

How is India Doing (2012)?

C. Rammanohar Reddy

S. Guhan Memorial Lecture, Chennai, 5 December 2012

Introduction

It is a triple honour to be asked to deliver the S. Guhan Memorial Lecture. It is a triple honour because the lecture is being delivered in the city where I grew up. It has been organized by the Consumer Action Group, a group whose work I have known and come to admire over the past two decades. And most important, the lecture is held in the name of an intellectual, academic, public servant, and international civil servant – really a multi-faceted personality whose work as an academic I respect in the 1990s.

I first came to hear of Mr. Guhan in the late 1970s, when a friend seeking government funding for research on a project on the spinning and yarn sector came away with grudging respect for this “finance secretary” who saw through the inflated project. I was in my 20s and in Thiruvananthapuram and just getting into research in economics. Soon one came across Mr. Guhan’s name and work in a number of contexts related to my reading, most importantly as Senior Economist in the Brandt Commission (1978-79). It is a long time ago, but those were days when a re-ordering of North-South relations was in the air and there was hope that there would be a new global economic order. So when we heard that Mr. Guhan had on his return joined the MIDS, we mentioned his name with some awe and admiration.

A member of a very distinguished family, Mr. Guhan had a career that was no less distinguished in itself. A member of the IAS, he was only in his 30s when he became the Indian Alternative Director at the World Bank. In government he was Finance Secretary to the government of Tamil Nadu and much later adviser to the chief minister for a year. Taking early retirement he was a senior fellow at the MIDS for nearly two decades.

I never worked with him but I did meet him a fair number of times and read very closely much of his written work during the 1980s and 1990s. I used to be amazed at the thoroughness of his research and the ability to cut through to the big picture. Let me give you just one example of my interactions with him when I was on the staff of The Hindu. It was in early 1995 I think when I read his essay “Social Security for the Poor in the Unorganised Sector” and met him to discuss his ideas for an article on the subject. He had thought through every aspect and it is no surprise that many of his ideas found their way into the union budget of 1995-96, when the National Social Assistance Programme was first introduced with pensions for the elderly indigent, and maternal benefits for the poor. In fact, re-reading that essay today, you will see how it

anticipated by a decade the subsequent work of the Arjun Sengupta Commission on the Unorganised Sector.

I never experienced his mordant wit or trenchant criticism, both of which were legendary. But I do recall perhaps my last meeting with him, It was 1997, and I said something about “New technology” or “Internet and Communication Technology”. He looked at me with his penetrating eyes and asked , “What is all this new technology business?” That was when the internet was just beginning to explode and I had bought into all the promise of the so-called New Technology. It took just that one question – for which of course I had no answer – to puncture all that grand talk of a promise of a technology that would solve all of humanity’s problems.

Mr. Guhan was indeed an extraordinary intellectual. It is unfortunate that we do not have more people like him today discussing public policy and setting the agenda for public debate.

How is India Doing? (1982)

A word first about the title of this lecture, pompous as it may appear. Thirty years ago, almost exactly to the week, Amartya Sen wrote what was to become a widely cited and debated essay. Published in the *New York Review of Books* of December 16, 1982, it was titled “How is India Doing?”

In Sen’s pen, such a title does sound grand and even stylish. Over the decades I have remained envious of the title. When the Consumer Action Group invited me to deliver the 2012 S. Guhan Memorial Lecture, I think I thought here was my chance to translate envy into a certain kind of action.

Let me, I told myself, ask the same broad question on the 30th anniversary of the publication of the original essay. That explains the title, which I am afraid sounds pompous when it is not Amartya Sen but I asking the question.

But I think Mr. Guhan may have approved of the theme (whatever biting comments he may had about the content). Incidentally, it was at Mr. Guhan’s home, again in 1996 or 1997, that I met Sen on one of only three meetings I have had with him. That occasion was an evening of warmth and friendship when both Shanta and Mr. Guhan served up fine food for both the mind and the palate.

What was the national scenario in 1982 when Sen wrote his essay? Indira Gandhi had returned to power two years earlier after the failed Janata experiment. One heir apparent (Sanjay Gandhi) had died and another (Rajiv Gandhi) had taken his place; the Asian Games had just

been held and Delhi had undergone its first transformation in a decade. TV transmission in colour had just made its entrance into the country. But elsewhere, Punjab had begun to burn and the Assam anti-foreigner agitation was already three years old and continuing. On the economic front, India had half-weathered the second oil price shock with the help of what was then the largest ever loan that the IMF had handed out. And Mrs. Gandhi had begun her hesitant and slow liberalizing of the economy.

I can only speculate why he wrote the piece at that time.

It was four years since China had begun its modernization programme. There was naturally interest in how democratic India with its planned economy was doing vis a vis socialist China with its new embrace of the market. From Sen's own point of view, it was the time when he was developing his ideas which would crystallize later in the decade into the concept of human development. The essay was an opportunity to explore the idea that the rate of growth of the economy per se did not matter as much as what you did with that growth.

