

# Dissonance between Economic Reforms and Democracy

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The story of recent electoral democracy in India is one of a paradox. Most political parties affirm the necessity of economic reforms. Yet, this affirmation belies support for the same among large sections of the populace, particularly the poor. Even more paradoxical is the fact that political parties, despite their emphasis on policies related to the economy in their respective manifestos, tend to rely on identity issues for mobilisation. This article tries to explain the reasons for this puzzle.

There are two parts to the post-Soviet neoliberal and neo-conservative political theory. One of them is the assertion that there are no external challenges left either to free market or to liberal democracy. This part is widely recognised and, even though grudgingly, its claim also widely accepted. The other part is an assumption, not too explicitly stated and therefore not so frequently recognised. The assumption is that there is no internal tension between free market economy and liberal democracy. The two are in fact assumed to be not merely compatible but also complementary.

So powerful and pervasive has been its propagation that the last two decades have witnessed a near universal acceptance of this belief. The result is that the promotion of free market and liberal democracy are unproblematically tied together. No less significantly, the political class in India, regardless of its party composition, has equally been keen on emphasising that economic reforms in India have been closely tied to a consistent practice of democracy.

India's twin success story is hailed, at home and abroad, especially because very few post-colonial societies including the affluent ones have been able to dodge the pitfalls of "non-party, plebiscitary democracy and strong executive leadership grounded in populism".<sup>1</sup> The admiration is laced with a sense of amazement as India still lacks almost all the ingredients that are supposed to make democracy a success. Democracy in India qualifies to be "an ideal case for testing democratic theories"<sup>2</sup> for it "is a phenomenon that, by most accounts, should not have existed, flourished or indeed, long endured".<sup>3</sup>

Against the grain of such celebration, however, many perceptive commentators have been issuing warnings that democracy is being viewed and judged primarily in its minimalist form, encompassing nothing but a multiparty system, regularly held elections, and peaceful transfer of power. Khilnani, for example, points out that "the meaning of democracy has been menacingly narrowed to signify only elections".<sup>4</sup>

This paper makes an attempt to underline the limits of minimalist form of democracy in the Indian context by visiting its electoral politics since the initiation of neoliberal economic reforms and taking note of the marked dissonance between the two.

## Assertion of the Marginal?

A running theme in most studies of electoral politics in recent India is the phenomena designated as "democratic upsurge".<sup>5</sup> It refers to the mobilisation and politicisation of those social groups, which had for long remained politically dormant. These

This is a revised and updated version of an article originally presented at the conference on 'Political Regimes, Economic Reforms, and Policy Processes in Indian States' on March 20-22, 2006, organised by the Centre for Economic and Social Studies, Hyderabad as part of the Governance and Policy Spaces Project. Comments from Bishnu Mohapatra and Jos Mooij were helpful. Bhupinder Brar, Ashutosh Varshney, Rammanohar Reddy, Kailash K K and Janaki Srinivasan read the earlier drafts and offered incisive comments. The author thanks them all.

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groups were either economically poor or were identity groups, which had been historically disadvantaged. Election studies have consistently showed that in the recent decades the turnout of these marginal sections has been higher than the average turnout. This increased turnout is taken as an indication of political involvement and participation, leading to vast expansion in the proportion of active citizens, which, in turn, has caused unprecedented volatility of the electoral outcomes, forcing political parties to seek new forms of political alignments and support.

The general conclusion of these studies is that this volatility is good for democracy because it reflects increasing empowerment of the poor and the marginal. How valid is such a claim? In order to answer this question, we need to consider four facts that veer around the ongoing process of economic reforms and underline their implications.

The first fact is that economic reforms have had no support among the poor and the marginal. In the large-scale National Election Study (NES) undertaken by the Centre for the Study of Developing Societies (CSDS) of parliamentary elections since 1996,<sup>6</sup> the electorate were repeatedly asked three different questions aimed at (a) determining the level of awareness about the economic reforms among the voters coming from different sections of the society; (b) their opinion on the entry of the foreign companies in India; and (c) their views on the privatisation of existing government companies/public sector units.

