

**Democracy and Development in India:  
A Comparative Perspective**

**By**

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**To most theorists of democracy in the West, India is an embarrassing anomaly and hence largely avoided. By most theoretical stipulations India should not have survived as a democracy:**

- it's too poor**
- its citizens largely rural and uneducated**
- its civic institutions rather weak.**
- It is a paradox even for those who believe in a positive relationship between economic equality or social homogeneity and democracy. India's wealth inequality (say, in land distribution, and even more in education or human capital) is one of the highest in the world. Indian society is also one of the most heterogeneous in the world (in terms of ethnicity, language, caste and religion), and social inequality, a legacy of the caste system, is considerable.**

**Yet this country, with the world's largest electorate (it is now larger than the electorate in North America, Western Europe, and Japan combined), keeps lumbering on decade after decade as a ramshackle, yet remarkably resilient, democratic polity.**

**Of course, depending on the defining features of democracy the depth of Indian democracy may be rather limited. It is useful to keep a distinction between three general aspects of democracy:**

- (a) some basic minimum civil and political rights enjoyed by citizens,**
- (b) some procedures of accountability in day-to-day administration under some overarching constitutional rules of the game,**
- (c) periodic exercises in electoral voice, participation and representativeness.**

**These aspects are of varying strength in different parts of India. In general while the performance in much of the country over the last sixty years has been really impressive in terms of (c),**

notwithstanding some pitfalls and electoral malpractices, the performance in respect of (a) and (b) have been somewhat mixed, satisfactory in some respects but not at all in others. Also, except in three or four states, all these aspects of democracy are usually weaker at the local village or municipality level than at the federal or provincial levels.

There are several ways in which the historical and social origins of democracy in India are sharply different from those in much of the West, and the indigenous political culture has fundamentally reshaped the processes of democracy. These differences are reflected in the current functioning of democracy in India, making it difficult to fit the Indian case to the canonical cases in the standard theories of democracy.

- **While in European history democratic rights were won over continuous battles against aristocratic privileges and arbitrary powers of absolute monarchs, in India these battles were fought by a coalition of groups in an otherwise fractured society against the colonial masters. And in this fight, particularly under the leadership of Gandhi, disparate groups were forged together to fight a common external enemy, and this required strenuous methods of consensus-building and conflict management through co-opting dissent and selective buyouts. The various methods of group bargaining and subsidies and 'reservations' for different social and economic categories that are common practice in India today can be traced to this earlier history. This has also meant that in India, unlike (or long**

before than) in Europe, democracy has been reconciled with multiple layers of nationality, where a pan-Indian nationalism coexists with assertive regional nationalisms in the same citizenry.

- Unlike in Western Europe democracy came to India before any substantial industrial transformation of a predominantly rural economy, and before literacy was widespread. This seriously influenced the modes of political organization and mobilization, the nature of political discourse and the individual's relation to the public sphere. This also gave rise to the excessive economic demands on the state: democratic (and redistributive) aspirations of newly mobilized groups outstripped the surplus-generating capacity of the

economy, demand overloads sometimes even short-circuiting the surplus generation process itself.

- In the evolution of democracy in the West the power of the state was gradually hemmed in by civil society dense with interest-based associations. In India groups are based more on ethnic and other identities. This has meant a much larger emphasis on *group rights* than on *individual rights*.
  - A perceived slight of a particular group (in, say, the speech or behavior of a political leader from another group) usually causes much more of a public uproar than crass violations of individual civil rights even when many people across different groups are to suffer from the latter.

- **Such crass violations of individual rights are also routinely tolerated in India for the supposed fear of possibly offending group sensibilities. This gives perverse incentives for extremists and political opportunists.**
- **The issues that catch public imagination are the group demands for preferential treatment (like reservation of public-sector jobs) and protection against ill-treatment. This is not surprising in a country where the self-assertion of hitherto subordinate groups in an extremely hierarchical society takes primarily the form of a quest for group dignity and protected group-niches in public jobs.**



- In Western history expansion of democracy gradually limited the power of the state. In India, on the other hand, democratic expansion has often meant an *increase* in the power of the state. The subordinate groups often appeal to the state for protection and relief. With the decline of hierarchical authority in the villages the state has moved into the institutional vacuum in the social space.

- ✓ For example, shortly after Independence popular demands of land reform legislation (for the abolition of revenue intermediaries, for rent control and security of tenure), however tardy and shallow it may have been in implementation, brought in the state in the remotest corners of village society.

✓ In more recent days, with the progress of the state-supported Green Revolution, in matters of loans, tubewells, fertilizers, seeds, agricultural extension, land records, etc. or in the implementation of various anti-poverty programs, the state is implicated in the texture of everyday village life in myriad ways.

