

The Politics of a Development Strategy

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The projection of Narendra Modi as the next Prime Minister of India is the political denouement of the economic strategy that has now been more or less accepted by all bourgeois formations in India and is labeled “neo-liberal”, though misleadingly so. It is the logical culmination at the political level of this economic strategy.

The essence of this strategy is the use of the State exclusively in the interests of the corporate-financial elite (which is why the term “neo-liberal” indicating a blanket disengagement of the State from the economic terrain is a misnomer). The development, the maturing, the perfection, of this strategy consists in the direct appropriation of the State by the corporate-financial elite. And Narendra Modi is the agent of this appropriation. He comes from the BJP stable, and has a consistent record of communal-fascism; but he is above all a tool of the corporate-financial elite, backed to the hilt by this elite and the media controlled by it.

The so-called “development model” of Modi is nothing else but handing over the state over which he presides to the corporate-financial elite. He is the man who, according to a report in The Hindu had [subsidised the Tatas to the tune of Rs.31,000 crores](#) to induce them to establish their Nano plant in Gujarat. It is in the nature of things that this “model” of development would exclude the people. Not surprisingly, Gujarat which is tom-tommed as a “model of development” has an [abysmal human development record](#), far worse than most other Indian states; labour unions have been under sustained attack. The ultimate political expression of an economic model of development that is completely anti-people and pro-corporate, is a State controlled by the corporate elite and used against the people, a fascist State which Modi is supposed to usher in, and is being backed by the corporate elite for doing so.

This economic model however is not Modi’s own concoction. It is the neo-liberal model that now has the allegiance of all bourgeois Parties. Modi’s only distinction is that he pursues this model with a remorselessness that is unparalleled. All other political leaders are hemmed in by their Parties with all sorts of ideological inheritances, and with a myriad “equations” to be taken care of. Manmohan Singh and his group for instance have to operate through the Congress Party which is constrained, no matter how tenuously, by its own slogan about caring for the “aam aadmi”. But Modi has no such constraints. He has risen above his Party, reduced his Party into a rubberstamp, and can pursue the agenda of the corporate-financial elite single-mindedly.

A hall-mark of this development model ironically is that its very failure is used as an argument to intensify its application. If the rupee is tumbling, if the manufacturing sector is in a recession the like of which the country has never seen (the mid-sixties industrial recession, the only one with which it has a superficial resemblance, had been caused after all by an exceptional circumstance, namely the extraordinarily poor agricultural harvests over two successive years), if the current account deficit is worsening by the day, then a chorus is orchestrated: “we need more reforms”, i.e. a heavier dose of neo-liberalism.

Was it not Manmohan Singh himself who had said that the country's current economic travails were because the "animal spirits" of the entrepreneurs were flagging, and that these had to be revived through State policy? In other words if neo-liberalism had brought us to a crisis, then the way out of it was more neo-liberalism imposed through the agency of the State.

While using Keynes' phrase "animal spirits", he did not follow Keynes into suggesting that since the "animal spirits" of the entrepreneurs did often flag, the fate of the people should be made independent of these "animal spirits" by pursuing full employment policies directly, i.e. through State intervention in the interests of the people; rather, his argument was that if "animal spirits" were flagging then the State had to revive them through policies pursued in the interests of the corporate-financial elite itself.

Ergo, Vodafone should be allowed to get away with tax arrears, [multi-brand retail should be opened up](#) for [Walmart](#), the public sector should be privatized to an even greater extent, the financial sector should be further opened up to foreign players, development banking should be put an end to, and so on.

Because neo-liberalism sees further intensive adoption of neo-liberalism as the solution to the crises it generates, the demand for corporate control over the State increases in shrillness precisely when the economy is engulfed in crisis, which is the case now.

This is where we find a difference between classical fascism of the 1930s and now. At that time, the corporate control over the State came through the backdoor as it were, through the rise to power of forces that initially proclaimed animosity to big corporate capital, even though funded by such capital, and cashed in on the anti-capitalist mood of the people by adopting a Right-radical posture. It is only after coming to power that such forces purged their own Right-radical followers and expressed openly their close links with the monopoly groups.