### Low Awareness

The data revealed that awareness about the economic reforms was abysmally low among the electorate even after a decade and more of their initiation. If only 19 per cent of the respondents reported to have some idea of economic reforms in 1996, it was 26 per cent in 1998. Among those who were aware of the reforms, the percentage of the dalits and adivasis was much lower than that of other caste groups. Among the respondents, only 13 per cent of dalits and 6 per cent of adivasis had awareness about the reforms in 1996 survey. The figures were 20 and 17 respectively, in 1998.

A large segment of the Indian electorate had a negative perception of the ongoing economic reform process. The NES of 2004 found that 44 per cent of the respondents, cutting across class, caste and party lines, were of the opinion that the rich had benefited from the reforms whereas the poor had become poorer. The upper caste respondents were split nearly equally on the question but a very large portion of the respondents from the poor and peripheral groups viewed reforms as beneficiary only to the rich. Both the 1996 and 2004 data also revealed the popular perception that the economic condition of the common people in the recent past had worsened. In 1996, 53 per cent of the respondents held the government responsible for increasing poverty whereas in 2004, 47 per cent held on to the same opinion.

The question whether foreign companies should be allowed free trade in India was asked repeatedly in NES of 1996, 1998, 1999 and 2004. The proportion of those who opposed such a policy was 37, 37, 33 and 39 per cent respectively. There was

an equally steady opposition to privatisation of government companies. The average figures 35 and 47 in 1996 and 2004. Among them, the percentage was larger in the case of socially disadvantaged groups. The figures were 37 and 45 per cent of the dalits and 30 and 42 per cent of the adivasis in 1996 and 2004.

Now let us juxtapose this first fact with the second. The second fact is that major political parties had emphasised their unambiguous commitment to economic reforms in their election manifestos of 2004.

### Party Commitment to Reforms

Congress Party's manifesto titled 'Congress Agenda for 2004-09' mentioned prominently its commitment to broaden and deepen economic reforms, to attain 8 to 10 per cent economic growth, to ensure efficiency and competitiveness in all production sectors. For this purpose, the party promised incentives for increased foreign direct investment (FDI). The party promised to continue with disinvestments though in a selective manner.<sup>7</sup> Economic reforms also figured prominently in the election manifesto of the BJP what was grandiosely called the vision document, the party committed itself to "broaden and deepen" the process of liberalisation so that a modern and resurgent India could emerge as the nerve centre of the global knowledge economy. The party also committed itself to make India a global manufacturing hub. The 13-party BJP-led National Democratic Alliance (NDA) manifesto titled 'Agenda for Development, Good Governance and Peace' proposed the following measures to be taken up: raising the foreign investment limits in the insurance sector, allowing overseas investors to enter retailing, implementing an open sky policy and continuing the privatisation process including the mining sector to "enhance and realise the hidden wealth in the public sector undertakings".<sup>8</sup> The manifesto also promised to increase the FDI in the insurance sector and to continue the process of privatisation. So powerfully had the political sentiment swung towards privatisation that the mainstream left parties, namely, the CPI and CPI(M) which had otherwise described reforms as anti-people and criticised other parties for adopting or endorsing them, did allow for disinvestments of the loss-making public sector units if it took place in transparent manner. Even "rational" labour reforms were accepted.<sup>9</sup>

### Two Puzzles

The juxtaposition of facts one and two leave us with a puzzle. Why did political parties endorse economic reforms so strongly when the sentiment among the electorate – among the poor and the marginal in particular – was so vehemently opposed to such endorsement? The easiest explanation would be that parties miserably failed in gauging popular sentiment. The fate of BJP's "India Shining" campaign would encourage such a reading.<sup>10</sup> But such an answer would beg a further question: why did all major parties fail equally in their attempt to read public mind?