Sen's approach to the question was of course in broadly economic terms. However, as I shall mention later, his over-arching understanding was based on a socio-political reading of how India was governed.

I will not go over Sen's essay line by line but if I can be permitted to, I will first list India's main achievements and failures as he saw them at the time

First the achievements:

On the economy: In the 35 years since Independence, India had reversed the stagnation in incomes in the first half of the 20th century (ie Pre-independence), proving the Malthusians of the 1960s and 1970s wrong. The country had not experienced any famines, it was self-sufficient in food, life expectancy had risen and the birth rate had begun to fall.

Second, India had not disintegrated as the pessimists had projected would happen because of its immense diversity.

Third, India had coped with the first and second oil price hikes and had just registered what was for that time an extraordinary rate of growth (over 6%).

On the negatives,

First, malnutrition was endemic and still afflicted a large proportion of the population. The incidence of poverty in India as of the early 1980s did not show any "decisive change for the better".

Second, while India had achieved considerable progress in higher education it had neglected elementary education. At that time a mere 36% of Indians were literate.

Third, the position of women in Indian society was “scandalous” . Female mortality was higher than of men, life expectancy was lower and the sex-ratio had deteriorated.

Fourth, the Constitution may have banned untouchability, but while a small minority of the scheduled castes had benefitted from reservation, violence against the scheduled castes continued and there had been no significant overall improvement in the social and economic position of the scheduled castes.

The core of Sen’s overall argument in 1982 was that India’s society and politics remained highly “elitist”. This was in keeping with the stratified and hierarchical nature of Hindu society. The elite, as he described them, were a minority in India’s then population of 700 million but they were numerically large. Who were the elite?

To quote:

“The elite must not be confused with just the industrial leaders or the bourgeoisie. It includes millions of civil servants, business people, commercial farmers, educators, office workers, and small land-owners. “

It was the elitist nature of India’s policies that permitted endemic hunger, allowed two-thirds of Indians to be illiterate 35 years after Independence, and it was the elite who ignored the open violence against women and the lower castes.

To quote from the end of the essay, such dichotomy (and I quote)

“seems to me to be the central point in judging how India is doing. It is doing quite well in many specific respects—e.g., in accelerating the growth of income per person, in guaranteeing many traditional liberties, in developing science and technology and higher education, in putting more dynamism into agriculture, in meeting the oil crises and the world recession. But this record has to be assessed in the light of the persistent inequities, and the basic weakness of modern India that sustains them. It is a weakness that is not being conquered. “

Looking back, India’s politics, its economy and in some respects its society too have changed hugely in the intervening three decades. The world outside too has changed. Both perhaps much more than in the previous three decades (1952-82).

In some ways the India of today, especially urban India, is a very different place from what it was in 1982.

But on re-reading Sen and reflecting on where we are today, I for one would say

“The more things change, the more they stay the same.”

Let me elaborate.

Then and Now

Let me, to begin with choose four broad areas that Amartya Sen covered in 1982 and see where we are today.

These four areas are (i) growth of the economy, (ii) poverty and the quality of life, (iii) status of women, and (iv) caste.

In this discussion, I will not bore you with a listing of numbers and percentages in each and every area. What I will do is present broad trends and changes, with just a few numbers here and there.

1. *Growth of the Economy:*

This is where the change has been most striking and dramatic.

Sen would not have known it but when he spoke of signs of a growth acceleration in the early 1980s, it was actually the beginning of a phase of the fastest pace of economic growth in India's recorded history. All too often we tend to understand India's recent growth experience in terms of what happened after 1991, or even after 2003. Actually, the growth acceleration took place in the 1980s and continued thereafter. The pace of growth in the past 30 years has been almost 60% higher than in the previous three decades. And because population has grown more slowly than before, income per head has grown twice as fast as before.

I will not get into details of which areas of the economy have grown, which have not, etc ... I will also not discuss why what happened when. . Nor do I wish to discuss the present slow down in growth. My interest is in the larger and long-term picture.

What I should highlight though is that the movement of India to a higher phase of growth has been related to the much greater role given to the private sector from the 1980s onwards, and especially since the early 1990s. And this has been co-terminus with the larger process of globalization.

2. Quality of Life

Growth is one thing, but what of the quality of life?

The one major success in the decades since 1982 has been in combating illiteracy. The war on illiteracy appears to be almost won. In 1982, Sen bemoaned the fact that only 36% of Indians were literate, now it is only 26% who are illiterate. One can say that this is still too little to show for 65 years of independence and 26% illiteracy is still a very large number. This is also just basic literacy. And There are many questions to ask about the quality of schooling. Both very true, but one should not discount the change on this front after the indifference shown to education in the initial decades after Independence.

Going back to “quality of life”, if I were to interpret this in the first place as asking what success have had in the war on poverty, then the answer is decidedly ambivalent.

