with the poor, and its engagement with policies on welfare and redistribution.

The study mainly focuses on my research regarding the extent, persistence and depth of poverty in two villages of Jharsuguda district in Orissa and wishes to provide a perspective on state as a vehicle for fulfillment of basic needs of its citizens. The problems that face the poor and the concerns and visions of the government, are subjected to scrutiny in the perspective of the poor themselves.

Describing the meaning of state Theda Skocpol says that state may be viewed as an organization which is used by collective officials to pursue official goals. On the other hand it is seen as the configuration of organizations which guides political actions.¹ This means that the state has a vision of constructed action and this action is carried out by collective officials to get the desired results. This official action too sets the limits and parameters for political action. Miliband on the other hand, says that the state institutions include the government, administration, military, police, judiciary, sub-central government, parliamentary assemblies and so on. All these together make up the state.² People living in a country can’t escape these institutions. Irrespective of their wish they have to live under the purview of the state. Miliband takes a much

¹ Skocpol, Theda, 'Bringing the state back in: strategies of analysis in current research', in Evans, Peter, Dietrich Rueschemeyer, Theda Skocpol (ed), Bringing the State Back In, New York, Cambridge University Press, 1989, p.28.
more holistic view of the nature and purview of the state as an institution. Further in this kind of institutional view the state is perceived as much impersonal machinery rather than a thinking, empathetic social institution dutiful to social good. Analyzing Max Weber's argument, Theda Skocpol concludes that according to Weber the state is the compulsory association which claims control over people and territory. Skocpol further states that the core activities of a state include the administrative, legal, coercive and certain other mechanisms for governance. These bodies are filled with personnel recruited as per procedure established and periodic elections are held for popular representations. Electoral competitions are held for top executive and legislative posts. This creates a sense of participation amongst the people in a democratic state. Modern state is a very complex organization. It is the association of associations. Defining the state from this perspective Atul Kohli writes,

The state, to my mind, then, is best thought of as a set of administrative and coercive institutions headed by an executive authority, defining, at minimum the territorial boundaries within which societies conceiving of themselves as a nation or competing nations exist.3

The state institutions are the most visible part of the state. They constitute the identity of the state. They also reflect the nature of the state. From a citizen centric view the nature and identity of the state are bound by a constitution/legal traditions and cultural practices of many competing nations within the state. One can go to the law books, constitution or other documents and find the structure and function of these institutions. But along with the structural arrangements of different state organizations equally important factor is what these institutions do in reality. The perception of the citizen about the state's role/nature and the states own vision about

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itself is often the basis for conflict in the long run. Describing the meaning of modern nation state, Niraja Jayal writes,

Internally the modern nation state is defined both in terms of its apparatus and in terms of its relation to society, in terms of what it is and what it does. It regulates a territorially defined society and population by making and enforcing laws, to this end engaging also in the extraction of resources. It claims to the authority to make laws for its citizens/subjects, as well as its claim to a share of the social product, rest on its claim to represent the common interest or the common good, if not the general will of society. This also forms the basis of its legitimacy, as well as the basis of the distinction between the public and private spheres.⁴

Jayal’s definition stands on two legs. First, the modern state is defended by its complex apparatus (or in other words coercive mechanism by which it controls the life of the citizen and distributes wealth on the society) and secondly, by its relationship with the society. In fact, this lends legitimacy to the actions of the state vis-à-vis the citizen for a common good. As the decisions of the state are claimed to be made in public interest or for common good, they are accepted by the people easily. The permanent interests of the society are supposed to be reflected by such state policies. To comprehend the meaning of the definition of the modern state, we need to understand the common goal, state practices, discourses, projects along with the state institutions.

The notion of the state as a gigantic super institution has been around for about 700 years or so. The modern state unlike its preceding versions wields and requires power on its citizens in much subtle and complex way. By controlling criminal justice system, by controlling international affairs; and by creating a consensus in society about its activities, it draws legitimacy. The sovereignty of the state is no longer discernible in the sense that Hobbes described, but it still does operate as a super institution.

In the context of different competing institutions (including the market) for power over the citizen, the state has taken a new shape. By weakening its service delivery mechanism, the state is giving little bits of its responsibilities among these competing institutions. This process makes the state less and less responsible to the welfare of its citizens.

In a representative democracy the will of the people are exercised at the time of elections. But between elections the representative’s enthusiasm wanes. The people suffer due to the lack of the responsiveness of their representatives.

Power makes these representatives the ruler (even if for a short period). What they wish to do and what in fact they are able to do depends not necessarily on the will of the people, but on their own agenda and other factors such as the compulsions under which they work.

State power is also divided into other public bodies which are not representative in their structure. The bureaucracy, judiciary, police, administration, military etc. are organized in this manner. They are meant to serve the people by implementing the decision of the state. As they are needed to implement the wish of the state authority, they need power and hence they assume authority. The policies of the state are eternally dependent on the implementing agencies' efficiency. Even if the government try to implement certain pro-people policies and if the implementing authorities show apathetic attitude to those policies, then they are not implemented as it is required to be.

Many times the two words state and government are used interchangeably. State is understood to be what government is. But these two are distinctively separate concepts. State is the association of associations and government is only a part of it. It is the
government which is the most visible and important organization of the state. State's priorities are mostly determined by the government. In order to understand the working of the state it is necessary to understand the functioning of the government of the day. Ralph Miliband writes that state is not only what government is, if that would have been the case then assuming government power would have meant assuming state power.⁵

State is an inclusive association. All the public institutions come under its purview. All the members of these institutions come under the state. Both the citizens and the non-citizens are subjected to the law of the state. They cannot escape the state authority. If they do that then they are the law breakers liable for punishment. Government is a part of the state. It is temporary in nature. The government can be reformed and remodeled if necessary. It is the means by which state represents the common good in the society. It exercises impersonal authority.⁶ State is supposed to be neutral. On the other hand government may represent the partisan interests of those in power for a particular time period. The aims, objectives, and priorities of the state determine the nature and type of the state. It can be understood comprehensively by analyzing different perspectives on state.

State is understood differently by different schools of thought. The nature, function, purpose and role of the state are explained in different manner by different thinkers. The perspectives on modern state could be categorized broadly into three streams of thought:

1. Liberal perspective
2. Social democratic perspective
3. Marxist perspective

⁵ Miliband, op.cit., p.49.
The liberal perspective on state gives utmost emphasis on the individual. It does not see any conflict of interest between the self-interest of the individual and the interests of the society. The aim of liberalism was to free individual from arbitrary authority of the super power state. It advocates that man has some natural and innate rights viz. right to life, liberty and property. These rights are not depended upon the mercy of the society or state. Liberal tradition is rooted in the writings of Thomas Hobbes, John Locke, Adam Smith, Jeremy Bentham, James Mill, J.S.Mill, Herbert Spencer, T.H.Green and many other thinkers.

Liberal perspective of state believes in free-market capitalism, consent-based state, individualism and humanism. Liberalism rejected the earlier Greek idea that state is an organic community which means that the state is natural, ethical and is a necessary institution. In contrast liberalism perceives the state as a machine. State is the creation of human will and it is an artificial institution. It is a way of organizing society. Man is the creator of the state. The state can’t be above its creator. It needs to facilitate human interests and not to obstruct them. Liberalism favors constitutionally limited state which performs the duty of maintenance of law and order in the society. It protects and preserves the rights of the individuals through regulations of laws. State is not an agency of social welfare. Individual and his or her natural rights are more important then the community or the society as a whole. Liberalism holds the view that state is a necessary evil and it should be assigned with minimum functions in the society. The state should be a minimalist state with limited activities and limited control over the individual. The central focal point is the individual and not the society or the state. State exists for the individual and not vice-versa. John Locke, who is considered as the father of liberalism gave so much importance to the
individual that he supported right to revolution against the government if it fails to protect individual rights and freedom.\textsuperscript{7}

Liberalism gives utmost emphasis on the supremacy of law. It advocates that every state should have a constitution clearly defining the power and function of different branches of the government and their inter-relationships. The constitution should also clearly mention the rights of the citizens. The constitution acts as the supreme law of the land.