A more complex explanation would be that the political parties actually had a fairly good idea of popular sentiment but for reasons that need to be spelt out by political analysts, they

nonetheless went ahead to endorse reforms. If we read other parts of the manifestos, we find these parties keen to reassure the electorate that the reforms would necessarily wear a human face and the poor will not be allowed to suffer.

### **Congress' Manifesto**

For example, the Congress manifesto identified and emphasised six basic areas of public welfare and "good" governance: achievement of social harmony, employment for the youth, rural development, economic resurgence, women's empowerment and equal opportunities.<sup>11</sup> It expressed concern about the rise in unemployment, distress among farmers and farm labourers, falling growth rate, accentuated disparities as a result of skewed distribution of benefits between sectors, regions and classes. As remedial measures, the party committed itself to expand employment in the organised sector and to promote employment-intensive growth. Rather startling was its promise to create one crore jobs a year. To ensure employment for at least one member of a rural household, the party promised to enact a national employment guarantee act to provide for at least 100 days of employment every year on asset creating public works programmes at minimum wages. Spelling out an "agriculture first", the party promised the restoration of the rural credit system based on cooperatives easing the debt burden of the small and marginal farmers, resource allocation for public investment including construction of new irrigation wells especially in the backward and poorer regions and promotion of labour intensive export. The party promised not only to ensure that "the terms of trade will always be maintained in favour of agriculture" but also to take steps to increase profitability in agriculture.<sup>12</sup> Marking a significant reversal in the disinvestments policy for the power sector, the party now assured that the public sector units with the help of the "creative" use of foreign exchange reserve would be bearing the larger responsibility for investment in the power generation. Catering to the urban middle classes, the party held out the incentives promising allocation of 6 per cent of GDP to the education sector besides granting autonomy to institutions of higher learning to ensure academic excellence and professional competence.<sup>13</sup>

### **BJP's Manifesto**

The BJP in its vision document promised to oppose the unjust practices of developed countries under WTO agreement in order to defend the interests of Indian farmers. It envisaged a two pronged approach – policies to achieve faster economic growth combined with effective welfare measure for the poor. It promised to completely eradicate poverty and unemployment with the help of direct governmental investment. The rural-urban divide was to be bridged and employment was to be created also by encouraging the private investment in backward and rural areas. The party promised to introduce Antyodaya scheme to provide social security to the BPL families. The manifesto revolving around the issues of development, good governance and peace assured the pursuance of the policies that were to ensure faster growth with employment, equity, social and economic justice along with distributive justice. It

promised to continue with the higher governmental allocation to the self-employment generating schemes like Sampoorna Grameen Rozgar Yojana.<sup>14</sup>

### **Left Parties' Agenda**

The two left parties called for the enactment of laws to make the right to work a fundamental right. They asked for greater investment in the public works to generate employment. They demanded implementation of land reforms leading to the distribution of surplus land to the landless. The CPI(M) promised increased public investment in agricultural sector.<sup>15</sup>

Were these parties engaged in political duplicity whereby they were trying to run with the hare and hunt with the hounds? What persuaded them to believe that they would be able to convince electorate about the "human face" of the reforms? Or were they addressing two very different kinds of audience, hoping that each kind would read only those parts, which pleased it and simply ignore the other parts?

### **On Identity Politics**

Now let us consider the third fact. This has to do with the manner in which these political parties tackled the issue of identity politics. The manifestos showed that while all parties tried to address issues of the economically poor, they sought to play down the issues of caste and religion.