I do not wish to bore you with the academic controversy over the definition of poverty.

I would like to stick my neck out and say that based on the official numbers on poverty as defined in terms of an inability to meet a nutritional minimum, as also on village studies and just what our eyes must tell us, the incidence of poverty has declined in the past 30 years. This incidence of poverty is measured as the percentage of the population who can be classified as poor.

This is in contrast to Sen’s perception in the early 1980s that there was no evidence of a definite secular decline in the previous 35 years.

Having made my statement, let me elaborate and also qualify it.

One, there has been a decline in poverty since the early 1980s but it has not been uniform across regions, towns/villages and communities.

If in 1982 your parents happened to live in one of the poorer areas of what was then Madras, then it is likely that with education and some skills, you have been able to take advantage of the greater opportunities now around you. But if you are a dalit or adivasi living in a village in interior Madhya Pradesh, Chattisgarh, Jharkhand or even Bihar or Uttar Pradesh, the chances are that you are no better off now than your parents were in the early 1980s.

Two, the benefits of growth have trickled down, but that is exactly what has happened, it has been just a trickle. It is arguable – but not definitely established -- that the pace of poverty reduction accelerated after 1991. But even if it had, the trickle has not acquired much force.

The incidence of poverty in India has declined in the past three decades **but at least** 25% of the population is still so deprived as to not be able to consume the nutritional minimum every day. In terms of numbers, this translates into around 300-350 million people who are poor. This is a population larger than most countries in the world today and a shame on the world's ninth or third largest economy (depending on how you measure it) which has recorded the second fastest growth rate in the world in the past 20 years.

Three, if we expand the notion of poverty and bring into the picture other basic necessities like shelter, access to clean drinking water, sanitation, clean fuel, electricity etc, the picture becomes much more dismal. Research done in this city, by Professors Jayraj and Subramanian at the MIDS show that severe "multidimensional poverty" when defined according to access to these commodities/services or entitlements afflicted 470 million in 2005-06, not very much lower than the estimate of 520 million in 1992-93.

Four, in certain critical areas – malnourishment, maternal mortality, etc, the condition is not very different from what it was two to three decades ago. Close to half our children suffer from malnutrition, much the same as 30 years ago

So one can say that while daily life may be better for proportionately more Indians now than in 1982, a staggeringly large number continue to live in 2012 as the wretched of the earth.

Please note that I am not saying that growth has not benefited the poor at all . I am also not saying that the India of the post-1982 or post-1991 decades has provided benefits to only a sliver of the population. Economic opportunities have expanded, some entrepreneurial avenues have exploded and many in the urban middle and lower middle classes can now aspire to a decent life. But if I am to paint a broader picture then I must step back from positives like the mobile phone revolution and point out that the sliver of beneficiaries has only thickened a bit. For the rest life is a struggle as before. And as I will suggest in a minute new struggles have emerged.

Let me now turn to an international comparison. No I do not wish to compare India with China in any respect. A shallow aspect of national debate in the past 10-20 years has been comparing ourselves with China. What I would like to do is present to you comparisons with other countries in south Asia. As Amartya Sen and Jean Dreze pointed out last year, India compares poorly with most other South Asian countries on important social indicators. In another widely cited article that was published in *Outlook* magazine in 2011, the two present very telling statistics in which they record where India was vis-a-vis the other five South Asian countries in 12 economic and social indicators in 1990 and where it was in 2009. The 12 indicators include income per head, infant mortality, years of schooling, immunization levels, access to sanitation,

proportion of children who are malnourished, etc. In 11 out of 12 indicators, India had slipped behind the other South Asian countries. The only area where it did better than the other countries was in income per head. In other words, even as income per head in India grew faster than elsewhere in South Asia, it fell behind others in important social indicators. What better proof do we need that India has done poorly in translating the fruits of India's rapid growth into a betterment of social conditions?

One can contest this by citing other statistics, one can question all these facts and figures, but The truth is we have been so wrapped up in the image we have created for ourselves of a nation that is on the threshold of becoming an economic superpower that we have paid scant attention to what is happening around us.

If I should make bold to make a strong statement it would be that India has failed to make the most of its accelerated growth of the past three decades. Some would argue that it is in the very nature of the growth path India chose in the 1980s/1990s for this to have happened. There is some merit in that way of looking at things.

But whichever way you look at it, the answer to the question "How is India doing?" in raising the quality of life would be "It has lost a major opportunity in the past three decades".

Let me now move on to a couple of other areas.

3. Status of Women

If we were to look at the status of women as encapsulated in the sex-ratio, then we have begun to see some improvement in the past decade, but only in the past decade. And life expectancy of women in India is, as it should be, at last longer than of men.

But we are in a far worse situation than in 1982 with respect to the child sex ratio. The sex ratio at birth – that is the number of girls born for every 1000 boys born -- has declined in recent decades. And the sex ratio of children under 6 has also worsened. Call it the result of sex-selection at birth, call it female infanticide, call it neglect of the girl child, whatever the reason, India seems to be a terrible place for girls.