According to John Locke state is not concerned with improving the lot of the people. Rather people should be set free. The state should primarily be concerned with safeguarding the rights of the people. This way the state is to behave as a negative state. It should be concern with what not to do in regard to the individuals.\textsuperscript{8}

Liberal perspective of state is based on \textit{Laissez Faire} favoring free market economy. The idea of \textit{Laissez Faire} has its root in Adam Smith’s work ‘\textit{Wealth of Nations}’. This idea was supplemented over time by the works of David Ricardo, Malthus, Bentham, James Mill and others.

\textit{Laissez Faire} economy upholds the right to property. Private property is considered as a sacred right of the individual. Free market without state control, free trade, free economy and profiteering are the central elements of \textit{Laissez Faire} economy. It encourages individual excellence and has very little sympathy for those who are not benefiting out of the free market. The theory goes against any kind of state regulation on the economy. It considers any restriction on profit, interest, rent,

\textsuperscript{7} Locke justifies the right of the people to revolt against the government. Government is supposed to carry out some responsibilities. If it fails to ensure them, the people have the right to revolt and change the government. But Locke said that the revolt should not be an act of minority as the contract to form a state is a majority act. Locke didn’t support violent change.

\textsuperscript{8} Contemporary liberalism believes in positive liberty which allows state restriction to ensure liberty for all.
wages, salary etc. as the hindrance to economic progress. This idea opens the path for free-market capitalism and unlimited rights to property. As J.S. Mill points out, the state was forced into a more liberal path by the demands of the rising capitalist classes associated and benefiting with certain type of economic developments.9

*Laissez Faire* helped the onward march of capitalism through the western countries unleashing waves of competition in which the better endowed benefited. Adam Smith’s ideas of no state intervention favorably suited the capitalist forces of the society. Adam Smith believed that economic energies are present in the society which, once unleashed, would naturally flow forth and provide for a healthy and competitive economy that would allow the growth of capitalism. Capitalism to Smith allowed maximum liberty to the individual as he noted the elective affinity between capitalism and liberty.10

These theories in real world, led to the emergence of liberal capitalism based on maximum liberty and free market economy. This idea revolutionized global economy in favor of capitalism. It influenced economic theories, philosophies and established capitalism as an ideology as well as a form of economic and political organization of the states in the west. The flow of capital created history through imperialism and exploitation of colonies, to protect and promote capitalism at home. Interestingly it also gave birth to its opposite- Marxism, which we will discuss later in the chapter.

**Social Democratic Perspective of the State**

Social democratic perspective of the state considers state as a positive institution. State is the product of human will and is not based upon self-interest. The writings of J.S.Mill, T.H. Gheen, H.J.Laski give ample emphasis on the social

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responsibilities of the democratic state. State interference for positive development of human beings is advocated by these writers. Though Mill considers state interference in the affairs of the individual as opposed to liberty, yet he realized that this type of interference could be justified in some cases because in the struggle for existence, men do not start from the basis of equality. A small minority have the monopoly over land, industry and knowledge. The state should interfere to remove these inequalities. He justified state action on this ground. He considered that the state may act in controlling monopolies, fixing working hours in industries, improving working conditions and maintaining public health, public education etc. T.H. Green said that the heart of liberalism was the idea of social good. The function of state is not to leave the individual alone but to remove, through positive action, many of the obstacles in the development of the personality of the individual such as ignorance, lack of education, poverty, unhealthy sanitary conditions etc.

During the twentieth century, liberalism took a new shape by adopting itself with the idea of equality of opportunities. Liberty and state action were considered to be conducive for each other to ensure liberty for all. Certain historical developments like the First World War, communist revolution in Russia, rise of fascism, world economic depression etc. which brought so many changes in the society, economy and politics, justified state action for social good. Democratic state control over the economy and providing social opportunities is no longer considered as the constraint in the path of liberty but it is needed to extend these conditions for those who are in a disadvantaged position to realize liberty. Social welfare was given importance and planned economy, self-rule in industries, social security and limitation on property rights etc. found place in the writings of H.J. Laski, R.H. Tawney, R.M. MacIver and others. State was supposed to provide social good on the largest scale possible without
loosing its liberal nature. This state was supposed to bring harmony among different groups. This condition led to regulated capitalist economy with steps for improvement of the conditions of the workers, providing health, education and other facilities to the people in order to maintain the democratic political order. People's participation in the political process was considered vital for democracy.

In the social-democratic form of state the state owns enterprises. It has certain features of a socialist state with democratic values. It manages the economy. About the state managed economy Hall writes,

...the socialist state and politics take command and inaugurate a regime of national mobilization and strict regimentation. The state now, owned enterprises, was responsible for national economic policies, fine tuned with economy, regulated income and wages among classes and edged towards the bargaining between state, capital and labor.11

Social democratic state is more democratic and less social. Though it has a public sector to maintain it also allows private players in the economic sphere. The prime importance given to the individual is retained in the social democratic perspective of the state. The autonomy and rights of the individual is respected but it is associated with social good. It is thought that social good can ensure the rights of the individual. In the social democratic perspective of the state, the state is a positive state assigned with too many responsibilities to provide certain facilities to the individuals and restricting certain activities to ensure equality in the society. Other then ensuring internal and external security for the country, the state shoulders the responsibility to ensure economic and social security for the people living in that country. The state performs major role in preventing destitution and sufferings in the society. It establishes democratic institutions and guarantee civil and political rights. But it does not abolish capitalist economy or profiteering. Yet it implements socio-

economic reforms and channelizes resources for welfare measures. The state believes that social evils can be ameliorated through “mixed economy” and “managed economy”. Hence it works as a positive interventionist state.

In the above mentioned state it is very clear that capitalism and welfare measures for the people co-exist in the society. The people who are in disadvantaged position look towards the state with great hope.

**Marxist Perspective of the State**

Marxist perspective on state looks at state as a class state. The state is class biased and meant to establish class rule in the society. The society itself is divided into two classes—the Bourgeoisie and the proletariat. The Bourgeoisie is the exploitative dominant class which extracts from the proletariats. It exploits the laboring class. The state is created in order to be used as a means for class domination. The state institutions are used by the bourgeoisie to establish its rule in the society.

The interests of the classes in the society are basically different and opposing to each other. In this type of society, the state instead of working as the trustee of the common good in the society becomes the arbitrator to establish class rule and class domination. The main purpose of the state is to protect the existing order and to repress any resistance to it. The state institutions like the army, police, bureaucracy, prison etc. are used for repression and coercion. When ownership of private property is a common feature in the society, the owner of private property use their property for accumulation of profit. To continue their accumulation of wealth they need the coercive state institutions. Marxism suggests to alter the social class relations through revolution.

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12 The resources make available is extremely limited for poverty alleviation; to contain illiteracy unemployment etc.
A new society will be established through class struggle. This proletarian revolution aims at abolition of private property, establishment of a class less society and to reconstruct the economy on socialist basis that is based on need rather than profit.

Marx declared that the state doesn’t safeguard the general interests of the society but it establishes class rule. Marx wrote in the *communist manifesto*

The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.¹³

Lenin expressed the same view in *State and Revolution*. He writes,

The state is a machine for maintaining the rule of one class over the other. It has always been a coercive apparatus, which stood outside the society and consisted of groups of people engaged in ruling. Whenever we talk of state, we talk of a group of persons in the society who ruled, who commanded, who dominated and who in order to maintain their power, possessed an apparatus of physical coercion, an apparatus of violence.¹⁴

In the capitalist state class domination is carried out through three kinds of functions: Political, techno-economic and ideological.¹⁵

Marxist writers like Gramsci, Poulantzas, Althusser etc. have made a shift from the classical perspective and looked at state from a different angles. Gramsci looked at the state as the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance but manages to win the active consent of those over whom it rules. Gramsci advocated the idea of hegemony. He stated that the main feature of the state is not economic but hegemonic. Hegemony is the synthesis of consent and coercion. This consensus is meant for capitalist development.