The Congress manifesto began with a pledge to "defeat the forces of obscurantism and bigotry" in order to check the subversion of "our millennial heritage and composite nationhood". It promised a reasonable share of jobs in the private sector for the scheduled castes and scheduled tribes, reservation in the government jobs for the socially and educationally backward sections among Muslims and other religious minorities, reservations for the other backward classes in the central educational institutions, along with land redistribution and new strategies for sustainable livelihood. The party promised the establishment of a commission for minority educational institutions.<sup>16</sup>

The BJP's position is more telling. Whereas the "core Hindutva issues" like ban on conversion, construction of the Ayodhya temple, abolition of Article 370, and implementation of the uniform civil code had figured prominently in the party's 1996 and 1998 manifestos, in the 2004 they were considerably oftended.<sup>17</sup> For instance, the NDA manifesto included the Ram temple issue but declared its commitment to finding "an early and amicable resolution" through "intensified dialogue" for a "negotiated settlement" or a court verdict that "should be acceptable to all". It sought reservation benefits for the upper caste poor. It also pledged to provide for educational development, economic upliftment, and empowerment of the minorities. Rather than focus on internal identity issues, the party highlighted its commitment to ending illegal immigration (read Bangladeshi Muslims).<sup>18</sup>

The fourth and the most significant fact has to do with how the election campaigns were actually mounted at the ground level. Whereas the manifestos had focused primarily on issues of economic policy and played down issues of identity, the reportage on election campaigns clearly revealed that opposite had been the

case when the electorate was directly approached for votes. Substantive economic issues were underplayed while local and regional divisions based on caste and religions were deliberately brought to the fore.

### Election Campaigning

The BJP, in an attempt to recreate the passionate support for Hindutva during the Ram rath yatra led by Lal Krishna Advani in 1990, this time banked upon his Bharat uday yatra. Admitting “an intrinsic link” between the two, Advani’s speeches predictably went much beyond the concerns for mundane issues of “good governance, security and stability”, focusing rather on the essence of Hindutva/Bharatiyata and significance of the temple issue.<sup>19</sup> Narendra Modi, the Hindutva mascot was among the leaders who not only campaigned evoking the idiom of cultural nationalism (Gujarati ‘asmita’) but also incited the masses by accusing Congressmen of being “Dawood’s agents”. The foreign origin of Sonia Gandhi was also played up.<sup>20</sup> Fiery speeches made by the leaders belonging to the Sangh parivar organisation like VHP whose leader Praveen Togadia not only raised the temple issue but also spoke vehemently against the appeasement of Muslims even by BJP.<sup>21</sup> Even Atal Behari Vajpayee, the moderate face of the party, started the party campaign from Ayodhya, promising that “give me five more years and the temple will be constructed”.<sup>22</sup> At the same time in order to blunt the Muslim hostility in the Hindi heartland, the BJP leaders also played, to use the media lingo, the Muslim card. Vajpayee welcomed the Muslims “to come to us” assuring them that the party did not look at them suspiciously. He flagged off Muslim ‘himayat’ yatras, apologised for Gujarat carnage and touted his peace initiative with Pakistan.<sup>23</sup> A beleaguered Murli Manohar Joshi, BJP’s prominent Ayodhya face, made a frantic appeal to the Muslim voters in his constituency by distributing pamphlets listing the minority specific welfare schemes initiated by him as union HRD minister.<sup>24</sup>

The ‘jan sampark abhiyan’ undertaken by its president Sonia Gandhi was the highlight of the Congress campaign. The focus of the campaign was not on the virtues of reforms but on the concerns of ‘aam aadmi’. Congress leadership with the help of its regional allies made conscious effort to regain the ability of the party to connect with dalits and Muslims, to link minority rights and development problems.<sup>25</sup>

We are left here with another set of puzzle that needs to be solved. How does one make sense of the absence of economic reforms as one of the core issue in the electoral politics considering the fact that they were introduced more than one and a half decade ago? Why do these parties, which appear as votaries of reforms in their election manifestos shy away from taking them up as their core electoral agenda? More specifically, why have these pro-reform parties not shown the courage and the competence to mobilise the electorate in favour of reforms by projecting them as beneficial not only to the middle and upper classes but also for the masses? On the other hand, how does one explain the failure of a resurgent left in putting up resistance against “anti-poor” reforms? And finally, why do the subalterns vote so enthusiastically when their opinions do not count in terms of the policymaking?