Then there is violence against women. Potentially powerful legislation has been passed in recent years to deal with violence against women. But from the violence of different forms against women that is regularly reported in the media, it does not seem to have made much of a difference.

One can point to positives like the emergence of a strong women's movement, the reservation of seats and offices in panchayats for women and the greater participation of women in economic activity in the cities which would all suggest a growing empowerment.

As always, the picture is much more complicated than can be presented in a few terms, but it would be hard to deny that Indian society continues to treat the girl child poorly and discriminates strongly against women in all areas – except where it comes to running the kitchen and keeping the household going.

4. Affirmation by the Lower Castes

Now the last of the comparisons with the benchmark of the early 1980s.

Looking back at 1982, Sen may have had considerable foresight in flagging the condition of the former “untouchables” (Dalit was not yet common usage in those days). It was not a new issue at the time but what was special in an environment that saw general indifference and lip service being paid to Constitutional provisions was Sen highlighting the continued social and economic deprivation of the scheduled castes.

From the mid 1980s onwards we saw the emergence of strong movements that locally and nationally turned into political parties demanding the redressal of traditional inequities.

These political parties – representing either the dalits or the other backward classes -- have brought, as it were, the uncomfortable issue of caste back to the table and have changed the parliamentary face of India from the late 1980s onwards. (The BSP for instance was founded in 1984, though Kanshi Ram had set up his first dalit organisation the BAMCEF earlier in 1979.)

The net result may not be a distinct improvement in the economic status of the scheduled castes. Discrimination on a day to day basis may be only that much less than 30-50 years ago. However, the epochal change has been the emergence of political parties of the lower/backward castes which now exercise a major say in regional and national politics.

It may be too early to express any definite opinion on the achievements of these parties, but it would be fair to say that the early optimism that they would position the demand for lower caste rights as part of a larger movement for justice and equality has faded. These parties have at times turned into movements for advancement of sectional interests, and worse in a fair number of cases they have become vehicles of personal aggrandizement of either those in control or of individual families.

* * *

I have compared the then and now, on the growth of the economy, quality of life, status of women and the condition of the scheduled castes. The evidence I feel is very mixed. India it seems has certainly changed and is yet not that different from what it was in the early 1980s

Let me now move to outlining new challenges that have emerged since 1982. I may not have time to discuss all of them, but let me at least briefly touch on a few of them.

New Challenges

My discussion here is not in any order of importance.

1.Environment:

One major challenge that has arisen over the past quarter of a century is that on the environment. It is not that all was pristine and pure before the early 1980s. (Indira Gandhi after all had made her famous “poverty is the biggest polluter” a decade earlier in Stockholm.) But the severity of the ecological degradation, the destruction of natural resources, the harm caused to human health and the danger posed to future generations have all emerged with much force in the past quarter century. Our cities and towns have already become time bombs for environmental and health disasters. In rural India, deforestation, occupation of common property, over-exploitation of groundwater and indiscriminate use of fertilizers and pesticides have caused their own problems

It was 1985 when the Centre for Science and Environment first brought the issue to national attention with their landmark State of the Environment Report. Many movements have since emerged to protect the environment, many issues have been taken up, much legislation has been enacted and many regulatory bodies have been constituted.

But in practice we continue to believe that growth must come first and environment protection later. This is so in spite of all the evidence in recent decades of environmental destruction causing serious harm to human health and over-exploitation of natural resources leading to irreversible damage.

As recently as the 1980s, India used to be known as a small society in that every resource was recycled and recycled many times over. But now we are on our way to becoming a disposable society and this is true not only of urban India. For instance, In rural India, plastic chokes our waterways and plastic chokes our cattle.

In our excitement at discovering the joys of consumerism in post-1991 India, we have become indifferent to the harm caused to the environment.

2. Communalism

For a country blessed by Independence that came with the gruesome violence on religious lines, communalism is no new phenomenon. After a relative lull in the 1950s, the 1960s and 1970s did see major outbreaks of communal violence across the country.

But I would say that there was a qualitative change in the mid/late 1980s which has created cleavages which are far from being closed.

We first had the terrible anti-Sikh riots of November 1984. These may not have been along the traditional Hindu-Muslim lines. But they were mass murders conducted over three days in the capital under the benign gaze of a new and young prime minister. The message was: If you mobilize yourselves with force you can get away with mass murder. The message was indeed heard and put into implementation in Bombay 1993 and Gujarat 2002.

Mobilisation on communal lines grew in force after the VHP/BJP decided in the mid 1980s to politically raise the issue of the legally disputed Babri Masjid and two other mosques in Mathura and Varanasi. The rath yatra of 1990 and the Congress party's cynical attempt at soft Hindutva both inflicted deep wounds on society. India is yet to confront and deal with the post 1980s kind of communal mobilization which led to new divisions and widened old ones.