But that was a period of inter-imperialist rivalry when the world had been divided into spheres of influence of rival capitalist powers, not a period of "globalisation" with unfettered cross-border movements of commodities and capital. In a world of globalisation, such a two-stage process, of an initial radical anti-monopoly rhetoric followed later by an open direct alliance between fascist "upstarts" and the monopoly houses, is scarcely feasible. Any anti-monopoly or anti-finance rhetoric on the part of an ascending political force will be followed by such large capital outflows that the ascent of this force will be effectively sabotaged. Hence the prospect presented to the people reeling under the impact of a crisis is not that it would be overcome through an attack on the monopolists, but that it would be overcome through placating the monopolists, i.e. not through a debunking of the "development model" but through an intensification, a carrying forward, of the "development model".

This is what Modi promises. Of course his communal-fascism, even if not foregrounded at present, gives him his "mass appeal". But this "mass appeal" is combined not with an anti-capitalist rhetoric for accession to power; on the contrary it is combined with a no-holds-barred propagation of the same development strategy that the corporate-financial elite wants. European fascists in the 1930s became tools of finance capital; Modi is a tool of finance capital ab ovo.

This is also the reason why all his opponents among the bourgeois Parties appear so feeble in their criticism of Modi; because in basic matters of economic policy he stands precisely for what they stand for, only even more emphatically. Among most bourgeois Parties there is even a sneaking admiration for his “development model”, since this is the very “model” they uphold and would like to follow to the hilt if they could. It is not surprising that self-professed political Liberals like economist Jagdish Bhagwati of Columbia laud Modi’s “development” successes, as indeed Manmohan Singh himself would probably have done, if only he were free to do so.

All that Modi’s political opponents among the bourgeois formations can do is to draw a distinction between Modi the communal-fascist and Modi the “successful developer”. Yes, he may have been successful in his development effort, they aver; but isn’t he a communal-fascist? He should be kept out because of his latter trait, no matter how laudable his former trait may be.

But such a distinction fails to carry conviction, since Modi, after the Gujarat carnage, has succeeded in manufacturing for himself an image-change, projecting for himself precisely the image that his opponents admire, of a “development messiah” and pushing to the background his communal-fascism, to the point where the Gujarat government even briefly considered, until admonished by the RSS, appealing against the commutation of [death sentence for Maya Kodnani and Babu Bajrangi](#).

Besides, this distinction between Modi, the “developer” and Modi, the communal-fascist is intrinsically unsustainable. The concept of “development” that Modi upholds, and shares with all other bourgeois formations, apotheosizes the growth-rate, which in turn is seen, notwithstanding occasional invocations of the “high-growth-yields-larger-government-revenue-which-can-then-be-spent-on-the-poor” argument, essentially as helping India’s emergence as an “economic superpower”. The neo-liberal model in short is itself sought to be justified on grounds of big-power chauvinism; grounds, which, not to beat about the bush, are themselves fascistic. In a world where all bourgeois formations are contributing to this fascistic discourse, is it any surprise if their resistance to the emergence of a real communal-fascist appears feeble in the extreme?

In short, one cannot oppose Modi if one subscribes to the development model championed by him. One cannot oppose Modi by drawing a Manichean distinction between Modi the “communal-fascist” and Modi the “development messiah”, and thereby upholding the neo-liberal development strategy that he pushes through ruthlessly, because this development discourse itself has fascist underpinnings.

To say this is not to suggest that Modi, and his corporate backers, will succeed in their project. They would not, because large segments of the working people, who have been victims of this development strategy, even when it was apparently “successful”, will revolt against it, and oppose this project; his opponents in short will get the better of him despite themselves.

What is striking in all this however, is the intellectual degeneration of Liberalism. John Maynard Keynes was a Liberal. And long before him John Stuart Mill was a Liberal (though later in life under the influence of his wife Harriet Taylor he moved to a “co-operative socialist” position). John Stuart Mill had visualised the arrival of a “stationary state” (where the growth rate would be zero), but was not worried by it as long as the workers were better off in such a stationary state. A nation, he held,

“should fix attention upon improved distribution, and a large remuneration for labour, as the true desiderata”.

Liberalism in short was traditionally concerned with the condition of the workers; it differed from socialists on how this condition could be improved. What a contrast from today’s Liberal position that apotheosizes the growth-rate on fascistic grounds, and advocates a squeeze on the working people for achieving it?

*** This article was originally published in the People’s Democracy, Vol. XXXVII, No. 24 on June 16, 2013.**