What does all this tells us about the “widening and deepening” of the electoral democracy?

### Solving the Puzzles

It is not that political analysts have not grappled with these questions.

One set of explanations refers to the dominance of identity politics, which formed immediate backdrop to the decades of reforms. Atul Kohli, Ashutosh Varshney and Jeffery Sachs suggest that the aggressive politics – affirmative legislation in favour of the backward classes and the rise of Hindutva – had so formed the template of political India that identities rather than economic reforms continued to dominate the language as well as the rhetoric deployed at the ground level. Mass politics, already aroused by passions, they argue, “far outweighed reform politics”.

Taking a longer view of the electoral politics in independent India, Kohli argues that the Congress had created its electoral majority by successfully aggregating the economic interests of both classes and masses. There was a definitive class basis in terms of its electoral mobilisation. The rightist parties have made a conscious effort in the recent decades to “cut the majority-minority pie at a different angle”. Kohli dubs it as “an alternative strategy for seeking electoral majorities by downplaying class issues at the expense of communal ones”.<sup>26</sup> Their pursuit of power has been based on the idea that if the poor formed the majority by the criterion of wealth, Hindus were the majority by the criterion of religion. Considerable success achieved by this strategy has forced almost all parties, with the exception of the left, to resort to the casteist and religious sentiments. In a more recent paper Kohli has attributed the mobilisation of the common people on the basis of “ethnic nationalism – instead of the less volatile interest-oriented appeals” at the time of elections by “a narrow ruling alliance at the helm” as a “substitute for pro-poor politics”. “Is India increasingly stuck with a two-track democracy”, Kohli asks, “in which common people are only needed at the time of elections, and then it is best that they all go home, forget politics, and let the ‘rational’ elite quietly run a pro-business show?”<sup>27</sup>

Confined to debates in the English language press and the elite circles, Sachs argues, the reforms have continued unabated without attracting much contestation or even visibility, much to the relief of the political parties.<sup>28</sup>

### Mass vs Elite Politics

Varshney explains the puzzle by making a distinction between elite politics and mass politics. He suggests that elite politics comprises primarily the English-speaking upper caste and urban citizens, English language newspapers, television and the internet. Away from the “heat and dust” of mass politics, it takes the form of consultations between business and government, and between the Indian government and the global financial institutions. Mass politics on the other hand takes place primarily on the streets. Touched off by issues that unleash citizen’s passions and emotions, the characteristic forms of mass politics include “large-scale agitations, demonstrations, and civil disobedience”.<sup>29</sup> His argument is that the political issues like Hindu-Muslim

relations, ethnic disputes, caste animosities have come to dominate the electoral agenda aimed at ensuring large-scale mobilisation due to the manoeuvring of the parties. The reform measures that hardly arouse much passion continue to be implemented quietly so that they do not become mass level political issues. And then since the coalitions are increasingly being formed against Hindu nationalists on the plank of secularism and no longer against the Congress, the anti-reform parties – both the left and the lower caste social justice parties – have remained largely ineffective in their opposition to reforms.

### The Institutional Argument

Another kind of explanation is to be found in the working of the institutions in India. Rob Jenkins argues that notwithstanding the success of the formal/procedural democracy in India, the reform process has been implemented in the post-1991 period in a fairly informal manner. He attributes the strengthening of the process of economic reforms after every election to the undemocratic manner in which the democratic institutions are being worked by the political class in India. The parties, he suggests, show the courage to undertake reform measures due to the existing “fuzziness of boundaries separating party and non-party political networks”. Reforms are implemented through under-hand and often non-transparent tactics by “arranging suitable conflict avoiding (or conflict deferring) compromises among contending interests; exploiting the faith of privileged interests in the sanctity of their privileges by assuaging the opponents of liberalisation with promises that may never be fulfilled; and harnessing the political potency of nascent groups which might emerge as the key supporters in the future if offered tacit support”.<sup>30</sup> The political class whose “networks of influence span party and non-party activities and are easily detachable from any political party” introduce the changes under the guise of continuity, as it remains confident of being the beneficiary of reforms by negotiating policies and accommodating interests.

