

## Contemporary Challenges of Indian State System

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### Abstract

Indian society is drastically changing after globalisation. In this era different forms of difference have come to the foreground in relation to identity politics, gender, minorities rights, indigenous peoples, and ethnic and religious movement. The lower and weaker section of society has to be the worst sufferers as they will not get jobs. Consequently the income gap between lower and upper level of society is bound to rise and this, along with consumerism, and its demonstration over modern electronic means of communication, will lead to crimes, anarchy and destruction of social harmony and equilibrium. On the other the role of government is changing as we witness a fragmentation of policy responsibility in society in which the traditional mechanism of government control are no longer workable or even appropriate. It challenges the traditional relationship between economy and state. The globalized market system stretches beyond the political authority of any single government. Faced with a network of connections that escape their power of surveillance or regulation, national governments have become increasingly unequal to providing the legal, monetary, or protective functions that are their contribution to a well divided loyalties -on the one hand eager for its firms to maximize revenues, which are subject to national taxation, on the other hand, reluctant to see employment or research capabilities that it wants as part of its national economic strength located in a competitive national entity. As the globalization is a necessary evil affecting the entire system of today's state by the analysis of Indian state system the paper aims to draw world attention towards the challenges

/ problems of other developing countries who are losers in this frame work due to reasons more than one. Thus it is beneficial as well as relevant not only for any particular country of region but for across the globe.

**Key words:** Developing countries; Globalisation; Post – globalization; Nature of Indian State; Government

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### INITIATION OF INDIAN POLITY AND STATE

Indian democracy has moved a long way since the country became independent and adopted a republican constitution decades ago. It has created new political arrangements as it has faced new political challenges. It has shown considerable resilience, and in some ways strengthened itself even while setting aside old arrangements and established ways of thought and action. In comparison to the dawn of independence which began with great, in today's circumstances, it is unrealistic to expect that a new leader will soon emerge, a true statesman who will combine in himself all the virtues that we expected in our political leaders at the time when the new republic came into being. The new sovereign, democratic national state that came into existence was multi-class in nature and was open-ended in the sense that the class-balance among the constituent classes could be altered. Among the most significant features of India's political development has been the commitment of its leaders to democracy, national unity and economic development, accompanied by their ability to establish the necessary political institutions, both of the state and civil society, and to root them in Indian society to create and maintain the structure of a

democratic state. These institutions have been sustained despite rapid social change, with new social groups regularly entering the political arena and asserting their rights (Chandra and Mukherjee, 2001). In the actual working of the system, the central government gradually acquired greater influence over the states because of the pattern of economic development adopted, which was based on planning, public sector, central funding of anti-poverty programmes, and central financial disbursement to the states from its greater tax resources. From the very beginning the Nehru-Mahalanobis strategy of growth with equity had assumed that popular mobilisation from below would be necessary to effectively implement radical measures in favour of the poor initiated by the government. But while persisting poverty has been the most important failure in India's post-independence development, the survival of the democratic structure has been its greatest success. It led to the growing demands on the state by various classes and groups including the poor. To accommodate these demands all political formations, since the late seventies, began to indulge in competitive populism using state resources to distribute largesse to the various constituent classes of the Indian state including the poor.

Apart from this for several decades the political leadership had functioned without any strategic design or perspective ideology or well thought about tactics for managing the political system. It had relied instead on *ad hocism* and gimmickry for meeting the challenges in the polity and on populism, personal appeal, and use of big and black money to maintain itself in power. The major culprit for the weakening of the political institutions has been the quality of political leadership. It is the quality of political leadership which plays a critical role in nation building and development of political institutions. Gradually, political parties became the weakest link in India's political system. It has developed its own distinctive party system. It is neither a two-party system nor a multi-party system with three, four or even half-a-dozen parties of the kind commonly found in continental Europe. It is a system with a multiplicity of parties. This multiplicity is a reflection of the size and diversity of our social and political order (Beteille, 2012). At the close of 1980s, India's economy, polity and society were strained by grave structural imbalances and distortions. The problems were challenging and the correctives required were to be complexed and painful.

