



Neo-Liberalism and the Rise of Right-Wing Conservatism in India

Neoliberalismo e Ascensão do Conservadorismo de Direita na Índia

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Abstract

This paper assesses the origins and the consequences of the decisive right wing shift in Indian politics ushered in by the 2014 elections. Tracing this to long-term but not linearly developing tendencies in Indian politics, the paper relates these with the distinctive nature and history of capitalist development in India, particularly the sharply polarizing growth and accumulation regime of the neo-liberal era and the crisis it now confronts. Asserting that the electoral success of the Narendra Modi-led BJP was based on it being the political agent of not change but of a reassertion by India's economic elite, the paper explains the challenge of managing sharply contradictory interests that this places in the path of the consolidation of the new regime.

Keywords: India, Conservatism, Capitalism, Neo-Liberalism, BJP

Resumo

Este artigo avalia as origens e as consequências do giro à direita na política indiana inaugurada pelas eleições de 2014. Rastreamo isso no longo prazo, mas sem desenvolver linearmente as tendências na política indiana, o artigo articula tais movimentos com a natureza e história distintas do desenvolvimento capitalista na Índia, particularmente o regime de crescimento e acumulação fortemente polarizante da era neoliberal e a crise que agora confronta. Ao afirmar que o sucesso eleitoral do BJP, liderado por Narendra Modi, se baseava em ser o agente político de não mudança, mas de uma reafirmação da elite econômica da Índia, o artigo explica o desafio de administrar interesses marcadamente contraditórios que isso coloca no caminho da consolidação do novo regime.

Palavras-chave: Índia, Conservadorismo, Capitalismo, Neoliberalismo, BJP

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Introduction

The immediate context for examining the rise of right-wing conservatism in India is of course the resounding victory of the Narendra Modi led Bharatiya Janata Party (BJP) and its allies in the 2014 countrywide general elections in India. The BJP alone crossed the half-way mark in terms of parliamentary seats won, and this was the first time in the eight elections after 1984 that any single party had managed to achieve this. In other words, unlike what was the case when Atal Behari Vajpayee of the BJP was Prime Minister (1998-2004) the survival of the coalition government this time is not reliant on support of other political parties who do not necessarily adhere to the *Hindutva* ideology of the BJP¹. Narendra Modi, in whose name much of the campaign was conducted, was also a leader with an extreme hard-line reputation, somewhat in contrast to the image of Vajpayee who was the only other BJP leader to have become Prime Minister. Modi in fact was the Chief Minister of the state of Gujarat during Vajpayee's tenure as PM. It was under his administration that at least a thousand people and perhaps closer to double that number, an overwhelming majority of them Muslims, died in what has been described as the Gujarat Genocide of 2002².

While 2014 does appear to be a crucial turning point in India's political history insofar as it initiated the rule of the most right-wing government India has seen since independence, it does so only because of something that appears somewhat paradoxical at first sight. India is a country that is said to live in several centuries at the same time – where features of a modern economy, polity and society and their corresponding institutions happily co-exist with an overwhelming presence of others that are more associated with pre-modern times. It could therefore be considered somewhat surprising that explicitly conservative political formations have not dominated the Indian political scene for most of the period since the country's independence from colonial rule in 1947.

This paper tries to explain the above paradox and in that background, assesses the origins and the consequences of the recent decisive right wing shift in Indian politics.

The 2014 Electoral Verdict in Perspective: Looking Beyond the Seats

India has been a constitutional republic based on universal adult franchise since her independence. In having elected governments throughout this period and no phase of military dictatorship, she stands out in sharp contrast to many developing countries. Since the first general elections in 1952, thirteen rounds of elections have taken place to elect members to the Lok Sabha, the lower house of the Indian Parliament, apart from the elections to the numerous state (provincial) legislatures³. If one looks at the voting patterns in Indian parliamentary elections over more than six decades, the victory of Modi could be seen to reflect both continuity as well as change –

in some sense the outcome of a gradual but non-linear development of long-term tendencies in Indian politics.