- In the theories of democracy socio-economic cleavages are often regarded as obstacles to the functioning of democracy. John Stuart Mill considered free institutions as “next to impossible in a country made up of different nationalities” In Bardhan (1984, 1998) I offered a somewhat contrary hypothesis:

**the Indian experience seems to suggest that the very nature of socio-economic heterogeneity may make the divided groups somewhat more interested in the procedural usefulness of democratic processes. In a country with an extremely heterogeneous society and the elements of even the dominant political coalition quite diverse, where no individual group is by itself strong enough to be able to hijack the state, there may be some functional value of democracy as a mutually accepted mode of transactional negotiations among contending groups and as a device by which one partner in the coalition may keep the demands of other partners within some moderate bounds.**

- **In Indian democracy the legislative process is often relegated to a second order of importance, giving short shrift to the deliberative process in the legislature that John Stuart Mill and other theorists of democracy valued so much. The legislature has become an arena for slogan-mongering, shouting matches, and a generous display of the theatre of the absurd. Sometimes quite radical pieces of legislation on complex issues get passed without much discussion. On many controversial issues the opposing parties do not try to resolve them in legislative deliberations but quite literally go to the streets for this purpose. They (including the ruling party) concentrate on organizing mass rallies and counter-rallies and a show of strength in popular mobilization, in the process sometimes bringing normal life**

**in the cities and towns to a stand-still. Contrary to what happens in most democracies, Indian political leaders, instead of spending time debating in the legislature, think first of a general strike or 'bandh' or road-blocking to register their protest and flex their muscles of mobilization, taking pride in how their followers have paralyzed the daily life of a city. By and large India is less of a legislative or deliberative democracy, more one of popular mobilization.**

- In the electoral process the Indian masses, particularly the poor and the socially disadvantaged, take a much more participatory role than in advanced industrial democracies. More than in establishing procedures of accountability, in India the really important impact of democracy has been**

**in the political awakening and enhancement of group self-esteem.**

**Democracy has clearly brought about a kind of social revolution in India. It has spread out to the remote reaches of this far-flung country in ever-widening circles of political awareness and self-assertion of hitherto subordinate groups.**

- For a large federal democracy India, by constitutional design, differs from the classical case of US federalism in some essential features. Not merely is the federal government in India more powerful vis-a-vis the states in many respects (including the power to dismiss state governments in extreme cases and to reconstitute new states out of an existing state in response to movements for regional autonomy) but it has also more obligations, through mandated fiscal transfers, to help out poor regions.**

In classical federalism the emphasis is on restraining the federal government through checks and balances, in India it is more on regional redistribution and political integration. Alfred Stepan (1999) has made a useful distinction between “coming-together federalism” like the US, where previously sovereign polities gave up a part of their sovereignty for efficiency gains from resource pooling and a common market, and “holding-together federalism” as in multinational democracies like India (or Spain or Belgium), where compensating transfers keep the contending nationalities together and where economic integration of regional markets is a distant goal, largely unachieved even after 60 years of federalism.

**In the rest of this lecture I am going to draw some implications of these particularities of Indian democratic polity and history for the process of economic development.**

- ❖ The emphasis on group rights and group dignity, which may be justified on socio-political grounds, sometimes works against general economic development:**
  - ✓ A perceived slight in the speech of a political leader felt by a particular ethnic group is usually much more politically salient than if the same leader's policy neglect keeps thousands of children severely malnourished in the same ethnic group.**
  - ✓ It leads to policies of clientelism and patronage distribution (often in terms of personalized private benefits) in favor of particular groups rather than investment**



**in broad-based public goods and services.**

- ✓ It leads to 'reservations' as the most popular tool of redistribution. Public sector job reservations for some historically disadvantaged groups, for example, fervently catch the public imagination, even though objectively the overwhelming majority of the people in these groups may have no chance of ever landing those jobs, as they and their children largely drop out of school by the fifth grade. Attention is thus directed at symbolic policies, and the patronage benefits are primarily enjoyed by the elite of these groups, deflecting public attention away from the more urgent and difficult challenges of improving the delivery structure of social services like basic education, health (public health and sanitation as well as medical care) and**

**nutrition. Reservations often become a surrogate for effective public action against poverty, disease and illiteracy. India is the world's largest country of illiterates and school dropouts and of child and maternal mortality or anemia, and yet these are not electoral issues, at least not in the way political reservation is.**

- ✓ In our infinitely-layered society as newer and newer groups get mobilized around group-centric benefits, the consequent political fragmentation makes decisive collective action for common goal formulation and policy implementation and coordinating short-run sacrifices for long-term benefits extremely difficult.**
- ✓ Economic reform, to the extent it is beneficial for development and to the extent it requires some reorganization**

and retreat of the over-extended state, becomes more difficult in this context. The newly emergent groups, as they capture state power controlled by upper castes and classes for all these years, are obviously not too keen to give up the loaves and fishes of office or reduce the role of the public sector (where at the lower echelons the salaries are often three times what one would get in the private sector with similar qualifications). The huge bill for government salaries and subsidies contributes to the fiscal deficit, which fuels the fire of inflation, apart from draining away resources for public investment in infrastructure—both harming the poor.

