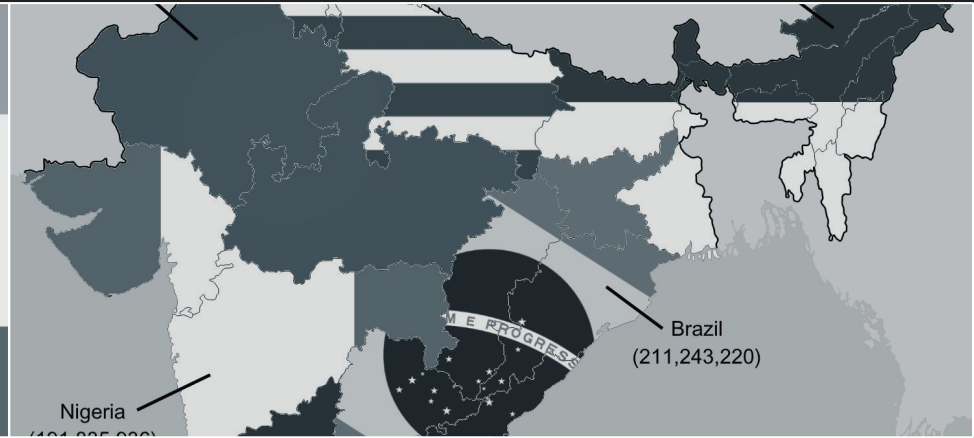
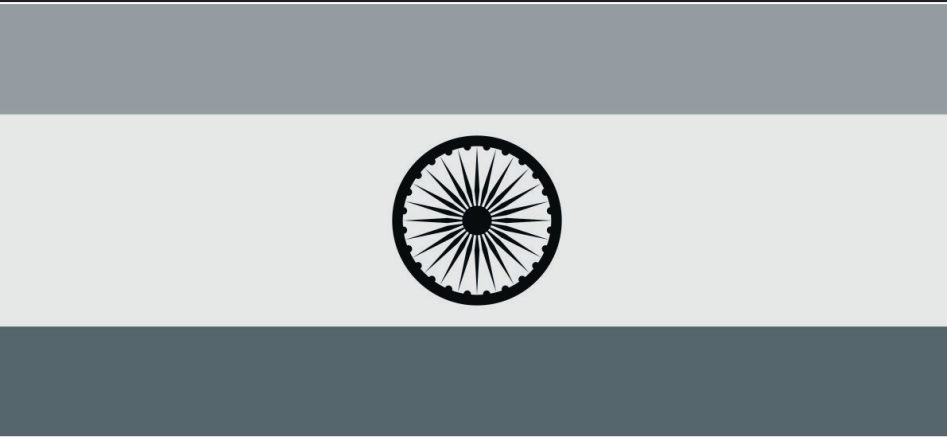
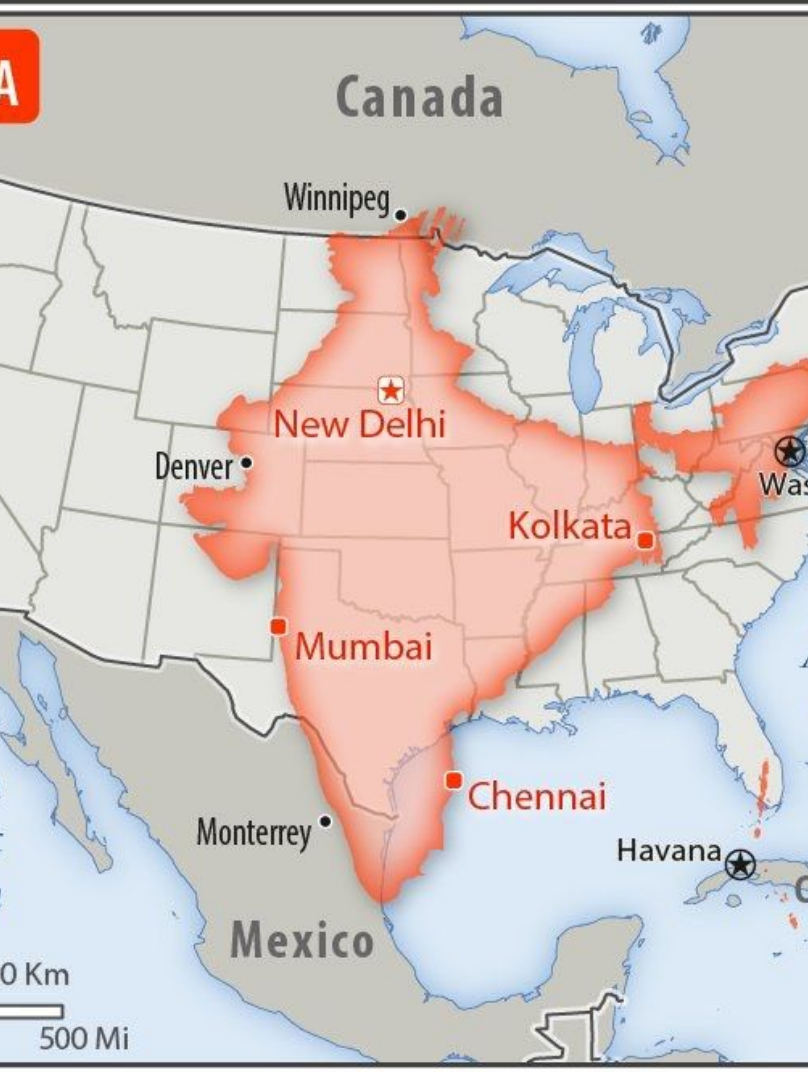