Voting percentages in Indian general elections clearly tended to increase over the first few elections and then tended to stay above the 55 per cent mark from the 1960s. While there were fluctuations from election to election, no election before saw the level reached in 2014. The sharp spike compared to the previous (2009) election indicated that the Modi victory in part was based on the BJP being able to attract some new voters in this election. In contrast to this was the fact that among those who voted, the victors in 2014 had the narrowest popular support that any elected government has had in all elections. No party or alliance with a parliamentary majority in India has ever received 50 per cent of the vote. The closest anyone came to that mark was the Indian National Congress in 1984, benefitting from the 'sympathy wave' generated by the assassination of Prime Minister Indira Gandhi just before the elections. However, at 282 seats with barely 31 per cent of the vote, the Modi-led BJP's victory has depended on the first-past-the-post system more than any previous victor. The extent of popular support that it got thus tends to get exaggerated when one concentrates only on the number of parliamentary seats won.

While the Indian National Congress (INC), or Congress for short, was the repeated victor in all elections till 1977, and has been a ruling party on five occasions afterwards too, there was always a substantial non-Congress vote which was dispersed among different political formations including regional ones. What could be called conservative political formations also secured a significant support at the national level on several occasions. The BJP and its precursor the Bharatiya Jan Sangh (BJS) have been the steady representative of this political tendency, though the Swatantra (Freedom) Party also briefly made its mark in the 1960s only to fade away thereafter. The support secured by conservative forces achieved a certain stability by the end of the 1980s – in terms of the BJP's support staying around or above a floor level close to one-fifth of the vote since the elections in 1991. This emergence of the BJP coincided with a decisive and long-term decline in the Congress' support base.

The BJP's steady support in the last two and a half decades, however, did not prevent it too from becoming a victim of a trend of governments being repeatedly voted out of power that has been a marked feature of this period. While it won in 1998 and 1999, it lost out in 2004 and fared even worse in 2009. The 2014 result, therefore, reflected to an extent a significant revival of the electoral fortunes of the BJP. That it would not suffer a reversal because of the continuation of the same trend that helped it win earlier and this time is not something, therefore, that can be said with certainty at this point of time.

One of the features of the BJP's support base has been its relative geographical concentration, having a pattern that has not changed very dramatically over the last two decades. Even in 2014, the improvement in its electoral performance was most marked in in regions where it has traditionally been strong. In other words, it has still

not been possible for the BJP to replicate the kind of nationwide support that the Congress had earlier managed to secure.

To summarize what emerges, the decline of the support for the Congress and the rise of the BJP have been two interrelated tendencies in Indian politics that had been visible for some time. However, the rise of the BJP has not yet resulted in it occupying the kind of stable dominant position that the Congress had for so long. Therefore, while there is no doubt that victory of Narendra Modi makes the 2014 elections an important landmark in Indian politics, it cannot yet be characterized as a seismic change from the long-term patterns and trends in this sphere. Given the government it gave rise to, it was a result with a potential for bringing about extremely significant long-term changes in Indian politics. However, what would be the direction of that change may not yet be a certainty.

The Colonial Origins of Indian Capitalism and its Implications

Capitalism development in India has a distinct history and the political developments that have accompanied cannot be quite understood without it. This distinctiveness starts from the very origins of Indian capitalism in the second half of the 19th century when India was under colonial rule and Britain's most important colonial asset. Indian society's unification within a single political and administrative structure with a centralized state, and the creation of social classes with a 'national' character, was itself a consequence of colonialism. But the Indian nation that emerged from it, with its corresponding 'national economy', bore the stamp of its colonial history. It was one of the poorest economies of the world in terms of per capita income, unequally positioned in the international economic order and was beset with its own internal contradictions.

While colonialism had produced disruptive effects on the economy of the Indian sub-continent and squeezed out a surplus from it over a long time, neither colonialism or the limited development of capitalist production that it engendered involved a fundamental transformation of its social and economic structure. From the standpoint of the development of Indian society, colonialism proved to be essentially a conservative force. It introduced 'modern' elements into the economy but its interests were also served by preserving and maintaining the pre-existing structures (Ranadive 1979).

The agrarian economy in particular, to which even at independence three quarters of the workforce was tied and which generated more than half the GDP, experienced little 'modernization' over the two centuries of colonial rule. It remained a peasant agriculture where family labour was supplemented by hired labour of landless agricultural workers and from which a hierarchy of rentier landed interests extracted a substantial surplus. Small-scale cultivation was the norm and the methods and

techniques of production remained more or less the same as before the advent of colonialism (Patnaik 1999).