❖ **Our democracy being one of popular participation and mobilization, that came into being before a transformation of the surplus-generating capacity of the economy, several problems for further development of this capacity emerge:**

➤ **Competitive populism— short-run pandering and handouts to win elections— hurts long-run investment, particularly in physical infrastructure, which is the key bottleneck for Indian development. Such political arrangements make it difficult, for example, to charge user fees for roads, electricity, and irrigation, discouraging public or private investment in these areas. (Political complicity in large-scale theft and under-pricing of electricity, for example, seriously block**

investment in electricity). As the livelihoods of small producers are at stake, or there are severe constraints on their plan for expansion, when roads are bad or there are frequent power outages (when they cannot afford generators or captive power plants), populist democracy can hurt the poor most.

- **Some people think that India's particularly decrepit urban infrastructure may not be entirely unconnected with the fact that while cities produce 65% of GDP they account for about 30% of votes. More important is the fact that municipal governments have very little autonomy in raising own resources for infrastructural investment. User charges for water, sewage and solid waste disposal services are**

**politically under-priced and the antiquated and corrupt property tax system does not share in the ongoing real estate boom.**

- **When the exigencies of mobilization take politicians to the antics and stridency of street theater at the slightest opportunity, rather than to the long deliberative processes of committee discussion on complex issues, the necessary insulation of governance structure in long-term decision-making gets eroded. In this situation the opposition can also get away with being irresponsible and short-sighted (often opposing the Government for policies they themselves supported when in power).**

➤ **The democratic politics of mobilization and patronage distribution put particular premium on leaders, small and big, who are good ‘fixers’ or experts in agitational politics, in organizing processions, rallies and strikes, not necessarily those who can give community leadership to constructive development projects or to fostering local entrepreneurship. In many cases a substantial number of elected politicians are criminals—this signifies not so much a collapse of public ethics, but more of the fact that the particular criminals involved—a type of agile system-manipulating ‘social bandits’—are often the more effective organizers and mobilizers of people in a political environment that gives primacy to**

**mobilization. They are the popularly 'elected godfathers' quite familiar in the democratic politics of southern Italy.**

**➤ More generally, the tension between the *participatory* and *procedural* aspects of democracy is the fundamental dilemma of democratic governance and development in India.**

**❖ On fiscal federalism, while small steps toward the goal of an Indian common market are being attempted through harmonization of sales taxes across states and in the form of a GST in the near future, let me point to three kinds of tension in redistributive federalism that are growing:**



- **As the logic of economic reform and increased competition (for capital that is constantly in search of more business-friendly policies and infrastructure) leads to increased regional inequality, and as the logic of political development in India leads to coalition governments at the center dependent on the support of powerful regional parties, one of the toughest political economy issues in the coming years will be how to resolve the tension between the demands of the better-off states for more competition and those of the populous backward states for redistributive transfers. Even these redistributive transfers (or direct subsidies), however, do not usually go toward correcting the severe infrastructural deficiencies of the poorer states, thus contributing to the perpetuation of the regional inequality.**

- **There is also a tension between the increased power of regional political formations on the one hand and their increasing vertical fiscal dependence on the central government on the other (not merely a large part of state revenue is from central transfers, about half of these transfers are 'tied', and thus subject to central discretion). In fact these discretionary transfers from the central government are often highly regressive (i.e. better-off states get more per capita), as are the transfers in the form of fertilizer and food procurement subsidies.**
- **There is also some tension between the state government and the local panchayats and municipal governments in many areas of development. As more money has started flowing from mainly central government to these local bodies on various development and welfare projects, on the**

one hand these local entities become more interested in participating in the disbursement of funds and identification of beneficiaries; on the other hand, the local MLA's and other political leaders at the state level try even more than before to hijack the process and undermine effective decentralization. The latter use the local entities more for mobilization and recruitment of party workers than for organizing community development.

Of course, on the positive side, it is democracy that has constantly generated and renewed pressure for welfare programs for the poor, even though 'leakages' continue to be excessively high. It has also encouraged the rights-based activism (for information, for jobs on rural public works, for food and education and forest land rights), which at the least make more poor people

**politically aware of their entitlements to the benefits of development. It is also the case that all around India some localized green shoots in positive effects of democratic governance on development are now becoming visible-- in social service delivery, in social audits of malfeasance in public programs, in citizen associations demanding better infrastructural facilities, and in some regulatory reforms and measures of fiscal responsibility. There are faint signs that in some areas the electorate has started rewarding the economic performance of their elected leaders.**

**Democratic 'voice' is the only safeguard against the increasing predations of our corporate oligarchy. The grip of a corporate-political nexus is much too evident --in the matter of state allocation of access to land, monopoly rights on mining natural resources or telecommunication spectrum**

-- in influencing the media that often set the agenda and shape public opinion  
-- in the running by politicians of educational institutions, distilleries, iron mines or cricket franchises (politics has now directly become 'business by other means').

**Mechanisms of accountability that our ramshackle democratic institutions allow provide the only antidote.**

**Am I a pessimist or an optimist, I am often asked. I usually refer people to Antonio Gramsci's famous phrase (in a letter from prison to his brother) about "pessimism of the intellect, optimism of the will". But in the context of democracy and development in India, there is another expression of Gramsci that may be more appropriate: the challenge, he said, is to "live without illusions, and yet not to be disillusioned".**