The Limits of State-Led Development

Students: Ariana G. M. Alves, Gabriel Vieira, João Salomé

Introduction





India: a big country with a enormous population

- Size: 3.287.000 km²
- Population: 1,324 bi

Growth patterns



India

“Socialist”



Brazil

“Cepalist”



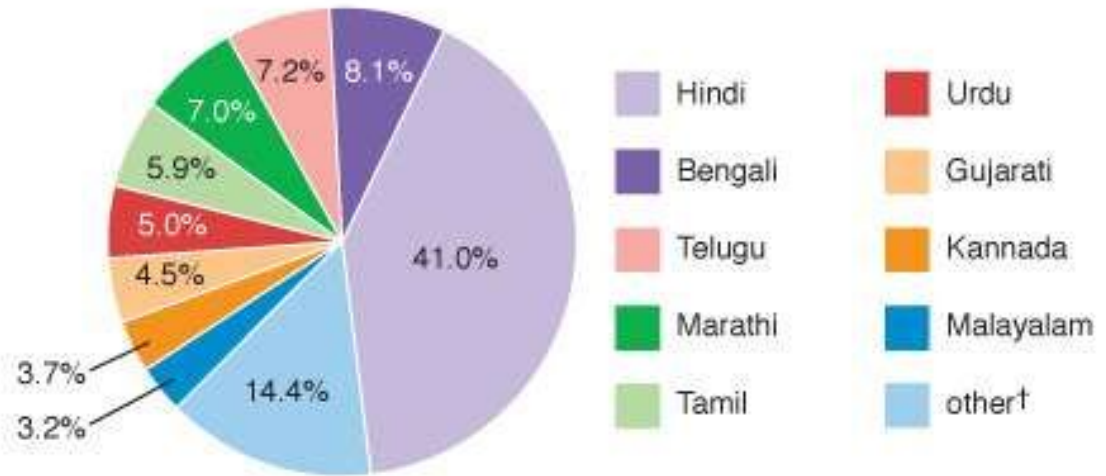
South-Korea

State-capitalism

The chapter focuses on...

the analysis of political determinants concerning economic performance in a fragmented-multiclass state

Linguistic composition (2001)*



*Data are for the scheduled ("officially recognized") languages of India unless otherwise footnoted; Hindi (roughly 66%) and English (roughly 33%) are also spoken as lingua francas.

