ABSTRACT  Neo-liberalism is capitalism without leftist illusions (i.e. illusions that there can be such a thing as humane capitalism on a long-term basis). The article makes a series of critical comments on India’s neo-liberalism expressed in the form of the so-called New Economic Policy. It argues, New Economic Policy is more than a governmental policy. It is rather a policy of capital, mediated and implemented by the state. Neo-liberalism is a social-spatial project. Neo-liberalism in rural areas (agrarian neo-liberalism) is particularly ruthless. Neo-liberalism is implemented through, and entails, the transformation of space, and thus produces enormous spatial unevenness. Neo-liberalism is also a part of the imperialist project. Given New Economic Policy’s adverse impacts, it has inspired massive resistance from below. Interestingly, in spite of offering some opposition, the left has been, overall, a conduit through which New Economic Policy has worked. The article shows how a critical discussion on neo-liberalism has implications for understanding macro-structural changes in societies such as that of India, which have suffered not only from economic backwardness but also incomplete revolutions. A dialectical view of neo-liberalism and the New Economic Policy connects them both to the democratic and agrarian questions, the national question, and the question of socialism itself.

KEY WORDS: Neo-liberalism, new economic policy, India, capitalism, spatial project
growth creates employment: it puts money in the hands of the government, which can provide health and other facilities for the poor, and it also provides an incentive to the poor to invest in human capital. But if neo-liberalism or economic reform is such a wonderful thing, why is it that in one survey 75% of respondents who had any opinion on the subject said that the reforms benefit only the rich (Bardhan 2005)?

Neo-liberalism must be seen as the restoration and reinforcement of class power (Harvey 2005), specifically the class power that large owners of business have over the working masses in a situation where markets are less and less regulated and “animal spirit” (private entrepreneurism) is more and more encouraged. The new Prime Minister, Mr Modi’s mantra of “minimum government and maximum governance” and vikas (development) is a part of the same neo-liberal agenda. What is problematic about the NEP is not this or that aspect of it (for example, the idea that it increases poverty and inequality). Rather, the whole “policy” is the problem, requiring a totalising critique. Criticisms of specific aspects of neo-liberalism must be situated in this totalising critique.

This article makes a number of general critical observations on the multiple aspects of neo-liberalism as a class project and connects this to potential for macro social change. No attempt is made to offer detailed empirical evidence for the statements made, nor are there extensive references to or detailed discussion of the existing literature on the topic (amongst many, see Ahluwalia 2002; Byres 1997; Sengupta 2008; Subramanian 2008). Although the arguments are about “neo-liberalism with Indian characteristics,” they have wider applicability.

What Is NEP (Not)?

The NEP is not just a government policy, and it is neither entirely new nor merely economic. Formally introduced in 1991, it basically represents the demands of the capitalist class, and more specifically, the demands of hegemonic fractions of the domestic and foreign-diasporic capitalist class at a particular stage in the development of Indian and global capitalism. The NEP seeks to create conditions in which domestic and foreign capital can invest money to make a lot of money, not only by using cheap natural resources like land, water, forests and minerals, but also by using speculation and other non-productive means and by exploiting cheap skilled and unskilled labour. An important goal is also to attract foreign capital and strengthen the position of Indian business in the fight for export markets and to obtain foreign technology and capital. The NEP model pursues the goal of transforming India into a world power by making it an office, a laboratory (for pharmaceutical and biotech companies, for example), and a factory for international capital, based on (relatively) cheap labour, both skilled and unskilled. To achieve this goal, the big business makes specific demands on the state, including: deregulation of private businesses; privatisation of government businesses; trade liberalisation; granting of permission to foreign capital to own businesses in India; enactment of tax cuts and other incentives for businesses; reduction or complete withdrawal of government benefits for the poor; and complete freedom to hire and fire labour.

The NEP, therefore, is the neo-liberal program of the bourgeois class first, and a government policy second. To the extent that neo-liberalism is a government policy, it represents the “wish-list” of the big business which gets a sympathetic hearing from the
pro-market state managers. As well, much-needed support is provided by the opinion-makers in the media and by so-called intellectuals, including some from imperialist countries.

