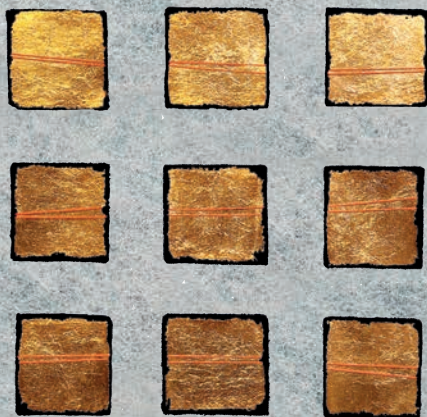


REINVENTING SOCIAL DEMOCRATIC DEVELOPMENT

Insights from Indian and Scandinavian Comparisons

Edited by
Olle Törnquist and John Harriss
with Neera Chandhoke and Fredrik Engelstad



REINVENTING
SOCIAL DEMOCRATIC
DEVELOPMENT

NIAS–Nordic Institute of Asian Studies
NIAS Studies in Asian Topics

- 47 *Saying the Unsayable: Monarchy and Democracy in Thailand* ⇨ *Søren Ivarsson and Lotte Isager (eds)*
- 48 *Plaited Arts from the Borneo Rainforest* ⇨ *Bernard Sellato (ed.)*
- 49 *Cambodia's Economic Transformation* ⇨ *Caroline Hughes and Kheang Un (eds)*
- 50 *Ancestors in Borneo Societies: Death, Transformation and Social Immortality* ⇨ *Pascal Couderc and Kenneth Sillander (eds)*
- 51 *Creative Spaces: Seeking the Dynamics of Change in China* ⇨ *Denise Gimpel, Bent Nielsen and Paul Bailey (eds)*
- 52 *Red Stamps and Gold Stars: Fieldwork Dilemmas in Upland Socialist Asia* ⇨ *Sarah Turner (ed.)*
- 53 *On the Fringes of the Harmonious Society: Tibetans and Uyghurs in Socialist China* ⇨ *Trine Brox and Ildikó Bellér-Hann (eds)*
- 54 *Doing Fieldwork in China ... with Kids! The Dynamics of Accompanied Fieldwork in the People's Republic* ⇨ *Candice Cornet and Tami Blumenfeld (eds)*
- 55 *UNESCO in Southeast Asia: World Heritage Sites in Comparative Perspective* ⇨ *Victor T. King (ed.)*
- 56 *War and Peace in the Borderlands of Myanmar: The Kachin Ceasefire, 1994–2011* ⇨ *Mandy Sadan (ed.)*
- 57 *Charismatic Monks of Lanna Buddhism* ⇨ *Paul T. Cohen (ed.)*
- 58 *Reinventing Social Democratic Development: Insights from Indian and Scandinavian Comparisons* ⇨ *Olle Törnquist and John Harriss (eds)*
- 59 *Fieldwork in Timor-Leste: Understanding Social Change through Practice* ⇨ *Maj Nygaard-Christensen and Angie Bexley (eds)*
- 60 *Debating the East Asian Peace: What it is. How it came about. Will it last?* ⇨ *Elin Bjarnegård and Joakim Kreutz (eds)*
- 61 *Khaki Capital: The Political Economy of the Military in Southeast Asia* ⇨ *Paul Chambers and Napisa Waitoolkiat (eds)*
- 62 *Warring Societies of Pre-colonial Southeast Asia: Local Cultures of Conflict Within a Regional Context* ⇨ *Michael W. Charney and Kathryn Wellen(eds)*

NIAS Press is the autonomous publishing arm of NIAS – Nordic Institute of Asian Studies, a research institute located at the University of Copenhagen. NIAS is partially funded by the governments of Denmark, Finland, Iceland, Norway and Sweden via the Nordic Council of Ministers, and works to encourage and support Asian studies in the Nordic countries. In so doing, NIAS has been publishing books since 1969, with more than two hundred titles produced in the past few years.



REINVENTING SOCIAL DEMOCRATIC DEVELOPMENT

*Insights from Indian and
Scandinavian Comparisons*

edited by

Olle Törnquist and John Harriss

with Neera Chandhoke and Fredrik Engelstad

Reinventing Social Democratic Development
Insights from Indian and Scandinavian Comparisons
Edited by Olle Törnquist and John Harriss
with Neera Chandhoke and Fredrik Engelstad

Nordic Institute of Asian Studies
Studies in Asian Topics, no. 58

First published in 2016 by NIAS Press
NIAS – Nordic Institute of Asian Studies
Øster Farimagsgade 5, 1353 Copenhagen K, Denmark
Tel: +45 3532 9501 • Fax: +45 3532 9549
E-mail: books@nias.ku.dk • Online: www.niaspress.dk

© NIAS Press 2016

While copyright in the volume as a whole is vested in the Nordic Institute of Asian Studies, copyright in the individual chapters belongs to their authors.

No material may be reproduced in whole or in part without the express permission of the publisher.

A CIP catalogue record for this book is available from the British Library

ISBN: 978-87-7694-198-7 (hbk)
ISBN: 978-87-7694-200-7 (pbk)

Typeset in Arno Pro 12/14.4
Typesetting by NIAS Press

Cover design by NIAS Press, based on the artwork 'Kvadrat' ('Square')
by Siw Lurås (copyright the artist)

Printed and bound in Great Britain
by Marston Book Services Limited, Oxfordshire

Contents

Preface ix

Notes on the Authors xi

PART ONE: INTRODUCTION

1. Social Democratic Development 3
Olle Törnquist with John Harriss

PART TWO: COMPARATIVE ANALYSES

2. Lineages of Democratic Development: India and Scandinavia 31
John Harriss and Olle Törnquist
3. Comparative Notes on Indian Experiments in Social Democracy:
Kerala and West Bengal 53
John Harriss and Olle Törnquist

PART THREE: POLITICAL COLLECTIVITIES

4. From Local Citizenship to the Politics of Universal Welfare:
Scandinavian Insights 87
Hilde Sandvik
5. What are the Prospects for a Social Democratic Alliance in India
Today? 106
John Harriss

PART FOUR: LINKAGES BETWEEN STATE AND SOCIETY

6. Governance Reforms in India 131
N. C. Saxena
7. Strengthening Control or Fostering Trust? Indian Politics and
Scandinavian Experiences 168
Torsten Svensson

PART FIVE: RIGHTS AND WELFARE

8. The Chequered History of Social Rights in India 189
Neera Chandhoke

9. Welfare State – India and Scandinavia: Social Rights,
Decommodification, Democracy 212
Fredrik Engelstad

PART SIX: EQUITY AND GROWTH

10. Social Equality as a Development Strategy 241
Kalle Moene
11. Democratic Development in India: Reflections on Problems and
Prospects 268
Pranab Bardhan

PART SEVEN: CONCLUSIONS

12. Implications for Scandinavian Social Democracy and International
Cooperation 283
Olle Törnquist
13. What Are the Prospects Now for Social Democratic Develop-
ment? 308
Olle Törnquist and John Harriss

Bibliography 328

Index 359

List of Tables

- 6.1 Central Plan outlay in billions of rupees 138
- 6.2 Percentage distribution of Central Plan outlay supported by the
budget through the GOI's ministries by Heads of Development 139
- 6.3 Transfer of funds to States 143
- 6.4 Total government employment in India 146
- 6.5 State government employees in Tamil Nadu and Bihar 147
- 9.1 Gross National Income, health care expenditure, and life expect-
tancy, 2012 227
- 9.2 Inadequate nourishment and share of food expenditures of the
poor, 1993–2010 230
- 10.1 Dispersion of total factor productivity 250

List of Figures

- 0.1 Map of India and Scandinavia xiv
6.1 Number of state government employees per 1,000 of population 148
6.2 Per cent of medical staff actually present at community health centres as a ratio of sanctioned and recruited strength 159
9.1 Varieties of commodification 215

List of Plates

- Demonstration in Ådalen, Sweden, 14 May 1931 2
E.M.S. Namboodiripad being sworn in as the first Communist Chief Minister of Kerala 2
Tage Erlander with Jawaharlal Nehru in 1957 28
Einar Gerhardsen meeting E.M.S. Nambodiripad in 1958 30
Aam Aadmi Party supporters campaigning for their leader, Arvind Kejriwal 84
Municipality meeting in Haninge Kommun, Sweden, possibly in the late 19th century 86
Meeting of a Gram Sabha 130
The Constitution of India in Hindi and English 188
School children in Kerala 238
1933 election poster for the Norwegian Labour Party 240
1934 election poster for the Social Democratic Party in Sweden 240
Domestic workers march in Stockholm the 1930s 280
Dr T.M. Thomas Isaac with the leaders of a factory run by women for women 280
Olof Palme joins North Vietnamese diplomats in a demonstration against the American war in Vietnam 282

Preface

This is a collective book. It grows out of a joint commitment to explore the possibility of reinventing social democracy, which has taken such a battering over the last forty years, while neoliberalism has dominated public policy. What might be done to counter tortuous development in the Global South as well as the growing inequalities in the North – in the context of new global freedoms and of patterns of economic growth that differ so much from those that fostered the rise of democratic socialism during industrialisation in the North?

