

Modernity and Democracy in India

Superimposition on a Thin Economic Base

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Unresolved agrarian question, slow pace of industrial development and distorted economic growth of the service sector, have all led to the nature of economic development that is not symmetrical or equally poised with political democracy and rights. As long as capitalism in India remains backward to a large extent, in agriculture and industry, and as long as the distorted development continues, we will be stuck with the impasse of backward-looking nationalism and authoritarian populism. Current impasse is a product of achieving political modernity and a superstructure without its accompanying economic basis.

The challenge of modernity is to live without illusions without becoming disillusioned.

— Antonio Gramsci

Historically speaking, modernity as we know it emanated from the twin revolutions of Europe: Industrial revolution and French revolution (Hobsbawm 1962). The economic principles of industrialisation and the political principles of French revolution have been built into the development processes of many nations. This is particularly true of postcolonial nations, wherein the principles of the above said modernity have been incorporated into many of their constitutions. These two, economic modernity of industrialisation and political modernity of equality, liberty and fraternity, are related processes. Often in developing countries, the first has been inadequate. That is to say, the industrial modernity has never been realised fully in developing countries. Developing countries of Africa and Asia in particular, to this day, largely remain pre-industrial. And this has limiting consequences on their political modernity. The requisite economic basis, by way of industrial modernity, has never come to materialise in order to make way for fuller political modernity. Political modernity therefore is circumscribed by the many limitations not only of their variegated historical pasts but also by their inadequate industrial development since decolonisation.

Therefore, what one finds in many developing countries is not an archetypal modernity of Europe, but different degrees of approximation to it. Political economy of these countries is held back by the unresolved agrarian and rural question. Agrarian pre-modernity, with the particularities and backwardness that it carries, colours the nature of the modernity in developing countries. Industrialisation could not take place in

developing countries owing to the policies they adopted since decolonisation, due to dependent and primary exporting nature of their economies and an unequal international political economy. Thus, these are mutually reinforcing factors that keep many of the developing countries politically premodern. Of all, the main point that we would like to stress here is the continuation of large populations in developing countries in agriculture which keeps them tied to backward productive forces and social relations of production. This keeps the nations beholden to an archaic pre-industrial past. The breakthrough that the European and other advanced nations have achieved from agriculture to industry, from rural to urban, from premodern to modern does not happen, or happens only in a very distorted manner in developing countries of Asia and Africa today. This is after nearly seven decades of decolonisation.

And worse, owing to globalisation and the crises that we have seen since 9/11 and the “wars on terror,” the question of realising modernity has seen a reversal in many countries. There has been an emergence of cultural aversion to Western modernity and going back to the native principles. This has resulted in increasing emergence of backward-looking nationalisms and right-wing governments. This apart, one should also keep in mind, very starkly indeed, that there is no decontextualised modernity anywhere in the world. Modernity in the developing world can only have the birthmarks of the particular society in which it is born. Therefore, though the economic principles of industrial development and the political principles of liberty, equality and fraternity appear to be universal principles, their emergence or development in particular societies will only be imbued with particularities. This also means the imperfect realisation of the principles. This is true in terms of economic, social and political institutional processes and their intersectionality. Thus, there cannot be one model of modernity any more. There are different models of modernity: Asian modernity, African modernity, and so on. This may sound paradoxical, but is inevitable in an imperfect world.

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The situation has come to such an impasse that in many parts of the developing world there are even questions of whether adopting the principles of (what was European) modernity is at all relevant or meaningful. And there is a slide backwards to rely on premodern world views and modes of life. This raises a pertinent question. Is modernity relevant today? This author thinks yes, because, the principles of enlightenment embodied in modernity and the political principles of liberty, equality and fraternity have historically been a step forward for mankind. It is immaterial today whether these principles are of European or some other origin; their value on human grounds is immeasurable. The many reversals from modernity witnessed by developing countries have the effect of reinforcing the premodern and primordial inequalities and oppressions. Far from emancipating the ones who are chained to history, they strengthen the bondages. Thus, the liberties people enjoy, egalitarianism, social and economic opportunities they enjoy due to industrial modernity are more than a rhetorical question. To deny the importance of modernity is to deny the possibilities of development to a large number of people caught in premodern routines of agriculture, premodern social relations of inequality and oppression and premodern institutions of particularity and irrationality.

