State- Directed Development in a Populist Democracy: Examining Economic Planning for Development in India

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Abstract

Present paper is an essay on the India's developmental policies after the liberalization era.

The newly independent state of India had adopted a socialist pattern of development where the state controlled capital resources of the country and assumed industrialization in its hands. Economic planning was started to lay out the targets and assess the progress of growth. After liberalization, these institutions were not reformed and a socialist rhetoric was maintained for keeping the voter base intact. Inequalities in development could not be addressed through

electoral democracy in India but the institutions fail in delivering basic welfare services to the

planning. This essay is a reflection on how the welfare policy narratives maintain a strong

citizens.

Key Words: Development, populism, redistribution, inequality, economic planning, citizen agency

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Introduction

This paper examines the development rhetoric in India and explores the differences between the narratives that are woven for voters versus what the institutions of policy endorse. While the electoral system is robust and exhibits democratic strength, the welfare institutions of the government in India are weak when it comes to service delivery and evaluation of policy efficiency.

India in the past two decades has achieved high rates of economic growth and registers as one of the fastest growing economies in the world. But high growth is juxtaposed with extreme poverty and inequalities- both social and economic, in the Indian society.

Liberalization reforms implemented in 1990s, after a balance of payments crisis, posed an ideological shift in the role of the state. While socialism was still a guiding principle for policy design, the state had lost control over the industrial capital. The functions of the state were now focussed on the development of public infrastructure and human capital.

In a liberal economy, the state is primarily responsible for the redistribution. To serve this purpose, the institution of planned development was retained in India. We will see later in the discussion, how the socialist planning has been critiqued by scholars and commentators. To enable state control of the capital resources, economic planning was adopted in 1950 after independence from the colonial rule. The economy was backward in terms of technological and industrial development and the population was mostly agrarian. Political leadership in India, immediately after independence had to take charge to steer the population out of

extreme poverty and underdevelopment; hence short-term (five-year)² economic plans were made to assess the economy, set growth targets and evaluate the achievement.

Planning, after the independence from colonial rule till the liberalization reforms, failed in redistribution of resources and ended up with a public sector with defunct corporations and sick government-owned industrial units. The government had tried to push for reforms prior to the crisis from 1985- 89, but could not get political approval in the form of legislative support (Varshney, 2007, pp. 150-154). When the liberalization reforms were implemented in early 1990s, the country was still gripped in extreme poverty with an estimated 403.7 million people living below the poverty line³. And the population was undernourished and uneducated as we will see later in the discussion of the policies for human development and where they fail to deliver. Skill attainment to be able to compete in the markets was difficult for this population. Also, about 74 per cent⁴ of the population was rural-lived in villages and engaged in agriculture with low productivity. Redistribution for those excluded from opportunities to attain modern education and training to become a part of the industrial workforce in the newly liberalized economy was the need of the hour- that has been neglected in the past two decades since liberalization of the Indian economy.

The undercurrents of winning majority in ballots however were a result of networking of the rank and file of the ruling Congress party with the local left-wing groups, peasant leaders and these were the main opponents of liberalization reforms initiated by the then prime minister

² See Sumner, A. (2008). What is development? Ch 01, p. 13 in Sumner and Tribe, *International Development Studies: Theories and Methods in Research and Practice*. Planning in India was a process as described by Sumner to be development as a short- to medium-term outcome of desirable targets- At its most basic level it is simply concerned with development as occurring in terms of a set of short- to medium-term 'performance indicators' – goals or outcomes – which can be measured and compared with targets (for example changes in poverty or income levels).

³ See *Press notes on poverty estimates, 2011-12*. Planning Commission Archives, Government of India, July 2013.

⁴ Data from Census of India 1991.

Rajiv Gandhi (Kohli, 2009, p. 223). And the political leadership did not want to lose the socialist face because it had become an important election narrative to mobilize the voter base.

This paper is a reflection on the relationship between the democratic processes and policy implementation in India. While the elections are largely free and fair, policy fails to deliver on the promise of redistribution and social and economic inequalities are stark. This paper explores the political rhetoric of basic welfare policies for human development and examines the difference between the technocratic development discourses and what is sold to the voters during elections in India.