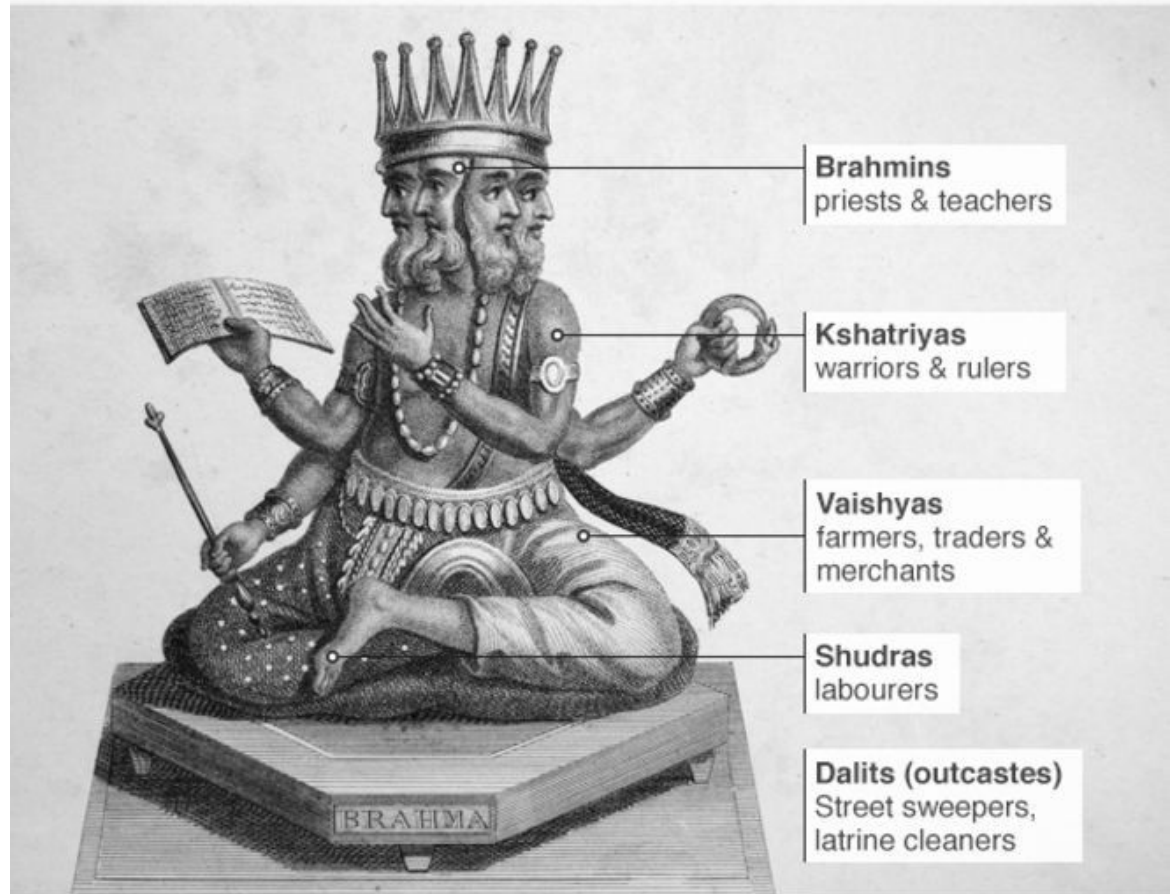
†Includes many nonscheduled ("not officially recognized") languages.

Brahma and the origins of caste

The chapter focuses on...

point the lack of state capacity to guide social and economic change in a fragmented society as the main factor

A highly hierarchy society and well organized, the castas system that rule in India before england, another idea of what means to be part of society