Economic Geography of Democracy

We are now back to the drawing board, trying to configure how to reindustrialise, given India's persistent economic backwardness (with half of its workforce still engaged in low productive agriculture and over two-thirds of the population still living in villages) with bleak export prospects, and fickle capital inflows financing external deficit.

— R Nagaraj (2018: 172)

A political superstructure of liberal democracy has developed in India without adequate economic basis for it. And consequently, the underdeveloped economic basis constrains the operation and development of the political superstructure. We have also argued that the contemporary trends of authoritarian populism and backward-looking nationalism are products of this phenomenon. To some, this may appear as a deterministic argument,

in the sense that while India is profuse with so much diversity, horizontally and vertically, with so many identities and ideologies, how can a deterministic argument prove meaningful? We think that a classical Marxist determinist argument about Indian modernity still makes sense if we explain Indian democracy in terms of its economic geography.

As an attempt to elaborate this, first let us consider the urban–rural population in major Indian states. This single indicator tells us that all the backward states in India—are so backward because of this fact—have large rural agrarian populations. Odisha (83%), Uttar Pradesh (77%), Bihar (88%), Rajasthan (75%), Madhya Pradesh (72%), and Assam (86%).¹ What is striking about the economic geography of these large states is that the physical conditions of economic production are still archaic agrarian conditions. The social relations of production in these states are not advanced because they are fettered by backward productive conditions. This may look like a reverse of the orthodox argument. However, productive forces when not revolutionised, limit the scope of social relations to develop. As Marx put it so well, “the hand-mill gives you society with the feudal lord; the steam-mill society with the industrial capitalist.” This is a mutually reinforcing phenomenon.

And when political democracy and liberal rights are imposed upon such a social structure by constitutionally sanctioned institutions, they turn out to be constrained by the economic basis. For example, the Constitution provides right to drinking water under right to life. However, in none of the above-mentioned large states the realisation of this right is possible; because potable, piped, clean drinking water for all of the rural population is only a pipe dream even today. Since agriculture is non-taxable the exchequers of the state governments are often inadequate to realise this basic fundamental human right. Therefore, in many or all the states that we have mentioned above, clean, potable, piped drinking water does not exist; certainly not in the large rural areas of these states. This is just an illustration of the economy constraining the polity. The Constitution

may promise modern liberal rights and modernity, but their realisation on the ground is subject to concrete economic conditions. The same holds true for other basic rights, such as right to education, basic health and so on. States with large agrarian populations have not tried to get out of this vicious circle by revolutionising productive forces. Instead, identity politics of caste and religion have been pushed forward, as an opportunistic route to power, in the electoral arena. Thus, politics keeps the states backward, by not making a departure from agriculture as a major issue for political and public action.

Consider also the fact that these were the states that after the fall of the “Congress system” traversed the path of caste politics and then, after the failure of caste mobilisations, have supported religious identity politics in the elections. Both have mobilised agrarian populations on sectarian issues. The result is that the escape into identity has become inevitable in the face of backwardness. The economic, agrarian backwardness of these states produces a politics of backward-looking nationalism and identity politics. And this in turn, reinforces their social relations of economic production. Productive activities of economic life do not liberate individuals from their immediate ascriptive identities. The only alternative would be to change the economic mode of life of the people so that the political mobilisation can become non-identitarian. This is possible only with the development of modern industry and manufacture. This is precisely the reason why explaining and mobilising democratic politics in terms of caste or religious identity are doomed to reproduce and strengthen the same identities and the same oppressions that they mistakenly think they are challenging by such a mobilisation.

The economic geography of the country also needs a regional explanation in another sense. Of the 29 Indian states, how many states are prominently industrialised? Only four: Maharashtra, Tamil Nadu, Punjab and Gujarat. West Bengal, Karnataka and the two Telugu states are of middling order. What we mentioned as the backward states in the above paragraph are the net exporters of large migrant populations to these industrial

states. And labour migration appeared quite conspicuously in the wake of the coronavirus crisis. However, these industrial states too have identity politics. But their identity politics are derived from the competition for jobs and economic opportunities with the in-migrant populations from backward-agrarian states. Moreover, these industrial states too have large agricultural sectors but of largely developed nature, though pockets of backwardness can be found in these states too. In spite of these factors, in these states, the balance of productive forces is towards that of advanced nature. And the politics is largely dominated by the industrial and agrarian bourgeoisie that commands the developed sectors of these states. The crucial point, however, is this: These states with economically advanced industry and manufacture are only handful. While the backward states with stagnant agriculture and large rural populations are far too many, and far too large, in the Indian context. And this economic geography is crucial in determining the nature of politics and modernity in Indian society and economy. Let us not forget that it is the large rural and agrarian populated states that voted for the governments that gave way to backward-looking nationalism and authoritarian populism. They are the bulwark of support for the parties which championed the above two features, namely the Bharatiya Janata Party (BJP). It is not the industrialised and urbanised states, barring Gujarat, which supported the BJP in the recent general elections. We, of course, need not rely only on the recent election data to force our point. The argument we are trying to make is deeper and has to do with the structure of the economy and nature of the economic geography of the country.