As to why the political class prefers to opt for “a process of slow but steady creeping reforms” avoiding political confrontation, Pranab Bardhan has his own take. He attributes it to the two different but associated drifts of political power taking place in India towards the regions and the backward and lower castes. As the enthusiasm for the reforms among the richer regions and the upper classes/castes do not “trickle down” to the marginal ones, naturally “even the most avid reformist politicians find it necessary to tone down their reform rhetoric at election time, when they have to face the unwashed masses”.<sup>31</sup>

Let us build on the above sets of arguments to make further sense of what may appear as a conspiracy of silence during the electoral campaigns.

### Awareness among the Rich

One can infer from the CSDS-NES data that there is a great degree of awareness about and agreement with the economic policy reforms among the rich and middle classes. The agreement part needs to be explained briefly. The entrepreneurial class—a dominant segment of the rich upper class saw a great opportunity

for itself when in 1991 a beleaguered Congress government facing external debt crisis had to set in motion the process of free market-oriented reforms in conformity with the prescription of the global lending institutions.<sup>32</sup> Over the years it has benefited from the industrial policy reforms that created a climate of operational freedom it never had before. Inflow of global capital and technology allowed it finally to look towards market/business abroad.

The entrepreneurial class has received critical support for the reforms from the emergent “great Indian middle class”,<sup>33</sup> which is arguably the largest in the world, numbering somewhere between 100 and 250 million<sup>34</sup> to 200-250 million<sup>35</sup> or even to 300-350 million,<sup>36</sup> with the exact number depending on the criteria used.<sup>37</sup> Enthused with a sense of achievement and widening of economic opportunity as the economy shifts towards service sector, the middle class, especially its non-agriculturist urban segment has turned into a great votary of the reforms. The reformist measures like the reduction in the direct taxes, deregulation, privatisation and greater access to the consumer goods have catered to its interest. It is this politically articulate and vociferous class and not the common masses that follow the scholarly debates about the politics of reforms in the print as well as the electronic media, surf the internet and may possibly be following the manifestos. That the middle class definitely has a wider socio-political and economic policy impact than what its actual size suggests explains as to why the national parties like the Congress and the BJP clamour to win this class. The “India Shining” campaign launched by BJP in the 2004 election was one such strategy by confusing the concerns and feelings of the middle class with that of the entire country. The Congress in its manifesto said that “the middle class of India is the proud creation of Congress” and that the policies of the party will be in “sync with their aspirations”.<sup>38</sup>

The entrepreneurial class has always had decisive influence over all the non-left parties as among other factors, the latter have always depended upon them for funding.<sup>39</sup> Now that it also has the critical mass social base in the form of the middle classes that is not only burgeoning in terms of sheer number but also in terms of its sociological composition,<sup>40</sup> it further adds to its ability to push the political class for the reforms. The pertinent question that emerges is then why do the parties still have to resort to what Jenkins calls “reforms by stealth”?

### Different Definition of Development

It is ironically the same electoral compulsion of a democracy that explains the inability of these catch-all parties vying for political power in a single-plurality electoral system, to share their enthusiasm for the reforms process with the ordinary electorates who think that they would be marginalised even further as a consequence. Moreover, the political class cutting across political parties no longer enjoys the confidence of the masses that it enjoyed in the first years of independence<sup>41</sup> so as to enable it to sell the idea of reforms as well as could in the case of planning and public sector in the Nehruvian phase.<sup>42</sup> It had then projected a comprehensive definition of development that encompassed not merely an industrial advancement, “but also

simultaneously a programme of social transformation and political democratisation” built around the then prevailing broad consensus.<sup>43</sup> Planning for a considerable period of time accorded legitimacy to the political class that claimed to pursue the well-being of the people as a whole. As a result even as the rich classes felt (quite correctly so) well served by the system, the poor and the marginal did not feel completely excluded from the development process.