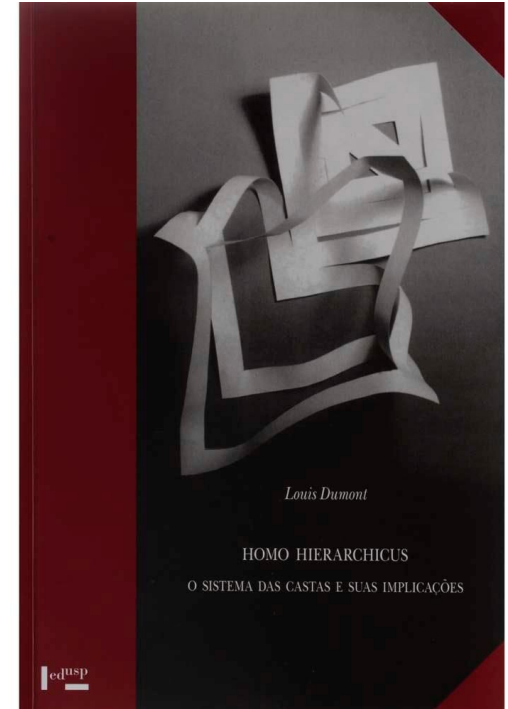
Source: Alamy

**The chapter
focuses on...**

**overcome the simplistic
argument of a development
led by a neo-liberal
approach**

HOMUS HIERARCHICUS

The castas system is not a
just a hierarchy, it is a
phenomenon that cuts
india's society itself,
regulating all social relations
in a transverse way.



Three chronological phases

1

**1950-64 Nehru's
period**

State-development;
Guide economy;
Steady growth

2

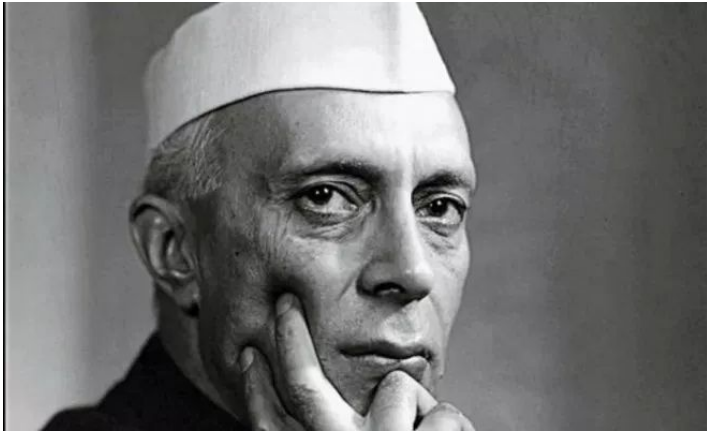
**1965-80 Indira
Gandhi's
period**

Left-wing rhetoric;
Sluggish economic
growth;
Deinstitutionalization

3

1980-til now

Down of populism;
Supportive
Regulation;
Growth oriented



- Socialism
- Democracy
- State-development
- Steady growth
- Slow industrialization

1950-64 Nehru's period



By education I am an Englishman, by
views an internationalist, by culture
a Muslim and a Hindu only by
accident of birth.

— *Jawaharlal Nehru* —

AZ QUOTES

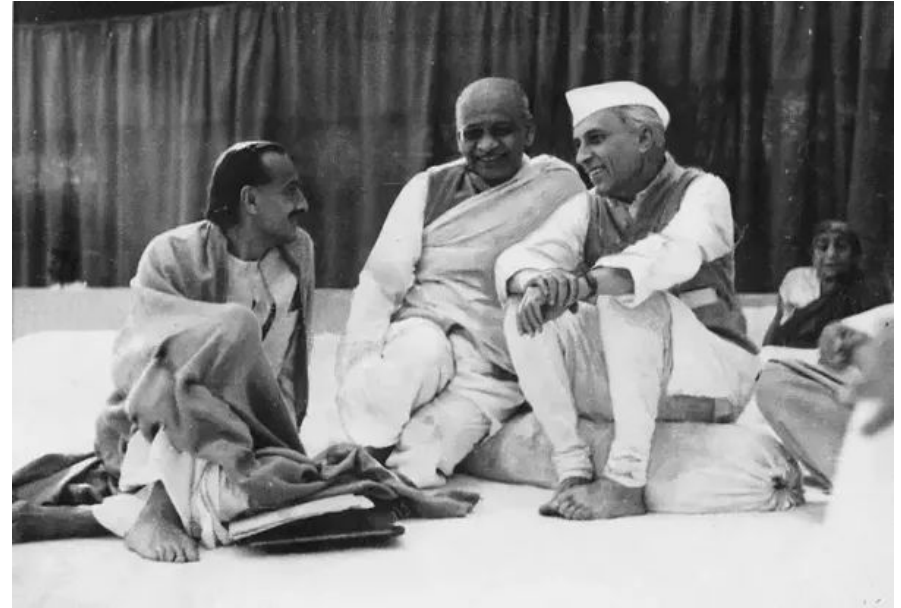
India's condition

Recent independence
Countryside population
Relations between
serve-lord



Nehru politics

- Protectionism
- Poor investment in primary education and public health
- Agriculture in a secondary position
- Infrastructure projects