The discussion in the paper will reflect on how basic health and education policies in India suffer from poor implementation and quality assessment; but at the same time, the government discourses and propaganda around these policies are important tools of populism in India.

The overall research question is- What has been the role of populism in planning for social welfare in India since 1991? When elections are contested to provide better welfare, public infrastructure; the voter agency is utilized for political gains; but is civic agency ignored when implementing these policies? Is there disengagement between voters and stakeholders in the citizens of India?

The institution of socialist planning was kept alive for over two decades even after liberalizing the economy. Did that help the political discourses during electoral contests to continue the way it used to be with planning prior to the reforms?

The 21st century developmental states, according to Evans (2010) must focus on capability enhancement. This is not important for overall welfare of the people only; but also the

achievement of high economic growth. And health and education are the most important services that must be made accessible for the people in these states (p.38).

Debates on politics of welfare policy reforms and implementation in India hint at stealth in reforms that the leadership plays to popularize pro-poor schemes (Jenkins, 2007.) Weakness of lower (local) institutions of governance has been historically displayed in capturing resources disbursed by the upper-level of governments for the poor by the local elites. The Indian state has been a confused about socialism and liberalism (Kohli, 2009) and between predatory and developmental state (Evans, 1995).

This paper will discuss how citizens' agency as voters is used in elections as a rhetorical propagation of socialist policies and populist allegations on opponents while the state overlooks the citizens as stakeholders in welfare policies. Planning for economic development, that was designed to suit a socialist model of the economy, has been abolished now and the *Planning Commission* of India has been transformed into *NITI Aayog* ('aayog' Hindi word for Commission, NITI short for National Institution for Transforming India. Also; 'niti' means "policy" in Hindi). This reform is a significant shift in India's economic policy designing. The *NITI Aayog* aims to start more informed debates and consultation for economic planning. This would make development policy process more de-centralized. The institution has been reformed to suit the federal structure of government in India.

This paper introduces the debates in defining the welfare policy frames of the Indian states and where the government policies have been ineffective. The body of the write-up discusses the paradox of poverty amid the high-growth and where policies of the state have failed to deliver. The case examines two grass-root level schemes and reforms for basic health and education policies; and disconnect in the political rhetoric and access to public services for the people.

The Position of the Indian State in the Politics of Liberalization

This paper focuses on the mass politics of the socialist development policies in India after liberalization. Socialist planning, as we have seen above in the discussion, was adopted in independent India to help the economy pull out of extreme poverty. The population was illiterate and backward when India got independence from the colonial rule and became a sovereign nation. Industrialization was low and technical knowledge was undeveloped. An open economy could not have competed with the developed markets of the west. The government took control of the economy to ensure just and equitable distribution of resources and opportunities.

The socialist model did not turn out to be effective and social and economic inequalities in India were not eradicated. The government after 1980s tried to move towards liberalization policies, what is called the "pro-business drift"; to quote Atul Kohli (2004),

"The socialist commitment of Indian leaders, (for example,) was rather shallow. While socialist rhetoric was used to try to build political capital, policies in favour of the poor were seldom pursued vigorously. Such socialist commitments as were pursued, albeit ineffectively, also alienated private investors" (p. 258).

The liberalization reforms were important juncture in the history of India's political economy. It must be noted that the earlier government did try to usher liberalization reforms, but by this time the local political patronage networks had institutionalized their mobilization tactics around the socialist facade of the government. Hence, even within the ruling Congress party,

the leaders did not approve of liberalization reforms⁵ and the government continued its commitment to the socialist principles. Anti-poverty agenda was again emphasised in economic planning.

Liberalization reforms in India in 1990s were not a result of the demands of expanding private enterprise rather were necessitated by a crisis (Kaviraj, 2010). The main purpose of planning was to channelize policies that seek to exploit the growth potential of the economy and to push it to achieve development targets set (Ahluwalia, 2008).

Planning was pursued in the socialist mould of the Indian system till 1990s reforms were introduced. But centralized control did not succeeding in reducing extreme poverty and backwardness of the population. Socialist model of planning was widely criticized by commentators after the liberalization reforms. Baghchi (2007) has said that the Planning Commission has been gripped in path dependence in its allocation of funds between the central and state governments. He says that with liberalization, the state must have moved towards a more federal form of planning⁶.