Outcomes of elections – and I refer here to the results of the 2004 and 2009 Lok Sabha polls – do not tell the whole story. I think the divisions have hardened and in that respect, India is now a less tolerant society than what it was in the early 1980s.

3. Regionalism

If you recall, Sen in 1982 spoke of India having successfully navigated the “dangerous decades” and had put secessionist pressures behind it. He spoke too soon. Punjab had begun to burn by the early 1980s. The Khalistan movement ended only with the use of brute force and the turn to extortion by the secessionists/terrorists.

Kashmir exploded in the late 1980s and the issue remains unresolved even two decades since. In the north-east, the Mizo Accord has been the only satisfactory settlement. In the meanwhile Assam has joined the group of states in the region which has seen violence on account of secessionist demands.

These movements have enjoyed considerable local support and cannot be dismissed as isolated terrorist activity funded by external agents. The one ray of hope is provided in Nagaland, which I will turn to at the end.

Secessionism is on one end of a spectrum of the assertion of regional identity. The assertion of a regional identity has always been a part of the political landscape of Independent India. But the expression – sometimes aggressive – of regional identities has run parallel to expression of ethnic identities and this has now given it a new edge.

The Indian state has proved largely incapable of responding to secessionist movements other than by the use of force and the occasional nod in the direction of dialogue. This flows from a rigid interpretation of the nation as conceived during the freedom movement. The easy resort to the use of force to deal with secessionist/regional movements unfortunately also brutalizes the nation. It is not just the police and army which get brutalized, we as a people also become desensitised towards violence. I daresay that this has indeed happened in recent decades.

However, the state can at times surprise the people and itself and as I said earlier I will return to that at the end.

4. Privatisation

Privatisation of companies and services is a post-1990s phenomenon. I would like to talk about the fallout of just one kind of privatization – that is, the State's increasing abdication of responsibility to provide basic and essential services. Education, health care, drinking water, and local public transport are all seeing the government gradually exit and/or look for public-private partnerships. Let me discuss just two education and health.

In school education, the irony has been that even as all social and economic groups began seeing education as a means to improve themselves, the government simultaneously oversaw deterioration in the quality of education it provided in schools, colleges and universities. The result was that parents sought out private providers of so-called quality education. No matter that this so-called quality was usually of poor quality. This education was expensive even when provided in cramped and poorly organized facilities.

India must be one of the few countries in the world where school education will soon be provided predominantly in the private sector. I am a supporter of the Right to Education constitutional amendment for the simple reason that it will bring greater heterogeneity to the classroom and make our children more rounded Indian citizens. But what I worry about the overall withdrawal of the state from provision of education is that household budgets can be placed under greater pressure.

This danger is much more in the case of health. Over the past couple of decades, there has been a sea-change in the provision of secondary and tertiary health care in India. To put it strongly, what we now have is profiteering in health care in which everyone from medical

colleges to medical equipment suppliers, to diagnostic labs to pharma companies to hospitals and , yes, sadly, doctors too are involved in commercialization of the healing of the body. This, like in education has been accompanied by the deterioration in state provisioning of health services. The reasons for this are complex and there are better persons than me (including in this audience) to explain how and why this happened. But the outcome is that families, especially those just above the poverty line or even the lower middle class, can get into debt and pushed into poverty as they seek health care for their loved ones. Indeed the burden of what are called “out of pocket” expenses on care and drugs can be so heavy that they can cross what are called “catastrophic” levels.

Privatization then is not just about making public sector companies work better or the state getting out of non-essential activities or about raising money to feed the government budget. It is also about the state abdicating some of its core responsibilities and leaving the citizen to fend for herself with potentially disastrous consequences.

5. Electoral Democracy

India as the world’s largest democracy is a gown that we are often proud of wearing. Indeed, in terms of size, Indian democracy has grown – not in terms of eligible voters but of voter turnout. A significant set of changes from the 1970s which unfortunately leveled out in the mid 1990s was (i) a rise in the voter participation rate, (ii) a rise in women’s voter turnout (iii) a rise in the rural turnout and (iv) equally important, a sharp rise in voter turnout among the scheduled castes and scheduled tribes. All these have made Indian democracy more “inclusive”. We are also more aware of our rights now, but the arrangements to guarantee the exercise of those rights do not exist.

The basic problem seems to me that while what are called the procedural practices of democracy (holding elections for example) have been placed on a strong foundation, the substantive practices – that is the accountability of institutions/elected officials, engagement with institutions outside elections, etc -- are all underdeveloped and deteriorating. Some would date the beginning of the deterioration to the 1970s. Again this is not to say that during the 1960s the substantive aspects of democracy had reached a very high standard.

Now even some of the procedural practices are falling apart. I do not have to tell you about the near-collapse in the working of the legislature, whether of Parliament or the state Assemblies such as the functioning of the legislature.