The NEP is certainly new, but it is not as new as commonly thought. All major interventions, including major anti-poverty policies since decolonisation, have been more or less about propping up a national capitalist regime (with some support from erstwhile “socialist” countries), a regime that is a little protected from imperialism and a little free from the fetters of feudal remnants. Many of the resources in the hands of the state have been used for the propertied classes (in the form of various subsidies and cheap loans) and for wealthier, higher-income, more educated people. The pre-1991 age, including the so-called Nehruvian age when the state played an interventionist role, was not exactly a golden age for the masses. It is wrong to say that there is absolutely no difference between the NEP and the pre-1991 regime. But the similarity between the two is not to be under-stressed.

The NEP is not merely about economic matters. This is because it must ensure political and ideological conditions for various accumulation strategies. “Political conditions” in this case means state repression and judicial coercion (including the suppression of democratic rights; to be discussed later). “Ideological conditions” here refers to the promotion of market fetishism in all spheres of everyday life, including social consciousness. Associated with market fetishism are the ideas of getting rich quickly by any means and of the market as the dominant method of helping the poor (hence the popularity of such things as self-help groups and micro-credit in the discourse of development, happily promoted by the state and civil society groups).

The NEP is a policy on behalf of capital; it is therefore a policy of capital, tout court, mediated and implemented by the state. It is an error to think about neo-liberalism merely as a governmental policy. It is a capitalist class project.

Winners and Losers

Neo-liberalism has led to a small minority of winners and a very large majority of losers. It has vastly benefited the capitalist class, including those fractions that specialise in finances, information technology (IT), real estate and natural resources, producing close to 109 US dollar billionaires. It has placed a colossal amount of wealth – wealth produced by the sweat of the property-less masses – in the hands of a few. A part of this wealth has been hidden away from state records, including in overseas banks. The NEP has certainly brought with it some foreign technology and cheaper intermediate goods. It has also benefited some educated people employed in IT and related industries, including tech-coolies. Many of these people tend to easily acquiesce to their own exploitation, despite the huge difference in remuneration between India and imperialist countries. A certain level of economic success enjoyed not only by the bourgeoisie but also by the highly educated and socially privileged (often upper-castes) strata of the working class in a situation where high-end (Western) consumer items are available means that a large part of the private wealth/income is displayed via pretentious lifestyles. This process constitutes a major way in which the (new) elite differentiates itself from the vast majority. Conspicuous consumption not only helps in the cultural reproduction of class inequality, it is also consciously mobilised by the elite and its spokespersons as an ideological prop for neo-liberalism and market fetishism.
On the other hand, the NEP has heaped unspeakable miseries on the bottom 700–1,000 million people in India, which includes urban proletarians and semi-proletarians, a large number of urban small-scale business owners, and peasants. Neo-liberalism has produced a massive amount of economic inequality, insecurity, unemployment and under-employment, casualisation, informalisation, greater labour exploitation, and lax or non-existent implementation of protective factory acts. Unable to make ends meet, urban workers are committing suicide as in the erstwhile boom town of Tirupur.

Rural areas have particularly suffered, producing a specific form of neo-liberalism: agrarian neo-liberalism or rural neo-liberalism. Rural development expenditure as a percentage of the net national product has been decreasing. Government subsidies for fertilisers, electricity, and other farm inputs, as well as investment in irrigation, have all been slashed. Access to cheap loans for farmers has been limited. Price supports to farmers have been reduced, and the Public Distribution System (the provision of subsidised food) has been drastically curtailed.

Peasants are losing land to capitalist industrialisation and land speculation. Land ceiling laws are reversed because they are considered to be constraints on capital flows into farming. Peasants are being forced to leave their land because farming is not viable: the costs of cultivation are going up due to shrinking government support. These people are also adversely affected by the import of subsidised foreign farm goods. Highly indebted, many are driven to distress sales. It has produced a graveyard of people in villages who have committed suicide (at a rate of two per hour) because of their economic insecurity and inability to pay the bills. Reduced government support for the plantation industry, such as tea estates, and reduced protection against foreign competition means that many units are going out of business, causing workers to live in poverty and indeed, in many cases, commit suicide.

