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PRACTICAL AND AUTHORITATIVE ANALYSIS OF KEY NATIONAL ISSUES

EDITORIAL

India: The most fragile of democracies

MISMANAGED CHAOS

This special issue on India, the world's largest democracy, makes a fundamental point. For many Indians, India is not poised to become a full-ranked superpower. It does not even merit recognition as a rising power, instead it is trapped in a state between "manageable and unmanageable chaos," in the words of the eminent sociologist Ashis Nandy. What makes the current state untenable is that the subcontinent's political class has lost all interest in moderating India's razor-like inequalities and addressing the countrywide social conflicts. Tragically,

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Delhi has not developed a strategy for the fair and efficient governance of a country desperate for stability, progress, and social justice.

Manmohan Singh, India's beleaguered prime minister, has been a disappointment to those looking for democratic reform. No sector of public life has escaped the taint of corruption, which

cuts across political parties at the regional, national, and local levels; and no institution is exempt from the sheer scale, daring, and venality of these illegal practices.

Modern India faces an unprecedented number of corruption challenges that are as much moral as economic and political. These include the systematic looting of mineral resources in southern and eastern India by rapacious Indian corporations and deep-pocketed foreign multinationals that has driven thousands of tribal peoples off their traditional

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CORRUPTION AND POVERTY: INDIA'S FEARSOME STRUCTURAL FAILURES

The search for a moral compass: India after globalization

THE THROES OF CHAOTIC CHANGE

India is in the throes of a tumultuous transformation, arguably even more profound in its social impact than the transition, 64 years ago, from colonialism to independence and democracy. This shift has been mediated, in no small degree, by globalization—economic, technological, and cultural. The liberalization of the Indian economy in the early 1990s unleashed economic energy and entrepreneurship on an unprecedented scale, translating very quickly into breathtaking economic growth rates that catapulted India to membership in the

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G20, and even the heady annual invitation to the G8 high table. It also heralded an unaccustomed sense of optimism in Indian society, as new economic opportunities held out the promise of making possible a better life for the vast majority of India's citizens.

Twenty years on, despite an extraordinary story of economic and social mobility for many, impressive levels of economic development coexist with

almost stagnant levels of human development. India's economy is ranked 11th in the world by GDP and 5th in terms of GDP in purchasing power parity. On the Human Development Index, however, India occupies a rank of 119 out of 169 countries. At no previous time has it been harder to come to terms with the

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redefine THE POSSIBLE.

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lands. There is the massive increase in institutionalized graft that reached a high-water mark in 2010 when the government insiders organizing the Commonwealth Games rigged bids and pocketed fortunes. Possibly the most egregious recent example of the darker side of Indian politics was the awarding of mobile phone contracts by a telecommunications minister who bilked the government out of over \$45 billion.

THE MALADY OF MALADIES

Of course, corruption existed under the British and during the last years of Jawaharlal Nehru's time in office when scandals rocked his prime ministership. It reached epidemic scale under Indira Gandhi when favour-seeking politicians brought suitcases of cash to the prime minister's official residence. However, the current malaise has reached levels never seen previously. The contemporary pandemic of greed and invasive corruption has extended to the media. Some of India's editors and top journalists have been exposed for being on the take and colluding with the country's economic titans. Politicians, complicit in undermining the autonomy of the press, have also benefited politically from the deterioration of public life. Corruption is so endemic that it has nurtured a debilitating culture of cynicism among many average Indians frustrated by a political class that has placed itself above the law.

India's ability to survive these centrifugal forces has defied the theoretician's best efforts to identify the glue that holds the country together. A case could be made that many Western countries would likely have imploded from the toxic cocktail of rampant public corruption, the absence of health care for the masses, a 40-year-old Naxalite Maoist insurrection, as well as the lived reality of hundreds of millions of rural poor coexisting along side a Maharaja culture of stupefying wealth.

The puzzle is—why is India experiencing this deterioration of political life and the breakdown of norms in the moral

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character of the political class? In its first decade of freedom, the country produced iconic leaders such as Mahatma Gandhi, Nehru, and B.R. Ambedkar and gave itself a democratic constitution that advocated social justice goals, protected diversity, and guaranteed the rights of its many different religious communities. India inherited a meritocratic civil service and built an array of national and regional institutions in the years following independence.