After implementing the reforms, the liberal state was committed to ensuring redistribution. With the UNDP's Human Development Index being devised simultaneously, planning was kept alive with human development as the main objective of the eighth plan. But the Indian state's capacity to implement the ambitious targets had always been crumbled.

6 See Baghchi, Amaresh (2007), The Role of Planning and the Planning Commission in the New Indian Economy: Case for a Review, *Economic and Political Weekly*, November 3, 2007, pp. 92-100

⁵ See Kohli, A (2009). *Democracy and development in India: from socialism to pro-business*, (pp. 204- 205) New Delhi: Oxford University Press

Kohli (2004) puts India into the category of the fragmented-multiclass states⁷, along with Brazil. In these states, the leadership is more accountable for policies to the public but the political class is divided and thus the authority gets diluted. He places this kind of state in the middle of his spectrum of states with "cohesive command" of the leadership and states where public offices tend to consider public goods as their personal patrimony. Fragmented-multiclass states are modern states and the Indian state, according to him "has only lately moved in a more developmental direction, but not without a commensurate rise in a communal nationalism as the new legitimacy formula" (p.288).

Kohli's (2004) thesis on *State-Directed Development* is an important source of comparative historical sociological analysis of industrialization and growth in the developing world. In this book, he critiques the capacity of the Indian state to meet economic ambitions. Kohli, in his two chapters on *slow but steady: India*, has described the 90s liberalization reforms as a "pro-business drift".

In a developmental state in contrast to a predatory one the leadership chooses to promote policies that promote development. A discussion on the developmental state is incomplete without quoting Meredith Woo-Cumings (1999), who in her widely cited work *The Developmental State* has defined it as a- "shorthand for the seamless web of political, bureaucratic and moneyed influences that structures economic life in capitalist Northeast Asia. This state form originated as the region's idiosyncratic response to a world dominated by the West, ... a Weberian ideal type of an interventionist state that was neither socialist (described as a "plan-irrational" state in which both ownership and management remained in the hands of the state, such as the former USSR) nor free-market (no plan, and where private

⁷ See Kohli, A., (2004) *State-Directed Development*. He categorizes developing economies into three categories- the neopatrimonial states, cohesive-capitalist states and fragmented-multiclass states.

control coincided with private ownership) but something different: the plan-rational capitalist developmental state, conjoining private ownership with state guidance."

Institutions such as the Japanese MITI (Ministry of International Trade and Industry), now METI (Ministry of Economy, Trade and Industry) and the South Korean Economic Planning Board are close parallels of the Planning Commission, now NITI Aayog in India. Studies by Johnson (1982), Amsden and Wade (1992), Meredith Woo-Cumings (1999) and Kohli (2006) on developmental states have focused on these institutions and provided blue-prints for approaches to analyse policy planning in these states therefore are essential to a comparative discussion that examines the nature of the Indian state.

Further, Johnson (1982) while describing a developmental state calls it "economic nationalism". His research studies the Ministry of International Trade and Industry (MITI) in Japan, which was the chief policy formulating body. The policies in Japan focused on building heavy infrastructure to enable faster industrial growth. And Wade (1992), in his work, *Governing the Market*, has identified four major characteristics of these developmental states. In the context of these Asian economies, he shows how in order to foster growth, they disciplined the industrialists, redistributed the land, promoted skill development for harnessing the demographic dividend and stressed upon public health.

The planning process and the state's autonomous role in planning for human development through the Planning Commission, now NITI Aayog, put the Indian state in the category of developmental state under these above frames. Ending the five-year planning trajectory, India has reformed the process of allocation of funds and assessment of target achievement for development policies. Till the liberalization reforms, the Indian economy was socialistic. But

with free markets, the state assumed a developmental role- planning towards social welfare rather than controlling redistribution while leaving industries to private enterprise.

A comparative commentary on the Indian state can be found in literature on *state-in-society* approach Migdal et al (1994) have put forward their propositions to study the transformations in the Third World states. This approach is helpful in analysing the state and society interactions in developmental states. Kahkonen and Olson eds. (2001) is a discussion on new institutional approaches to economic development. The second part of the book contains applications of these approaches to economic development in India. The contributors in this volume have all stressed upon a need to bring about institutional change and strengthening them to improve the efficiency of the economy. In a very recent book titled *Development and Welfare Policy in South Asia*, (Chopra, Koehler eds, 2014) Koehler has described all the South Asian states as *developmental welfare states*.