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This hegemony comes from ideology. People get used to it and start obeying it. Neo-Marxist writers state that politics is not simply the organization of class power through the state by dominant capitalist class and the use of that power to manipulate and repress subordinate groups, it is also the site of organized conflicts by mass movements to influence state politics, gain control of the state apparatus as well as control of the political apparatus outside the state.

It is the state that necessarily includes the demands of the working class. The capitalist class attempts to influence and control the state as an object of its socio-economic power; but at the same time, because of class struggle, the state must appear to be autonomous from the dominant class power in order to retain its legitimacy. The state must appear independent of the capitalist class and each worker must appear to have the same political right as each individual capitalist. Even as the relative autonomy of the state is necessary for its legitimacy as an authority above class struggle, the autonomy creates the contradiction of bringing the class struggle into the political arena and creates the possibility of subordinate classes and groups taking over the state apparatus, thereby interfering with the class reproduction fabric of the capitalist state.\(^\text{16}\)

In the light of the above categorization of states it becomes clear that the state can not be a neutral state. Depending on the perspectives and priority put on the subject, the nature and function of the state changes. On the ultimate analysis for justification of state action lies on the issue of who benefits from the functioning of the state? The answer determines the nature of the state.

State Capacity and Autonomy

State's capacity to act and bring reforms depends upon the autonomy it enjoys in the society. Autonomy for the state is of vital necessity to act in favor of the poor and the destitute. Describing the meaning of autonomy, Atul Kohli writes that state autonomy refers to a macro political-sociological condition where the state can free itself from social forces mainly from the demands of the propertied class and secondly it can work for social change. In fact autonomy is not constant that the state enjoy equally all the times. Theda Skocpol states that autonomy is not a fixed structural feature. It transforms itself depending upon the circumstances and socio-political structures and relative patterns of representations in the government. Anyway the state needs the necessary capacity and the autonomy to act and to get the intended results of policy implementation. These are the vital factors for realizing policy goals. In certain cases the state may try to formulate policies which are not conducive for certain sections of the society. In this situation these sections may create hurdles in the process of implementations of these policies. If the state can not formulate goals independently then there is no value in state as an important independent actor.

The state needs capacity to implement policies in the adverse conditions of protest by the powerful groups of the society and in unsupportive socio-economic conditions. Without autonomy from social pressures the state can't act authoritatively to implement policies.

As already stated state capacity is not constant and keeps on changing depending upon the circumstantial factors. Bob Currie says that state's capacity

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17 Kohli, 1987, op.cit., p.27.
19 Ibid., p.9.
differs in different fields. Hence a state maintaining a very good public transport system does not necessarily means that it is good at alleviation of poverty or promoting public welfare.\(^{21}\) In this respect the state can be a weak state in certain matters where as it can be very strong in some other matters. Jayal says that state can not be weak or strong across all policy areas. It may be weak with powerful social forces. May be strong with weakest sections, even with larger groups by successfully suppressing them, it all depends upon the interests at stake, political equations and social power relations.\(^{22}\)

Skocpol suggests that the state officials need to formulate autonomous policy goals so that they can implement such policies which are not manipulated by interest groups.\(^{23}\) Successful socio-economic intervention legitimizes the welfare state.

**The Welfare State**

Welfare state is an interventionist state where organized power is deliberately used in an effort to modify the play of market in the directions of guaranteeing individuals and families a minimum income irrespective of market value of their work or property. The welfare state works to narrow down the extent of insecurity and enables individuals and families to meet certain social assistance like allowance for sickness, old age and unemployment. Welfare state provides social services like health care, education etc. to its citizens without any distinction of status or class.

Penelope Hall defines welfare state as:

The distinguishing characteristic of the welfare state is the assumption by the community, acting through the state, of the responsibility for providing the means whereby all its members can reach minimum standard of health,


\(^{23}\) Skocpol, *op.cit.*, p.16.
economic security and civilized living, and can share according to their capacity in its social and cultural heritage.\textsuperscript{24}

The functioning of the welfare state has been determined by its historical process of origin. The term 'welfare state' was first coined in the 1930s, but not widely used until the early 1940s. It was in the late 1940s the term became popular in Britain. The origin of the British welfare state is usually traced to the Beveridge Report of 1942. We will talk about the famous Beveridge Report later in this chapter.

Before going into origin of the notion of welfare state, the statement of two writers needs to be quoted. One of them is D.L. Hobman who stated that:

\begin{quote}
The Welfare State is a compromise between the two extremes - communism on the one hand, and unbridled individualism on the other, and as such, in spite of all its imperfection, it sets a pattern for any humane and progressive society.\textsuperscript{25}
\end{quote}

This compromise formula came into existence in the event of radical emergence of communism and failure of liberalism to solve the miseries of the masses. The concept of welfare state emphasizes on the responsibility of a modern polity for promoting the economic and social good of its people by direct legislative and executive measures.\textsuperscript{26} In the west, the nation states despite having the potential for the promotion of the welfare of the masses remained apathetic to them for long. This was mainly due to the influence of \textit{laissez-faire} doctrine in the eighteenth century and the uncontrolled use of capitalism. It was thought that the government should concentrate on the minimum functions of securing life and property of individuals and of defending them against foreign aggression.\textsuperscript{27}

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\textsuperscript{24} Hall, M.P., \textit{The social services of modern England}, London, Rutledge and Kegan Paul Ltd., 1952, p.303. \\
\textsuperscript{27} Ibid., p.4.
\end{flushright}
During the 1830s England and France faced the consequences of industrialization. The rise in urban industrial proletariat; filthy working environment in factories and mines; industrial slums, low wages, rise of diseases like TB/Malaria/Plague and many such factors led to a change in thinking regarding the role of the state in the society. Liberalism and capitalism had to face challenges from new doctrines in the 1830s and 1840s. Utopian Socialism, Anarchism, Scientific Socialism or Marxism and Syndicalism emerged as the challenging doctrines for political action. The aim of these doctrines was to overthrow capitalism to be followed by the establishment of a stateless, socialist or communist order of society. These new systems were to be based on the economic principle of community ownership and equitable distribution of wealth and benefits.28

Some other doctrines, which were less extreme and more gradualist in its reform program, came to the fore front. These were more humanitarian in outlook seeking social justice within rule of law in a democratic state. The political doctrines, developed between 1815 and 1914, by Robert Owen, Fichte, Hegel, Thomas Hill Green, several French and German Social Democrats and some leading sociologists like Ward, Giddings, and Hobhouse, commonly held that the state should play the role of a positive instrument in eradicating the social evils, and promoting the collective good and happiness of all, including the workers, and the weaker and poorer sections of the community.29 These theories and the demands from the social reformers and revolutionaries combined to discredit the laissez faire theory of state being only the 'night watchman'.

28 Ibid., p.4.

All these legislations changed the face of the government and set the trend of welfare legislation to make the state a public welfare agency.\(^\text{30}\) The consequences of the First World War, such as the problems of reconstruction, inflation, mass unemployment, social misery and insecurity in Europe compelled the governments to adopt welfare policies. The Great Depression of 1929 made the state to adopt long term programmes and plans for socio-economic welfare of the people.\(^\text{31}\)

In England the efforts to check the factory system gave birth to the welfare state. But only the efforts to humanize the factory system and to liberalize the provisions of the Poor Law of 1834 were not enough. It seemed like tinkering with particular grievances.\(^\text{32}\) The workers who were enfranchised and well organized protested for substantive reform.