To address these issues, concerned scholars who are advocates of social democracy in the North and as well as in the South had to come together, to read their arguments against each other with the aim of generating new insights and conclusions. This was a time consuming and challenging process, but also exciting and rewarding. Following three years of planning, the Norwegian Research Council provided funds that made it possible for us to meet in several workshops and prepare publication, while the contributors and coordinators used their own time and resources to carry on the work for over four years of writing, discussion, and many rounds of revision that led to what now appear as the chapters in this volume. These contributors are not only the authors, but also the many friends, colleagues and students who have helped with ideas, contacts and comments. All have been important, but special thanks to those who (in addition to the authors) participated in our four workshops: Alf Gunvald Nilsen, Amit Prakash, Anu Mai Köll, Bjørn Erik Rasch, Dwaipayan Bhattacharyya, Göran Djurfeldt, Harsh Mander, Irene Wennemo, Jan Heiret, Jörgen Hermansson, K.C. Suri, Kristian Stokke, Kuldeep Mathur, Lena Sommestad, Niraja Gopal Jayal, P.K. Michael Tharakan, Prabhu Mohapatra, Reetika Khera, Samir Das, Sanjay Reddy, Yogendra Yadav, Øyvind Bratberg, and Øyvind Østerud. We also owe special thanks for invaluable comments and inspiration

to Jeremy Seekings, K.K. George and Robin Jeffrey. We are grateful to Priyanka Chakravarty, Ingvild Mangerud and Sawera T. Mahmood for stalwart service in the organisation of our workshops, and for their editorial services to Ala Serafin and especially to David Stuligross. Finally, while John Harriss and Olle Törnquist have taken turns at the helm, both of this book and of the good ships Saskia and Sophia, they would not have been able to bring the project to land without the advice of Neera Chandhoke and Fredrik Engelstad.

Notes on the authors

Pranab Bardhan is a Professor of Graduate School at the University of California, Berkeley. His research interests include institutional economics and the political economy of development, and economics of international trade and globalisation. He is the author of 14 books, the last two of which are: *Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India* (Princeton, 2013) and *Globalization, Democracy and Corruption: An Indian Perspective* (Frontpage, 2015).

Neera Chandhoke, formerly a professor of political science Delhi University, has written widely on democracy, social rights, civil society, secularism, secession, and political violence. Among her publications are: *Democracy and Revolutionary Politics* (Bloomsbury, 2015), *Contested Secessions: Democracy, Rights, Self-Determination and Kashmir* (Oxford-Delhi, 2003), *The Conceits of Civil Society* (Oxford-Delhi, 2003), *Beyond Secularism: The Rights of Religious Minorities*, (Oxford-Delhi, 1999), and *State and Civil Society: Explorations in Political Theory* (Sage, 1995).

Fredrik Engelstad is Professor emeritus of Sociology at the University of Oslo. He was the director of Institute for Social Research (1986–2007), member of the core group of the national Power and Democracy Study in Norway, and is since 1991 series editor of the yearbook series *Comparative Social Research* (Emerald). He has written extensively on topics related to power, social elites and employee participation. His publications include *Power and Democracy. Critical Interventions* (co-edited with Øyvind Østerud, Ashgate 2004) and *Cooperation and Conflict the Nordic Way* (co-edited with Anniken Hagelund, De Gruyter Open Access, 2015).

John Harriss is Professor of International Studies at Simon Fraser University in Vancouver, and was previously Professor, and Director of the Development Studies Institute, at the London School of Economics.

He has written extensively on institutions and the politics of development, and on the politics and society of India. He is the author, with Stuart Corbridge, of *Reinventing India: Economic Liberalization, Hindu Nationalism and Popular Democracy* (Polity Press, 2000); of *Power Matters: Essays on Politics, Institutions and Society in India* (Oxford, 2006); with Corbridge and Craig Jeffrey of *India Today: Economics, Politics and Society* (Polity Press, 2013); and with Craig Jeffrey of *Keywords for Modern India* (Oxford, 2014).

Kalle Moene is Professor of Economics at the University of Oslo and the director of the research center on Equality, Social Organization, and Performance (ESOP). Most of his work is concentrated on institutions and the political economy of development in rich and poor countries. His recent publications (with co-authors) include research on the Nordic society model (*Journal of Public Economics*, 2014), the reinforcement of inequality (*American Journal of Political Science*, 2014) and the equality multiplier (*Journal of the European Economic Association*, 2016). These works emphasize how the distribution of income, welfare spending and economic development are mutually dependent.

Hilde Sandvik is Professor in History at University of Oslo. She teaches Nordic and European early modern history and her research interest has been law, society and democratisation in a gender perspective. She is author of 'Gender in politics before and after 1814' in *Scandinavia in the age of revolutions* (P. Ihalainen et al., eds, Ashgate 2011), 'Le Code civil en Norvège et en Suède? Les discussions autour du genre dans le processus législatif au début du XIXe siècle' in *Revue d'histoire Nordique, The Coming of Democracy in Scandinavia 1750–1850*, no. 10, (2010), 'Decision-making on marital property in Norway 1500–1800,' in *The Marital Economy in Scandinavia and Britain 1400–1900*, (M. Ågren and A. L. Erickson, eds, Ashgate 2005), and has written articles and edited books on gender and law in early modern and 19th-century Scandinavian history.

Dr Naresh Chandra Saxena is a retired civil servant and former member of the Indian Planning Commission and National Advisory Council. His main interests are governance, development, social unrest, natural resource management, and gender. His publications include, *Administrative Reforms*

for Better Governance (Daanish Books, 2012), *Women in Agriculture and Women in Forestry* (UN Women, Delhi 2011), *The Singapore Public Service and National Development* (United Nations Development Programme, Kuala Lumpur 2011), *India: Alleviating Poverty through Forest Development* (World Bank, Washington, 2000), *The Saga of Participatory Forest Management in India* (CIFOR, Indonesia, 1997), *India's Eucalyptus Craze: the God that Failed* (Sage 1994), and *To the Hands of the Poor: Water and Trees*, jointly with Robert Chambers and Tushaar Shah (Oxford and IBH 1989).

Torsten Svensson is Professor of Political Science in the Department of Government, and vice rector for Humanities and Social Sciences, at Uppsala University. His research interests include labour market relations, interest organisations, civil society, party strategy, welfare politics, and trust. Recent publications include 'Disrupted Exchange and Declining Corporatism: Government Authority and Interest Group Capability' (*Government and Opposition* 2011, co-authored), 'Similarity vs. Homogeneity: Contextual Effects in Explaining Trust' (*European Political Science Review*, 2011, co-authored), 'Civil Society and Deliberative Democracy: Have Voluntary Organisations Faded from National Public Politics' (*Scandinavian Political Studies* 2012, co-authored), 'The Swedish Model of Industrial Relations' in *The Oxford Handbook of Swedish Politics* (2016).