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## COMING OF GLOBALIZATION

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The concept of globalisation began to dominate the world since nineties and it has added new dimensions to pre-requisite of success of democracy in any country. It challenges the importance of the authority and welfare function of the state, the complex implications of which are far reaching to the developing countries (Ojha,

2002). It is a multidimensional phenomenon comprising numerous complex and interrelated processes that have a dynamism of their own. It involves a deepening and broadening of rapid trans-boundary exchanges due to developments in technology, communications, and media. Such exchanges and interactions occur at all levels of governance and among non-state actors, creating a more interdependent world (Vishwanathan, 2008). Globalisation has also affected domestic politics and thereby the capacity of governments to manage the new forces. Economic liberalisation and integration has led to greater income inequality within countries without strong welfare states as the incomes in increasingly demanded skilled workers rise while those of unskilled labour drop. The change in the nature and role of the state evoked concerns among the people at large. The relative autonomy of the state weakened and the dominant class acquired supremacy over it. The popular perception of the State as an instrument of modernisation and empowerment has also witnessed changes. In the 1990s when the market reforms shrunk the role of the State, the expectations from it did not materialise. Whenever the state found it difficult to accommodate all their demands, the discontented social groups used their identities to larger share from the State resources (Kaviraj, 2000). The basic philosophy underlying the economic reform was that the state was no longer an active agent for development, but a facilitator for corporate business.

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## EFFECTS ON INDIA

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At the close of the eighties the intensive phase of globalisation started mainly due to the pressing needs of developed countries to outlet the growing volume of surplus capital in less developed or underdeveloped countries in spheres of manufacturing, real estates, raw material extraction, financial sector, advertising, media etc. Between 1980 and 1990, the amount of capital directly invested in foreign lands nearly tripled. Prior to this unexpected and contingent events the global capitalism had produced a whole new technology of communication which made possible a virtual leap in the level of communication and exchange. Information could now be transferred still faster in enormous quantities, and global flows of information, money and people intensified at unprecedented speed. Recent scientific revolutions, particularly in the field of information technology and economic liberalisation have contributed in accelerating the onward process of globalisation. As regards economic liberation the formation of World Trade Organisation (WTO) and MIGA are the landmark achievements towards integration of world economy which is supposed to boost productivity and elevate the living standards in all parts of the world. In addition, the electronic information technologies are part and parcel of the new financial instruments many of which have technical powers which

are clearly ahead of the protocols for their regulation (Tripathi, 2010). As a result of technological development, especially in the electronic, transport and communication sectors, there has been a proliferation of economic, scientific, technological and cultural innovations, which have greatly affected all areas of human life and particularly the development process in the third world.

India, in response to global milieu for liberalisation, privatisation and globalisation (LPG), in 1990, initiated four important measures: fiscal policy reforms, monetary policy reforms, exchange rate adjustments and realistic wages and income policies. The second phase of economic reforms include: financial, social and public sector reforms, capital market, trade policy and investment reforms. These reform measures have brought about further globalisation of Indian economy with more free flow of foreign capital. Under the policy India is trying to attract foreign investment essentially from three sources. These are Foreign Direct Investment (FDI), Portfolio Investment and NRI Bonds. After the collapse of USSR, US emerged as the only super power in international order based on free trade, the free movement of capital and the construction of liberal states with representative political institutions. According to Achin Vanaik, 'Neoliberals when they talk of economic globalisation are basically claiming the following: A truly global economy is now emerging for the first time ever. It is dominance of the world market that is now the main issue. The most important economic agents are Multinational Corporations which no longer have serious national allegiance. They roam and operate worldwide (Vanaik, 2001). Even in case of India no individual, MNC or any investing agency normally use to invest in this country for the good of the people. They do so only for their own financial benefits. This immediately keeps them aloof from certain important sectors of our national life, namely, the fields of education, health and infrastructure development. The foreign investors have confined their investment to the fields of power generation, communication, oil and gas exploration and all those fields where the returns are high and fast. In other words, the terms and conditions attached to the flow of foreign capital in India and the spheres in which it is being invested are not according to our national priorities, needs and goals, namely, the eradication of poverty, employment generation, improvement in social infrastructure relating to education, health, potable water and equitable distribution of the fruits of the development.