A very limited modern factory emerged and grew from the mid-19th century, its expansion being never enough to completely cancel out the destruction that India's traditional artisanal manufacturing experienced over the 19th century because of manufactured imports from Britain after the Industrial Revolution. At India's independence, still dominated by relatively technologically unsophisticated light industries, modern manufacturing accounted for only 8 per cent of the economy's aggregate output and less than 2 per cent of employment. Even the surviving traditional manufacturing sector was larger in size. The development of the factory sector, however, did call forth a limited development of the industrial capitalist and working classes, the former having both a foreign as well as native components (Ray 1994). The limited development was both in a quantitative as well as a qualitative sense – apart from them being numerically very small segments of Indian society, each of them was underdeveloped in their own ways. The character of the native industrial capitalist class strongly reflected its mercantile roots while the working class continued to have strong links with the countryside.

The sustenance of the institutions of caste and patriarchy was the result of the nature of the transformation, or the lack of it, produced by colonialism. British rule to an extent undermined the basis and modified the context of the hierarchical division of society into castes composed of patriarchal families, based on endogamy and hereditary caste occupation, and its accompanying ideology. So too did the social and political movements that grew out of that changing context⁴. Yet these changes had their limitations as typified by the reinforcing or the survival of pre-capitalist relations in agriculture, and even the fact that an overwhelming number of Indian capitalists emerged from merchant castes or communities. Caste, with patriarchy as its accompaniment, continued to play an important role in the social, political, and economic life of India in ways that even reinforced them.

If independent India was bequeathed a backward economy and society by colonialism, it also came into being as a nation characterized by tremendous religious, linguistic and cultural diversity. The partition at independence between India and Pakistan of course changed the composition of the population such that those who identified themselves as being adherents of a religion, Hinduism, whose origins are in the sub-continent and are traced back to its ancient civilization became the overwhelming majority (around 80 per cent presently). The sub-continent, however, had also been the region of the world which became home to the largest Islamic population. Even after the partition of India in 1947 and then Bangladesh's separation from Pakistan in 1971 – the three countries of the sub-continent follow Indonesia in the list of countries in the world with the largest Muslim populations. In India they have always constituted the largest religious minority group, accounting for 14% of the population presently. There are also other significant minority populations following

religions that emerged in the sub-continent (e.g. Sikhism, Buddhism, Jainism) or came to it from other parts of the world (e.g. Christianity or Zoroastrianism). Partition's impact on the variety of languages and cultures in India was much less marked – hundreds of languages are in use in India and least ten of them have currently more than 30 million speakers each. The Indian nation was therefore composed of multiple nationalities, and within each there were further sub-groups. In addition to this, across the India were numerous tribal communities whose members made up around 7.5 per cent of the population at independence.

Much of the post-independence Indian political spectrum took shape during the colonial period, as the development of India's national movement or freedom struggle took place in a context where the society that was pitted against foreign rule was both diverse and was characterized by the operation of varying and even contradictory interests. The transformation of the anti-colonial struggle into a mass movement had to confront the inequalities and unequal relations that characterized Indian society even as the politicization generated by the movement also pushed those contradictions to the surface (Desai 2002). The growth of an Indian nationalism also involved the awakening of the multiple national sentiments of India's linguistic groups to serve as its foundation. On the other hand, the divisive potential of India's diversity and of revivalism was also ruthlessly stoked and exploited by the British rulers as part of the policy of *divide et impera* – most importantly by the promotion of religious community based conflict that eventually resulted in partition accompanying Indian independence.