There are a huge number of issues related to the working of democratic institutions in India, let me discuss just three

(i) inner-party democracy. How can we expect elected bodies to function properly, when political parties themselves are not democratic institutions? Today, unlike in most other democracies, no party – big or small, regional or national, cadre-based or family-based – practices democracy internally.

There is no membership drive, there are no elections to office and there is no division of responsibilities. The two communist parties do conduct elections but their elections are by consensus and are not elections as we understand them. The Congress last conducted internal elections during the months that led up to the 1969 split. Narasimha Rao did not like the results of CWC elections in 1992 and used the excuse of the absence of women to obtain the resignations of the elected officials. Whatever one may say about Rahul Gandhi, he has at least made half hearted attempts to reorganize the Youth Congress with office bearers chosen by elections.

(ii) Related to this is the rise of the family in political parties. For those of you who have not read Patrick French's analysis of MPs in the current Lok Sabha may I present a few of his disconcerting findings. While only a third of the MPs in the current Lok Sabha had a family connection, (in terms of having a parent, brother/sister, husband/wife already in politics/elected body), this proportion was high in the Congress and in the smaller parties like the RJD. Women are poorly represented in the Lok Sabha but among those who are 70% of them had a family connection. And most important, over 65% of MPs under 40 had come to Parliament with a family connection. Do we visualize then a parliament of the future in which a majority of members are in Parliament not because they have earned their spurs on the streets but because they are their parents' children?,

(iii) They say that the best place to see the widest range of SUVs in India is in the MPs parking space in Parliament. The fact is that the assets of today's MPs, as put out regularly by the Association for Democratic Reforms, are humungous. The Lok Sabha is not a Hall of the People but a Hall of the Wealthy. This some would say is related to the costs of running an election campaign, whether to Parliament or an assembly, which is rs 5 crore for a seat in the state assembly and Rs 25-50 crore for a seat in parliament. This then calls for "returns" to be made over 5 years. Can state financing of elections break the hold of money power over Parliament and the state legislatures? I am not sure. The links between elected representatives, business, and the executive are now so intertwined and run so deep that it is difficult to see state financing of elections making a difference.

There are other important institutions whose character has changed fundamentally in the past thirty years. Two such are the media and public institutions. For want of time I will not dwell on them except to say that even as both show signs of a strengthening (as in the working of

constitutional bodies like the CAG and earlier the Election Commission, and also in the growth of the media) we should be worried by the steady deterioration in the working of public institutions and also by many trends in the media

6. Media

The media today is perhaps the one area (other being phones and the use of the net) which someone from 1982 would not be able to recognize.

There was first the TV explosion, then the channel explosion and then the 24 hour news channel explosion. The growth of the print media has also been tremendous, and language papers, especially in Hindi, have come into their own in terms of circulation. And now in a small way there is the growth of the media on the Net.

I would prefer to focus on the difference between the fortunes of the media industry and the state of journalism, as N. Ram has described it in a recent lecture. The industry is doing well but what about the state of journalism ?

There are different pressures acting on the state of journalism: (i) laws governing the media remain prone to abuse, (ii) the absence of rules on cross-media ownership – across TV, radio, and print -- means there is now much greater threat to plurality, (iii) and media as a profitable opportunity that also gives you political influence is a dangerous combination, which to me, is a threat to media independence.

But what we need to think about is the more silent ways in which the media is losing its position as a separate “estate”.

There is now a visible “pro-business” tilt (as used by the political scientist, Atul Kohli and not in any normative sense) of the media towards selling a particular kind of economic growth model. There are notable exceptions but a phenomenon we have seen in the past decade and more is of the media being very sympathetic to what has been called a pro-business philosophy and correspondingly shutting out dissenting views other than that of the odd “in-house radical” as the Americans would say.

Many print and electronic channels have become very aspirational in their outlook, and peddle a certain kind of lifestyle for the new India. The links between the realization of such a lifestyle and a particular view on how the economy should function.

As one political scientist put it, the media also interprets the new lives of the upper middle classes “in terms of a pro-business mindset” that helps them make sense of their own upward

mobility. And for those on the lower rungs, these are the values and approaches that one begins to aspire to.

I do feel that the media is now very closely entwined with the ruling elite. As the economist Prabhat Patanik said in a lecture a decade ago here in cennai, its moreal universe has changed. There will be exposes, there will be confrontations and there will be stand-offs. But overall while the media is largely free from explicit government control, it is less independent than before in its thinking. And it thinks like the ruling elite because it was bought into the dominant ideology. What is this dominant ideology? This is what I will now turn to.

Bringing it Together

This is a good time to bring all this together and put forward a broad understanding of why India is functioning the way it has been. India is so vast, so diverse and a society of so much complexity that for any observation, one can always cite an event that demonstrates the opposite

How does one explain the regularity with which elections are held and yet it is not government for the people or of the people? How does one explain the rising power of corporate groups in decision-making, and at the same time the inability of the state to always do the bidding of these groups? How does one explain the large amounts being spent on government welfare programmes and their limited impact and yet the corresponding pressures from within the government to shut them down and leave people to their devices?