### THIRD WORLD WITH GLOBALIZATION

Thus, the process of globalisation has increased the vulnerability of the countries of the Third World which are in the process of being integrated into the world economy. As the recent financial crisis has illustrated, financial liberalisation including speculative and volatile financial flows over which the developing countries have

little controls, in the absence of adequate institutional arrangements to manage the process has generated significant instability in the international economics with especially disastrous results for developing countries. It has become a new source of instability in both product and financial markets. This has already been observed by the economic crises in East Asian economies, few years ago. Scholar Robert Heilbroner comments rightly, 'The problem becomes still more complex insofar as the interconnectedness of the global economy widens the field of competition beyond national boundaries. The 350 corporations whose combined sales come to a third of the aggregate Gross National Product (GNP) of the industrial world are giant beams in the structure of world capitalism, and by that very fact, a new source of national economic instability within individual national economies. Even today there exist no effective means to protect production within a nation if the transnationals should begin to shake'. As a result 80 countries containing a third of the world's population are being increasingly marginalised, and over the past 20 years developing countries' share of global trade fell from 0.8 to 0.4 per cent (Sapru, 2002). The fact is that 3 billion people live on less than \$2 a day, and 1.2 billion live on less than \$1 a day. This horrific level of poverty persists despite unprecedented increases in global wealth in the past century.

The new capital flow that comes in has totally changed the class character of Indian people. Now the market products only the goods that cater the needs of those who have high purchasing power because the profits are likely to be higher in such spheres. For the time being it created the impression of growth and prosperity. But the needs of the bulk of the population are normally neglected or overlooked. C.T. Kurian mentions that globalisation usually benefits people who can play the game, but the chances are very less for those who are resource less, uneducated and those who make livelihood through traditional production activities, will come under various kinds of pressures. So, on the one hand he talks about the marvelous technological innovations such as email and flights that convert this earth and its people into a 'global village' but at the same time he also accepts that this globe has been integrated by capital practices and ideological polarisation has largely been removed. Thus, negative aspects of globalisation include the unnecessary interference of developed countries pressure to follow particular policies and programmes which are not very suitable to the people and society leading to imbalanced development and growth.

### SOCIO-POLITICAL IMPACTS

As a result of the globalisation and its all pervasive adverse effects society has resulted in a growing discontent and disenchantment among the people and thereby their isolation from power centres. The new

middle class emerged in the era of neo-liberal policies of the government has adopted an exclusive and parochial approach that affected negatively the living conditions of the other classes and groups. It generated anomie trends in society. On the other the exclusion can be seen with the emergence of identity politics based on caste, especially among the lower strata of the society who are demanding wider power sharing in the political system. According to Rajni Kothari, 'The yawning vacuum created by the alienation of people from the developmental exercise was filled by deeper pathologies like communalism and fundamentalism which found a fertile ground (Kothari, 1993). In contrast to the early middle class that emerged after independence, secular in outlook and sensitive to social coherence, the new middle class showed allegiance to the Hindu nationalist politics. The BJP succeeded in bringing on the loyalty of the middle class and filled the political vacuum by the decline of the Congress by providing a Hindu nationalist alternative to the Congress. The adoption of neo-liberal economic policies produced two new social groups- the loser and the winner. While the poor and the socially marginalised sections constituted the disadvantageous sections, the consumerist middle class constituted the advantageous sections. In course of time, the losers attracted to the caste-based parties, which had in fact no concrete policies and programmes for their genuine empowerment, and the gainers were mobilised towards the Hindu nationalist party like BJP. Initially, in post-independence era many promises and assets were provided by the governments of the day to different sections of the people, including the socially marginalised groups. People's expectations from the state were belied in the 1990s, when the market reforms shrunk the role of the state and hopes failed to materialise.

The waves of globalisation in India have accelerated the pace of political competition, changing structures of power and influence, and widening base of political consultation and persuasion. Although Indian policies have been subject to foreign or outside pressures since the days of the Cold War in the 1950s, yet until the mid-1980s, the decisions were accepted as being in the "long term national interest". There were accusations in the procurement of the Jaguar aircraft also but these did not create the furore that the Bofors scam did. Since the late 1980s, as in the case of Bofors or the new economic policies in 1991 or the Indo-US nuclear deal, sectional or individual interests have become dominant (Kumar, 2012). In India, by and large, politics is neither suppressed nor confined to a small elite. On the contrary, politics provides the larger setting within which decision making in regard to economic development and social change, and application of pressures for redirecting development and change takes place. The Indian model of development is thus characterised by the politicisation of a fragmented social structure, through a wide dispersal and permeation of political forms, values and ideologies. The process

culminates by closing the gap that has traditionally divided village society from the polity (Ghosh, 2010). In a democracy the contest for power is never free from uncertainty and anxiety, and Indian politics is now marked by increasing turmoil. Those who make politics their career became accustomed to its turbulence and some even take a peculiar pleasure in it. These have played havoc with national politics. Pressures and counter pressures are mounted through political parties and their leaders and big bosses.