An array of political forces from Left to Right and organizations representing different interests emerged in this complex background – some more regionally concentrated and others of a national nature. Communal formations like the Muslim League and the Hindu Mahasabha came into being in the early part of the 20th century, and the former eventually championed the cause of creating a separate Pakistan. The Justice Party which later became the Dravidar Kazhgam (precursor of the Dravidian parties which have continued to dominate Tamil Nadu's politics till date) was also formed in 1917 as a challenge to high-caste domination. The Hindu nationalist Rashtriya Swayamsewka Sangh (RSS) came into being by 1925 – though it stayed away from the national movement and floated its political front, the Jan Sangh, only in 1951. The Communist Party was also founded in the 1920s. It was the Indian National Congress though which managed to emerge as the major political expression of Indian nationalism. The Congress itself was an umbrella organization that accommodated within itself a variety of tendencies (some of whom, like the Congress Socialist Party, were to separate from it immediately after independence). It managed to attract support across the divides that characterized Indian society. It was also the political formation towards which Indian capitalists graduated in the run up to independence. These processes, however, ensured that the Congress was at best reformist in relation to the iniquities embedded in India's society, incapable of being the political

instrument of any radical transformation. This was to make the transformative impact of the transfer of power in 1947 on Indian society less significant than it might have been. Yes, independence did mean an important discontinuity in the history of Indian capitalist development insofar as it made it possible for the state to be now used more effectively than earlier to promote national capitalist development. It, however, left largely untouched the socio-economic structure inherited from British rule.

Indian Independence: Continuity and Change

With the adoption of the Constitution by the Constituent Assembly in 1949, and the declaration of India as a republic on 26 January 1950, the formal structure of rule in independent India was put in place. Its key elements were a federal system of government with cabinets and elected legislatures at the central and state (province) level, with a division of powers between them. This was followed by the linguistic reorganization of states. The constitutional framework of Government that came into being had its antecedents in the 'constitutional reforms' brought about by the erstwhile British rulers. However, emerging as it did in the background of a national movement in which diverse classes participated, the constitution of independent India did make significant departures from the previous constitutional structure. It severed the direct political ties with Britain, and eliminated the many special powers that had been exercised by the non-elected bureaucracy. It also extended the electorate to include the entire adult population, and replaced the system of representation by 'classes and interests' with one of territorial representation. The administrative apparatus of Government, the police force and the army of independent India were, however, inherited from British rule as they were (Bettelheim 1977).

The equality of all citizens and a secular state were formally enshrined in the Constitution and many of the traditional forms of discrimination were outlawed along with the legitimization of affirmative action. These, however, existed in an uneasy relationship with the underlying realities of Indian society which were yet to be transformed.

The institutional framework for capitalist accumulation was also put in place in the years after independence (Das Gupta 2016). The intermingling of the worlds of business and politics during India's national movement had already created some of the background and setting for the negotiation on and operation of this framework. The actual outcomes, which were much more favourable to capital than labour, were indicative of what was to prove to be a persistent feature of the Indian state – an extremely weak capacity to discipline private capital (Chibber 2004). This only reinforced the tendencies that came instinctively to a capitalist class with strong roots in mercantile activity – the reliance on acquisition of technology rather than its development and the proclivity to seek and use state patronage not just for collective but even individual benefits.

One of the significant expressions of the conservative nature of Indian capitalism was the inability of the post-independence state to reform the agrarian structure in any significant way other than eliminating a top layer of rentiers. It allowed itself to be thwarted by powerful landed interests who continued to enjoy significant political power. As such, there was no substantive undoing of what was called the “built-in- depressor” in India’s agrarian structure (Thorner 1956) – the tendency for most of the surplus to concentrate in the hands of a landed minority removed from production, producing both iniquity and the maintenance of low productivity. Indeed, like the colonial state before it, the state in independent India too kept large agrarian incomes outside even the ambit of taxation. Unlike under colonialism, however, there were attempts after independence to bring about capitalist development and improvements in agriculture through a combination of other measures (e.g. the green revolution strategy) (Patnaik 1994, Rao 1994). These did ease the agrarian barrier to capitalist industrialization but failed to decisively eliminate it.

Notwithstanding what was put in the constitution, and in some ways because of some parts of it, even independence did not mean the unleashing of any process fundamentally undermining caste and patriarchy. These were not only integral to the agrarian structure and the organization of the rural economy which was left undisturbed, the operation of an agrarian barrier to industrialization also meant that the opportunities of escape from these through class, occupational and location mobility also remained limited. These consequences were epitomized by the fact that India remained largely rural and agrarian even after independence. Landlessness, however, tended to increase over time even as new rural elites emerged out of the state’s attempts at promoting agricultural development. The former meant a continuous process of swelling of labour reserves which served to maintain a systemic tendency towards maintaining a cheap labour economy characterized by informality and casualization – and institutions like caste thrived in this too. The coexistence, of the basis for social conservatism and its deep entrenchment, with the instabilities and unevenness associated with capitalist development, came to characterize Indian reality after independence.