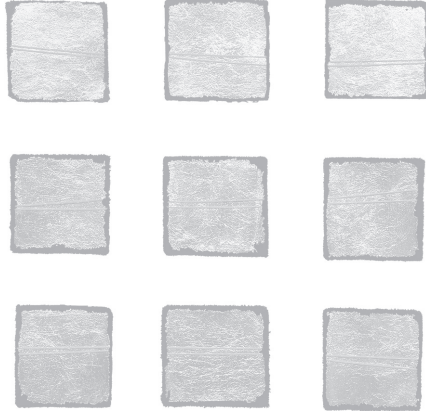
Olle Törnquist is Professor of Political Science and Development Research, University of Oslo (earlier with Uppsala University). He has written widely on radical politics, development, and democratisation. In addition to parts of India, his main empirical focus since the 1970s is Indonesia, where he also co-directs research with scholarly activists. His recent books are *Assessing Dynamics of Democratisation* (Palgrave 2013) and (with co-editors) *Democratisation in the Global South* (Palgrave 2013) and *Reclaiming the State: Overcoming Problems of Democracy in Post-Soeharto Indonesia* (PolGov & PCD 2015).



Figure 0.1: India and Scandinavia (both map areas in roughly the same scale – relief background © Mountain High Maps)

PART ONE

INTRODUCTION





From C. J. Björklund, *Ned med vapnen!* Stockholm: Brand, 1932, p 23

Demonstration in Ådalen, Sweden, 14 May 1931. Five workers were shot in what became a turning point for the movement – in the direction of broader alliances, welfare state policies and social growth pacts.

At the same time, in southwest India, leftist movements for civil and socio-economic rights gained a broad following. *Below:* E.M.S. Namboodiripad in 1957, being sworn in as the first Communist Chief Minister of Kerala.



Courtesy of the Information-Public Relations Department, Government of Kerala

Social Democratic Development

By Olle Törnquist with John Harriss

The Problem

Over the last two decades, much of the Global South has seen both high rates of economic growth and sweeping political change. In spite of the new space, however, the character of growth and of political liberalisation has also, in many ways, held back social democracy, which we define broadly as: democratic politics towards the combination of social equity and economic growth. This is particularly so to the extent that social democracy is associated with specific institutions and policies of northern Europe – including extended democratisation, sound and effective public administration, the combination of Keynesian macro-economic policies and negotiations between well-organised labour and employers towards collective wage agreements, increased productivity, and full employment – in tandem with *growth-promoting* welfare policies for all.

Economic growth has come with mounting inequalities. Oligarchs dominate and upper classes flourish, along with some from the middle classes and from among permanently employed workers. At the same time, increasing numbers of even well-educated, skilled, white- and blue-collar workers are offered only precarious employment. Worse, most people lag behind and cannot get regular jobs when they have lost their means of production; quite a few are even outside circuits of accumulation. This pattern of growth has also brought plunder of natural resources and environmental destruction. It is true that welfare and environmental policies are on the agenda but, so far, they have rather enabled and mitigated the uneven pattern of growth than transformed it. Moreover, these processes have global implications, causing climate change and undermining efforts at the combination of welfare and

development in the Global North as well. As concluded in the United Nations Research Institute for Social Development (UNRISD)'s comprehensive report on combatting poverty and inequality (2010), what has often been missing are political drivers capable of fostering the creation of productive employment, and of tackling the negative effects of uneven development. Yet, less is being said of how such politics could possibly evolve; given that the East Asian development states have been characterised by authoritarian policies and have offered no real solutions to inequality and plunder, the hope has been that democracy could make a difference.

Democratisation in the Global South, in turn, has suffered from a similar paradox to that of development with poverty.¹ The defence of civil and political liberties and of generally free elections, as has happened in India, and the introduction of these in other countries, are greatly to be welcomed. But while efforts at privatisation, reliance on self-management by civil society, and elitist and technocratic governance that have been inspired by neoliberal ideas have sometimes coincided with enhanced civil and political rights and for reasonably free and fair elections in formerly authoritarian countries, empirical evidence shows that they have not yielded substantial improvements with regard to sound administration, the rule of law, and genuine popular representation (e.g. Carothers 2004 and 2007, Törnquist 2013, Savirani *et al.* 2015). Similarly, the democratic social movements, trade unions and civil society actors that have fought for such improvements, but were considered too radical in the transition from authoritarianism, have remained marginalised and poorly organised (e.g. Harriss *et al.* 2004, Törnquist *et al.* 2009, Stokke and Törnquist 2013). As an alternative to the prevailing dichotomy between compromises with little change and militant struggles that involve big risks, there is a need for gradual transformative politics to advance social democracy (Stokke and Törnquist 2013: 3).² The question, however, is whether and how actors can emerge

1. From here on referred to as uneven development.

2. The definition of social democratic politics, which we shall expand upon later, is of course irrespective of what the actors prefer to call themselves. In India, where even the Constitution holds a social democratic promise, such politics have often been carried out by communist led-political fronts in Kerala and West Bengal.

that are strong enough to enable such politics in the context of uneven development, flawed democracies, and weak states.

At first sight, the prospects seem bleak. Historically in many parts of the Global North, comparatively efficient states were already at hand and capitalist development not only fostered the hegemony of market forces, but also strong countermovements of social democratic politics. Is something comparable possible in the Global South, given limited state capacity (aside from authoritarian China) and the predominance of uneven development?

It is often argued (most recently by Francis Fukuyama 2011 and 2014) that state capacity must precede democratic institutions. Otherwise the latter will generate more corruption and conflict (cf. Mansfield and Snyder 2007). Indeed, democratic development without solid anchorage in competent states and bureaucracies tends to be perverted. But one may also ask how a state that facilitates, or at least allows for, democracy can come about in the first place. In Europe, this outcome was reached not only because of rulers who needed to build strong states to win wars (Tilly 1975), but also as the result of a long struggle for the rule of law and for the accountability of those rulers to society (Berman 2007). As for the Global South, Fukuyama's recent proposals amount to little more than Huntington's earlier idea (1965) of 'politics of order', holding that 'strong leaders' and bureaucrats substitute for the inability of weak middle classes to win elections and build solid states and contain radical mass movement. Historically this has even proven to be counterproductive: initially, 'politics of order' fostered middle class coups, abuse of power, and extractive development, such as happened in Indonesia and Latin America from the 1960s and onwards; thereafter, somewhat ironically, these responses to the 'politics of order' instigated the third wave of democracy, including the weak state institutions that characterise it.

But even if democratic checks and balances are necessary to tackle abuses of power, and even if the vital question remains of what forms of democratisation can contribute to the establishment of solid states and competent bureaucracies, and vice versa, there are also convincing arguments that the European experience – including the social and political forces that fought for such forms of democratisation and created favourable conditions for transformative politics in northern Europe –

was a product of a pattern of industrial development and of governance reforms that is unlikely to grow out of the current uneven development in the Global South (e.g. Therborn 2012 and 2014, Bardhan 2011). If so, many of the specific institutions and policies of social democracy in northern Europe (might be structurally impossible in the South.

Making things worse, widespread dissatisfaction and disillusion with mainstream leftist movements, parties and policies has reflected itself, for example, in the outcomes of the Indian general elections of 2014. The Left's appeals to voters went largely unrewarded and rightist national chauvinism has widely returned to the fore – as it threatens to do across Europe, including Scandinavia.

However, there are also numerous protests against and attempts to change the existing order. While the north European experience will not be repeated in the context of the Global South's uneven development and liberties, there is good reason to analyse the troublesome new circumstances and ask whether and how an alternative dynamic, one that could foster a viable and democratic countermovement, might develop. Can social democratic development be reinvented? This is what we aim to discuss in this book.

Contextual comparisons

To address these questions, comparisons are important. Specific historical experiences of capitalist development and countermovements in the North become relevant more widely when similar processes take root in the South, even though the specific character of these dynamics differ. Further, changes in both the North and the South are increasingly interdependent.

Yet, there is a disturbing history of comparative North-South studies that neglect contextual history and power relations in regard to modernisation, economic development, state building, and democratisation. How are comparisons best designed? There is a shortage of similar cases with different outcomes to be explained, or of different cases with similar outcomes. Hence, we opt instead for the third major comparative method: contrasted contexts (Skocpol and Somers 1980). Specifically, despite the very different contexts of India and Scandinavia, we observe and seek to explain processes that are common to both – especially efforts at realizing social democratic development. Following Clifford

Geertz in his *Islam Observed*, we believe these cases help to 'form a kind of commentary on one another's character' (cited by Skocpol and Somers 1980: 179).