Food production and availability per capita is decreasing (Patnaik 2007). This happens partly because land is converted to non-food crops both by big companies and by smaller owners who do not have many alternative ways of earning money and who are therefore attracted to the prospect of making a little cash. This is a grave threat to food security. Also, in the areas where high-value farm products are produced, intense exploitation of labour, land and water happens in order to make the sector competitive in the global market. Declining investment in rural infrastructure (especially flood and irrigation control) is increasing vulnerability to such natural calamities as drought and floods. The role of the government in buying farm produce at a favourable rate from peasants is reduced. Because of trade liberalisation, changes in international prices make farmers — especially those with less land and limited investible surplus — more vulnerable when prices fall; many of them depend on exploitative private traders and money lenders (as in the pre-1991 times). Agrarian distress is creating a huge reserve army of labour, a part of which is forced to migrate to cities (permanently or periodically). This, along with shrinking government support for workers, allows capital to raise the level of exploitation. That the NEP is producing increasing numbers of wealthy people, on the one hand, and thousands of millions of people whose basic needs remain singularly unsatisfied, on the other, speaks to the fact that neo-liberalism is a class project.

On its own terms, the NEP is not a big success either. It has unleashed some entrepreneurial energy. Yet India still accounts for only 2% of the global economy and less than 1% of world trade. Even in the IT sector, India remains a relatively minor player dependent on the technology and markets of the West. There is little sign that the average
level of labour productivity in key sectors has improved relative to that in richer countries. Since the 2008 global economic crisis, the economic growth rate has returned to its pre-1991 level.

**NEP as a Geographical Project**

The NEP as a capitalist class agenda is implemented through accumulation projects that involve massive restructuring of space relations, producing geographical unevenness at multiple scales. First of all, a new built environment is being produced in order to accelerate the movement of commodities at a cheaper cost between places in India and between India and the rest of the world, and to increase the pace of elite consumption. This process is manifested not only in the form of production of special economic zones and urban shopping malls, but also in the form of new roads, railway lines (including dedicated railway lines), airports, seaports, etc. (see D’Costa 2005; Levien 2011), all of which are used more by the rich than by the poor. Second, in order to produce spaces like this and set up enterprises (for example, hotels or manufacturing units) as well as constructing houses for sale, slums are being cleared, and peasants and aboriginal people are being dispossessed of their land. Their land is required not only for residence but also for its natural resources, which are subjected to intense exploitation. Between the big bosses’ right and the little people’s right to be in a place – between these two equal rights – it is usually force that decides the matter. This force is often the brute force wielded by the private goons of big business, the “moneybags,” as well as the more “legal” force of the state (police, courts, etc.).

The production of space not only facilitates accumulation and money-making in the ways just noted, it is also an opportunity in itself to make money. This is because space – the economic landscape – is a commodity. What is called infrastructure is big business indeed. The production of space has an ideological moment to it as well. By constantly asserting that the country needs a large amount of money for infrastructure, the state justifies cuts in welfare expenditure as well as measures to court private capital through various incentives.

The NEP has also resulted in an enormous amount of unevenness between provinces/localities. This is because neo-liberal investment, the main motive of which is profit making, tends to be geographically concentrated. The fact that investment happens in a few cities or states, producing impressive glass buildings, gorgeous shopping malls and islands of “high-tech” firms, does not mean that all places in India can experience this: the process through which some places in the country become developed includes the process of most places not developing; many remain chronically depressed. Yet geographical differences are put to an ideological purpose – that is, to further the neo-liberal agenda: a few places (for example, Gujarat or some of its cities) have achieved some economic development through neo-liberal policies, and people are being told that all places can achieve this in that way, that good days are coming. Neo-liberalism is a process of production of spatial inequalities and spatial displacements – indeed, of “combined and uneven development.” An important manifestation of this unevenness is between rural and urban areas, with urban areas growing five times faster than rural areas. The socio-geographical face of the country outside the cities is dismal. This is not to deny the enormous unevenness between areas within cities between, for example, gated communities and slums.
The patterns of uneven development both within and between cities and between states have interesting political dynamics. With regard to pro-business reforms, regional elites (in states and cities) have some power vis-à-vis the central government. These regionally based elites – comprising alliances between politicians and local-regional businesses – compete with each other for external loans and domestic as well as foreign capital. Some states and cities get more investment than others, thus creating a new layer of uneven economic development on top of an already existing layer. Competition between states and cities becomes a means of discipline and punishment by which neo-liberalism is imposed/implemented: if a state/city fails to provide enough concessions to big business, it fails to attract investment.