Many survey reports were published during this period. Among them the historic survey of Charles Booth’s *Life and Labour of the People in London* (1891), and B.S. Rowntree’s *Poverty: A study of Town Life* (1901) revealed the presence of poverty in a larger scale in the industrial society of England.\(^\text{33}\) In 1905, compelled by widespread unemployment, Britain undertook a comprehensive examination of the

\(^{30}\) Ibid., p.5.  
\(^{31}\) Ibid., p.7.  
\(^{33}\) Ibid.
administration of its poor laws. Subsequently the Royal Commission on poor laws and relief of distress was set up. This report proposed the abolition of Britain’s archaic poor laws and the substitution of a comprehensive programme of social insurance. This report prompted the government to sponsor the programme of unemployment and health insurance subsequently contained in the National Insurance Act of 1911. This legislation was prepared partly by William H. Beveridge, the chief architect of the welfare state in England. The famous Beveridge report of 1942 and the National Health Service and National Insurance Act of 1946 were the milestones in bringing substantial welfare measure by the government. 34

The Second World War brought about many political and economic consequences which compelled the governments in several European nations to adopt state planning, governmental measures for reconstruction and rehabilitation in order to build a better social order. At the same time the western democracies tried to preserve the best in their traditions, mainly the essential freedom of the individual in the state. 35

Sir William Beveridge in his famous report on Social Insurance and Allied Service, Published by the British Government in 1942, suggested a way out for this dilemma for democracies. Beveridge suggested that every welfare state should adopt several programmes in order to assure to its citizens a minimum standard of life. Beveridge said that a comprehensive programme should be taken up for social security against interruptions of earnings caused by unemployment, sickness, accident, or retirement through age. 36 He stressed on the need of a public policy of full employment to combat the evil of idleness.

34 Ibid., p.515.
35 Rath, op.cit., p.7.
36 Ibid. p.9.
Beveridge set forth three basic principles of welfare as part of the reconstruction policy of the British Government after the Second World War. They were:

- The first principle is that any proposals for the future, while they should use to the full the experience gathered in the past, should not be restricted by consideration of sectional interests established in the obtaining of that experience.
- The second principle is that organization of social insurance should be treated as one part only of comprehensive policy of social progress. Social insurance fully develop may provide income security; it is an attack upon want. But want is one only of five giants on the road of reconstruction and in some ways the easiest to attack. The others are disease, ignorance, squalor and idleness.
- The third principle is that social security must be achieved by cooperation between the state and the individual. The state should offer security for service and contribution. The state in organizing security should not stifle incentive, opportunity, and responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family.\(^{37}\)

A series of legislative Acts introduced between 1944 and 1948 form the basis for the British Welfare State. They include the Education Act (1944), the Family Allowance Act (1945), the National Insurance Act, the National Insurance (Industrial Injuries) Act and the National Health Services Act (all of 1946), and the Children Act and the National Assistance Act (1948).\(^{38}\)

\(^{38}\) Rath, *op.cit.*, p.10.
Welfare states come in many different shapes and forms. Esping Anderson\(^{39}\) distinguished between three types of welfare states. They include (i) liberal or "limited" welfare state (as in the USA and Australia) aim to provide little more than a "safety net" for those in need, (ii) Conservative or 'corporate' welfare state (as in Germany) provide a comprehensive range of services that depend heavily upon the 'paying-in' principle and link benefits closely to jobs, (iii) social democratic or 'Beveridge' welfare state (as traditionally existed in Sweden and the UK, modeled on the 1942 Beveridge Report), which incorporate a system of universal benefits and are based upon national insurance and full employment.\(^{40}\)

Welfare state has the formal and explicit responsibility for the basic well being of all its members. Welfare state adopts polices for the people particularly the disadvantaged section of the society. Poverty and dependence are no longer regarded as evidence of personal failure. Other then structural problems the failure of the government remains the main cause for poverty in large scale in the society. Hence welfare measures are not the charity that is provided by the government. It is the responsibility of the government to provide social security to the people and to ensure well being of them. It is the question of social justice. In this context Harry K. Girvetz writes,

Where the supply of labour nearly always exceeds demand and opportunity is unevenly distributed, it is held that the free market fails in a vast number of cases to proportion reward to merit. As the wealth created by modern industry increases it is contended that there is enough to assure everyone, including the physically and mentally handicapped, of adequate support without unfairly penalizing or impairing the initiative of the talented and enterprising. An income large enough to provide the basic necessities of the life in adequate measure is regarded as the right of every member of society. If anyone's income falls short, it should be implemented not as an act of charity but as an act of social justice.\(^{41}\)

\(^{39}\) Heywood, \textit{op.cit.}, p.152.
\(^{40}\) Ibid., p 152.
\(^{41}\) Girvetz, 1968, \textit{op cit.}, p.514.
Welfare state performs various functions. It adopts measures for improvement of income of the people. It expands the public services and passes labor and consumer legislations and also it adopts minimum wage legislation. Aids are provided to the poor, and disabled. Welfare state provides employment to the people in the line of right to work. The Welfare state ensures distribution of resources under its own auspices. Robert R. Friedmann writes,

The Welfare State is a fixture of all industrial societies. While its boundaries are amorphous and shifting, at the core are activities encompass programmes for economic security health, housing, education and social service. These activities represent a distribution of resources under the auspicious of the state. \(^{42}\)

A.R. Desai has underlined certain features of welfare state. Which include

(a) Welfare state is a positive state

(b) Welfare state is a democratic state

(c) Welfare state postulates a mixed economy or managed economy. \(^{43}\)

Desai further described these points stating that welfare state is not considered as a necessary evil but a desirable institution capable of promoting positive good. This presumption entirely negates the philosophy postulated by classical liberalism which considered the state as a necessary evil. The Welfare State possesses certain formal democratic mechanisms. Any other state providing range of services to all (like the former USSR, China etc.) are not considered as democratic for they did not have those democratic mechanisms available in the liberal state. Welfare state functions in liberal paradigm and capitalist mode of production prevails in the state. Yet it maintains social order through welfare measures undertaken by the state for the people. Public sector and private sectors run side by side in this type of state. The state adopts ‘mixed


economy' or 'managed economy'. The government plays an important role in the economic sphere. Side by side private players are allowed to operate as per the rules specified by the government. Sometimes this type of arrangement is considered as state capitalism, as the basic nature of capitalist mode of production remains the same and profit goes to the pocket of the propertied class of the society. Yet welfare state arrangement is justified by giving the argument that it is the agency of distribution in the society through positive interventions. It is considered as a neutral institutional arrangement for providing social service in modern times.

Lately welfare state is under attack from different quarters. It is said that there is a decline of modern welfare state in the recent times. But Friedmann opines that it is not declining, instead it is passing through a phase of transition.44

Some arguments have come forth that the welfare arrangement is economically damaging because welfare spending pushes up taxes and fuels inflation. The welfare state is accused of being inefficient because welfare is provided through monopolistic public bureaucracies that are not geared to the profit motive.45 The classical liberals argue that it amounts to legalized theft, and so it is unjust. It transfers resources from the prosperous to the lazy without their consent. These and many such other criticisms against the welfare state became stronger in the recent times as a consequence of globalization, economic liberalization and privatisation all over the world. The state is slowly withdrawing itself from the responsibilities of providing social services in the new era and the relevance of welfare state is under attack.

The arrangement of welfare state is questioned on various grounds so far its role in poverty alleviation is considered. Even the role of welfare state in providing equitable distribution and social service is looked with skepticism. If we analyze the welfare state in these lines we can come across different views in this regard. The first question comes to mind is why people still poor in welfare state. Despite the welfare state working for providing social security and services, people are still poor in most of the countries of the world. The persistence of poverty is not something that social protection alone could have ended. There are issues that welfare systems do not address. The welfare state does not prevent people from being disadvantaged in the labor market. It does not end inequality. Welfare systems do not guarantee full employment or stable income. There are limits to what we should expect. The welfare state is not designed for the poor; it was designed to stop people becoming poor. Poverty can not be eradicated only by providing social security or some or other packages. It requires multi-prong strategies to deal with poverty. Disusing about the Poor Law in England Paul Spicker writes in this regard,

The great debilitating myth afflicting all discussions of the welfare state is that welfare is for the poor. The welfare state was never designed for the poor. It was designed to stop people becoming poor, which is very different. The Poor Law, the system that the welfare state replaced, had been designed for the poor, and it was widely hated. Benefits confined to the poor cannot prevent poverty - because people have to become poor before they can claim them. One still sometimes hears the comment that people on benefit have cars and satellite receivers, as if this was somehow disgraceful. The question is whether they should be forced to sell their car or satellite dish before they can receive benefit, which was the rule under the poor law.46

The systems which target the poor are most of the time poor system. These are marked with weak organizational support and faulty policy formulations. The target is misled by faulty enlisting of beneficiaries. Many non poor are benefited in these programs for this reason. Welfare fraud becomes rampant in the implementation

process. The process of assisting the poor is manipulated for personal benefit of the authorities who are responsible for implementing them.