In India there is a multitude of parties based on caste, religion, ethnicity, regional affiliations, linguistic differences, and political ideology. They are frantically preoccupied with aggrandizing their own narrow interests, apathetically disregarding the larger interests of the society and the nation. The democracy in India has caused fragmentation of the society into smaller, antagonistic, belligerent segments; had led to disintegration of the states into economically inviable units plagued with adversarial relationships; and has created an ambience of incessant mistrust, discord, and internecine conflicts (Sharma, 2006). Because of the multiplicity of parties, the politicians, propelled by expediency and opportunism, spend their time, energy, and resources in forming often transient alliances, to capture power. Each constituent element has its own agenda; hence the alliances are usually ephemeral. At present the relations between government and opposition have become increasingly acrimonious. Even where there is broad agreement over, let us say, foreign policy or economic policy, each side maintains an adversarial relationship with the other, fearing that there will be a loss of face if not a loss of support from its constituents if it appears conciliatory. The habitually confrontationalist conduct of both government and opposition is complicated by the fact that neither the one nor the other speaks in a single voice. This may be a good thing where it serves to defuse tension but it is not conducive to deliberations on policy. Therefore, the stability of the government is precarious, and the scourge of elections always haunts the Indian electorate. Despite the advent of information age and the commencement of global interaction, the world perspective of majority of the legislators is woefully limited; and their comprehension of international issues with national and local ramifications is virtually non-existent.

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## CONCLUSIONS AND PATHWAYS

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In the circumstances good governance is viewed as the exercise of economic, political, and administrative authority to manage a country's affairs at all levels and as the means by which states promote social cohesion and integration, and ensure the well-being of their population. The new turmoil among Indian masses and the new forms of protest and struggle waged by a new set of actors as

part of the continuing commitment to democracy, indeed to its deepening and broadening. They need to be located in the larger context of a world in transformation. In this context the Indian democracy witnessed two changes; First, the resurgence of the people themselves, both in consciousness and in behaviour. They are asserting their democratic rights and challenging the established order, at local levels to begin with, but affecting the entire social and political order. Though they are by no means close to transforming it. Secondly, the emergence of a new social class of mediators in the political process and the activists. They are upper and middle class in their origin, but identify themselves with the lower orders of society - the poor, the oppressed and the segregated; social strata ranging from the untouchable and the destitute among the tribes and ethnic minorities, to the victims of sexual, ecological and generational discriminations, atrocities and violence. Globalisation needs to be countered not just with decentralised and regional alternatives, or new initiatives with regard to natural resources and ecology, but also with political and ideological initiatives at the national, regional and global levels.

India is currently passing through a period of momentous change in different spheres - economic, social cultural and political. Contextually, there has been a welcome shift from traditional concepts of government and politics to good governance and its attributes. Governance refers to the quality of government and manner in which power is exercised by governments in managing a country's social and economic resources. Governance means, 'The process of decision making and the process by which decisions are implemented or not implemented. It also focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decisions. There are so many actors in governance and the government is one of them, In urban areas, the other major actors constitute political parties, voluntary organisations, research institutes, religious leaders, finance institutes, the military, media, lobbyists, international donors, multi-national corporations. While in rural areas, actors may include influential landlords, associations of peasant farmers, cooperatives and NGOs (Kashyap, 2008). These actors urban and rural, other than

government and the military are grouped together as part of the civil society. All these may play a role in decision-making or in influencing the decision making process. The pre-requisites for quality governance are that the system should be good and suited to the need, aspirations, background and ethos of the concerned people. In the sphere of state system in globalization there is a vast scope of research work and analytical study as most of the states/sub systems are facing stressing challenges in their day-to-day works. They need remedial steps at global level before it become too delay in the larger interest of universal mankind.

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