The Capitalist Class, the State and Indian Democracy under Dirigisme

As mentioned earlier, an integral feature of capitalism in India has been the substantial reliance of private capital, not only collectively but also individually, on state support to its development. After independence, the strategy of ‘planned economic development’ under conditions of ‘relative autonomy’ provided the overarching framework of such support and on the whole received the support of capitalists (Das Gupta 2016). State economic policy was to be subsequently marked by periodic

changes as a result of frequent adjustments in response to, or forced by, contingent circumstances. However, the core of the strategy was maintained till the 1980s.

Import-substituting industrialization did provide a background for a significant development, of Indian big business. Private corporate capital's relative share in the economy did not increase significantly except in the initial years of the period. It also became more confined to manufacturing activities as it was squeezed out by the public sector from other spheres like banking and finance, mining, transport and communication, electricity, etc. As the manufacturing sector became more diversified, however, Indian business groups moved from a situation of being confined to a few traditional industries like the textiles into others such as steel and steel products, chemicals, cement, automobiles and automobile products, industrial and other machinery and consumer electronics. The state supported development of the financial system the backward and forward linkages of public investment were extremely crucial to this advance of private capital as was the state's role in the agrarian economy.

The extent and the effectiveness of the state support to industrialization and social development were, however, also undermined by the nature of the state-business interaction. What has been pejoratively called the "license-permit raj" was in reality the routine abuse, manipulation, and circumvention of the system of controls to their advantage by big business firms with the assistance of the discretionary decision-makers in the state apparatus. This became an entrenched part of business behaviour and the clientelism, corruption and cronyism associated with it became more pronounced with time (Goyal 1979, Kochanek 1987, Virmani 2004). Private capital also successfully beat the revenue mobilization effort thereby limiting the state's ability to expand public expenditures.

It would, however, be a bit of a caricature to represent the Indian state before liberalization as being entirely captive to powerful private interests. Indeed it was not even the case that a fixed and exclusive set of favoured business firms remained the beneficiaries of state patronage throughout. This is what created the possibility for new constituents in India's business elite to emerge (Mazumdar 2011). The general setting of an interventionist economic policy regime also provided a context for significant autonomous state action. For instance, the period of the most intense economic difficulties, from the mid-1960s to the late 1970s, also saw the high tide of What were the implications of the political system of independent India in shaping the interaction between the state and the economy, specifically the fact that the State had to operate within the framework of representative democracy? A common theme that explicitly or implicitly lay behind often very diverse viewpoints is the notion of the constraints on the state imposed by democracy. This constraint has been seen, if one were to put it in somewhat simple terms, in either limiting the ability of the State to do 'wrong', or do 'right'. Those who took the former view were appreciative of the iniquities characterizing the Indian economic and social structure and their

implications for political power, but stressed the parallel factor of legitimation (Chakravarty 1987). The latter commonly expressed itself in the notion of the State being unable to pursue any 'rational' economic programme because it is constantly subject to the pressure of demands from diverse interest-groups and lobbies, demands which it has to accommodate given the nature of the political system. Another view that falls somewhere in between the previous two but tilts towards the latter is one based on the perception of the existence of two twin tendencies, that of 'political awakening' and of 'political decay' (Mason 1992). Political awakening, the increased self-assertion and political participation of a variety of social groups, it was argued, led to increased demands on state resources. This, coupled with political decay, or the increasing 'inability of political institutions to respond creatively or adequately' to such self-assertion by different groups, made the country more difficult to govern. In the sphere of State economic policy, this was seen as the root cause behind the rise of economic populism and the inability to bring about necessary reforms because of the operation of vested interests' (Joshi and Little 1994).