In respect to globalization and the welfare state, there exist some other view points as well. It is argued that globalization steps in when welfare state fails. And welfare state steps where market fails. Philipp Genschel states that basically there exist three stories about the globalization-welfare state nexus. He writes,.

The first story argues that globalization is the cause of the chronic crisis of the welfare state. As national economies open to the international market, governments are forced to adapt to the imperatives of global competition, and this means cutting cost-intensive welfare programs. The second story argues that whatever the cause of the welfare state crisis, globalization is not part of it. There is neither theoretical reason nor empirical evidence to believe that national policy autonomy has decreased owing to increasing economic interdependencies. The third story holds that globalization, far from causing the welfare state’s troubles, is a consequence of these troubles, and part of their solution. 47

The above generalizations, in part, may be true to an extent in different countries at a particular phase of the economic development process of a country. But the overall trend in the developing countries after globalization has witnessed the process of privatization and social retrenchment. The government is slowly withdrawing itself from providing service to the people. The citizens are forced to turn as the buyers of the services from the market. The private companies after gaining access to different key sectors are busy in maximizing their profits. Even substantial employment opportunities are not created by globalization as advocated by its supporters. On the other hand unemployment problem has become very severe in the society. To get a clear picture in this regard let’s analyze the process of globalization and its impact on welfare state. It will help to understand the nature of state-poor relationship in the new era of economic liberalization.

Globalization, Welfare State and Poverty

The term globalization itself has no precise meaning, but for our present purpose which is related to poverty eradication, it may be defined as the growing dominance of market principles in the organization of international and national economies, the inter-state penetration of trade and investments, the liberalization of economies through privatization, the removal of national restrictions on imports and exports, and the freeing of financial markets and movements of capital. Undoubtedly, globalization has brought about increasing cultural and information exchanges, networks of governmental and non-governmental organizations, a growing sense of inter-dependence, the spread of the concept and elaborations of human rights, international collaboration in dealing with global problems, and so on. But these developments - even when they seek to cushion the impact of globalization - are shaped and dominated by world economic processes.

Inequality and poverty long preceded what is today termed ‘globalization’; and the causes of poverty cannot be solely attributed to it. But the momentum that the phenomenon has gathered; the sheer force of the interests that are driving it; its pervasive influence over international and national economies, politics, and societies in the last twenty or more years and the extent of populations that are experiencing its negative effects; have inextricably associated globalization with the exacerbation of poverty which is pushing unheeded millions into a downward spiral of poverty.

The ideology of globalization is rooted securely in market liberalism, the celebration of the virtues of private economy and critiques of state management of, or interventions in, the economy. This ideology argues that a country can maximize the welfare of its people only if it integrates in the global economy. In so far as the
ideology of globalization concerns itself with rights, it privileges certain civil and political rights which are deemed essential to the operation of national and international capitalism, such as the increasing scope, clearer elaboration and protection of private property, the strict enforcement of commercial contracts, the independence of the judiciary, and the rule of law. It requires an active role for the state only to create and enforce laws, institutions and policies in order to promote favorable conditions for global capitalism. But the ideology is against specific state interventions for the protection of economic and social rights, such as those that aim at redressing social injustices through affirmative policies and other redistributive mechanisms or protecting the domestic economy against the ravages of external forces.

This ideological orientation has been used to justify the termination of policies which have hitherto sustained a measure of social cohesion through assistance to the disadvantaged and promoted a minimum degree of access to education and health services. It is often argued that the harm caused by the market’s failure to guarantee people’s well-being is less severe than that caused by the government’s failure to uphold rights. The tragedy of bad governance should not be ignored. However, the existence of irresponsible duty-holders is no reason to submit democracy and rights to the domination of an unaccountable market.

The State and the Market

The first asymmetry concerns the relationship between the state and the market. The irony of ‘free’ markets is that they are not free. They are created and sustained by political intervention - whether voluntary or induced. Many of the conditionality imposed on states in the name of Structural Adjustment Programmes (SAPs), are aimed at ‘globalizing’ national economies through opening them to
foreign investment and trade. Free markets require political clout to penetrate new areas and to flourish in them. For this, commercial interests rely on the coercive powers of their affluent and powerful home regimes and the international arrangements such as the WTO and North Atlantic Free Trade Association (NAFTA) that now govern trade. Very few developing countries have enough clout to gain their home industries a foothold in developed markets. Globalization does not work evenly-handedly for all commercial interests. This is especially so, as the protected markets of developed countries belie their free market rhetoric.

At the same time the state is weakened by the imperatives and influence of multinational corporations. Privatization and liberalization, as conditions of SAPs, have produced a more ‘autonomous’ market system by decreasing the scope of the powers of the state and generating an equivalent increase in those of the private sector. Corporations have acquired enormous powers to negotiate with governments on the terms of their investment and operation, and great capacity to affect fundamental decisions on social, economic and political policies of states. The conditions of global competitiveness give great leverage to corporations over public policies and practices. Because corporations are free to move around the globe unhindered, states compete for investments by, for example, lowering taxes, removing regulations over business, lowering environmental standards, and restraining workers’ organizations. The consequent loss of revenue to the state means that it has ever less resources to spend on poverty alleviation. In many states welfare - where not abolished - has been privatized and numerous key state functions have been transferred to the corporate sector.
Democracy has also been weakened by this shift of power from the state to corporations, and other global institutions. As policies are frequently imposed on states, either explicitly as conditionalities or effectively as the logic of global markets, states are forced into the role of agents of international capital and often end up acting against the very wishes of their own citizens. Indeed, global capitalists often rely on a nation state’s coercion of its citizens to ensure that their interests are protected. The locus of the exercise of sovereignty or self-determination is no longer solely the state. This weakens the ability of citizens to hold states accountable, as they no longer have the capacity to respond fully to the demands of citizens, whose lives are ever more affected by the policies of non-state actors.

In the era of globalization the welfare state is coming under heavy pressure from international donor agencies to abandon many of the welfare measures. Welfare is considered as a burden on the shoulder of the government. The liberalization of economic policy and subsequent privatization of the public sector has made the government to roll back form the market. The government is in search of ways to reduce its expenditure. Ultimately it is the welfare measures which are being selected for this purpose.

**India as an Welfare State**

With the emergence of the concept of welfare state, the modern states have taken upon themselves the obligation to promote the material prosperity of their citizens. The states are formulating policies to eradicate artificial economic inequalities and guaranteeing social justice for all. The moral obligation in this regard has been designated in the “Directive Principles of State Policy” in the Indian Constitution and has been enumerated in Part IV of the Constitution.48

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The assumptions and programs of the modern welfare state were implicit in the economic and social objectives of the Indian national congress party which led the nationalist movement for freedom. The Indian national congress party interpreted the goal of ‘swaraj’ as a means to the welfare of the masses in the country. The Karachi Congress Resolution on Fundamental Rights and Economic Programme, modified by All India Congress Committee in its meeting at Bombay, August 6-8, 1931, called for a Constitution of free India in which the state should provide to the people—

(i) free and compulsory primary education
(ii) organization of economic life in conformity with social justice
(iii) labor welfare
(iv) reforms in land tenure, revenue and rent systems for the welfare of agricultural class
(v) public transport, waterways, shipping and other means of public transport.