But you do need to step back and try and present a larger picture, otherwise we would be unable to see the wood for the trees.

Before I do so, many of you will wonder why I have not spoken about corruption, which is now the dominant public issue. I have avoided speaking about it because too much is being said about it now. And also while it is a major issue that affects all of us, it is a symptom of a deeper malaise. The malaise is of a breakdown in public institutions, the weakening of the rule of law, the intertwining of business and politics (and crime), the get rich quick phenomenon and also the emergence of greed as an accepted social norm.. I don't see how tackling acts of corruption in isolation is going to make any difference.

In 1982 Amartya Sen saw India as a society of dichotomies governed by elites. Among the elite Sen included besides business and the landed gentry, small farmers and office workers. Today surely neither small farmers and office workers can be counted among the elite.

But what remains true is that we are a very deeply divided society. The Constitution says we are all equal. On paper yes, but in practice it is different. The State discriminates between citizens. Society discriminates between groups of people.

The practice of democracy over six decades has not closed the divisions in Indian society. Electoral democracy has in fact built on those divisions. New dimensions have also been added, and these have added to inequality.

What are these new divisions? The division is not India vs Bharat as it used to be portrayed until the 1980s. It instead runs along multiple fractures – class, caste, gender, urban vs rural, advanced vs backward regions, rich vs poor within cities, and, sadly, even across religion.

But who sets the agenda and how is the system governed? In a very a rough formulation (and I would emphasise its roughness) that borrows from elements of both the political sociologist Partha Chatterjee and the political scientist Atul Kohli, I would say that as before we have a small ruling elite. And as before this elite is a coalition of interests. But it has new members, some old ones have been pushed out and some old ones have expanded their influence.

This ruling elite is made up of large Indian business, the new entrepreneurs (especially in finance and IT), the upper segment of the middle classes who have benefited from economic liberalisation, the upper echelons among the bureaucracy and even large sections of the media. This is neither a homogenous group nor is its formation set in stone.

The new ruling elite is impatient at being held back by the larger backwardness of India. It is dismissive of electoral politics, though it is this electoral democracy that legitimizes its exercise of power. In this scheme of things, the state – the executive, legislature and judiciary – is neither a handmaiden of the ruling elite nor is it autonomous. It is influenced by the agenda of one among the ruling elite and then works to influence the others in the same direction. The state some times resists some agendas of the ruling elite and at times imposes its own agendas on them.

Let me give one example of how the system is now governed. For instance, the state introduces the NREGA against all opposition from the ruling elite. It does so not just for “electoral considerations” but because it realizes that it has to set in place some survival support systems for those in rural India who are excluded from economic growth. When the state later finds the scheme has become financially very large, it cannot roll back the scheme because the deprived use their vote to ensure its continuation. The state then starts contemplating alternatives like cash transfers to shed some of its own responsibility. Simultaneously, the state sanctions the sale of common property and livelihood systems to big business, though these systems are more important sources of livelihood than anything NREGA can provide.

The system worked like this even earlier. But what is new and I would say different now is that there is a new violence to the dominant agenda. I use “violence” in a particular manner. Perhaps selfish is a gentler term. Let me explain.

Before the 1980s, there was for about three decades a larger nation-building project. We had sharp divisions, class interests took control of the national agenda, there was corruption and manipulation of the system as well and the ruling elite was much more narrowly constituted. But what was different was that there was, at the time, to use Partha Chatterjee’s term, “a larger narrative of a transition”. To build a nation of opportunity for all. That project did not succeed and I will not go into why it failed. But in my view, the state at the time was relatively autonomous and the bureaucracy and the middle classes were active instruments in executing this nation-building project. Political parties represented particular interests but to use Atul Kohli’s words, “politics also had a public purpose”. The citizen with her vote would invest in the executive the agency to try and realize this public purpose.

All that has completely changed. Today, the ruling elite is impatient with anything that holds back the expansion of its economic muscle. Its agenda is to strengthen its own economic power. In its mind, India is an emerging power and ready to become a superpower, and wishes to partake in all the benefits that come with such a status. That is the current “narrative”, a very selfish one.

I call this violent because here the larger “nation” does not exist in the minds of the current ruling elite. Hence the disdain for electoral democracy, hence the disdain for backwardness in India, and hence the mental and at times geographical separation from the larger part of the country.

This is also why I earlier said that India is now a less compassionate and more intolerant country.

The route we have taken to prioritise economic growth over everything else will weaken rather than strengthen the country. The economy may grow at 6,7 or 8 per cent a year, but if the present patterns of growth persist society will at the same time weaken at various points. So India may now be one of the world’s largest economies but its future as a thriving, peaceful, compassionate and less unequal country seems less likely.

Conclusions

I would like to say that even as we have many things to worry about I would not like to be pessimistic of the future. The account I have presented is a relentlessly long one of areas of concern.