Much like Johnson's idea of "economic nationalism" above, Partha Chatterjee (1993), one of the leading commentators on the Indian state and civil society, has described planning as the "concrete embodiment of the rational consciousness of the state". On the other hand, Kaviraj (2010) has tagged the Indian state as a *bourgeois* state in the context of planning. He attributes his stand partly to the objectives of the Indian state and the *increasingly proliferating institutions of planning*. Both these writers comment on the post-colonial state in India and how the institutions were built. They delve into a discussion on how the national movement, especially the demand for *swaraj* (self-rule) was on the issue of development. Kohli (2004) in this regard has commented that the British state was as it is a laissez faire state and their administration in India too was influenced by the same ideology. Khilnani

(2003), has put forward the idea that the India we see in its existing form is a result of the colonial history, and the state of nationalism, democratic principles and economic development. All these ideas attribute the structures, institutions and shape of India's political economy to its colonial past and the national movement. Their writings provide a historical background to the study of the Indian state and its development agenda.

Other scholars such as Pingle (1999), Sinha (2003) have commented on the autonomous position of the bureaucracy to highlight the predation in the Indian state. Pingle calls the Indian bureaucracy a *developmental ensemble*, and gives this institution four a dimensional characteristic - *a cohesive state structure, bureaucratic autonomy from societal interests, encouragement from political superiors, and informal channels of communication between bureaucrats and industrial actors.* She goes on to say that the bureaucracy in India was not able to successfully extract the potential of the growth of industry in India but rather was more focused on regulating it through political, from the political channels. Sinha, on the other hand reiterates how Krueger's analysis of the *rent-seeking state*⁸ began from Indian experiences.

Amartya Sen (2017, p. 402- 405) uses the example of India and puts forth how a functioning democracy can prevent calamities such as famines. He explains how disasters such as a famine causing too many deaths can be easily politicized and therefore receives immediate action by governments; whereas hunger and undernourishment are less easily observable and hence despite being a disaster for social policies can be side-lined by the political class. In a

⁸ See Krueger, A. O. (1974). The political economy of the rent-seeking society. *The American economic review*, 64(3), 291-303.

majoritarian system, it may be a very insignificant proportion of the people who will be affected by a famine. But the public deliberation causes electoral harm to incumbents.

This paper investigates how basic welfare schemes- the promise of schools and healthcare facilities, despite being a part of public debates during elections, did not achieve the targets set. The developmental state in India has still failed to deliver basics to its human capital.

In the discussion on government's basic schemes from education and healthcare, this paper will discuss the reforms- both in terms of policy initiatives and social-legal restructuring in capability enhancement schemes. To show how the implementation of policies has been ineffective, the paper cites some reports and assessments by civil society organizations working in the sphere of health and education policies.

The government also propagates target-achievement in services for the people. But the quality assessments by the government prove inadequate as we will see from the reports by social sector NGOs and research bodies.

In India's modern-traditional⁹ political culture, the citizens are aware of their voting agency; but there is still a distance between the voters and the institutions of policy planning in New Delhi that this paper explores.

Policy Challenge in Populist-Socialist India: Welfare of the Extremely Poor

Socialism¹⁰ is an embedded value in India's constitution. While it has never been binding on the state to follow socialist principles, the *Directives Principles of State Policy* provide the

⁹ See Rudolph, S. & Rudolph, L. (1967). *The modernity of tradition: political development in India*. London & Chicago: The University of Chicago Press.

¹⁰ The word *socialist* was added to the preamble of the Indian constitution of India by the Forty-second amendment act in 1976. This was done to fortify the state's dedication to end poverty, hunger, and provide equality of opportunity to all.

guidelines for social and development policies. These are not legally binding on the state to follow.

Economic planning for development was, in principle, adopted to ensure equality in the distribution of the country's natural resources for the benefit of all. India was also industrially backward and therefore, the political leadership found it necessary to keep control of the distribution of capital.