The so-called political decay was, however, not something that simply happened due to exogenous reasons. The underlying socio-economic structure and the constrained dynamics it gave rise to shaped also the way the institutions of Indian democracy worked. The structure itself was fundamentally incapable of eliminating the conflict of interests and aspirations without a transformation even though it induced them to be expressed. It also bears remembering that populism or making concessions was not the only way in which the Indian State responded to the demands made from it. The very period in which such 'populism' grew and the idea that the state had to deliver a range of benefits to citizens, particularly the poor, took root – when Indira Gandhi came to lead the Congress – also saw the imposition of the Emergency (1975-77). Moreover, if the fiscal constraints faced by the state kept the expenditures on providing such benefits in check, the state in India generally also was far more authoritarian in character than would be obvious from simply the frequency of elections or changes of government.

However, elections did take place and this did mean that governments could change – the Emergency and the subsequent elections were the clear sign that the political stranglehold the Congress had managed to maintain after independence in the face of recurrent challenges was beginning to come undone. Behind this was its increasing inability to manage the contradictions and the cleavages of Indian society even while promoting a process of capitalist development. By the end of the 1980s this became even more clearly established. In a complex society like India's, the accompaniment of the regionally uneven decline of the Congress was the emergence of a more fractured polity whose different strands grew partially in mutual interaction with each other and ushered in the era of coalition governments. The rise of the BJP based on a Hindu consolidation was one expression of this, aided in part by the gravitation of traditional and new elites towards it. Parallely, however, there was also

the emergence of political formations rooted in the different segments of middle and lower castes in some parts of the country and of other regional formations. Even as these significant shifts in India's political landscape were taking shape, India made its decisive turn towards economic liberalization following the foreign exchange crisis of 1991.

The Neo-Liberal Turn of Indian Capitalism and Right-Wing Politics

While widespread dissatisfaction with the actual results of post-independence development was a fact and underlay the decline of the Congress, there had been no process making for this range of discontents to coalesce into a new consensus in favour of liberalization. Indeed, it was the minority Indian National Congress government rather than any new political formation, which led the initial march into liberalization. In the immediately preceding elections, it was not the wave of economic liberalization that was to follow which occupied centre-stage. Instead, implementation of the recommendations of the Mandal Commission (caste-based reservation or affirmative action) by the previous government and the Ram Janambhoomi-Babri Masjid (Temple vs. Mosque) dispute, and then the assassination of the former Prime Minister mid-way through the elections, dominated the election related discourse. The changeover in the policy regime was as sudden as it was far reaching. It was a top-down process with actors within the Indian policy making elite and in international financial institutions initially crafting the policy shift (Sengupta 2008).

The transition to liberalization had very important implications for Indian democracy. It has meant not an elimination of the state's role but a shrinkage in the scope for autonomous state action and consequently a greater leverage of private capital over the state. The 'retreat of the state' itself required the state to assume a new role, of overseeing that process and the opening up of the economy, and of regulating the many sectors in which it ceded its space to private capital. The 'retreat' was thus a necessarily qualified one which made it as amenable to manipulation by private interests as the old control regime was thereby setting the stage for corruption, cronyism and clientelism on an even larger scale. In a deeper structural manner, the retreat of the state and the opening up of the economy and the attendant fiscal restrictions have constrained the state – making the inducement and encouragement of private investment through various incentives the main way of influencing the economy's growth process. Thus every phase of upturn in the aggregative economic performance generates a reluctance to do anything that might adversely affect the 'animal spirits' and the 'state of confidence' of the private investor. Every downturn generates a tendency for measures to revive these. The placing of the private sector in such a privileged position has in turn made the adoption of a friendly attitude towards it a part of the general culture of state functioning in India. At the same time, large

business firms which have established themselves in key sectors have increased their clout and thus influence on regulatory policy in them. The state's ability to discipline private capital has consequently been further eroded and a permissive attitude towards capitalist lawlessness has also been a perceptible feature of this period. The stranglehold of capital over the state has, however, meant that other segments of Indian society have found it far more difficult to claim the state's attention.