We argue that thematic comparisons may be fruitful if fixed models, such as the Nordic, are avoided as points of departure for studies of social democratic politics of development. Instead, we compare *historical processes* of attempts at social democratic development and apply 'upside down' perspectives. This allows for shaping themes and questions from the point of view of a particular country or region in the South and draws attention to those among the specific Northern dynamics may stimulate useful insights in the South, as well as generate important self-reflection in the North.

India and Scandinavia

The main factor that justifies our focus on India and Scandinavia is the common challenge in shaping (and theorising) politics of social democracy in *different contexts of late development*. Just about half a century before India, by the early 1900s, Scandinavia, parts of which were among poorest parts of Europe, was a democratically oriented late industrialiser. It had far more people in the primary than in the secondary sector, without the liberal-bourgeois hegemony that characterised the British and French experiences but nonetheless with crucial state involvement in social as well as economic development. In addition to late and rapid industrialisation and urbanisation (especially in Sweden), influential farmers' movements were established and administrative reforms implemented, with support of 'young' labour movements, new trade unions, and labour parties. The Scandinavian social democrats offered an alternative to the otherwise more authoritarian examples of politically guided late development, with Germany (Gerschenkron 1962) and the Soviet Union as paradigmatic cases. The social democratic labour movements and parties opted for the primacy of democratic politics towards socio-economic structural reforms. For lack of resources, though, we shall limit ourselves to Norway and Sweden, which represent perhaps the most similar cases of social democracy in the two most different Scandinavian contexts.

Similarly, the Congress party under Nehru and those working in his tradition – as well as the mainstream Indian communists after 1951 –

represent efforts at bringing about social democratically oriented late development in the Global South. However, unlike the rapid capitalist development that was well under way in culturally homogeneous Scandinavia, where the labour movement was strong and the state comparatively effective, Indian industrialisation was weak, the working class fragmented, state capacity low, and poverty widespread. So, while alliances and reforms towards more inclusive growth and welfare were on the Scandinavian agenda, like-minded Indian leaders had to advocate much stronger political interventions to build a developmental state that could overcome cultural diversity and colonialism-imposed growth.

Still, social democrats in India espoused *democratic* politics, pragmatic coalitions, and state policies rather than the belief in an inevitable crisis of capitalism and the predominance of the working class. It is true that Indian communists held onto the expectation of the ultimate collapse of capitalism, of the pioneering role of the working class, and of the special need for enlightened party leadership (on the basis of 'scientific Marxism-Leninism'), all in the context of underdeveloped capitalism and a small working class. But aside from the problems of 'democratic centralism', the actual outcome was a mix of principled policies, pragmatic political coalitions in the context of Nehru's developmental state, and liberal elections. In short, the politics of social democratic late development, which aimed at combining growth and social welfare, was and is a priority in India as well as in Scandinavia, even if in different ways and under dissimilar conditions.

In addition to similarly oriented efforts at social democratic politics in different contexts of late development, India and Norway-Sweden are also critical cases in discussing problems and options. Uneven development and the shortage of decent jobs have been particularly severe in India, and there is little compensation in the form of the oil incomes and high commodity prices that added fair winds to the Pink Tide in Latin America in the course of the past decade. Any Indian openings, occurring despite its difficult circumstances, may thus be an inspiration elsewhere as well. Similarly, reflection on the problems in handling the challenges of uneven development experienced even in the strongest examples of social democratic success, those of Norway and Sweden, can yield insights relevant to cases where social democrats are in weaker positions.

Social democratic politics of late development

In addition to identifying the late development and social democratic orientation that are common to the dissimilar contexts of India and Norway-Sweden, our comparative method of contrasting cases calls for a closer discussion of which aspects of social democracy are relevant, which analytical concepts may be used, and which questions we should address. In this book, the politics of social democratic development are specified in terms of a general definition and four dimensions.

The current understanding of the social democratic politics of development is rooted in late 19th and early 20th century critiques of both the syndicalist proposition that the basis for transformation should be workers' management of industries and Kautsky's thesis that the crises of capitalism would generate socialism. Dissidents argued instead in favour of the primacy of politics (Berman 1998, 2006), but disagreed on what politics. While Lenin, Stalin, and later on Mao and others claimed that revolutionary politics was indispensable, the social democrats (inspired by Eduard Bernstein, cf. 1961) argued for democratic politics, along with more leftist democratic socialists and communists who adjusted to evolving democratic systems in their countries (including most Indian communists after 1951). More specifically, those of this persuasion argued that it was necessary to advance by way of democracy, applying democratic principles in their own movements and, as far as possible, even when resisting authoritarian politics elsewhere. For decades, the colonies and subordinated countries (the now Global South) were major exceptions in this regard. As their development was held back by authoritarian means, some radical social democrats in the North granted that enlightened party- and state-led shortcuts to progress were indispensable in these contexts. In these processes, communists, radical nationalists, and strong socialist leaders like Ho Chi Minh, Nehru, Castro, and Mandela were crucial. Later on however, this argument became less relevant with the rise of global capitalism and the third wave of democracy, which afforded a wider space for reforms supported by labour and other social movements by peaceful and democratic means. Yet, the crucial dilemma remains: rapid economic development is more uneven, states more inefficient, and democratisation more shallow than during the comprehensive industrialisation in the Global North. The

politics of social democratic development has to be reinvented in a way that is relevant to these new conditions.

Generally, social democratic politics is based on the principle of political equality. It strives to realize the combination of economic development and social justice, by democratic means and in such a way that the realization of social justice and democratic deepening serve each other. Such social democratic politics of late development unfold in various ways in different contexts over time, but the scholars who have contributed to this book have identified points of intersection between the experiences of Scandinavia and India and have arrived at the conclusion that the *fundamental processes* are similar. These processes have been mutually supportive and may be summed up along four dimensions:

- a) broad popular interests and ideas translating into the formation and organisation of democratic political collectivities;
- b) efforts at building strong democratic linkages between state and society;
- c) struggle on the basis of common popular interests and ideas for universal civil, political, and social rights, and related welfare policies, as well as rights based on work; and
- d) attempts at the development of growth coalitions (social pacts) between sections of capital and labour in the widest sense of the terms, as well as between labour and agrarian producers.

The first dimension of social democratic politics has to do with the formation and organisation of democratic political collectivities. Fundamentally, these are based on broad popular interests and equal rights of citizenship, and they are influenced by the character of linkages between state and society.³

The major challenges in countries like India include segmented interests, fragmented countermovements and organisations, and clientelistic incorporation of people into politics by elites. Class interests and related movements and organisation are crucial, but, in the context of uneven development, the formation of active citizenship is equally important for collective action (see also Heller 2013). In Scandinavian history, as analysed in Chapter Two and especially by Hilde Sandvik and Torsten

3. The consideration of the latter thus contrasts with the argument, put by advocates of the idea of social capital as defined by Robert Putnam (1993), that collectivities and trust are constructed primarily through associational life.

Svensson in Chapters Four and Seven, the formation of citizenship was rooted in the old parishes and among independent farmers, in combination with increasingly efficient states. With industrialisation, however, many problems called for solutions on larger scales, hence and the role of municipalities and the state and nationwide organisations increased. Similar challenges apply now to efforts at building active citizenship at the local level in the Global South, and of scaling up such initiatives.

Given that the common understanding of citizenship is ‘membership in a community that grants formal status to citizens with rights and duties associated with that status’ (Stokke 2013: 3), additional stumbling blocks for social democratic collective action relate to membership and legal status. Which rights and duties should apply to whom, and who should have the right to decide about this? One cannot overestimate the fundamental importance of Scandinavia’s pre-democratic forms of active citizenship and of late and swift industrial revolution, with a broad and young working class with shared interests. At the same time, labourers also engaged in the struggle for the right to vote, which was further broadened when the struggle for equal rights for women was in part added to the same social agenda. In the Global South, however, uneven development has generated fragmentation of movements and groups, geographically as well as behind special issues and interests. This has generated problems both of collective action and of representation within and between the movements themselves. Migrant labourers, minorities, and a wide range of subordinated groups have rarely been able to come together in broad collectivities in ways that would promote common benefits from universalism and majority rule. Rather, each has often sought protections under the ideas of minority or special rights, which in effect pit each marginalised group against the others. These are often combined with identity politics rather than with struggle for common rights and joint welfare.