It is obvious that the political class hardly enjoys any such leverage now to win popular support for the reforms even as it refers to its relative advantage in terms of the growth potential of a relatively open economy and the efficiency it brings not forgetting the promise of making India as a global economic power. That the Indian economy has been one of the fastest growing economies in the world with booming stock markets and all that hardly cuts much ice with the poor and the marginal who arguably constitute a large plurality of the electorate and ominously also tend to vote much more than the rich and middle classes as per the CSDS data. A much more seductive argument would be that reforms have led to a decline in the poverty level, an argument that might interest some political analysts<sup>44</sup> but not the masses that see the inequalities growing around them.

### Looking for a Gramscian Explanation

So what does the political class<sup>45</sup> of India do, backed as it is only with a much narrower support base and facing the legitimisation crisis which is far greater as it attempts to bring about a planned transition from the command economy to market economy. It is here that a reconstruction of the Gramscian exposition of the idea of transformism as a variant of passive revolution becomes instructive as the political class, acting on behalf of the entrepreneurial class, quietly opts for a path in which the dominant class interests are met, “by small doses, legally in a reformist manner...to avoid the popular masses”.<sup>46</sup> Such a compromise is being manoeuvred with the help of the middle class intellectuals/political professionals in the political parties who in the modern context approximate Gramsci’s concept of “philosophers and traditional intellectuals”.<sup>47</sup> The political class tends to resort to mass politics to secure political support among large sections of, in Gramscian terms, the petty bourgeoisie and even the toiling masses and also to incorporate the potential forces of socialist transition (read the Indian left).<sup>48</sup> This mass politics involves setting the goals and aspirations of the new developmental agenda in such a manner that even as they appear to be contradictory in the sense that the demands of the poor and marginal (read the anti-poverty programmes in the party manifestos for instance) are also accommodated along with the interests of the both local and global capital but actually, as Gramsci argues in the context of the analogous effort of the bourgeoisie to establish hegemony in a transitional society with a capital/pre-capital dualism, “they mutually support each other in the sense that they create conditions most favourable to the expansion of the latter”.<sup>49</sup> It was to a large extent the same story in the Nehruvian India but with the difference that the political class was then reasonably successful in constructing its

moral-cultural hegemony.<sup>50</sup> The cunningness of capital is not working as well as of now. Why?

### Explanation for Two-Track Democracy

Reading Gramsci would suggest that the decades of “democratic structuring of political and economic life and the hope and possibility of a peoples democracy”,<sup>51</sup> referred above in the context of democratic upsurge in recent India, has made the subalterns critically self-aware. The desertion of landed rich peasantry, once a beneficiary (and therefore votary) of the capital-intensive growth (read green revolution) but now experiencing the heat under the WTO regime and the onslaught of the global corporate sector, from the reformist agenda is a major blow. It was this numerically strong class of landed peasantry-capitalist or semi-capitalist whose social power in terms of the landownership as well as the dominant caste status in the village India that enabled the political class to gain representative forms of electoral support for the economic agenda. The breakdown of the nationalist historical bloc in terms of the shift in the strategic relations between the two dominant classes has resulted into a weakened entrepreneurial class that is now left only with the support of the middle classes and the global allies. So unlike the heydays of the statist developmental model when a general consensus was largely achieved under a democratic-bureaucratic system, the entrepreneurial class now finds it increasingly difficult to continue to combine “accumulation with legitimation while avoiding the unnecessary rigours of social conflict”.<sup>52</sup> If earlier for the entrepreneurial class-rich peasantry combine it meant looking for the technological path to capitalist transition in the form of heavy industrialisation and green revolution while avoiding the political path to land reforms and agrarian mobilisation, it now means using the manoeuvring/balancing skill of the political class increasingly having middle class roots to try to create a hiatus between the “polity” and “economy” so as to create a “two-track democracy”.<sup>53</sup> Thus arises the critical need to go for reformist and molecular changes while attempting transition to the market economy. A ‘transformismo’ is attempted that does not emanate as a result of a process from within society, but is sought to be achieved from above in a stealth manner. Such is the process that it is a passive revolution of capital that is “without mass participation (and due in large part to outside forces)”.<sup>54</sup>