All these were to be achieved in a democratic system of government guaranteeing fundamental freedoms of association, peaceful assembly, religion and conscience and other civil liberties.49

The Constituent Assembly of India met in December 1946. It had a task of framing a constitution for a democratic polity which would respect the fundamental rights of citizens and promote their welfare by performing certain obligations of the modern welfare state. In the Constituent Assembly the suggestions of B.N. Rau, the constitutional adviser, proved valuable. As per the model of the Irish constitution, B.N. Rau’s plan made a distinction between two broad classes of rights (i) fundamental Principles of State Policy for welfare which were guaranteed only so far

as state action was practicable, and (ii) Fundamental Rights of citizens which were enforceable by legal action.

Rau’s draft set forth that the state shall as far as possible secure to each citizen

(i) the right to work

(ii) the right to education

(iii) the right to maintenance in old age and during sickness, on loss of capacity to work

(iv) right to rest and leisure

(v) adequate medical care provided for welfare of the weaker sections of the community, the scheduled castes, aboriginal tribes and others exposed to social injustice and exploitation by others.  

B.N. Rau’s idea of incorporating the non-justiciable rights in the constitution was criticized in the Constituent Assembly Sub-Committee on Fundamental Rights. Initially these rights were named as Fundamental Principles of State Policy whose application was not cognizable by any court. These principles were criticized by K.M.Munshi, Alladi Krishnaswami Ayyar, B.R.Ambedkar and K.T.Shah. Munshi, Ambedkar, and Shah’s idea in this regard was to make these principles justiciable. They did not like these principles to be just suggestions for the government. But in the end they supported them in the belief that half a loaf was better than none.  

These experts recognized that it was not practicable to categorise constitutional declaration of social and economic policies as justifiable rights.

During the debate in the Constituent Assembly, P.S. Deshmukh criticized the non-justiciable directives as mere platitudes and pious wishes. Kazi Syed

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Kartimuddin and H.V. Kamath moved amendments seeking to delete the term ‘Directive’ and inset the term ‘Fundamental’. B.R. Ambedkar, Chairman of the Drafting Committee rejected these amendments and denied that the Directive Principles were mere pious declarations. He said,

If the word ‘directive’ is omitted, I am afraid the intention of Constituent Assembly in enacting this part will fail in its purpose. Surely, as some have said, it is not the intention to introduce in this part these principles as mere pious declaration. It is the intention of the Assembly that in future both the legislature and the Executive should not merely pay lip service to these principles enacted in this part but that they should be made the basis of all executive and legislative action that may be taken hereafter in the matter of governance of the country.\(^{53}\)

The constitution of India conceived the state as power for positive good, for the welfare of the Indian people. The Indian state was to essentially be a welfare state. In this regard B.R. Ambedkar explained to the Constituent Assembly on November 19, 1948,

We do not want merely to lay down a mechanism to enable people to come and capture power. The Constitution also wishes to lay down an ideal before those who would be forming the Government...it is, therefore, no use saying that the directive principles have no value. In my judgment, the directive principles have a great value; for they lay down that our ideal is economic democracy. Because we did not want merely a Parliamentary form of Government to be instituted through the various mechanisms provided in the Constitution, without any direction as to what our economic ideal, as to what our social order ought to be, we deliberately included the Directive Principles in our Constitution. I think if the friends who are agitated over their question bear in mind what I have said just now that our objective in framing this Constitution is really twofold: (i) to lay down the form of political democracy, and (ii) to lay down that every government whatever, it is in power, shall strive to bring about economic democracy, much of the misunderstanding under which most members are laboring will disappear.\(^{54}\)

The Directive Principles as settled in the Constituent Assembly and laid down in Part IV (article 36-51) of the constitution required the Government of India and the state governments to promote some essential principles of welfare. These principles can be categorized into three broad categories (i) socialistic principles (ii) Gandhian

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\(^{54}\) *Constituent Assembly Debates* (Reprinted by Lok Sabha Secretariat, New Delhi), Vol. VII, pp.494-495.
principles, and (iii) liberal principles. The central and state governments are directed to ensure the implementation of these policies. As these principles are not justifiable, all depends completely on the government whether to implement them or not. The government is not responsible or accountable in this regard. K.C. Wheare has doubted whether there is any gain, on balance, from introducing these paragraphs of generalities into a Constitution.\textsuperscript{55} But Austin has taken a positive and hopeful stand in this regard. He stated that Directive Principles have been a guide for the Union Parliament and state legislatures; they have been cited by the courts to support decisions; governmental bodies have been guided by their provisions. The Government of India Fiscal Commission of 1949, for example, recognized that its recommendations should be guided by the principles.\textsuperscript{56}

The directive Principles are important because they give us an indication of what the Constituent Assembly intended Indian state to be. By implementing these principles through legislation and through executive measures, the state in India is required by the Constitution to promote, both directly and indirectly the common good of the Indian people. To understand the state action properly we need to analyse the important approaches to the Indian state.

**Liberal Approach to the Indian State**

The liberal modernist approach to the Indian state looks at the state of India on the basis of the theoretical understanding of the analysis of the western states. The reference to the west and the framework of Indian state in the similar line considers Indian state autonomous of societal forces and capable of reproducing the same type of development as in the west. The writings of Morris Jones, Gunnar Myrdal, Rajni

\textsuperscript{55} Wheare, K.C., Modern Constitutions, London, Oxford University Press, reprinting of 1958, p.69.

\textsuperscript{56} Ibid., p.114.
Kothari and others fall in this category. They look at Indian state from the liberal perspective. Kothari did not challenge the European model for understanding the state. Instead he posited an alternative path to the same destination. He stated that the dominant centre through planning and democratic politics would bring an incremental revolution. The writers of the liberal paradigm focused on some key features of the Indian state. Myrdal terms the Indian state as a soft state. This is because of its incapacity to formulate policies and its inability to implement the formulated policies. The next feature focused by these writers is about centralization of power. Due to the centralization of power by the state, democracy is in danger. Another feature highlighted by these writers is about violence and the response of the state towards it. The state has not been able to handle violence and unrest. Atul Kohli terms this as a crisis of governability. Another notable point made in liberal perspective is about the development process in India. The state has been inefficient in handling the development process that has resulted in concentration of wealth and power in the hands of the privileged sections. The development process undertaken has marginalized the majority of the population. Lastly, there has been a general institutional decay in the state apparatus eroding its autonomy seriously.

The liberal paradigm on the Indian state gives emphasis on the primacy and independence of the political processes while studying the nature of the Indian state. The liberal writers like Kothari and others do not view the Indian state as capitalist. Instead these writers examine the role of Indian state in the process of capitalist development. They contend that opposite tendencies have been present in respect of the relationship between state and capitalism.
Contrary to the European experiment wherein the bourgeoisie captured the state and pursued capitalist development, the third world states have emerged as independent entities and their role has been perceived as the agent of accumulation, distribution and development. This puts the third world states like India totally in contrasts to the western developed states. Though later writers like Kothari admitted that the autonomy of the state has been eroded in this mission and business interests increasingly dominated and control the state. In this way large section of population is excluded from the purview of the state. Kothari acknowledged that neo-rich interests have eroded the Indian state’s autonomy since 1970s.57

**Marxist Approach to the Indian State**

The Marxist approach to the Indian state on the other hand focused on the linkages between the operation of public power and dominant interests in the society to explain the nature of the Indian state. Its overemphasis on economic determinism as shaping state power was corrected by the Gramscian resurgence that brought the concept of relative autonomy of the state.58 Hamza Alavi and Pranab Bardhan’s work form the main expression of this approach. Rudolph’s reflected on the autonomy and reflexivity of the Indian state and public power. Their work falls under the eclectic approach that signifies a study that is not based on any ideological position. They characterized the Indian state as a ‘rich-poor economy’ with a ‘weak- strong’ state.