Yet, this has not always happened. In the Global South too, broad collectivities have been in the forefront in pushing for universal principles and democracy. Outstanding examples include the struggles of the majority of the black population that opted for this position in South Africa; those in Kerala in the early part of the 20th century, where subordinate caste groups came to struggle for universal rights (as shown in Chapter Three); and the more recent examples of social democratic

aspirations among quite different social movements in Latin America. These cases testify to the importance of interests which, even if they were initially advanced by narrowly defined groups, came to be reflected in policies that became vital to others as well, so helping to build broad democratic communities and organisation.

Analytically, both content and form are involved in the development of political collectivities. *Content* refers to what people have in common and also constitutes the basis for what is to be represented by movements, organisations and parties. The content may be (i) descriptive, and refer to common residence, for example, or to ethnicity, religion, or caste; (ii) substantive, and refer to common interests, ideas, issues; or (iii) symbolic, and refer to common values (Pitkin 1967). A first crucial question focuses on whether and how specific issues and interests foster fragmented and short-term action (as has been so common in the current era of civil society driven action, such as in the Tahrir square protests during the Arab Spring), or rather generate universal demands, broad collective action, solidarity, and sustainable movements (as for example when the racial conflicts in South Africa or the struggle against casteism in Kerala turned into widely shared concerns about equal civil rights and democracy). A second dilemma is whether and how struggles for the interests of workers in specific sectors and with different employment conditions can generate broad alliances, for example by way of social movement trade unionism, rather than giving rise to a ghetto-like organisation that seeks to privilege certain groups of workers. A related concern is that of whether and how labour and those who are self-employed in different sectors manage to come together behind common minimum demands. A third and final challenge is the need to develop a coherent policy agenda. When progressive politicians have been brought to power on the basis of popular demands, such as Indonesian President Jokowi or New Delhi's Common People's Party (AAP), they have often been unable to develop and implement policies for effective governance.

Form, the other aspect of political collectivities, includes both mobilisation and organisation, as stressed in the literature on power and political and social movements (e.g. Mouzelis 1986, Tarrow 1994, McAdam *et al.* 1996), and also representation, which that literature often neglects. Mobilisation may take place through integration in politics via people's

own organisations, driven from below, which was the typical pattern in the Scandinavian labour movements. Alternatively, it may come about by incorporation through networks of clientelism around dominant patrons, or by means of populism with more direct relations between people and charismatic leaders who are supposedly 'listening to the people'. While incorporation typically inhibits broad and democratic collective action, efforts at integration from below have not always been a panacea for the ills of fragmentation. The neglected factor of representation is often part of the problem. This applies in particular to the relations between political parties and campaigns and movements. Most recently, for example, the main part of the anti-corruption movement in India, that also advocated participatory democracy, was able to transform itself into a political movement-party that was voted into power on the strength of its remarkable mobilisation. But AAP, the party that was supposed to be more democratic than any other, immediately faced the challenge of handling internal conflicts under the pressure of leading the government, as elaborated by John Harriss in Chapter Five. The popular movements that support Indonesia's new president are up against similar dilemmas, as considered by Olle Törnquist and John Harriss in the concluding chapter.

In the paradigmatic Scandinavian cases, by contrast, movements were neither transformed into a party, nor did they dictate to it. The crucial turning points in the development of broader collectivities and organisation were the decisions in the social democratic movement at large to opt for collective agreements in the labour market, and then also (in the late 1920s and early 1930s) to give priority to universal (instead of targeted) welfare policies through democratised state and local governments. These decisions reflected collective commitments rather than agreements that would benefit particular interest groups within the working class – which has been more common elsewhere, including in India. The outcome was two pillars of organisation and representation: trade unions and other popular movements, on the one hand, and the Social Democratic Party in particular on the other. These two streams certainly cooperated closely, but were far from merged and certainly did not take orders from each other. While the Party acted within the framework of representative liberal democracy through elections and parliaments, the movements and unions acted primarily on the platform

of common minimum demands within the social-corporatist system of representation in public policy areas that supplemented liberal democracy (as discussed in the following section). While these policy areas were defined by the elected politicians, the movements and unions made their own priorities and appointed their own representatives in the various negotiations, commissions, agencies, and other bodies where a supplementary system of interest representation applied. Supplementary representation in turn facilitated broader collective action and organisation (as pointed to by Torsten Svensson in Chapter Seven) and they constituted a basic precondition for the social growth pacts between labour and capital, as well as rural poor and middle classes.

The second dimension of social democratic politics concerns the construction of strong democratic linkages between state and society – by contrast with weak liberal democratic institutions, the lack of broader issue and interest representation, and poor state capacity for impartial policy implementation.

Any understanding of the actual linkages between state and civil society certainly calls for analyses of the informal channels and practices, such as in the ‘state in society’ approach (cf. Migdal *et al.* 1994), or in the studies of governmentality (cf. Mamdani 1996, Chatterjee 2004). However, precisely because of the importance of these informal linkages, tending as they do to be dominated by the most powerful actors, constitutional liberal democracy in the form of institutionalised and accountable governance, based on the law and free and fair elections, is basic for social democrats – in contrast with the revolutionary tradition.

The current challenge in this respect is the dual character of the third wave of democracy. On the one hand it has come with liberal elections and openings for lobbying, pressure politics, less-authoritarian management, decentralisation, and self-management in civil society. This has fostered participation in governance by market actors in particular, but also by other elements of civil society, social media, and the judiciary. On the other hand, however, these openings have rarely been on the basis of democratic representation in policymaking and of effective and impartial implementation, which would involve both authorisation with mandate and accountability with transparency and responsiveness (Harriss *et al.* 2004, Törnquist *et al.* 2009, Stokke and Törnquist 2013, Østerud *et al.* 2003). For this reason, many social democrats put extra

emphasis on what Leonardo Avritzer (2002) has called institutionalisation of the public sphere. This balances the 'electoral market place' (and the possibility that 'the winner might take it all'), as well as the rule of the most powerful in unregulated public spheres, networks and lobbying. Such institutionalised channels may facilitate effective, less corrupt, and impartial public governance, as well as coalitions that promote inclusive development. The precondition is active citizenship, but (as stressed by Hilde Sandvik and Torsten Svensson in Chapters Four and Seven), the institutionalisation of the public sphere requires the participation of interest- and issue-based citizen groups, and others (including crucial counterparts such as employers) in various formal channels that link state and society both nationally and on more local levels.

In Scandinavia, at least for many years, the state was both subject to liberal democratic control and cooperated closely with independent corporate blocks in society, including organisations based on interests (such as trade unions and employers' organisations) and ideas (such as environmental organisations) in the policy area(s) where the interests that the different organisations represent are crucial. Cooperation between relatively independent partners substituted for the liberal preoccupation with clear-cut separation between state and society.⁴ These forms of supplementary representation fostered both trust in effective and impartial public governance, and broad based nationwide organisation to promote the most important interests and ideas.⁵ It is true that supplementary democratic linkages between state and society presuppose both political will on part of the government and active citizenship with relatively independent interest- and issue-based organisations. Despite many problems, pioneering movement leaders and politicians

-
4. Decision-makers and implementers were, however, separated (apart from consultations and representation in each other's governing bodies) in order to check the possibility that policies be undermined by special interests among contractors, decision-makers, and beneficiaries.
 5. It should be noted that the Scandinavian polity model has been weakened, especially the chains of popular governance (cf. Østerud et al. 2003 and 2005, Öberg et al. 2011). This is partly because of critiques of 'organised interests' in the context of the growing influence of new public management, and partly due to the argument that many citizens are now strong enough to act on their own and therefore do not need the big organisations. Yet, supplementary representation continues to enable various interests and issue groups to make themselves heard.

in India and other parts of the Global South are not just confronting state and local government but also finding ways of working through them, as we analyse in the case of Kerala in Chapter Three.