THE LOSS OF ITS MORAL COMPASS

India's economy underperformed post-independence, but by the 1970s, managed a successful green revolution and became food sufficient—a beacon on the hill for other peasant-based countries in the global south. India's economy has been lionized as one of the success stories of Asia. Its economic growth almost reached 10 percent in 2009. As Niraja Gopal notes, India's economy now ranks fifth in terms of GDP purchasing power parity and eleventh in the world by GDP. However, on the Human Development Index, according to the latest report and Gopal in this issue, India ranked a poor 119 out of 169 countries. This divide

exists because “economic reforms” have been cast in a narrow neoliberal mould. After three decades of state withdrawal from economic activity, the Indian state no longer has the capacity to row and steer the economy or to lift hundreds of millions out of grinding poverty.

Some tough-minded observers may give Delhi the benefit of hindsight and argue that it misjudged the costs of its neoliberal revolution. The fact is, the government has turned a blind eye to the prestigious commissions it appointed to lead the way to reforms and the renewal of public institutions. So far, these commissions have led to little repair of the damage to India's public institutions including its judiciary. Ram Guha, one of India's pre-eminent historians, aptly notes that these government-appointed inquiries should, among other things, have “insulated administrators and judges from interference by capricious politicians; prohibited criminals from contesting elections; curbed abuse of the power of eminent domain; provided proper compensation for villagers displaced by industrial projects; make more efficient the now mostly malfunctioning public health system.” There is something terribly alarming about Indian public life and its record of inaction and missed opportunity. Under the Indian model of crony capitalism, Indian laws are contravened daily. Ministers have used their discretionary powers of office to amass fortunes for themselves and their families. All of these criminal practices require a systemic solution and so far, none is forthcoming.

IS A FRESH START POSSIBLE?

Manmohan Singh, a former colleague of Nobel Prize winning economist Amartya Sen was seen as “Mr. Incorruptible” when he became India's “boss of bosses” for a second term in 2009. However, he has been willing to let things ride and has alienated many while his Cabinet ministers' avarice has rocked the country. Institutional reforms have

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remained at a visible standstill for the past seven years. Singh has not challenged the institutional corruption of the Congress Party and his dependence, in political terms, on Sonia Gandhi, chairperson of the United Progressive Alliance and president of the Indian National Congress, has cast a dark cloud over his time in India's highest office as various contributors to this issue stress. He has alienated supporters and angered the opposition fed up with his scandal-ridden administration.

Indian political life is on life support; lacking a finely tuned moral compass, the government is not capable of forcing Indian society to a fresh start or of protecting the best Indian achievements in public life from over six decades. In such an unforgiving environment, even small measures of institutional reform for quality health or universal education, however partial or superficial they are judged to be, would have a large impact on coping with slowing growth and bearish stock markets.

Post-liberalization has been a boon for India's entrepreneurs, since the state systematically began to disinvest its public investments in 1991. Economically, the deregulatory reforms have given business both a new status inside the public-policy process and unprecedented influence with the powerful Planning Commission. So far, plans to forge a new consensus on India's top priorities for the future are on hold.

As one of India's top economic commentators, Rajiv Kumar's contribution to this special issue should be read with the attention it deserves. He details how India is facing a triple transition that needs robust institutions to protect Indian democracy, a focused, long-term investment strategy to transform India's energy capacity, and good governance practices to expand the delivery of public services particularly in education and health. With only 12 percent of Indian youth completing university, India needs a different mindset in order to provide the quality, higher education that is

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necessary for people to gain the skills they require for a better life and higher-paying jobs.

Others in the issue are more pessimistic. Domestic demand from investment and consumption rather than over-the-top export growth have defined India's unique growth model. India continues to import more than it exports, and net exports account for -7 percent of GDP growth. India's economic miracle hardly ranks with China's in the export major leagues, as Kumar himself concedes. Therefore, the biggest challenge is to make growth more inclusive so that the hundreds of millions now living in poverty in rural areas also benefit from the massive reinvestment by Delhi in public goods and services. However, the task is daunting. A recent report stated that to win the urban war on poverty, India needs to create 100,000 manufacturing jobs by 2022 and to transform its manufacturing sector into a powerhouse claiming 25 percent of GDP. Who can take such Himalayan-sized goals at face value?

WHAT'S NEXT?

The question is—what happens when India has a new prime minister? Will anything really change? Dipankar Gupta's powerful analysis makes the basic point that the next chapter in the life and times of India will not look much different from the present. Liberalization and privatization are not going away any time soon. The opposition largely shares the governing coalition's key economic ideas. Moreover, important members of the United Progress Alliance are not

ready to desert the Congress Party's ship of state.