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58 The ‘relative autonomy’ concept, stated by Gramsci and reflected upon other Marxists, sought to correct the extremity of Marxism, that economic power determines political power. Relative autonomy emphasized that the state at times is able to function above the control of the dominant class. And it rises above the specific interests to function in an autonomous manner, towards certain general good. State thus is not fully captured or public power at times can act independent of economic power.
The Marxist approach takes note of the relationship of the state with the ongoing social processes of production and transformation. Marxists seek to address the nature and character of the Indian state as well as the relationship of the classes to the state within the dynamics and contradictions of capitalism.59

Then what is the class character of the state? Is it a multi class state or a single class state? The Marxist tradition differs on this. The communist party of India (CPI) observes that the state in India is the organ of the class rule of the national bourgeoisie as a whole, in which the big bourgeoisie holds powerful influence. This class has strong links with the landlords. This class is increasingly collaborating with the foreign finance capital, in pursuit of a capitalist path of development. The communist party of India (Marxist-Leninist) states that the Indian state is the state of the big landlords and comprador-bureaucrat capitalism. The government is falling prey to the imperialist economic policies of the US. The Revolutionary socialist party (RSP) posits the Indian bourgeoisie as the ruling class. Indian state and government is basically nothing other than a bourgeoisie or capitalist state.60

These views make it clear that the state in India is not neutral; secondly, the state represents and thus promotes certain dominant interests. Therefore state policy and state led development strategies are nothing but extension of the ruling class interest. As Marx stated that in all forms of society there is one specific kind of production which predominates over the rest. It is a general illumination which bathes all the other colors and modifies their particularity. It is particular ether which determines the specific

gravity of every being which has materialized within it. Writers like Buddhadev Bhattacharya observe that the Indian state that emerged after independence reflected and protected the interests of private capital, in whose interests the state policies were made and implemented. Indian state is thus essentially a capitalist state.

Explaining the basic understanding of liberal and Marxist understanding of the state Prof. Ghanashayam Shah states that the liberals view the state as somewhat neutral or relatively independent of the conflicting interests in the society. The state is, therefore, characterized as modern or developing. On the other hand the Marxists view the Indian state as representing and protecting the interests of the propertied classes. They characterized the Indian state as a capitalist state. Marxist thought regards the Indian state a class state safeguarding the interests of the exploiting capitalist classes.

Any serious explanation of the state in India, therefore must locate the nature of state within the socio-historical context, the paradigm of state intervention and the shifts in state strategy. The question is how can a state which is privileging the dominant interests maintain its aura of class neutrality? How is that a state is serving the interests of the capitalist be based on a founding stone called socialism, institutionalized in its constitution? How that is the state is able to address the issues of social welfare, justice, equality, protective discrimination that usually go against the interests of the capitalists?

The answer lies in the concept of relative autonomy which explains the phenomena specific to a third world state like India. Pranab Bardhan stresses this

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61 Ibid., p.137.
62 Ibid., pp.137-139.
when he states that the Indian state is able to shape class alignments and interests by maintaining an autonomous sphere. According to him,

Society centered theories of Marxists as well as liberal pluralists have managed to keep our eyes averted from what Skocpol calls the explanatory centrality of states as potent and autonomous actors. 64

This autonomy-potentiality therefore prohibits the characterization of Indian state solely as a single class state or capitalist state for it would be a sweeping generalization that would go against the welfare and developmental role of the state. This role of the Indian state has benefited both the rich and poor though the latter were always way behind the former. Classes are constantly evolving and class interests too keep changing and align vertically and horizontally based on the emerging context. The role of the state is needed to be seen accordingly.

**Eclectic Models of Indian State**

Other than the earlier analyzed perspectives on Indian state, some other models can also be brought to understand the state process in India. These models are mainly eclectic to a larger extend if not fully.

**The Rent-Seeking State**

The theory conceptualizing the rent-seeking state explains that the state is conceived as the sum of all individual government officials and politicians and that all these people in public office are rational optimizers, they need votes and public support. They try to maximize their income. They distribute resources to their supporters. These resources include subsidies, jobs, loans, food, contracts and many

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other things. They appropriate monopoly rents arising from trading in government licenses and other rights and facilities they are in charge of.

Poor governmental performance can be explained from this perspective. Government officials respond to incentives and disincentives. They don’t undertake policies that would weaken their power base. They make deals that keep them in power and maintain the revenues, votes or whatever underlies their power. This way incumbents of public posts can not be expected to do anything that is not (also) in their own interests.  

There is competitive rent-seeking in India. Sometimes this competition is legal. But in other instances rent-seeking takes illegal forms, such as bribery, corruption, smuggling and black marketeering.

According to Robert Wade, both civil servants and politicians are regarded as individual optimizers. Officers aim to “maximize revenue and minimize complaints”. Politicians are to large extent independent entrepreneurs who have to find their own funds and buy their own support.  There is competition for desirable posts among officials. People are willing to pay large sums for them, sometimes up to forty times their yearly salary.

Politicians are always in need of money, because they need to buy party ticket to be a candidate in the next election or otherwise to satisfy their political supporters. So, money extraction from contractors or via transfers is essential for them in order to

67 Ibid.
maintain their power base. According to Wade this corruption transfer system is one of the important reasons why the Indian state is not better at development. 68

Decline of the Political System

A set of literature focuses on the nature of Indian democracy and political system being in a crisis. This literature makes reference to the dominant party system. A “dominant party system” is a multi party system with free elections, which is dominated by one political party. 69

This dominant party system or congress system lasted till 1967 when the Congress party lost power in several states. Unlike the earlier generation of politicians who participated in the freedom movement, the new generations of politicians are engaged in manipulation, corruption and criminal activities. Politics is considered as a profitable business.

In the later period politicians have become “political contractors” who are willing to go to any length to dragon votes, systematically replacing discursive techniques with money and subtle forms of coercion. 70 In course of time political ideology became less important. Political leaders and parties have begun to indulge in populist politics. They make large promises, present themselves as representatives of the poor, and claim that the fate of the deprived and destitute lies safely in their

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68 Ibid.
70 Kaviraj, Ibid.
personal hands and in those of the party they represent. In the words of Paul R. Brass there is “a grave systemic crisis” in progress.

**State Professionals as Proprietary Class**

Pranab Bardhan gave the idea of state professionals - bureaucrats and technocrats- as a proprietary class. According to Bardhan there are three dominant proprietary classes in India. They include (1) the industrial capitalists, (2) the rich land owners and (3) the professional (both civilian and military, including the white collar workers in the public sector).

The processional class holds the state in its possession. The state is used as its private property; it is its material base. These three dominate proprietary classes form a dominant coalition together. Bardhan says that the conflicts between these three classes have serious repercussions on the fortunes of economic growth and of the democratic polity.

The industrial capitalist class supported the government policy of encouraging import-substituting industrialization, quantitative trade restrictions providing automatically protected domestic markets. This class was benefited out of the government policies. The richer industrialists, having better connections and better access, got away with the lion’s share in the bureaucratic allocations of the licenses during the license and permit Raj.

On the other hand the rich land owner exploited the land less laborers and the poor peasants. The exploited poor peasants and agricultural wage laborers remained

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73 Bardhan, Pranab, *The political economy of development in India*, Delhi, Oxford University Press, 1984, p.47.
unorganized and often locked into dyadic and clientelist relationships with the rich farmers, their employer-creditors, and from being a class for itself.  

The powerful bureaucratic class has substantial power to appropriate state benefits. They earned a lot during the license and permit Raj. The bureaucracy has also its caste dimension. Brahmins and other upper castes are disproportionately represented among the administrators, engineers, educators etc. The proprietary classes of India take maximum benefit out of the programmes of the government.

The Developmental State

The idea of India as a developmental state is based on the process of development planning adopted in India. Although much of the literature is critical of the achievements of planning, yet the main emphasis of the argument is not anti-state or anti-planning. It is stated that the real challenge is to make planning more effective. After independence it was thought by the political elite that planning was the best way to overcome structural constraints to development and to transform Indian society into modern one. Recently Dreze and Sen and some other authors provided a critical evaluation of the Indian state. They showed some faith in the possibility of the developmental state.  

These authors argue that the state should withdraw from the economic sphere and expand its activities in the social sphere. The outcomes of state actions depend so much on the nature of political mobilization and the formation of public opinion. In this way, the intelligentsia, the media, opposition parties can play very important role for making the state more developmental.

