

A proper basis for Indian stability

Religious violence in the state of Gujarat carries a grim warning for the whole country about the dangers of one party dominance.

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India's parliament reconvenes today for its summer session against the background of gruesome violence in the western state of Gujarat.

The killing and destruction, which began on February 27 when a train carrying Hindu activists was attacked in the town of Godhra, has not ceased. More than 800 people have died in the resulting violence and 100,000 Muslims have fled to squalid refugee camps.

At a time when the country is striving for more economic investment, and to stake out a place on the world stage after September 11, the Gujarat violence has provoked international scepticism about India's commitment to secular ideals and its political stability. But if these events carry a clear lesson, it is that we need a subtler sense of what economic development is doing to India and what political stability means there.

Before the recent carnage, Gujarat was a model of political stability and capitalist development. Per capita income is three times that of Bihar, India's poorest state, and the 50m-plus Gujaratis have a reputation for being industrious, entrepreneurial and civic-minded. These reputed virtues have made Gujaratis the epitome of the emerging middle class.

The conventional wisdom is that economic development and a burgeoning middle class lead to moderate politics and thus provide the preconditions for liberal democracy. But that wisdom has been belied by the experience of Gujarat, which has been ruled by a single political party, the Hindu chauvinist BJP, which commands a clear majority.

Among disturbing developments in that state in recent weeks has been the reported targeting and destruction of successful businesses, jointly owned by Hindus and Muslims, including car sales rooms, electrical goods shops and hotels - the natural habitats of the new Indian middle classes.

It is not spontaneous mobs of the illiterate or impoverished who have wrought destruction. The looters drove cars and had mobile phones. As the police commissioner of Ahmedabad said, these mobs "were being led by educated people - advocates, doctors, and the rich".

In fact, the rising consumerism and market expansion witnessed by regions such as Gujarat have bred neither liberal nor hedonistic individuals. Rather, it has presented an opportunity to middle India to sample the pleasures of economic modernity within collective units such as the family and, above all, caste and religious communities.

These selectively westernised emerging middle classes are infused with sentiments of religious piety, moralism and domestic virtue. Their political predilections do not lean towards a liberal universalism, but towards intensely particularistic politics. That has made them susceptible to the political appeals of religion, and Gujarat has been a prime seedbed of

movements associated with Hindutva - the ideology of Hindu extremism that inspires the BJP and its "family" of supporters.

This ideology seeks to undermine the plural, tolerant idea of India that leaders such as Mahatma Gandhi and Jawaharlal Nehru tried to build. It aims to convert India into a kind of Hindu Pakistan, a nation of religious homogeneity, purged of the hundreds of millions of Indians who do not subscribe to a narrow definition of Hindu identity. As seen in Gujarat, its adepts in the BJP have worked to transmute religious sentiments into oppressive, indeed lethal, majorities.

The nature of India's political stability, and what supports it, defies orthodox precepts. Ever since the decline of the once all-powerful Congress Party, observers have watched anxiously as the Indian electorate failed to deliver a clear preference for one or other national party, and returned fragmented verdicts. Many view the resulting coalition governments as a source of political instability.

When, in 1998, the BJP emerged as the largest single party but was still short of a clear majority, it had to craft a coalition with numerous regional parties in order to form the government - a process repeated after the 1999 general elections.

In these circumstances, foreign investors, as well as governments, have hoped and expected that the BJP might emerge as the dominant party, serving as an anchor of political stability. But recent Indian experience suggests it is too simplistic to gauge political stability in terms of single-party rule or dominance.

The case of Gujarat exemplifies what can happen when a single party, committed to the ideology of Hindutva, rules unchecked. Given India's many religious and cultural identities, such dominance would be a recipe for disaster for India as a whole. It would recreate - magnified many times over - the same mayhem that Gujarat is suffering today.

India's political stability currently depends on relatively weak coalition governments. Yet, coalition governments are far from ideal when it comes to economic policy and reform. The current coalition has just about been able to maintain the gradual reformist drift that has marked Indian economic policy since 1991.

Quiet but significant reforms are now under way in sectors such as finance and agriculture. But neither the coalition government nor the BJP as a party has been able to outline any coherent economic policy.

Perhaps a more immediate concern is that a government composed of the BJP and around two dozen largely regional parties, each jostling for a better deal for its own state, has shown resolute unwillingness to address the fundamental problem facing the Indian economy: fiscal reform.

Current government expenditure, as well as private investment, is for the most part being sucked into debt servicing, resulting in a serious resource vacuum for crucial areas such as social policy and infrastructure.

As the acrid parliamentary debates recommence, Indians are gripped in an ugly paradox: given the presence of religious extremism, coalition

governments are most likely to deliver political stability and to protect the rest of India from the purgatorial fate that has befallen Gujarat. But from an economic point of view, coalition governments are least likely to formulate and push through the deeper economic reforms that India must accomplish.

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