**NEP and Imperialism**

The NEP signifies, and is arguably, a part of the imperialist project. Neo-liberalism in peripheral countries is a part of global neo-liberalism. Capitalism under the rule of financial capital has, since the 1970s, been seeking to withdraw many of the concessions such as welfare benefits it previously conceded in struggles by the working class of the advanced countries. And global big business is no longer willing to concede any autonomy to the peripheral states or the national bourgeoisie of poor countries, a bourgeoisie that it tolerated in the aftermath of anti-colonial struggles. From the perspective of global big business, the natural resources, markets, space (including the space to dump waste), and labouring bodies of these poorer countries cannot be left entirely in the hands of the national bourgeoisie to exploit: international capital must have relatively free and direct access to them. As it plays itself out in India, the NEP, which is both a medium for and an outcome of global neo-liberalism, establishes a direct exploitative connection between the bourgeoisie (including its financial segments) of rich countries and India’s poor masses to a degree that did not exist previously. An important aspect of neo-liberalism is indeed “the new determination to drain the resources of the periphery toward the center” (Duménil and Lévy 2005, 10) via the activities of international financial capital and other segments of international big business.

Such transfer of resources occurs when imperialist capital exploits the workers and peasants of India, a process that the NEP furthers. This imperialist exploitation is abetted by the states of imperialist countries as well as by India’s pliant state, which is increasingly occupied by pro-market ideologues and neo-liberal technocrats and indeed by business-people themselves (Patnaik 2010). Not only this, but some of the Indian states are run under budgetary guidelines formulated by the American consulting firm McKinsey, the International Monetary Fund (IMF), the World Bank, the international development agencies of the governments of advanced countries, and “compradore” intellectuals and advisors unduly influenced by these institutions. In many ways, and as is widely known, neo-liberalism (embodied in privatisation, cuts in government spending, etc.) is imposed by international institutions under the name of conditionalities for loans. In particular, the World Bank has been instrumental in pushing for the privatisation of water supply and electricity services, as well as other crucial public services, all in the name of efficiency and development. The same sorts of measures have been undertaken in the imperialist countries themselves in the interest of a tiny minority and to the detriment of the majority of their population. Neo-liberalism is thus the thread that links the toiling masses of the world, although the masses in poorer countries are affected a lot more than those in richer countries.
The NEP, Class Struggle, and the Left

The NEP has been an arena of, and an object of, class struggle. This class struggle has happened from above and from below. Given the NEP’s devastating impacts, it is not surprising that broad sections of the toiling class have risen up against it. Since the 1990s, millions of people have gone on strikes, including a nationwide strike in February 2013. Some of the resistance has been against crony capitalism: the atrociously corrupt way in which the partnership between capital and the state has undemocratically milked society’s resources. Much of the resistance has been directly against privatisation, liberalisation, globalisation and reduction in state support for the poor and farmers. Because of the struggle from below (both real and potential), the state has sometimes slowed the pace of reforms slightly. This happens most frequently when a given reform will adversely affect the weaker members of the bourgeoisie, who cannot compete in the global market. The state has also tried to provide some palliatives as a part of the neo-liberal policy to ensure that reforms are not derailed by social unrest.

The bourgeoisie needs “growth” (that is, a massive increase in the money in its pocket in the shortest possible time). The political parties (including left parties) and the neo-liberal state, both at the central and the provincial levels, promise to deliver this growth. At each of the points in capital’s circuit (M-C-C’-M’), capital wants the state to help it make money, and to do so quickly. This formula says that money (M) is invested to buy commodities (C) (for example, raw materials; labour power) to produce new commodities (C’) which are sold for more money (M’) than invested. The specific demands that the NEP articulates emanate from the ways in which capital seeks to connect to each term in this general formula in Marx’s *Capital* (1977). Through various policies (such as low-interest loans; loan waivers; bailout packages), the neo-liberal state promotes free markets and makes liquid investible resources (M) available to big business. The state makes commodities available in the form of cheap raw materials and cheap land (C), which have been obtained from people via “primitive” accumulation. Through the liberalisation of trade, the state makes foreign commodities, including intermediate goods, available. The state also helps capital access foreign markets. The non-implementation of a living wage – in a context where there is a massive and growing reserve army to which dispossession under neo-liberalism contributes – drives wages below the cost of maintenance. Further, the state suppresses the right to strike. Factory Acts that seek to ensure workers’ safety remain unimplemented, in part because of the nefarious nexus of state officials/politicians and the business world, and the overall climate of free market ideology. Capital’s despotic rule in the labour process becomes even more despotic than before, a despotic rule that is strengthened by the ease with which capital can hire and fire labour. All this makes for a heightened level of accumulation by exploitation. The fact that neo-liberalism must support capitalist accumulation is the limit to how much and in what way the workers and peasants can benefit from palliatives. The idea that there is such a thing as neo-liberalism with a human face – and the fact that neo-liberalism has had to be sold to people, packaged as development or good governance or a combination of these – means that neo-liberalism itself is inhumane and not in the interest of the masses.