As stressed by N. C. Saxena in Chapter Six, however, the fundamental problems of poor public governance remain unresolved. Another dilemma is that of scaling up local institutions for participatory democracy, such as in the cases of popular planning in Kerala (Chapter Three) and of participatory budgeting in Brazil. A third challenge is that of how to design democratic forms of participation by popular movements in national governance in the Latin American Pink Tide (e.g. Houtzager and Lavallo 2009, Baiocchi and Heller 2009, Bull 2013, and Baiocchi *et al.* 2013). Similar problems of representation and accountability apply to the civil society based lobbying and rights campaigns in India that John Harriss and Neera Chandhoke discuss in their chapters (Five and Eight). Fourth, as emphasised by Heller (2013), one-party hegemony – such as in the cases of ANC in South Africa and West Bengal's Communist Party of India-Marxist (see Chapter Three) – clearly hinders deepening of social democratic state-society relations.

In spite of these challenges, however, it seems to us that efforts at social democratic development rest to a large extent on active citizenship and the establishment of more inclusive linkages between state and society than those related to lobbying, pressure politics, and elite-dominated liberal elections.

The third dimension of social democratic politics is rooted in the focus on wider interests and concerns than those of the working class alone. This has translated into struggle against special privileges, racism and discrimination, and for equal civil, political, and social rights of all in territories and workplaces, famously conceptualised in 1949 by T. H. Marshall (1950).

Until the 1920s, welfare state policies were not a self-evident priority for the pioneering social democrats. Some worried that the state could not be trusted and that capitalism should be confronted rather than reconciled. In addition to equal rights (including full political democracy) the focus was rather on capacity building through cooperatives and self-help schemes, and relief through government schemes. In Scandinavia, as analysed by Hilde Sandvik in Chapter Four, local governments had long been the focal point for implementation and financing of centrally

mandated social policies. With rapid industrialisation and extensive urbanisation, however, more direct central state involvement was inevitable. The major turning point was the 1930s world economic crisis. While the central European social democrats failed to develop a strong enough alternative to the Nazis, their Scandinavian peers fortified democracy, entered into broad alliances with agrarian parties based on favourable agricultural prices and universal social security, won elections, got into government, and gave less priority to issues of ownership than they did to economic expansion, more jobs, and increasing tax incomes that enabled the state to build what Swedish party leader and prime minister Per Albin Hansson termed a 'people's home'. This home involved more than equal citizenship rights and pragmatic class compromises; it was also to socialise as much as possible of the economic surplus in order to finance policies that defended people against the ills of capitalism, but at the same time both to increase political and trade union bargaining power *and* to foster economic development. For example, the strategy to provide unemployment insurance and active support for further education, housing, and mobility was crucial in enabling rapid modernisation of the Scandinavian economy. Similarly, extensive public social security in Scandinavia has allowed for the combination of decent, but not rigid, employment conditions. And efficient health care and insurance systems, as well as maternity leave and kindergartens, have promoted productivity and lessened the burden on individual employers (Andersson 2004, Kangas and Palme 2005 and 2009, and Chapters Nine and Ten).

Much about these historically new policies has been conceptualised in the literature on welfare state models. In Chapter Nine, Fredrik Engelstad (building on pioneering work by Esping-Andersen 1990), distinguishes the social democratic Scandinavian from the liberal Anglo-Saxon and the conservative central and south European models. The conservative model acknowledges different standards among various categories of wage workers, who in Germany were typically organised in various professional corporations. It also emphasises the role of the family in matters of social security. By contrast, the social democratic model rejects hierarchy, emphasises the individual rights of women and youth, and seeks to include the agricultural and other informal sector workers. It was crucial to include the latter in broad alliances in order to win elections, implement social democratic policies, and resist the at-

traction of the fascist welfare measures in central and southern Europe; later on, the middle classes were also included in the social democratic alliance. Finally, the mainstream liberal model has been less inclusive of the middle classes, relying instead on philanthropy, means testing, and private market-driven service provisioning and insurance.

To what extent are the three models relevant to the Global South, where (in the terminology of Acemoglu and Robinson 2012) institutions of extractive rather than inclusive economic development have been more common?⁶ The liberal model is most famously employed in Singapore and Hong Kong. The South African welfare state programmes are also more about advancing minimal protection of targeted sections of the poor, than about the more comprehensive and universal social democratic welfare state model (Seekings 2008 and 2015, Rudra 2008). In addition, just as in the conservative European model, many welfare schemes in the South have emphasised the family and limited themselves to those population segments with the best bargaining power, such as public employees and organised sector workers (and also, as in India, constitutionally protected minority groups). Historically, as in Latin America, some welfare policies have favoured larger sections of workers who have been mobilised as clients behind populist leaders, but more typically the huge numbers of informal sector labourers have (in contrast to the historical Scandinavian policies) been set aside almost as a matter of principle. This certainly applies to India (Agarwala 2013), but also to unions in other contexts which at times or with regard to specific issues have tried broader ‘social movement trade unionism’ but then have given less importance to it, as happened in South Africa (Seekings 2008, 2013b, 2015). In partial contrast, impressive recent attempts at involving wider sectors of the poor include Latin American support for higher minimum wages and poor families, such as in the Brazilian *Bolsa Familia* programme. Yet these new schemes have rarely been combined with extensive, universal public provisioning, rather favouring targeting and private solutions on the market (Braathen and

6. See Haggard and Kaufman’s (2008) account of the processes in Latin America, East Asia, and Eastern Europe, Rudra’s (2008) study of social policies in the context of the new international division of labour, Seekings’ (2008; 2013b; and 2015) analyses of different welfare regimes in the South and South Africa in particular, and Huber and Stephens’ (2012) recent analysis of social policy and inequality in Latin America. See also the studies by UNRISD (2012) and Kwon *et al.* (2009).

Kasahara 2015). This is of special importance as, by contrast, universal and income-differentiated public schemes⁷ that are cost efficient and of high quality tend both to be attractive for middle classes and to allow for some redistribution of incomes.⁸

Meanwhile, the special elements of the Scandinavian strategy that give emphasis to social policies that facilitate expansion of modern production, and thus more and better paid jobs, have been applied in East Asian developmental states such as Korea, Taiwan, and most recently China. Indeed, the authoritarian late developers focused initially on workers in prioritised sectors and sought to foster the social responsibility of the companies they privileged, but from the Asian economic crisis and onwards there have been some efforts in the direction of public provisioning of more comprehensive and less unequal schemes (Kwon 2009, see also Chapter Ten). At present, there are signs of similar tendencies in Thailand and Indonesia.

So, while elements of welfare state have spread to the Global South, it has proven particularly difficult to adjust the social democratic model to the different conditions prevailing there. The mechanisms of social democratic economic growth that evolved in Scandinavia as a response to the world economic crisis in the early 1930s may well be globally relevant today (and have been partially applied by authoritarian regimes in East Asia see Chapter Ten). But their evolution into democratic and inclusive forms occurred in a context of commonly shared interests among relatively homogeneous classes, as well as strong and unified organisation by both workers and employers. In addition, a Social Democratic Party was able to form broad alliances, win elections, and stimulate the economy, making for a quick return to full employment and the ability to match internationalisation of trade and investment with strong state regulations. Among the most crucial specific challenges are those of

-
7. Universal income-differentiated schemes refer, for instance, to health and unemployment insurances that apply to all, but where people get refunded in proportion to their incomes.
 8. As in Scandinavia, middle classes may then come out in defence of core sectors of the welfare state that serve them well, even though they pay more (through the taxation system) than the equally hard-working but less well-off people who then also benefit from social security and other tax-funded services (see Korpi and Palme 1998; Kangas and Palme 2005 and 2009; and Chapters Nine and Ten of this book).

unemployment and informalisation of work relations, both of which hinder implementation of welfare measures based on expectations of permanent employment and collective wage agreements. One example is that of the increasing problems between insiders and outsiders in South Africa (Seekings 2015). And in many other cases, marginalised groups have resorted to struggle for special group rights and at worst to actions against those seen as ‘outsiders’. There are also some state governments in India, like that of Tamil Nadu, that may provide basic social welfare in order to attract business by offering cheap and flexible labour. However, India boasts few actors of the same kind and with the same strength as those associated with the labour movement and the modernising employers of late developing Scandinavia.