But I feel that one of the achievements of electoral democracy and the working of the Constitution is that the citizen knows she has rights, however much she may despair at being able to exercise them.

To illustrate and in conclusion I would like to offer two examples of hope.

One is on the ability of the state to accommodate diversity, including the demands for secession.

The Naga movement for independence for “Greater Nagalim” predates the birth of Independent India by a day. The movement has continued over decades of violence, brutality and dislocation. It is only in the past 15 years that some serious dialogue has taken place between the GOI and the main rebel group. An agreement is yet to be penciled but recent reports say a deal is round the corner. There are many things yet to be done, but what is remarkable is what the state is willing to consider.

If reports are to be believed then the government has agreed to consider amending the Constitution to allow some jurisdiction of the Naga authority over Nagas all over the country and not merely in present-day Nagaland. It has also decided to accord special status to the Nagas within the Indian republic. And it is willing to allow Nagaland to have its own flag.

For a State – the Indian State -- that has always valued the substance and form of territorial integrity as inviolate, these are radical thoughts. If a settlement is indeed reached with the Nagas in such a framework, can we dare to think of similar radical approaches in Kashmir and Manipur? These would go a long way in settling the fires in the country.

The second example is a more lived one, and both tragic and poignant. It comes from Naroda Patiya in Ahmedabad in Gujarat where some of the most horrifying acts of communal violence took place in 2002.

Soon after the judgement was delivered, there was a feature in The Hindu titled “A Partial Sense of Closure” (6 September 2012).

For those of you who may have missed it, let me read out a couple of paragraphs that cite one Naimuddin Mohammed Yunus Ansari, who suffered terribly but survived the riots.

“The mob killed my mother Abida Bibi. They flung my seven-year old niece Gulnaz Bano into the fire. She died. My sister Saeeda died of burns at the hospital the next day. I was attacked by swords and lost my 11-month-old daughter while trying to flee. I found her at the Shah Alam camp two months later,” says Naimuddin. His wife Naseem*(name changed) was gang raped by four men; her left arm chopped off with a sword, he adds.

Naimuddin had been married to Naseem for two years in 2002. Since the attack she has hardly spoken to anyone. She stays indoors because though the doctors ... managed to reattach her arm back that night, it did not heal fully. She is unable to lift this arm and has burn scars on her back. In 2008, when the Supreme Court-appointed Special Investigation Team ...started collecting evidence in the Naroda Patiya case, Naimuddin made two trips to Gandhinagar and registered a complaint on Naseem's behalf. But Naseem stayed home. It was only in 2010, when special court judge Jyotsna Yagnik started hearing witnesses' testimonies that Naimuddin persuaded Naseem to give hers, the only woman to survive gang rape among the hundreds of victims of brutal sexual violence at Naroda Patiya....

"Jyotsnaben listened so attentively to us, we salute her a hundred times. If the defence lawyers stared at us or tried to intimidate us, she would tell them off. ..." says Naimuddin who made a living selling bread and biscuits in Naroda Patiya but has been unable to restart his business since. He works as a daily wage labourer now. "Naseem had always worn a *burkha*, she could not recognise her rapists. But I recognise those who attacked my family, many of them lived in Gangotri building nearby. I told Naroda police at the Shah Alam relief camp that I recognise the attackers. Many of them used to buy bread from me. ..."

For me this brief story says so much about India today.

First, the grinding poverty: Naimudin was an itinerant seller of bread even before the riots. What kind of a life could he had had even in those quiet days? Today he is a wage labourer struggling to make ends meet. The years of growth and Gujarat's prosperity have bypassed him.

Second, the violence in our society. Especially the violence against women when your friends, neighbours and acquaintances set out to do the most terrible things to women. I don't think I should say a word more than what Naimudin has said.

But I would like to say that what we also have here is an example of the State's unwillingness to protect its citizens.

Third, even in poverty, squalour and coping with the horror of loss of lives and rape, Naimuddin and his wife retained faith in the system of justice.

Fourth, the system – even if it needs a nudge – can deliver, as in this case when 32 people, including one former minister and one state-level political leader were given life imprisonment.

Fifth, if there are citizens who will fight for justice against all odds, there are occasions when individuals holding office meet their expectations about the delivery of justice. Here it is Jyotsna Yagnik, the judge hearing the case, "the Jyotsnaben" whom Naimuddin salutes "a hundred

times”, the “Jyotsnabehn” who did not allow subversion of the judicial process. Here we have an example of the state showing an impartiality that its citizens expect of it.

This then is a microcosm of India today. Everything that makes you shudder is here in this story of Naimuddin’ family. So too everything that says the citizen will not give up. And, finally, that all is not lost with the state.

This in the end is the reason why we must remain optimistic about the future. India in 2012 may be very different from what S. Guhan and others of his kind worked for and hoped for, but if he were with us today, I think he would see reason for hope rather than despair.

Thank you