Therefore, for the time being, the Congress-led coalition has effectively neutered any significant challenge from oppositional forces nationally. However, Congress's grip on regional and state politics has been broken as readers will discover, and identity politics and vote banks have splintered the oppositional movements regionally.

THE BIGGER PICTURE: MORE MANAGED CHAOS?

While a country's potential can be measured by many factors, we must observe that India faces daunting structural challenges. Much of rural India does not have access to electricity on a 24-hour basis, and even in Delhi and Mumbai, electrical brownouts are frequent and costly. Public spending on health care has actually declined during the greatest growth spurt in Indian history. In education, Delhi has built thousands of schools but there are not enough properly trained teachers to teach.

India needs an infrastructure for sustainable growth that will reduce the reckless disregard for the environment. It needs to commit itself to environmental efficiency. The rapid growth of the last decade has hidden the true environmental costs. Reforms first have to tackle the corruption that feeds the poverty and seeds the violence. This is a society where caste politics and prejudices have fed a cycle of social destabilization and land theft as mining companies illegally seize the communal lands of rural peasant farmers. India needs a modern land

registry system that protects the rural landowner from expropriation by the state and the private sector.

Indian public policy is clumsy and isolated from everyday reality. Middle-class Indians have every right to be cynical about the future. Some see a silver lining in the explosion of Western-style shopping malls that sell every global

brand possible; however, for the majority, the transition to a middle-income economy that respects individual rights and freedoms is a distant prospect. With all of its institutional and moral shortfalls, India has not been able to reinvent an equalitarian discourse capable of setting the country on another path. A country with a record of poor governance, an

archaic infrastructure, and a tired, aging leadership can barely be expected to deliver on jobs and social justice. 🍁

Note

Editorial correction: Paul Heinbecker's article in the Spring 2011 issue should have been titled "Canadian foreign policy: Lost in translation." — DD

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contradictions of darkest poverty (in absolute numbers equivalent to the entire population of India at independence) coexisting with wealth of unimaginable proportions; with thousands of indebted farmers committing suicide even as India's wealthiest man spends \$2 billion on his new 27-storey home with a staff of 600 people waiting on a family of 6.

THE INDIVIDUAL–COMMUNITY DUALITY

In recent times, corruption scandals have almost daily exposed the venality of politicians and bureaucrats, the powerful and wealthy have appeared to be placed comfortably beyond the pale of the law, and the integrity of every institution of governance lies in tatters. A startling rise in crime, from the pettiest to the most daring, signals a breakdown in norms. There is today a pervasive sense of crisis—moral, social, and institutional—as Indian society tries desperately to make sense of a rapidly changing social world that appears to be built on quicksand.

Colonialism insistently represented India as a political community made up of several social communities, and individuals chiefly as members of such communities. The Indian Constitution sought to redefine the relationship as one between the state and its individual citizens, but the impetus behind the project of making *individuals* out of members of this social world is globalization. In the economic context, these are consumer-citizens negotiating a marketplace of multiple choices; acquiring

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English language skills as an instrument of upward mobility; and chasing aspirations through employment in the business process outsourcing, technology, and services sectors. This energy is particularly palpable in the small towns of India, from which young people are breaking through meritocratic entry-level barriers into the diverse and intensely competitive worlds of industry, government, sport, and the media.

This new spirit of individualism is somewhat at odds with the customary forms of citizenship in the polity. With the politics of caste, region, and religion being dominant in the period before the economic reforms, community has long mediated the relationship between citizen and state. Community identity has not entirely lost legitimacy as a form of political intermediation, but there is now a possibly creative tension between the rival pulls of individualism—born of the market—and community as constructed in the sphere of politics. Civil society activism and the electronic media, which offer unusual opportunities for expressive citizenship, are now enabling new forms

of individuated citizenship, even if these are largely restricted to the educated middle-classes and may sometimes even teeter on the brink of vigilantism.

The affective bases of politics are however far from dead. Caste continues to have greater political purchase than social; it is a far more potent instrument in the political sphere than the social or ritual. The ties of family too remain strong and resilient, especially where power and/or money are involved. If the largest private corporations in India are family firms, so are the bulk of its political parties. The dynastic principle determines, with a few exceptions, succession in both. An astonishing one-third of all members of Parliament come from political families, and this trend is repeated all the way down the line to the institutions of local governance. A single individual tightly controls the leadership of most political parties, and—with the exception of three regional parties headed by single women—the principle of inheritance is beyond question. The commercial interests of many party

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