### Summing Up

The paper draws attention towards a distinctive lack of contestation in public arena over a substantive issue that affects vitally a vast chunk of India’s voters. It argues that the challenge before the electoral democracy in a globalising India is to mediate the conflicts that arise due to incompatibility between the massification of electoral democracy that arouse egalitarian demands and the ongoing reforms agenda that condones widening inequality. The measure of success in surmounting this challenge will determine the degree to which an affirmative reply can be given to questions like “is India becoming more democratic?”<sup>55</sup>

A realistic assessment of the situation does not, however, leave much room for optimism about meeting this challenge.

## NOTES

- 1 Zoya Hasan (ed), *Parties and Party Politics in India*, Oxford University Press (OUP), New Delhi, 2002, p 36.
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- 3 Pratap Bhanu Mehta, *Burden of Democracy*, Penguin India, Delhi, 2003, p 2.
- 4 Sunil Khilnani, *Idea of India*, Penguin India, Delhi, 1997, p 58.
- 5 Yogendra Yadav, 'Understanding the Second Democratic Upsurge: Trends of Bahujan Participation in Electoral Politics in the 1990s' in Francine Frankel, Zoya Hassan, Rajeev Bhargava and Balveer Arora (eds), *Transforming India: Social and Political Dynamics of Democracy*, OUP, Delhi, 2000.
- 6 In the NES'96, NES'98 and NES'99 the sample sizes were 9,614, 8,133 and 9,418, respectively. It was 27,151 in the NES'04. For complete data visit: [http://www.csdsohdelhi.org/index\\_pg1.htm](http://www.csdsohdelhi.org/index_pg1.htm)
- 7 The shift in favour of the reforms can be traced in the party manifesto released on the eve of the 1996 elections in which Congress vowed to carry forward the momentum of economic reforms. Economic policy was to be restructured to achieve a higher trajectory of economic growth, efficiency and competitiveness in all production sectors and also meet the target of 8 to 9 per cent growth in terms of GDP per annum. *The Hindu*, April 13, 1996, 'Congress Promises Vibrant Economy'.
- 8 One finds a continuity in the BJP's position as in the 1996 as well as 1998 manifestos also the party had welcomed foreign investment in infrastructure, research and development and hi-tech areas. Even when the party reiterated its advocacy of swadeshi it was to realise a self-reliant India that could assert its national economic interests to meet the challenge of globalisation. Sanjay Kumar, 'Impact of Economic Reforms on Indian Electorate', *Economic & Political Weekly*, Vol 39, No 16, 2004, pp 1621-22.
- 9 *The Hindu*, 'CPI(M) Offers Issue-based Support to Congress', April 28, 2004.
- 10 The electoral verdict in election 2004 did have a definitive link to the politics of economic reforms as the defeat of the BJP-led coalition was attributed even by the party itself to the usage of the catchphrases "feel good" and "shining India" as their "verbal icons" in the election campaign. 'India Shining Backfired: Advani', *Times of India*, May 29, 2004; 'The BJP and the Foreign Origin Issue', *The Hindu*, May 17, 2004.
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- 12 Editorial, 'Congress Party: Current Compulsions', EPW, 2004, March 27, pp 1360-61.
- 13 *Economic Times*, 'Congress Files for Copyright, Shows Its Hand on Reforms', March 23, 2004; *Deccan Herald*, 'Employment Act in Cong Manifesto', March 23, 2004.
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