Once initiated, since it also gave rise to a highly polarizing growth, the emergence of any subsequent social consensus on it was also next to impossible. The pattern of that growth makes it easy to understand why Indian big business and sections of the middle class have come to champion the liberalization process (Pedersen 2007, Kohli 2009). Outside of these social segments, however, liberalization has not proved to be popular for equally understandable reasons. One reflection of the popular dissatisfaction with the results of economic policy has been the high level of political instability characterizing this period to which reference has been made at the beginning. The recurrent changes in government, however, did not disturb the onward march of the liberalization process for the structural reasons described earlier. It did, however, present the BJP with its first opportunity to lead a coalition government towards the end of the 1990s.

The BJP's economic philosophy had even before liberalization been more right-wing and pro-private enterprise than was the norm in Indian politics. As such, as the leading component of the National Democratic Alliance Government between 1998 and 2004, it had no difficulty in identifying itself with the liberalization agenda even more strongly than previous governments. The culmination of this was the 'India Shining' campaign in 2004⁵. The election results that followed surprised media commentators as it went against what opinion polls had generally projected.

The decisive rejection of the BJP's slogan in 2004 and the further slide the party experienced in 2009 appeared to mark an important shift in Indian politics by bringing some attention back to India's poor. The reason for this appearance lay in the new discourse and specific policy measures initiated by the United Progressive Alliance (UPA) led by the Congress after 2004. Apart from slogans like 'Inclusive Growth' the introduction of measures like a National Rural Employment Guarantee Scheme (MGNREGA) during its first term were seen as symptomatic of the shift and were credited with ensuring the UPA's re-election in 2009. Towards the end of its second term the UPA also legislated a Food Security Act. Despite these, however, the 2014 verdict happened.

Neither the 2004 nor the 2014 elections actually produced any significant shift in the economic policy paradigm – instead there was a marked continuity. A key indicator of the continuity has been adherence to fiscal conservatism. The UPA 1 Government in fact notified the Fiscal Responsibility and Budget Management (FRBM) Act passed by its predecessor NDA Government. What changed was that the UPA came to power in 2004 just as Indian economy had moved into a phase of extremely rapid growth

while the 2014 elections took place at a time when the crisis of the neo-liberal growth trajectory had already deeply set in.

Throughout its ten-year rule, the UPA kept the Central Government Expenditure to GDP ratio below the level at the end of the previous government's term and the fiscal deficit-GDP ratio was consistently brought down till 2007-08. However, revenues swelled mainly on account of corporate taxes and income-taxes and the tax-GDP ratio improved, a reflection of the fact that profits grew rapidly while wages stagnated and inequality increased. This made it possible for public expenditure growth to be also eventually stepped up without compromising the objective of keeping the fiscal deficit within bounds. This expenditure growth persisted for a while after the eruption of the global crisis because of the fiscal stimulus but this was accompanied by a significant fall in the tax-GDP ratio. The consequent rise in the fiscal deficit induced a retreat to fiscal consolidation by the time the second decade of the current century began.

The fiscal consolidation which marked the last three years of the UPA-2 Government prioritized curbing of government expenditure over tax mobilisation resulting in a stagnation of real public expenditure. This aggravated the growth and investment slowdown which in turn intensified the revenue constraints. The expenditure heads that bore the brunt of the austerity measures were: agriculture and rural development; fertilizer and food subsidies; and social services (like health and education). The expenditure on rural development (which includes the MGNREGA) was even in nominal terms lower in the years thereafter than in 2008-09! This is the background in which the UPA's 'Inclusive growth' slogan failed to cut, not surprisingly, much ice with the electorate in 2014 and it suffered a massive defeat. A series of corruption scandals only added to popular discontent.



The success of the Narendra Modi-led BJP in the 2014 was made possible because it was the political agent of not change but of a reassertion by India's economic elite. The economic crisis created a situation where those on both sides of the process of increasing economic divergence were dissatisfied with the UPA but for different reasons. Corporate interests were increasingly desperate for a return to the days of rapid profit growth and from their perspective this required government capable of taking decisive measures to carry forward the liberal reforms agenda even if it meant administering the 'bitter pill'. A more authoritarian regime than what the Congress had been able to or could deliver was thus desirable from their point of view. The near unanimous support that the Modi led-BJP consequently received from Indian big business and sections of the middle class tied to the corporate sector was no doubt an important factor in shaping the electoral verdict. Its result was a command over financial resources and media projection that no other formation was able to match. This was of course not sufficient to win the election but this support of the business elite helped the BJP in expanding its support by tapping more successfully than others the discontent that existed in the larger populace.