Social welfare and redistribution policies have been guided centrally in India through five-year plans, now abolished with the creation of NITI Aayog. After freedom from the colonial rule, from 1950 a socialist pattern of planning was adopted in India, as the economy was backward, poverty was high and industry not developed enough to be able to compete with the markets in the west. Welfare and redistribution policies were therefore centrally guided by the Planning Commission.

In 1991 India's economy was liberalized and opened up for foreign markets. Though it lost its powers as the institution that guided India's (state) industrial policy, the Planning Commission continued to be the chief fund allocator for the social development policy for India. The institution for planning was intact till 2014, when it was reformed into NITI Aayog.

The Congress party that was in power from 1985-89 and then between 1991 and 1996, both important periods in India's liberalization reforms history did not approve of the reforms in the former period. The party leadership did not want to lose its socialist face which was an important tool during election propaganda. Varshney (2007, pp. 154-159) has demonstrated how in the latter period, when reforms were absolutely necessary, even the opposition approved the reforms in the parliament. While the congress party still maintained its socialist image by thrust on the poverty-alleviation programmes, the opposition parties had also

realized that the reforms will not affect them. The two main opposition parties- the *Bhartiya Janata Party* (BJP) and the *Janata Dal* - had their own communal and social agenda to lure the voters.

The biggest strength for liberalized India was its young population with a median age of 21.10 years¹¹. As of 2015 India's median age was 25 years. This young demographic could have formed a strong labour force leading to productive industrialization. Over two decades after liberalization, the people of India are still unskilled and suffer from poor health and the human capital of India remains poor.

The government has been running two schemes to improve basic access to health and education since 1970s and 1980s respectively. Both these schemes have come a long way in terms of reach to the poor and reforms or improvisations within. When the liberalization reforms were introduced in the decade of 1990, meals were also given to children in schools under the *Mid-day Meal* programme¹² to improve nutrition among the poor children and to encourage them to attend schools. With India's commitment to the United Nation's *Millennium Development Goals*¹³ in the year 2000, these basic schemes were further reformed in terms of implementation and increased funding.

Sarva Shiksha Abhiyan (Education for All) was implemented as an improved version of the earlier basic education policy in 2000-01 to meet the targets of universal education under MDGs. Later, Right to Education for children up to fourteen years of age was included in the

¹¹ See Indian Institute of Population Sciences, Mumbai, for data records on demographics for India.

¹² The National Programme of Nutritional Support to Primary Education (NP-NSPE) was launched as a Centrally Sponsored Scheme on 15th August 1995, initially it operated in 2408 blocks (an administrative division under local governments) in India. By the year 1997-98 the NP-NSPE had a national reach- it covered all children from grade I to V in government and government aided schools. By 2002 it spread to other educational centres of the government as well.

¹³ Millennium Development Goals (MDGs) were a set of eight goals pledged by 189 countries to be achieved by 2015. These goals were targeted at extreme poverty and deprivation. India was a signatory to the MDGs and made moderate achievements by 2015.

constitution of India as a Fundamental Right in 2002. Right of Children to Free and Compulsory Education Act (RTE) was implemented as a law in 2009.

One of the oldest healthcare schemes, the Integrated Child Development Services has been operational since 1975. This scheme was also improvised to meet the targets for reduction in infant mortality and maternal mortality and improve child nutrition after India committed to the MDGs.

Shell-Game Politics¹⁴: Right to Education

Sarva Shiksha Abhiyan is the leading policy for enabling access to elementary education for all children from six to fourteen years of age. Legally, children above fourteen years of age are not child labourers in India and can be employed. The right to education was enforced as a fundamental right to ensure legal protection for all children excluded from schooling binding on the state.

The mission has been rigorously implemented. Literacy rate in India according to the latest census was 74 per cent whereas in countries such as Brazil and South Africa it was 91 and 94 per cent respectively. More schools were started by the government and teacher appointments held by states in India. After more than a decade of implantation, the government records from 2014-15 show a Gross Enrolment Ratio (GER) of 100 per cent at primary level. But this achievement has not ensured that the children stay in schools. 4 per cent drop out of elementary school and only 78 per cent enter secondary school¹⁵.

¹⁴ See Jenkins, R. (2007). Political skills: introducing reforms by stealth. In Rahul Mukherji (Ed.), *India's economic transition: the politics of reforms*. New Delhi: Oxford University Press pp. 175- 179. How the governments expand pro-poor schemes but on the ground, the reforms don't get distributed effectively.