Industrial Stasis

From the above discussion it is clear that as long as the agrarian problem in large, backward, and rural states is not solved the question of identity politics will not be resolved. The key to Indian modernity lies in solving the agrarian question in these backward states. And what is the nature of the contemporary agrarian question in the country? Is it still dominated

by large absentee landlords and feudal estates with feudal or semi-feudal production relations? Or, is it a capitalist agriculture with large capitalist farms dominating the scene? Neither of the two. The contemporary agrarian scenario in the country is largely dominated by small and middle farmers (De Roy 2018). It is a kind of peasant economy that runs on limited resources or budgets and is beholden to the forces of nature. This small and middle farmer-based peasant economy is also highly monetised and saturated with relations of monetary exchange. This is true of purchase of inputs for agriculture and selling the produce in markets and consequent exchange-induced cash economies. While productive forces and productivity remain backward the cash nexus has penetrated the small and middle economy even in the large, backward states. This is true after 25 years of liberalisation of the economy. Tables 1 and 2 tell the story of agriculture over the past 25 years.

Table 1: GDP Growth Rates of Agriculture and the Economy, 1981–82 to 2013–14 (%)

Periods	Growth Rate of Agriculture	GDP Growth Rate
1981–82 to 1989–90	2.9	4.7
1990–91 to 1999–2000	2.8	5.3
2000–01 to 2009–10	2.4	6.8
2010–11 to 2013–14	2.1	3.7

Source: De Roy (2018: 195).

Table 2: Share of Output from Agriculture in GDP, 1981–82 to 2013–14 (%)

Year	Share
1981–82	29.6
1989–90	25.2
1994–95	23.5
1999–2000	19.6
2004–05	16
2009–10	12.3
2013–14	11.8

Source: De Roy (2018: 195).

Tables 1 and 2 tell us that while the large backward states still depend on agriculture as the mainstay, the share of agriculture in the gross domestic product (GDP) itself is shrinking. While agriculture of these states does what it does, the economy is showing different trends and the economy's quantitative locus no more remains with agriculture. The story of industrialisation in India, on the other hand, does not appear to be rosy. The only escape out of excruciating routines of agriculture—industrial

modernity—seems far-fetched for India. Table 3 shows the extent of industrialisation in India in recent decades.

Table 3: Share of Manufacturing and Industry in GDP (%)

Year	Manufacturing	Industry
1981	13.9	25.7
1991	15.1	27.6
2001	15.5	27.3
2013	15.8	27.3

Source: Nagaraj (2018: 170).

As is clear from Table 3, the contribution of manufacturing to GDP is not more than 15.8% in 2013. This is also reflected in the overall contribution of industry to GDP which is only 27.3% as on 2013. Can this industrialisation process lift the large number of dependents from the morass of agricultural backwardness? As Nagaraj (2018: 172) says:

After a quarter century of market-oriented reforms, why did India fail to emulate (or catch up with) the [East] Asian economies to cement its reputation as a successful Industrial nation with rising manufacturing exports? Perhaps, with booming service exports, India dreamt of skipping the industrialisation stage to be counted as the world's back office, leveraging its large "educated" English-speaking workforce, and ignoring outsourcing services' narrow employment base domestically, and even the slender market segment it was tied to in the financial services sector in the United States (us).

Thus, the problem with Indian industrialisation is "skipping the industrialisation" and focusing on the development of the services sector, which seems to benefit only the "large" English-speaking middle class. Also, manufacturing or industrial growth is taking place only in the four aforementioned states of Maharashtra, Tamil Nadu, Punjab and Gujarat, with Karnataka and West Bengal being additions. This makes the industrialisation process and its impact on the structural transformation of the country very limited. Industrial modernity is thus limited to small pockets of the country only.