And where the numbing of consciousness through the official and academic market-oriented propaganda, including the propaganda doled out by ministers (or their speech writers and ideologues) fails, where the intoxication of the masses by the fetishism of “elections” eases off, where official bribing in the form of limited welfare is ineffective;
and where, as a result, the masses do rise in revolt, the state has been using repression. This is class struggle from above. The state’s aim is to clear away the barriers to the twin methods of accumulation: accumulation by dispossession and accumulation by exploitation (Das 2012). The dispossession, exploitation and oppression of aboriginal people, all of which have been exacerbated by neo-liberalism, have contributed to Maoist resistance in several hundred districts (Das 2010), although this resistance goes back to the pre-NEP days. The Maoist threat is elevated by the Indian state to the biggest threat to the nation. It is then conveniently used as an excuse to suppress any democratically organised protest against neo-liberalism. If this threat did not exist, some other similar thing would be invented. More generally, state repression – class struggle from above – is partly justified as a “crusade” against “anti-development” struggles.

The capitalist class has also directly engaged in struggle from above by undermining the power of workers who strike against capital. Repression of striking Maruti auto workers is a case in point. Capital has repressed workers by hiring goons to hurt or kill them, by bribing union leaders, and by locking employees out. In recent years, personnel days lost due to lockouts are several times the number lost due to strikes, signifying that capital’s “strikes” have been more prominent than labour’s strikes. The courts have also ruled against the right to strike. Between investors’ rights to not invest, and workers’ rights to not sell their labour power – between these two equal rights, once again, it is the force of the state and capital that decides. The state even deploys draconian anti-terror laws against anyone opposing neo-liberalism.

The relation between NEP/neo-liberalism and the struggle against it is mediated by the interventions of the Left. It is undeniably true that parties on the Left have put pressure on the government to implement certain pro-poor measures such as public works and to slow the pace of certain “reforms” such as the opening of some sectors of the economy to international capital; the total privatisation of profit-making state-owned businesses. But the objective effect of the practice of the Left forces has, overall, been this: they have been converted into a conduit for the implementation of the NEP through ideological and administrative means. The parliamentary Left (as well as much of the “unorganised Left”) has not provided a serious ideological critique of the NEP. Whatever critique the Left has is rather muted. It is limited because it takes place more or less from the standpoint of less economically competitive sections of the so-called progressive national bourgeoisie (and a very small segment of the “relatively well-paid” salaried working class, mainly unionised public sector workers). Not only that, but the critique is “regulationist”: it suggests that the solutions to the problems within the NEP lie solely in government regulation. The Left critique has not, generally speaking, looked at the NEP as being essentially a capitalist project, a project of the capitalist class; the Left sees it as merely a new government policy that can be changed by a more “pro-poor” or social-democratic type of government. The Left critique has not been conducted from the vantage point of the working class and poor peasants as comprising a bloc of anti-capitalist classes. It has therefore not been from the vantage point of the transcendence of capitalism.

Politically, the Left, which has been suffering from the “parliamentary disease”, has propped up bourgeois parties like Janata and Congress from time to time; parties that have implemented neo-liberalism. The Left has justified this support on two grounds: anti-imperialism (and anti-feudalism) and anti-communalism (to keep the Hindu fundamentalists out of power). The Left has, more or less, sought to limit the struggles of the working class to trade union struggles (in Lenin’s words, “bourgeois politics”) and to
electoral fights, and to slow some of the neo-liberal reforms. But, once again, the Left intervenes not from the standpoint of developing a working class-led mass movement against capitalism, but rather, more or less, defend weaker sections of the entrepreneurial class and to ensure the bourgeois state retains some leverage to offset the pressure of foreign capital.