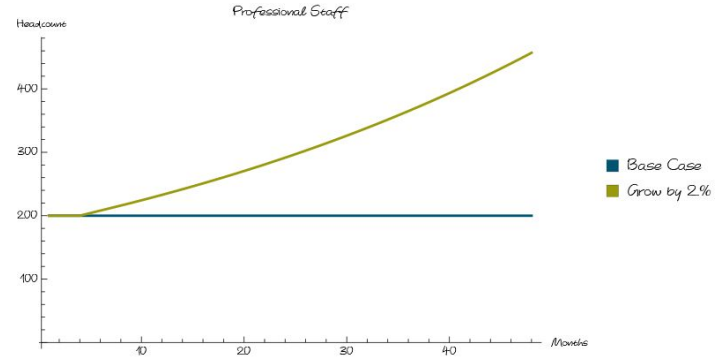
Results

Steady economic growth

Small industrialization

Little competitiveness indigenous industry

Iron industry and textile industry relative strong



1965-80 Gandhi's period

A black and white portrait of Indira Nehru Gandhi, looking slightly to the left with a serious expression. Her hair is dark and styled in a bun. She is wearing a patterned garment.

Indira Nehru Gandhi

- Prime-Minister of India from 1966 to 1977, then 1980 until her assassination in 1984;
- Daughter of Jawaharlal Nehru;
- Initially thought to be a puppet of the INC, she proved to be one of the most influential leaders in modern Indian history;
- Lagging economic growth.

Political context

- Patronage model conducted by the Nehru administration wore off: **parliamentary elections started to generate smaller majorities;**

Indira's solution:

- Hard political discourse shift to the left;
- Populist political program based on poverty alleviation and opposition to the dominant classes;
- Administration “obsessed” with politics;
- **Consequence:** further decentralization and deinstitutionalization of government.

Bureaucratic and political changes

- Large size increase -> 4x increase in IAS size between 1950 and 1983, and 2.5x times in overall public service;
- Selection criteria deteriorated and more weight was given to political connections;
- Resources were channeled to political allies and in the form of subsidies.

1975: Gandhi found guilty of corruption

Indian Prime Minister Indira Gandhi has been barred from holding office for six years after she was found guilty of electoral corruption.

But Mrs Gandhi rejected calls to resign and announced plans to appeal to the Supreme Court.

The verdict was delivered by Mr Justice Sinha at Allahabad High Court. It came almost four years after the case was brought by Raj Narain, the premier's defeated opponent in the 1971 parliamentary election.

Mrs Gandhi, who gave evidence in her defence during the trial, was found guilty of dishonest election practices, excessive election expenditure, and of using government machinery and officials for party purposes.

The judge rejected more serious charges of bribery against her.

“ The leadership of Mrs Gandhi is indispensable Party statement ”

Mrs Gandhi insisted the conviction did not undermine her position, despite having been unseated from the lower house of parliament, Lok Sabha, by order of the High Court.

Watch/Listen



The judge rejected charges of bribery

[▶ PLAY VIDEO](#)

[January 1975 interview with Gandhi](#)

In Context

Mrs Gandhi began an appeal against her conviction for corrupt electoral practices.

When opponents threatened to start a campaign of civil disobedience in protest at her refusal to resign, she controversially declared a state of emergency, claiming there was a plot to disrupt democracy.

Thousands were arrested, including about 20 MPs, and the Indian media was censored.

In August 1975 the Lok Sabha passed legislation to clear Gandhi of her corruption convictions retroactively.