Urbanisation as an important indicator of modernity has its limitations too. The pattern of urbanisation is described by some experts in the field as "top heavy," "exclusionary" and "sluggish" (Kundu 2014). It is too slow, and exclusionary for in-migrants to the cities. This has been the broad trend at least so far. The overall pattern is that the relatively industrialised and developed states of the west and

south India have also been ahead in urbanisation, while central, northern and eastern states (with the exception of West Bengal) largely remain rural, with some changes since this view has been expressed. Thus, urban modernity is entwined with industrial development and overall development in general; and is limited and exclusionary in India. Urbanisation is both a product of overall development and a causative factor for economic, social and political modernity. Although it is argued that there is a steady growth of census and statutory towns in India of late, this view needs further substantiation with data from the forthcoming census in 2021. Indeed, the forthcoming census would be very important for throwing light on urban–rural disparities, patterns of migration, etc.

Conclusions

We have argued in this article that Indian democracy and modernity are hamstrung by its economy. We have deliberately put forth a deterministic argument wherein the economic base determines, or certainly circumscribes, the political superstructure of the country. In order to illustrate this we have cited the case of economic geography (and its rural demography) of India. We have argued that given the rurality and backward agriculture of the large central, northern and eastern states political democracy and realisation of rights as enshrined in the Constitution is possible only in a limited way. The material reality limits the life possibilities for many people who inhabit these and other states too. The modernity of democracy cannot but acquire the characteristics of ascriptive particularities in terms of identity politics. Bureaucratic institutions follow only imperfectly or not at all their role as rule governed institutions working within modern Weberian rationality.

As mentioned, we cannot disentangle modernity in India, or any country, from its context. A decontextualised modernity does not exist. Modernity, even when founded on universal principles, acquires the characteristics of the particular soil in which it grows. However, the prospects for modernity—and for fuller realisation of democracy—are but limited in the

Indian context. Its agriculture limits life chances and possibilities; slow industrialisation and urbanisation holds back the potential to shift to industry and cities. The development of a service sector, instead of manufacture, and the development of “top heavy” urbanisation excludes people from entering manufacturing and cities. Industry and manufacture in particular, when they are capital- or skill- intensive, exclude a large number of people from agriculture who lack the requisite capital or skills. Thus, the development of modernity in India is likely to be slow and tardy.

A final word about the role of the state is necessary. The state in the early post-colonial days had faith and commitment towards both democracy and modernity in India. The state had taken upon itself the task of fostering faith in modernity and democracy. Such a commitment is now doubtful not only towards modernity but also democracy. When the state takes upon itself the task of promoting partisan religious identities its commitment to modernity becomes thin. When the state dilutes the impartial rationality of constitutionally sanctioned institutions, its faith in modern political institutions cannot but fall under question. Therefore, now the question of modernity and democracy in India is doubly problematic. This is so in mutually reinforcing

ways. Material reality constrains the potentialities of modernity and democracy. The state’s lack of commitment towards modern and rational institutions puts even formal democracy in peril. While this may not take place blatantly, the undermining of democracy by authoritarian populism is for all to see. Thus, the economic basis produces a superstructure which, in turn, keeps the economy continuing in its identitarian backwardness. This insight vindicates the explanatory potential of arguments which are otherwise dismissed as economically deterministic in political science literature.

NOTE

- 1 All figures according to the 2011 Census.

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EPWRF India Time Series Expansion of Banking Statistics Module (State-wise Data)

The Economic and Political Weekly Research Foundation (EPWRF) has added state-wise data to the existing Banking Statistics module of its online India Time Series (ITS) database.

State-wise and region-wise (north, north-east, east, central, west and south) time series data are provided for deposits, credit (sanction and utilisation), credit-deposit (CD) ratio, and number of bank offices and employees.

Data on bank credit are given for a wide range of sectors and sub-sectors (occupation) such as agriculture, industry, transport operators, professional services, personal loans (housing, vehicle, education, etc), trade and finance. These state-wise data are also presented by bank group and by population group (rural, semi-urban, urban and metropolitan).

The data series are available from December 1972; half-yearly basis till June 1989 and annual basis thereafter. These data have been sourced from the Reserve Bank of India’s publication, *Basic Statistical Returns of Scheduled Commercial Banks in India*.

Including the Banking Statistics module, the EPWRF ITS has 21 modules covering a range of macroeconomic and financial data on the Indian economy. For more details, visit www.epwrfits.in or e-mail to: its@epwrf.in