The Left, on whose radar anti-capitalist, proletarian socialism does not yet exist because it is more interested in democratic changes within the capitalist system, has lent a pro-poor cover to various governments. This has allowed the governments of the day to administer the bitter pill of neo-liberalism with a little sweetener and in a more consensual manner. In practice, then, the Left has virtually turned itself into a radical-nationalist fraction of the bourgeoisie. At the provincial scale, where the organised parliamentary Left was and is in power, it has pursued the NEP and pro-big business measures. The Left attacked the trade unions to be able to secure investment. When the Left was in power in Bengal, it embraced neo-liberalism, arguing that it was following the model of “socialist” China.

And much of the non-parliamentary Left is non-threatening to neo-liberal capital. This includes the Naxalite Left (which is influenced by versions of Maoism), the emergence of which was partly sparked by the weakness of the parliamentary Left and by the aborted democratic revolution. Since their emergence in the late 1960s, the Naxalites have focused their activities on the oppressed peasantry and in more recent decades on the aboriginal people living in the most remote parts of India; they have also won some localised concessions (Das 2010). This orientation is in keeping with their nationalist and petty bourgeois perspective which declares the peasantry the principal revolutionary force (in contemporary India) and the coming Indian revolution to be a “people’s democratic,” and not a socialist, revolution. From this perspective, the system of capitalist relations as such is not the enemy; Naxalites do not even recognise that India is a dominantly capitalist social formation. On occasion they make references to the working class, but in practice they are, hitherto, more or less disconnected from that class, which is the only class that has the potential to radically challenge neo-liberalism. Ironically, the politics of the state’s fight against Naxalism – which is ideologically steeped in class collaborationism and which itself is not too much of a threat to capitalist accumulation – is being used to remove all barriers to precisely that: capitalist accumulation.

**Concluding Comments: Neo-liberalism and Changes in Class Relations**

Neo-liberalism is about changing the balance of class power in favour of the capitalist class. Neo-liberalism is capitalism without Leftist or social-democratic illusions (i.e. illusions that there can be such a thing as humane capitalism on a long-term basis over a large geographical area). If this is true of rich countries, it is no less true of poor countries such as India. India’s NEP is a policy on behalf of capital. It is therefore a policy of capital, tout court, mediated and implemented by the state, at central and provincial scales. This article has shown that India’s NEP is more than a governmental policy. It is a programme of the bourgeoisie that promotes economic growth and bestows benefits to certain sections of the population, but has devastating impacts on the toiling masses. Neo-liberalism is a specifically capitalist class project. It is implemented by all kinds of political parties and is a great political leveller.

While neo-liberalism is a global project, it has affected the toiling masses of the less developed world particularly badly (Naruzzaman 2005). Now, the less developed
countries such as India are often seen as countries that have less income and more absolute poverty. Instead, they must be fundamentally seen in class terms: as countries that have suffered from aborted – or incomplete – revolutions against the propertied class. They have suffered from: aborted democratic revolutions, including agrarian revolutions against feudal(-type) relations, aborted national (or anti-imperialist) revolutions, and aborted anti-capitalist revolutions. A dialectical view of neo-liberalism and the NEP connects them both to the democratic and agrarian questions, the national question, and the question of socialism itself.