¹⁵ Data compiled from the National University of Educational Planning and Administration, New Delhi (NUEPA). The data repository is available with the Ministry of Human Resource Development, Government of India as the District Information System for *Education*.

Government records and propaganda for the policies is limited to reporting achievements in terms of enrolment at primary level. Quality assessment of school education is carried out by civil society organizations. The *Annual Status of Education Report* (ASER) conducted by an NGO *Pratham* has been assessing reading and mathematical abilities in children since. The eleventh report- ASER 2016 was released in January 2017 and assessed that about 52 per cent children from the fifth standard could not read texts meant for children in the second grade.

Other notable studies have been conducted by the *Young Lives Foundation* a team based at the University of Oxford, UK. In their recent report, it was found that children under twelve years of age, from poor families in India, who got engaged in domestic work (often paid), were statistically 70 per cent less likely to finish secondary school.

Right to Education in India has achieved one significant target, to get all children to enrol for primary schooling. Many of these do manage to complete education till the eighth standard, or up to the age of fourteen years as is prescribed. Transition to secondary level is not guaranteed for these children because beyond the eighth standard, the education is not free and compulsory. When these cohorts want to get jobs, the employers ask for minimum high school - the tenth standard, or completion of secondary school certificate. So, despite the completing the schooling provided by the government, these cohorts remain unemployable. The state guaranteed access to education, but the rhetoric did not tell the people that this free and compulsory education may not give them an advantage to compete in the job markets. And the government has low capacity to assess and improve the quality of education imparted, as is clear from civil society studies.

Undernourished Human Capital; Inefficient Healthcare System

The most basic primary healthcare scheme in India is *Integrated Child Development Services* (ICDS). Launched in 1975, the scheme provides pre-natal vaccinations and nutrition supplements to expectant mothers and provides neo-natal care and vaccination boosters to infants. Over decades, the scheme has been reformed, improved and widened in its scope of coverage and services it delivers.

The policy covers six services for pregnant and lactating mothers and children till six years of age-

- Nutrition supplements
- pre-school and informal education
- nutrition and healthcare awareness
- immunization or vaccinations
- health check-ups
- institutional referral services

This scheme is monitored by the ministry of women and child development and is partly implemented through the health ministry for vaccinations, health checks and other medical assistance including institutional deliveries.

ICDS has been operational for over forty years now since 1975. But India has achieved little to combat undernourishment. The Food and Agriculture Orgnization's (FAO's) *Global Hunger Report 2015*¹⁶ recorded the maximum number of undernourished people in India at 194.6 million. Also, India has the highest number of stunted children in the world.

¹⁶ See FAO, IFAD and WFP. 2015. The State of Food Insecurity in the World 2015. Meeting the 2015 international hunger targets: taking stock of uneven progress. Rome, FAO.

With poor maternal healthcare, India also has Maternal Mortality Ratio (MMR) as high as 167 deaths per 100000 live births¹⁷. In comparison, countries like Brazil and China have much lower MMR at 44 and 27 deaths per 100000 live births respectively. South Africa is only slightly better than India at 138 maternal deaths¹⁸.

Maternal healthcare is not only negligent with respect to child-birth though. The following two instances further emphasize the poor condition of basic healthcare services in India.

There was an alarming case in November 2014 in the Bilaspur district in the state of Chhattisgarh where a family planning camp was held. It was alleged that the doctors were overworked and one of them had performed sterilization surgeries on 83 women in five hours. Twelve out of these women died due to negligence and lack of care post the procedure¹⁹.

Further investigations and studies were held and one such study was reported by the International Centre for Research on Women's India team. They surveyed five districts in the state of Bihar for reproductive health facilities. It was found that the basic hygiene required for these procedures was not maintained. The clients did not complain about the services, but the research team concluded that there was lack of privacy for consultation and overall no space in hospitals or medical centres for post-operative care for women²⁰.

Election manifestos of leading national parties of India endorse public healthcare, education opportunities and jobs for people. Votes have been won on the promises of social and

¹⁷ Data compiled from Sample Registration System, Government of India

¹⁸ Data from *World Bank Group 2017*. Web source: http://data.worldbank.org/indicator/SH.STA.MMRT? name desc=true. Accessed on 6 June, 2017.