The Narendra Modi led-BJP's electoral success has, however, placed before it the same challenge that undid the Congress – namely, managing the myriad contradictory interests even as it facilitates a process of capitalist accumulation. This challenge has been made even more daunting by the context of the crisis and the fact that the BJP's political influence is still far from being all encompassing. Indeed, those contradictions and the politics they have given rise to over time itself constitutes a barrier to the expansion of the BJP's popular support. Substantively on the economic front little has changed in the two and a half years of the Modi-government. There is an increase in the level of aggressiveness with which neo-liberalism is being pursued but this has not produced any dramatic revival. On the other hand, pushing these beyond a point requires a significant adjustment of the social equilibrium that has not been easy to politically achieve – though there are recurrent efforts within which one could also place the recent demonetization decision. While increasing authoritarianism in one form or the other and the even greater effective erosion of India's democracy is taking place, it is far from certain that this has already secured the current regime's grip on power and enhanced the chances of its survival beyond the next elections.

Indicators of Voting Trends in Indian Elections

Year =>	1951	1957	1962	1967	1971	1977	1980	1984
Voter Turnout (%)	44.87	45.44	55.42	61.04	55.27	60.49	56.92	63.56
Total Seats	489	494	494	520	518	542	542	514
INC	364	371	361	283	352	154	353	404
	44.99	47.78	44.72	40.78	43.68	34.52	42.69	49.1
BJP/BJP	3	4	14	35	22		31*	2
	3.06	5.97	6.44	9.31	7.35		18.97*	7.74
Other National Party	12	19	18	44	16	295	41	10
	10.59	10.41	7.89	8.67	10.43	41.32	9.39	6.89
	Socialist	Praja Socialist	Swatantra	Swatantra	Congress (O)	Bharatiya Lok Dal	JNP (Secular)	JNP
Year =>	1989	1991	1996	1998	1999	2004	2009	2014
Voter Turnout (%)	61.95	56.73	57.94	61.97	59.99	58.07	58.21	66.44
Total Seats	529	521	543	543	543	543	543	543
INC	197	232	140	141	114	145	206	44
	39.53	36.26	28.8	25.82	28.3	26.53	28.55	19.52
BJP/BJP	85	120	161	182	182	138	116	282
	11.36	20.11	20.29	25.59	23.75	22.16	18.8	31.34
Other National Party	143	59	46	32	33	43	21	0
	17.79	11.84	8.08	5.16	5.4	5.66	6.17	4.19
	Janata Dal	Janata Dal	Janata Dal	CPM	CPM	CPM	BSP	BSP
INC = Indian National Congress; BJP/BJP = Bharatiya Jan Sangh/Bharatiya Janata Party; JNP = Janata Party; CPM = Communist Party of India (Marxist) and BSP = Bahujan Samaj Party								
Indicates Winning Party								
1977	BJP was one of the constituents of the Janata Party (BLD) - which also included the Socialist parties and the Congress (O).							
*1980	BJP was still one of the constituents of the Janata Party but which had by then split.							
1989	The Janata Dal formed the government with the outside support of the BJP and the Left.							
1996	Eventually the United Front coalition of non-Congress and non-BJP parties formed the government with outside support of the Congress.							
1998, 1999, 2014	BJP was the leading constituent of the National Democratic Alliance coalition government.							
2004, 2009	INC was the leading constituent of the United Progressive Alliance coalition government.							

Notes

¹ For the BJP's self-description of its ideology, see: http://www.bjp.org/index.php?option=com_content&view=article&id=369:hindutva-the-great-nationalist-ideology&Itemid=501

² See Brass (2004) for a 'neutral' description

³ As of now the Indian Union has 29 states and seven Union Territories.

⁴ Desai (2002), Ch. 14, pp. 227-245 provides a synoptic view of the various forces contributing to the undermining of the caste system. But one can say with the benefit of hindsight that the presumption of a somewhat linear trend of its decline was overly exaggerated.

⁵ This was an advertising campaign in the run up to the general elections. It backfired because it projected an image of India that was in sharp contrast to the lived reality of a large number of Indians.

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