Agriculture policy

- **Mixed results**

- Following food crisis in the 60s, the Indian “Green Revolution” was allowed by the consolidation of production in certain regions;
- Investments were focused in the provision of seeds and fertilizer to areas where irrigation was assured, like Punjab, and price supports provided to production;
- Land reform was more emphatically implemented;

Industrial policy

- Decline in investments: deceleration of public and corporate investment;
- **Why?**
 - Straining government revenues;
 - Growing expenditures in other areas.
- **Consequences:**
 - Infrastructure bottleneck;
 - Decreased production in critical industries, like steel.
- Other reasons: poor demand, balance of payments problems and price controls.



International scenario

- Indira also pushed India away from the West and the trends at the time, keeping its import substitution regime and therefore hurting potential growth.



1980-til now
The shift in India's
development strategy

Heterogeneous political society

After Indira Gandhi's death, the lower classes devolved into **irresponsible populism that hurts both economic growth and redistribution**



The fragmented-multiclass state unfolds to dispute 3 main paths

- 1. Maintaining past strategies (Nehru + Gandhi)**
- 2. Forging new caste coalitions**
- 3. Enhancing Hindu nationalism**

Political Vacuum

The lack of cohesion open space for the widespread of Hindu nationalism **political organizations, centred on the rise of caste-based parties as key state-level political mediators in north India.**



CASTE BASED POLITICS

INDIA



PAST
PRESIDENTS
OF THE
BJP

The rise of Bharatiya Janata Party

- Right religious nationalist
- Major opposition on Congress
- Inspired by European fascist movements

Proposed to unite India's Hindu religious majority into a nationalist political bloc

"Nehru Ji's approach was not all that successful. Indira Ji was never sincere. What else can we do now?"

Atal Bihari Vajpayee, former India's prime minister

Complex democratic model

Slowly Indian started to embrace a more **pro-business approach to its development problems**, once neither state-led economic growth nor efforts on economic redistribution proved to be successful in the current arrangements.



Liberalizing paradox

The statism provided a framework for the rise of the capitalist economy in India. Besides that, the liberalizing trend is consistent with the dominant interests both in India and abroad.

The backbone of the Indian's problem

The lack of cohesion of the multiclass state made the political leadership bowed to the pressure of the globalized hegemonic market.



regulations & licensing



import duties



exports



industrial & software tech parks



communication infrastructure

Public money management

- Unsustainable coalitions
- Bargaining political support
- Difficulty to collect new taxes
- Borrowings
- 1991 Crisis of debt



private sector investments

The locus of growth shifted to exports of information technology, founding a niche of it in the global market.

The shift here lays on the type of state-led intervention, generally more supportive than regulatory, but still an interventionist model.

“While champions of liberalization may see all these measures as evidence of a growing free market in India, it remains the case that India’s state is still heavily interventionist and that the Indian economy is still relatively closed to external goods, finance, and investors. The policy trend is thus better interpreted as a rightward drift in which the embrace of state and business continues to grow warmer, leaving many others out in the cold.”

Nowadays...

Caste and politics continue to collide, sometimes violently, in a cyclical struggle for power.

Hindu nationalists aim to assert their dominance over India



BJP'S LOK SABHA PERFORMANCE

1984: Wins only two seats.

1989: Wins 85 seats, provides support to VP Singh's National Front govt

1991: Fresh polls after BJP withdraws support. Party wins 120 seats

1996: BJP becomes single largest party winning 161 seats, but lacks majority in LS. Vajpayee govt lasts only 13 days

1998: Mid-term polls held & BJP wins 182 seats. NDA forms govt under Vajpayee for a year.

