

The Unravelling of the Modi Arrangement*

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Liberal commentators see Modi's rise as being caused exclusively by the ascendancy of Hindutva. But they never explain why Hindutva should suddenly acquire this ascendancy. If this ascendancy is traced to the demolition of the Babri Masjid, then why two decades should pass after the demolition before Hindutva could come to power needs to be explained, as does the phenomenon of the BJP suddenly emerging as the richest political party, and one enjoying overwhelming support in India's print and electronic media.

The matter however becomes somewhat explicable once we bring in the class element. The shift in the position of the big bourgeoisie, which occurs not in the early 1990s but only after the first decade of this century, when the economic crisis of neo-liberal capitalism ceases to be controllable through any counteracting measures, plays a crucial role in the sudden emergence of the Hindutva forces as the most powerful element on the Indian political scene. It is only then that a corporate-Hindutva alliance comes into being that causes a tectonic shift in this scene.

In fact Modi's role acquires centrality in this process, as the person who cemented the corporate-Hindutva alliance, mediating between corporate capital on the one hand and the RSS on the other. In a period of serious crisis the big bourgeoisie usually enters into an alliance with fascistic elements to bolster its position and preserve its dominance that tends to get undermined by the crisis. The Indian big bourgeoisie followed exactly this course and used Modi as an intermediary to bring about the corporate-Hindutva alliance.

The shift in the position of the big bourgeoisie between the early 1990s and 2014 is illustrated by two telling incidents: in the early 1990s, the top Tata executive had marched in a demonstration in Mumbai in defence of secularism; by early this century however the head of the Tata empire was endorsing Modi as prime minister at a Gujarat investors' summit, despite the latter's culpability in allowing the post-Godhra anti-Muslim pogrom. Interestingly the same head of the Tata empire subsequently made a trip to Nagpur to confer with the RSS supremo on several matters.

Modi is usually credited with promoting the interests only of his crony capitalists. This is no doubt true, and again common to all such situations. A feature of the alliance between the big bourgeoisie and the fascistic forces is the coming to the fore of new elements among the big bourgeoisie, which is exactly what had happened both in Germany and Japan in the 1930s. But the coming to the fore of these new elements should not be taken to mean that the older elements among the big bourgeoisie get side-lined and ignored. The government formed by the fascistic elements with the active help and support of the big bourgeoisie, works for the big bourgeoisie as a whole even while showering special favours on the new elements among them. The new labour laws suppressing the workers, the new farm laws opening up agriculture to encroachment by corporate capital illustrate this point.

But this entire arrangement underlying Modi's ascendancy is now coming unstuck. This does not mean that the Modi government is about to lose office. What it means is that the Modi government will increasingly have to resort to arbitrary,

unconstitutional, divisive, and hatred-mongering measures to remain in office, because the basic arrangement that underlay its ascendancy and gave this ascendancy some semblance of stability is in the process of breaking down.

There are two obvious reasons for this. One of course is the massive peasant movement against the three infamous farm laws. These laws as we have seen are in keeping with the programme of the corporate-Hindutva alliance; their introduction therefore is not surprising. What has come as a surprise for the government is the scale of opposition to it and the fact that all attempts to break the farmers' resistance, through every skulduggery in the BJP's kitty, have failed miserably to break it. This constitutes a massive jolt to the corporate-Hindutva alliance.

The second is the open hostility exhibited by some Hindutva elements towards certain corporate houses which does not hold much hope for the durability of the alliance. First, Piyush Goel, who happens to be a fairly senior minister in the Modi government and has even officiated as finance minister, made a virtually open attack on the Tatas. And then the RSS mouthpiece Panchajanya attacked Infosys vitriolically because of glitches in the Income Tax portal which Infosys has set up. Infosys had been asked by the finance minister Nirmala Sitharaman to rectify these glitches by September 15, but the attack occurred even before that deadline had passed. It even called Infosys "anti-national", placing it explicitly along with the Leftists and the tukde tukde gang! Granted that RSS worthies have a very limited vocabulary, this still amounts to pretty strong language to use against a company that has acquired an international reputation. An RSS spokesperson tried to distance that organisation from the attack, but that attempt carried no conviction; besides other RSS worthies too joined the attack later.

A rift in the corporate- Hindutva alliance is visible, and this rift is going to widen in the coming months. The reason is that the Hindutva elements, quite innocent of economics, take what they are told by their corporate friends and the Bretton Woods institutions seriously; they are now beginning to realise that what they have been told is not working out. But they attribute this not to the vacuity of their received theory but to malicious intent on the part of some corporate houses.

They have been told for instance that the economy will revive, even with the government pursuing fiscal conservatism, if concessions are made to corporate capital. If the "animal spirits" of the capitalists are boosted through tax giveaways and anti-worker and anti-peasant laws, then investment will blossom. What they have not been told is that no matter how many concessions are given to capital, if aggregate demand is not expanding then capital makes no fresh investment; and if there are no fresh investments then there is no revival of the economy. And if government spending does not expand, financed either through a fiscal deficit or through a tax on capitalists, there will be no expansion in aggregate demand.

But, the sustained languishing of the economy despite the best efforts that the Modi government, with its utter lack of knowledge about economic matters, is capable of, is attributed by the Hindutva elements to the perversity of the Indian corporate sector (barring a handful of their favourites): it invests elsewhere (where aggregate demand may be growing) but not in India. Ergo, it is anti-national! The normal behaviour of capital, its normal modus operandi, is taken as perversity!

The rift between Hindutva and corporate capital is going to widen. Capital does not invest by being hectored; on the contrary it then seeks with even greater vigour to explore if there are profitable investment avenues elsewhere in the world. And the more this happens, the more the RSS and BJP are going to attack corporate capital for being anti-national. The tukde tukde gang in short is all set to get newer adherents.

What is striking about this entire phenomenon is that Modi has not uttered a word, even indirectly, either against Piyush Goel or against the writer of the article in Panchajanya. Contrast this with the experience of Germany where, for cementing the alliance between big business and the fascist elements, the latter even carried out a bloody purge against their own supporters during the “night of long knives”.

Put differently, for a successful alliance between fascistic elements and corporate capital, two conditions are necessary. First, the regime that comes into being through such an alliance should be able to overcome the crisis that caused such an alliance to begin with. And second, there should be no conflict on other grounds, such as a hangover of anti-capitalist rhetoric, between sections of the fascistic elements and corporate capital. While in India the BJP and the RSS have never been anti-big business, so that there is no question of any hangover of ideological opposition, the first condition is not satisfied. The contradiction between capital that is globalised and the State that remains a nation-State, which makes any revival from crisis through State spending difficult, prevents the satisfaction of the first condition.

But then what about the proposed State spending to be financed through “monetisation”? Is that not likely to cause a revival of the economy that may heal the rift within the corporate-Hindutva alliance? Not only is this an invidious measure, the plan to spend Rs 6 lakh crores over a four-year period, even if it is realised, entails less than 1 per cent of GDP per year; this is too meagre to make any difference to the economy.

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