Consider the democratic question. There has been massive resistance to the NEP, as mentioned earlier, to which the state is responding in a most undemocratic (and repressive) manner. The state is also promoting venal capitalism; massive corruption in the public offices has been endemic since the 1990s, a time during which markets have been less regulated, thus refuting the argument that deregulation reduces corruption. Given that all the parties – including the parties on the Left – are forced to follow the strictures of neo-liberalism, the room for democratic dissent is shrunk, and this will deepen now, with the election of a government led by a Hindu-fundamentalist party with fascistic tendencies. This has a more specific implication: by making all political parties/groups equal as far as their adherence to neo-liberal development is concerned, the NEP has had the following consequence: casteism and religious fundamentalism, as well as regionalism, which itself is partly a reflection of regional disparities to which neo-liberalism contributes, are used to divide the working masses and the poor electorate, and to garner their votes. Thus NEP creates conditions for the perpetuation of undemocratic relations based on religious, caste and regional identity. Given that various petty-bourgeois or regionalist parties play identity politics, it is not unusual for a party or a coalition of parties in power to buy their support for neo-liberal policies by giving some concession to identity politics. Identity politics becomes a vehicle of class politics; that is to say, politics in the service of neo-liberal capitalism. The NEP is also creating new aspects of the agrarian question: the question about peasants’ property and about their miseries caused by national and international agribusiness (not feudal or semi-feudal landlords) and by the neo-liberal state acting on behalf of agribusiness. So the democratic question broadly understood – including democratic governance, equal rights of citizens irrespective of their castes or religious backgrounds, and the agrarian question – becomes important in new ways in neo-liberal times. Neo-liberalism has created the need for a heightened battle for democracy.

In light of this need, consider the national question. This question is no longer about fighting formal colonialism. It is rather about fighting the new imperialism, which is predominantly practiced through economic mechanisms and ultimately backed up by the threat of force. It is the imperialism of the powerful governments of the developed world, of multinational corporations and of international institutions (IMF, the World Bank, and “aid” agencies). This is an imperialism that is justified and sold to ordinary people through the discourse of development (as growth). It is also sold on the basis of chauvinistic ideas about India’s “superpower status,” which is only as a regional subordinate of the supreme guardian of global capitalism, the USA. The neo-liberal state itself, managed by people with the neo-liberal mentality (“neo-liberality”), has become a new mechanism of imperialism. So, neo-liberalism has heightened the need for anti-imperialist struggle and for the sovereignty of oppressed nations. Indeed, “[w]hile the ‘national fatherland’ has become the most baneful historical brake in advanced capitalist countries, it [nationalism]
still remains a relatively progressive factor in backward countries compelled to struggle for an independent existence” (Trotsky 1937). The national question and the democratic question (the questions of imperialist subordination, of the state and society becoming more undemocratic, and of peasants losing land) are rooted in the fact that the NEP represents capitalism in its most naked and ruthless form.

If the above assessment is broadly correct, it indicates a very different sort of solution to the national and democratic question and to the specific problems, such as mass impoverishment, spatially uneven development and agrarian crisis, that neo-liberalism is creating than what the traditional Left has been offering. The intellectual and political fight against the NEP cannot be merely about changing the dirty clothes of the state (meaning changing its policy or governments and making the state regulate the affairs of capitalism, as in olden times). It cannot be only about interrupting, deconstructing and destabilising things and narratives about neo-liberalism and wider society a bit here and a bit there, although the struggle for the regulation of business is not entirely unnecessary. The idea that there is such a thing as neo-liberalism (or capitalism) with a human face is based on the lie that the basic interests of capital are fundamentally compatible with the basic interests of the toiling masses in a sustainable, contradiction-free manner. Unregulated growth, control of society’s resources by big business, the exploitation of labour, income inequality and ecological devastation cannot be compatible with socially coordinated wealth creation, equality, solidarity, popular democracy and satisfaction of human needs. If this critique is right, then the intellectual and political project must have the larger goal of theoretically and practically transcending the very conditions that produce the neo-liberalism model itself.7

Notes

1 One of the most enthusiastic of the listeners is Manmohan Singh, the outgoing prime minister, who, unsurprisingly, had publicly admired Thatcher, the co-architect of global neo-liberalism with Reagan. The new Prime Minister, Modi, who some believe is India’s Reagan, is in the same league as Singh whom he replaces, as far as economic policy is concerned.
2 Interestingly, the obsession with growth is such that a party can engage in sectarian violence (such as the type that the Bharatiya Janata Party (BJP) has engaged in), but still be more or less “condoned” if it promotes economic growth through pro-business policies.
4 That percentage dropped from 2.85% in 1993–94 to 1.9% in 2000–01 (Patnaik 2007, 155).
5 Indeed, with respect to the socialist revolution, fertilisation has not happened in many contexts.
6 The US guards the subordinate guardians (that is, subordinate states such as India) of the capitalist property rights in different parts of the world (Wood 2003, 133).
7 And this requires a democratically organised mobilisation of workers and poor peasants against profit-making, at multiple scales within India, in South Asia as a whole, and, globally.

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