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74 Ibid.
In contemporary policy debates the role of 'good governance' or 'democratic governance' in promoting economic and social development, has been emphasized. The World Bank highlights the importance of a functioning democratic institutional and procedural framework for facilitating and supporting effective development management. India is adopting many policies in this line. This shows the developmental nature of the Indian state. These models help us to understand the content of public policies and their implementation at local level.

**Politics and the Poor in India**

In the initial periods after independence socialistic pattern of society was highlighted in the political rhetoric of the Indian National Congress to reach to the masses. The poor value the newly independent state with great hope. A very important statement in the first Five Year Plan was as follows,

> The elimination of poverty can not, obviously, be achieved merely by redistributing existing wealth! Nor can a programme aimed only at increasing production remove existing inequalities. The two need to be considered together.... The problem is not one of merely rechannelizing economic activity within the existing socio-economic framework. That framework has itself to be molded so as to enable it to accommodate progressively those fundamental urges which express themselves in the right to work, the right to adequate incomes, the right to education and a measure of insurance against sickness, old age and other disabilities.\(^{76}\)

This statement accepts the strategy of accommodating the basic needs of human life and to go beyond income poverty, to fight against poverty. Poverty remained the major problem as well as policy areas in Indian political economy. Nehru saw socialism as an ideal state arrangement, state goal and policy. Stanley Wolpert states about Nehru as:

He aimed at a system whereby the earth and its fruits will be exploited for the benefit of all the members of the community, in proportion to the services they render to it and not according to the accident of property ownership. On all other counts, in a more Marxian sense, nationalization of the means of production and distribution was the choice of Nehru, found reflected in the centrality of state that personified the public.\footnote{Wolpert, Stanley, Nehru: A Tryst with Destiny, New York, Oxford University Press, 1996, pp.197-198.}

The task that Nehru undertook for Indian state was a formidable one. It was the simultaneous pursuit of national integration, democracy, economic development and social justice. As B.R. Nanda states, \footnote{Nanda, B.R., Jawaharlal Nehru: Rebel and Statesman, Delhi, Oxford University Press, 1995, pp.299-301.}

> Few western states achieved this synthesis but over a long process of historical evolution. That this was sought by the Indian state in a much shorter period points to the significance of the whole project, the efforts and ideology that visualized the state to be the executer of this task.\footnote{Khan, Rasheedudin, ‘The total state: the concept and its manifestation in the Indian state political system’, in Hasan, Khan, Jha (ed), op.cit, p.51.}

Public sector under the state was designed to take charge of the core sectors of the economy. It was to provide the foundations, in terms of infrastructure, towards supporting the goal of development and modernization, in which the private sector was given space in specific areas though under the control of the state. The role and scope of public sector as stated in industrial policy resolution of 1956 was regarding the adoption of socialistic pattern of society as well as the need for planned and rapid development requires that all industries of basic and strategic importance or in the nature of public utility service should be in the public sector.\footnote{Khan, Rasheedudin, ‘The total state: the concept and its manifestation in the Indian state political system’, in Hasan, Khan, Jha (ed), op.cit, p.51.}

In the 1970s the then Prime Minister of India Indira Gandhi gave the slogan of “Garibi hatao” or “alleviate poverty”. But it was observed that Indira Gandhi could not have much success in alleviating poverty in India. There remains a gap between rhetoric and the reality primarily in the third world countries. Effective state intervention in favour of the poor is required to be accompanied with organizational
support as well as social base of the party. Well organized party with commitment to bring reforms is required to implement radical reforms. Other wise it is not possible to bring radical changes in the society. The failure of Indira Gandhi to implement land reforms programme could not bring any respite for the rural poor in India. Indira Gandhi won sizable electoral majorities and she had tremendous personal control over political decisions. Yet she could not bring land reforms. Analyzing the reasons behind this failure, Atul Kohli argues that it is very difficult to restructure social relations in a manner that would benefit the weak at the expense of the socially powerful. As those who own land are often powerful the bureaucracy is seldom efficacious enough to fight them on the behalf of the weak. More likely it happens that the lower level bureaucracy and the rural elites establish cozy working relationships and redistributive laws are not implemented. Kohli writes:

If such reforms are to be implemented, what is needed instead is much more of a political intervention, one that can simultaneously strengthen the weak by organizing them, and utilize politicized implementing agents, usually party cadres that more readily respond to the decisions of rules than bureaucrats.

In the 1980s targeted poverty alleviation programmes were started to channelise the limited resources to the needy section of the society. Loan assistance was provided to the selected beneficiaries with high amount of subsidies for self-employment. The block development office along with its village level functionaries and the banks played a major role in identifying the beneficiaries and providing the money and asset to the poor. Recently economic liberalization was pursued in India and privatization took the front seat. The economy became more and more market oriented. To help that section, which is left out in the process of economic

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81 Ibid.
liberalization, different programmes were started by the government. The people below poverty line were identified by the government adopting new indicators and special assistance such as subsidized food grain etc. was provided. International assistance also started coming for anti-poverty programmes.

The idea of human poverty (beyond income poverty) was given emphasis both by the international agencies and the government of India. There was a need for making best use of the wrongly channelised government assistance and to rechannelised them into the development of infrastructure, health and elementary education. This way India can bring reform in the effectiveness and objective of spending money on health, education and other poverty alleviation programmes. 82

In the report prepared by the World Bank in 1998 entitled “Reducing poverty in India- options for more effective public services” it is stated that being poor in India means the absence of good health and such required capability which helps to utilize the economic opportunities created by the process of development. 83 The report says that poverty alleviation can be more effective if the expenditure of the government would be targeted towards primary education, controlling communicable diseases, providing drinking water, sanitation and reducing insecurity in the family through government programmes. 84 Quality education is too much important for poverty alleviation. In this context the idea of K. Venkatasubramanian (Member, Planning Commission) is notable. He writes,

Dropping out of school because of poverty virtually guarantees perpetuation of the poverty cycle since the income-earning potential of the child is reduced, not to mention overall productivity, receptivity to change, and capacity to improve quality of life. Lack of education perpetuates poverty.

83 Ibid.
84 Ibid.
and poverty constrains access to schooling. Eliminating poverty requires providing access to quality education.\textsuperscript{85}

This shows that emphasis is being given on capacity building of the poor for successfully fighting against poverty. It is very much clear from the above discussions that politics determines the approach and implementation of the policies. For effective implementation of poverty alleviation polices there is the need of sound policies and efficient and committed institutional arrangements in this regard. Atul Kohli writes that implementation of such programmes are influenced by the leadership, ideology and organization.\textsuperscript{86} He says that redistributive policies can be best implemented in a left-of-centre regime. The effective implementation of the policies not only requires the setting up of an administrative office but also committed officials are required. Above all the policies must be formed honestly to achieve the required target easily. Otherwise faulty policies prepared with certain vested interest may add to the duplication of earlier policies and will not serve the required purpose. It will only continue to make people believe that the government is trying its best but without any fruitful results. Even this is explicit in the data regarding poverty provided by the government. The government reports always try to show a bright picture of its programmes and their performance. In extreme cases like starvation deaths the government reports try to attribute the cause of death to some diseases. The figures regarding poverty in official records do not tell the full story. Hence the reality is always needed to be verified.

\textsuperscript{85} Venkatasubramanian, K., 'Education and Poverty', \textit{The Hindu}, 4 December 2001, New Delhi, Editorial page.
\textsuperscript{86} Kohli, 1987, \textit{op. cit.}, p.11.
Conclusion

The analysis in this chapter about the state, politics and the poor in India gives us the understanding that it is the nature of the state and politics that is the most important factor in determining the priorities for poverty alleviation. The intervention of the state in favor of the poor is constrained by the interests at stake. The autonomy of the state determines the success of the intervention. Sen and Dreze have clearly argued that public action is an important step towards dealing with poverty in a democratic country. It remains to see how far public action is effective in the face of unrestrained privatization where welfare is considered as a dirty word and the state is rolling back from the market to give way to the private players and global capital.

87 Dreze and Sen, 1995, op.cit.