¹⁹ See The Hindu, 13 November, 2014.

²⁰ See Achyut P., Nanda P., Khan N., & Verma R. (2014). *Quality of care in provision of female sterilization and IUD services: an assessment study in Bihar.* New Delhi, International Center for Research on Women.

economic uplift of the people. The governments have brought in reforms over decades in basic schemes. But reforms in provision of basic facilities to the citizens and development of public infrastructure around health and education have been incremental and assessment of service delivery of these policies has been incomplete as we can see in the above examples. The local government institutions in India have low administrative capacity in terms of monetary control and implementation of policies is managed by the command from the upper level of governments.

Civic Engagement: Voters or Stakeholders?

In its path to a developmental state, policies in India have failed in building human capital.

Targets to eradicate extreme poverty, illiteracy and undernourishment have been set at various junctures and have policies have failed in successful implementation.

Evans (2010) has maintained that learning from experiences of the East Asian giants or what he calls the "newly industrialized countries" is quintessential in understanding how to construct better state-society relations to improve efficiency of policies. He claims, "active democratic structures are the necessary foundation for effective economic foundation" (p.38).

Mass politics in India has ignored the human development agenda. The rhetoric to ask for votes during campaigns does not include implementation fallacies rather, these fallacies are used as an anti-incumbency measure. But reforms have been incremental. Bureaucratic processes have been path dependent and structures of local governance have been week and predatory.

Socialist promise of progress is a dream that is sold to the voters in India. There is path dependency in what is propagated as development in by the leadership. Industrial revolution

was preceded by agricultural revolution in the developed societies. India must also learn from China's example that the path to a developed economy cannot be reached without first ensuring a strong a stable farm sector- both for growth of the economy and the undernourished populations. In 1970s and 1980s, China liberalized agricultural pricing and the farm sector grew, reducing poverty. India's per capita availability of food grains in the decade of 2010 has been as low as it used to be in 1970s.

In the most recent reform, the government of India decided to demonetize the highest denomination currency notes²¹. The decision was announced over-night. Two big reasons that the government gave to abolish the notes out of circulation were first, there was graft money or currency hoarded by people who evade taxes, also colloquially called "black money" that was hindering development. Second was the allegation that counterfeit currency was to be checked and some of it was also being used to fund terror²².

What the government failed to estimate before announcing this move was that they did not have enough capacity or man power to exchange notes quickly. Also, a few months after demonetization, it was clear that it did not achieve what was claimed²³.

During the crisis of shortage of currency in the market, the government also claimed that it will minimize cash transactions and encouraged the population to use digital technology-mobile transfers for remittances²⁴. A dream of 'development' was woven again to sell to the voters. That all will have access to digital technology but what was ignored in the rhetoric was the fact that mobile penetration is low in India. Also, this measure may be exclusionary specially from the gender perspective because only about 61 per cent women in India had

²¹ See The Hindu, 9 November, 2016

²² See The Indian Express, 10 November, 2016

²³ See Basu, K., (2017). Look at the facts of demonetization, not politics. The Indian Express, 11 May, 2017

²⁴ See Hindustan Times, 21 December, 2016

bank accounts according to survey data from 2015 and women below poverty line did not own mobile phones; thirteen per cent women surveyed had never used mobile phones²⁵. This propaganda means that the state expects the poor, mostly uneducated, population afford to buy and maintain smart phones and get data in the phones every month.

Even the Community Development Programme, launched in rural India along with planning to strengthen institutions from grassroots, had resulted in loss of agency for the poor and local elite grabbing the significant portions of disbursements by the government (Frankel, 2005, pp. 101-102).

Poor service delivery of government facilities in education and health is threefold. First, the physical infrastructure is inadequate. Public schools, healthcare centres and hospitals have limited assets in terms of building, furniture, sanitation facilities and equipment. Second, there is dearth of trained staff. Schools in remote villages often do not have adequate teachers and it is the same case with health centres. Third and most important is the ill-informed agency of the citizens. Lack of infrastructure and unavailability of teachers in schools and shortage of medical staff leads to public disillusionment with the government facilities.