Neoliberal globalisation of capital has come not with weaker but rather with stronger demands for welfare measures, as in Latin America, East Asia, most recently in Indonesia, and also in various ways in India. Increasingly, many of these demands are for constitutionally regulated rights and services (Stokke 2013). In India, this has been part of the discussion about human rights and individual versus different types of group rights⁹ (Jayal 2013; Chapters Eight and Nine). There have also been campaigns for rights to information, rural employment, and food, as well as efforts at democratic decentralisation (most impressively in Kerala), campaigns against corruption and in support of impartial public services (even generating impressive electoral gains in New Delhi), and struggles against land grabbing and other forms of dispossession of vulnerable people – all in the context of an increasingly deregulated economic space, as analysed by John Harriss and Neera Chandhoke in Chapters Five and Eight respectively.

The fourth dimension of social democratic politics concerns the structural conditions for, and efforts toward, development of coalitions (social pacts) between sections of capital and labour in the widest sense of the terms, as well as between labour and agrarian producers, both of which have been crucial for social democratic development but have been difficult to foster in the Global South. In the classical Scandinavian cases, two pacts were facilitated in the 1930s and one in the 1950s by Social

9. Which may be balanced or qualified by fostering equal respect and chances ahead of competition, or calling for preferential treatment in a competition only when applicants have the same basic requirements.

Democratic governments. The best-known pact – between employers’ organisations (dominated by modernising business) and reformist trade unions – facilitated efficient and thus competitive production by means of industrial peace and collective agreements, which improved employment conditions but also constrained wages in units where new investments had been made, leading to more jobs and increased wages in other sectors, which provided incentives for modernisation also in these sectors. This pact (as elaborated by Fredrik Engelstad and Kalle Moene in Chapters Nine and Ten) was also fostered by welfare state provisioning in support of labour mobility, health, and education. The second pact, between the workers’ and farmers’ movements (and the rural population more generally), had the immediate aim of building a broad enough political alliance to win elections by combining modernisation of the economy with government protection against people’s possible loss of land and livelihood in rural areas, and (especially in Sweden) the negative effects of swift urbanisation. Later, in the late 1950s and early 1960s, blue- and white-collar employees entered into a third pact, in which white collar workers were included in extended welfare state measures such as pension schemes and, later on, special programmes for gender equality (e.g. Esping-Andersen 1985, Sejersted 2011, Moene and Wallerstein 2006). Currently, efforts are underway to reinvent the second and the third pacts through broad interests in holding on to welfare policies while also fostering more sustainable development, advocated by the environmental movements in particular.

As already indicated, however, this book starts with the view that the previous form of successful combination – of economic growth and high standards of living with excellent public provisioning of services and welfare, driven by democratic politics, in parts of the Global North – is no longer in any simple sense a feasible option in the South, nor even for northern welfare states themselves. The mechanism of the development strategy of social equality (wage compression with welfare measures), as outlined by Kalle Moene in Chapter Ten, is not in doubt. The classic Scandinavian ‘model’ was underlain, however, by the particular circumstances of ‘late’ industrialising economies towards the end of the 19th century and through the first half of the 20th, when a large fraction of the labour force engaged in manufacturing and other secondary sector activities and was both organised and fairly fully employed.

Hence, labour was capable of resisting the hegemony of the employers. The number of industrial conflicts was particularly high in the 1920s and, during the world economic crisis in the late 1920s and early 1930s, unions, social democratic parties, and their advisers developed alternative pre-Keynesian policies. These policies were sustained for decades, thanks to the social pacts between well-organised employers and workers as well as supportive government policies, and the circumstances of the small, open economies of the Scandinavian countries. In this context, inclusive capitalism proved both socially friendly and productive, as generally outlined in Chapter Two and elaborated by Kalle Moene in Chapter Ten.

Most of these circumstances did not, and do not, exist in the Global South. In the later 20th century, political settlements (such as that established in India as outlined in Chapter Two) and the trajectory of development to which they gave rise were much less successful than Scandinavia's growth coalitions. Subsequently, in India as in much of the rest of the South, neoliberal policies and often authoritarian developmental state measures directed at competing internationally became dominant. This spurred rapid but uneven development, which differs in many crucial respects from that which prevailed during the development of inclusive industrial capitalism during the early 20th century in the North. The prospects of a return to democratically facilitated 'full employment' and universal welfare may even be remote in most parts of the Global North itself, as discussed in Olle Törnquist's Chapter Twelve. In the South, neoliberal-inspired democratisation and economic growth have generated larger working classes and some powerful social movements. They have also contained efforts at implementing alternative politics because of growing inequalities, high unemployment, more unorganised businesses and informalisation of the working conditions of blue and white collar workers – turning them into what Standing (2011) has called a 'precariat' – in addition to fragmented representation of both capital and labour. The situation is aggravated by increasing resentment, spurred by extreme ethnonationalists (at times with neo-fascist perspectives), against migrant labourers and refugees. Meanwhile, in most parts of the South, only a tiny share of the workforce is directly employed in the private corporate sectors. In India, for example, according to Pranab Bardhan (2011; and Chapter Eleven) the figure is only two per cent and,

even outside agriculture, more than 80 per cent have still to survive in the informal economy. The numbers are somewhat less drastic in the East Asian developmental states and even in such economically successful new democracies as Indonesia, but the problems of fragmented representation still apply.

The different economic dynamics, however, may also generate new contradictions and openings for new politics towards social democratic development. UNRISD (2010), for example, while neglecting close analyses of the political preconditions, has recently pointed to a number of social democratically oriented cases of change. These are no longer confined to the minor historical cases of Costa Rica and Mauritius (Sandbrook *et al.* 2007), in addition to the Indian state of Kerala, the less positive fate of which we analyse in this volume (Chapter Three). The Pink Tide in Latin America has added a spectrum of new attempts by social democratic as well as leftist-populist governments that have come to power with the support of rainbow coalitions of social movements, trade unions, citizen associations, and activist groups, but also by making deals with sections of the establishment. While the populists, as in Venezuela, have generally failed to use favourable incomes from oil and other commodities to foster public institutions, democratic participation, and welfare measures towards inclusive development, cautious social democrats as in Brazil were for many years more successful. Favourable oil incomes and commodity prices have been basic, but there have also been capital- and investment-friendly regulations, investments in better education and higher minimum wages, and inducements for middle class consumption. This has rarely been to the benefit of the environment or the rural poor who seek land redistribution, but it has generated more jobs – many of them with decent employment conditions and improved wages – and parts of the sharply increasing fiscal basis of the state have been used to support poor families and informal labour. Economic development has thus been combined with reduction of inequalities. However, much of the local level participatory democracy that was intended to combat clientelism and corruption and to pave the way for new priorities, has been undermined and proven difficult to scale up (Bull 2013, Baiocchi *et al.* 2013, Melgar 2014, Braathen and Kasahara 2015). Democratic channels of influence on the part of interest and issue organisations, as well as the checks and balances related

to corruption, are mainly confined to consultations. As commodity prices have come down, as corruption remains serious, and as public support has been reduced, protests have been on the increase – particularly against the abuse of public resources and weak public services and welfare provisioning.

Social movement trade unionism, which occurs when unions at least temporarily realize that broad alliances can further pursuit of their own aims, has been important in South Africa, too. Yet South Africa has been less favoured by the commodity boom, and its focus on capital-intensive growth has generated fewer new employment opportunities. The African National Congress has had particular difficulty in combining the interests of strong unions in the formal sectors and the interests of huge numbers of people outside them. These problems have been especially difficult to address because the African National Congress, by contrast to the Labour Party in Brazil but much like the Communist Party of India (Marxist) in West Bengal, as already mentioned, has been enjoying an unhealthily hegemonic position (Heller 2013, Melgar 2014, Seekings 2015, Sandbrook 2014: chapters 5 and 6).