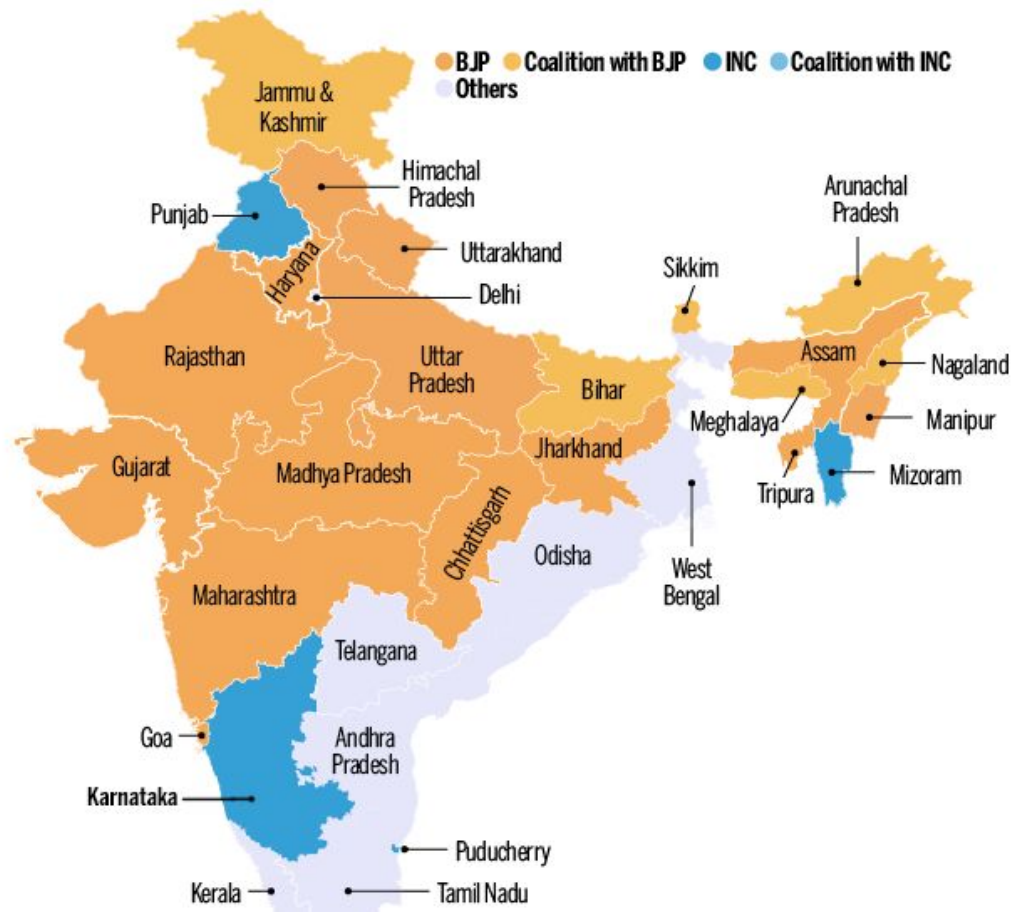
1999: Coalition splits when AIADMK withdraws support and fresh elections are held. NDA wins 303 seats - an outright majority. BJP's tally is 182

2004: NDA's 'India Shining' campaign fails and coalition suffers unexpected defeat. BJP bags 138 seats and becomes main opposition party

2009: NDA is defeated again. BJP wins 116 seats and continues as the principal opposition party

2014: BJP led by Narendra Modi wins landslide victory. Party wins 282 seats, NDA wins 336 seats

CURRENT ELECTORAL MAP





Nilanjana Roy ✓

@nilanjanaroy



"Fascist BJP government, down, down."

Totally wrong - and foolish! -- of the BJP to arrest a student, Lois Sofia, and focus your mind on her slogans. [indianexpress.com/article/india/...](http://indianexpress.com/article/india/)

4:12 AM - Sep 4, 2018



Student arrested after Tamil Nadu BJP chief complains ...

E Athisayakumar, a lawyer appearing for Sofia, said she had been arrested and sent to judicial custody for 15 days. She indianexpress.com

♥ 16 💬 15 people are talking about this



Sachin Kalbag ✓

@SachinKalbag



Tamil Nadu student arrested for shouting "Fascist" at a BJP leader. Except for the politician and the police, the irony is visible to all.

5:11 AM - Sep 4, 2018

♥ 62 💬 68 people are talking about this



Aisi Taisi Democracy ✓

@AisiTaisiDemo



Dear BJP, the best way to show that you are NOT fascist is by NOT arresting students who shout that you are fascist.

4:51 AM - Sep 4, 2018

♥ 654 💬 236 people are talking about this



Thank you :)