People often accept the poor services by the government and look for private-run institutions-private schools and private clinics- in place of government facilities, wherever possible. The fact that government services will be inferior in quality has become a cultural rhetoric even for the citizens and they don't often care to demand improvement, especially if there is an alternative private facility available.

In the voters versus stakeholder conflict in citizen agency bring in the debates about the lack political will to strengthen the civic engagement, civil society interventions are

25 See *InterMedia India Financial Inclusion Insights Tracker survey Wave 3*, June-October 2015. March 2016. Web Source: http://finclusion.org/uploads/file/reports/InterMedia%20FII%20Wave%203%202015%20India.pdf (Last accessed, 6 June, 2017)

underdeveloped and neglected, the voters are told what development will be but stakeholders are not asked what they think development should be. The civil society organizations and NGOs that are operational are also managed by consultants and social workers who are technically trained; much like the technocratic force of the government. And again, the gap between the poorest of the poor and the centralized government institutions is upheld.

When the government consults for public infrastructure and capital creation, the stakeholders include companies, local leaders, local governments and bureaucrats. But consultations for human development cannot have similar stakeholders. Though it is not feasible to ask every individual about his choices, the civil engagement of citizens and deliberations about governance are still weak and underdeveloped in India at local levels.

Modernity of tradition (Rudolph & Rudolph, 1967) has gone as far as to familiarize voters with institutions of electoral democracy. The network of grassroots institutions tends to grant more power to the local elite. At the village level, the local leadership, contractors and landowners control power and decision-making authority over the resources disbursed by the higher levels of government (Frankel, 2005; Jenkins, 2007). This creates a distance between the poorest of the poor in and the central government. These local leaders use caste and social networks to mobilize the village voters, and ensure their active participation in polling. In urban slums, local patronage²⁶ performs this function.

According to Riker, "In the liberal tradition the purpose of voting is to control the officials and to control the tyrannical majorities, while in the populist model voting is the mechanism by which the will of the people is translated into the action of the officials."²⁷ In India, the

²⁶ See De Witt, J.W. (1996). *Poverty, policy and politics in Madras slums: dynamics of survival, gender and leadership* (Chapter 1, pp. 30-51). New Delhi: Sage.

²⁷ See Zagare, F.C. (1983). Riker, W. H. (1982). Liberalism against populism. Book reviews: empirical theory and methodology. *The Americal Political Science Review*, vol 77, pp. 844-845

will of the people does get translated into action in the form of the propaganda of the socialist policies during elections. The political leadership manages to keep the policy debates in the favour of the poor voters, but continues to deliver poor services or market goodies such as the promise of digitization of monetary transactions. Lack of capability development of the people is also inhibiting citizen agency, but ballot power keeps the democracy going.

Concluding Remarks

The citizen energy in India needs a transformation from the political vote bank to active stakeholders. Policy rhetoric and implementation have denied a voice to the citizen's demand. The government networks are predatory; especially at local levels of administration. The poor are denied agency when it comes to collective decision-making about community resources under the grassroots schemes (Jenkins, 2007, p. 179).

Democratization in India is strengthened at the level of electoral institutions. But voter agency has not translated into active civil agency. There is a distance between the central policy-making authority or leadership and the poorest person in a remote village. The networks in between are function to get political advantage for the former. Recent civil society interventions and assessments of public services have made some impact on the debates around policy. The abolition of planning and the setting-up of the new *NITI Aayog* has been brought about to create a more informed stakeholder dialogue in the polity.

To succinctly quote Rajni Kothari (1970) in the context, "In non-secular cultures like India, [too,] politics has assumed a central role, but for quite different reasons. Here it was the antecedent dissociation of politics from the rest of the culture that gave to the "new politics" its autonomy and power; in this sense there has been a more basic discontinuity in cultures

like India that in historically secular cultures even if the latter experienced revolutions arising out of a struggle between the different "estates." On the other hand, although in India the political elite have assumed a catalytic role, it is still not the most important element in the ordering of community life-styles. It has achieved its importance not through the legitimacy bequeathed by history, nor by simply imposing its authority, but by dispersing its goods and mediating in other spheres through its resources and persuasive capabilities, thus taking on the roles that were hitherto performed by non-political elites.

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