It is true that there are signs from other, even very different contexts, such as those of Nigeria and Indonesia, that organised labour in limited formal sectors may be interested in fostering alliances with subcontracted workers and casual and self-employed labour in informal sectors (Andrae and Beckman 2011, Törnquist 2014). But generally, social movement trade unionism and local democratic participation, which seemed to have the potential of compensating for the lack of dynamics comparable with those that fostered a strong labour movement and social democratic parties in the Global North, have been weakened. Recent Nigerian protests against the corrupt regime (Houland 2014) and Indonesian struggles for higher minimum wages and better-regulated employment relations combined with welfare reforms point to the additional importance of unifying political demands. Chapters Five and Eleven draw attention to these in the Indian context, and the concluding chapter places them into a wider context. Given the balance of power within both Indian politics and the economy, and fragmented social movements, trade unions, and citizen organisations, Bardhan (Chapter Eleven) proposes a minimum action programme that various progressive forces could agree on and win support for. Such reforms might

improve the living standards of ordinary people as well as fostering collective action to pursue more advanced reforms. The crucial problems that other working people are facing should be given more attention. In addition, increasingly many informal labourers and middle class people experiencing precarious conditions of life protest against injustice, abuse of power, the lack of jobs, poor labour conditions, social security and public services. The challenge is that they mostly remain fragmented and unable to come together other than behind populist leaders. Is this inevitable? The uneven development that now characterises the Global South may not foster the unified and strong actors, capable of combining growth and welfare, that once existed in Scandinavia. Are there instead any signs that the protests against injustice and the abuse of power, and the quest for more substantive democracy and effective, accessible public services, will bring actors together so that they might then also foster the combination of less inequality and more growth? This is the core question to be considered throughout this book.

The structure of the book

The book is structured in accordance with the dimensions of social democratic development. In Part Two (Chapters Two and Three), the interactions of the four dimensions are analysed by Olle Törnquist and John Harriss in the context of the political settlements in India and Scandinavia, including the two most outstanding experiments in social democracy in India so far; those of the states of Kerala and West Bengal. Part Three focuses on the first dimension, the formation and organisation of political collectivities. In Chapter Four, Hilde Sandvik rereads Scandinavian history from the point of view of the efforts in India (in Kerala and elsewhere) to build active citizenship from below. In Chapter Five, John Harriss examines the character of more recent attempts at social movement based and rights-based politics in India.

Part Four addresses the linkages between state and society. N. C. Saxena analyses in Chapter Six problems of state capacity and of developing democratic linkages between state and society beyond liberal elections in India. The problems in India are a good point of departure also for examining the roots and dynamics of the more successful Scandinavian state reforms and the development of state-society linkages in the form of supplementary representation of interests and concerns.

This is done by Torsten Svensson in Chapter Seven. Part Five is about social rights and welfare politics. Efforts in India at realizing social rights and welfare have been much less successful than in Scandinavia – but why and how? Neera Chandhoke looks into the troublesome history of social rights in India in Chapter Eight, and Fredrik Engelstad in Chapter Nine provides a comparative analysis of approaches to social policy in India and Scandinavia.

The problems and options of combining equity and growth are addressed in Part Six. There has been no social democratic growth pact in India but rather attempts by political elites to foster planning and bring about growth by a coalition with capital. Latterly, however, in the context of the reorientation of policy in a neoliberal direction the question has been raised as to whether there may be new openings for social democratic development. With critical questions from India in mind, Kalle Moene revisits in Chapter Ten the basic mechanisms of the social democratic growth strategy in Scandinavia. Given the unfavourable conditions in India, it is necessary to discuss what could be done to alter them and at the same time make life easier for ordinary people. This is done by Pranab Bardhan in Chapter Eleven.

In Part Seven we turn to our conclusions. Chapter Twelve by Olle Törnquist discusses the implications of the challenges to social democracy, both in Scandinavia and as they relate to international cooperation. Chapter Thirteen returns to the basic question as to whether and how social democratic politics of development can be reinvented in the context of the tortuous growth of capitalism in countries like India. Having summarised the overall results from the book and discussed them in wider comparative perspective, Olle Törnquist and John Harriss identify four main conclusions. First, there are few immediate openings for the kind of social pacts over productivity and welfare that evolved in the heartlands of social democracy. Second, however, there are three tendencies – social unionism, actions for social rights, and impartial governance – that might be brought together by way of broader alliances for minimum demands and policy programmes than those of union based actions on the one hand or of governance campaigns on the other. Third, such alliances and policies may also pave the way for the evolution of actors that are sufficiently unified to negotiate social pacts that combine welfare and growth. Fourth, following logically, social democrats in the

Global North might be interested in cooperation on the basis of broader alliances to alter the competition-based on uneven development in the South that has undermined social democracy in their own countries.

Author's note

Olle Törnquist has worked closely with John Harriss and also benefited from comments by several project members, especially Neera Chandhoke and Fredrik Engelstad. All remaining mistakes are those of the lead author.



Photo by Olle Wifeldt, courtesy of the Swedish National Museum

Tage Erlander, Sweden's post-war social democratic leader and prime minister (1946–69) with Indian prime minister Jawaharlal Nehru (1947–64) during a meeting in Sweden in 1957.

PART TWO

COMPARATIVE ANALYSES

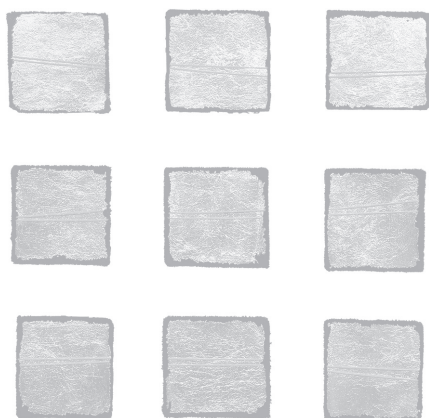




Image #72440, courtesy of the photo division, Government of India

Norway's post-war prime minister, Einar Gerhardsen (1945–51, 1955–65: second on right), during a visit in 1958 to the Indian state of Kerala, meeting its new Chief Minister, E.M.S. Namboodiripad (left).

Lineages of Democratic Development: India and Scandinavia

By John Harriss and Olle Törnquist

Imagine a summit meeting in the year 1950, between Jawaharlal Nehru, prime minister of India, and the prime ministers of Sweden and Norway, Tage Erlander and Einar Gerhardsen. All three are still in an early phase of their outstanding careers. Nehru has been in office since Independence three years earlier, Erlander has served four years, and Gerhardsen five. India's Constitution has just come into effect; the document is of overwhelming significance for the young sovereign state, as the young Norwegian state's constitution had been 130 years earlier. Politically, the three men speak the same language and there is much to talk about. As democratic socialists,¹ they have ambitious plans for the future of their countries. Their common goals are social justice, social inclusion, and welfare for all. And mostly they have similar ideas of how to fulfil these ambitious goals: democratic governance of a strong state that is supportive of labour while also upholding private property; a mixed economy that creates economic growth through technological advances; and, especially in India, central planning.

Social democracy – three dreams of a future society that are similar in ideas, but bound to master drastically different social preconditions: India with a population of 350 million people, culturally heterogeneous, and economically backward by modern standards; and the small, homogeneous, and fairly strongly industrialised Scandinavian countries. Inevitably, they have followed different tracks of development over the nearly seventy years since that hypothetical meeting, and today they appear to be strikingly different. Nevertheless, their developmental paths show some commonalities that make further reflection worthwhile.

1. Nehru's commitment to democratic socialism was not nearly as strong as that of the two Scandinavian leaders, as this chapter makes plain.

Political democracy is deeply entrenched in all three countries; so is a continuous orientation toward social and political reform. Even when reforms take markedly different contours and rest on diverse cultural preconditions, they arise, to some extent at least, out of common values and conceptions of human dignity. The aim of this chapter is to explore some of these commonalities and differences, and to identify questions that will be further analysed in this book. We examine the histories of social democracy in India and Scandinavia, in terms of the four dimensions of social democratic politics that we identified in the first chapter, and of their context. By 'context', we refer to the political settlements reached in each case. The idea of 'political settlement' signifies for us the nature of the relationship between political and economic elites in a society (including the nature of state-business relationships), and the way in which rule has been sustained. Our interest is in how the political settlement has conditioned efforts at establishing social democracy, but also in how it has been affected by these efforts, in each of our cases.

India: Political settlements in a post-colonial democracy²

Foundations, collectivities, and state-society relations

The Indian case defies mainstream theories of democratisation. A society that was still overwhelmingly rural, dominated by landlords, with a small bourgeoisie and only a tiny 'working class' surely shouldn't have become a democracy at all. That it did so is very largely due to the ideas of the mainly upper caste, educated and English-speaking elite that led the struggle for independence from colonial rule – and to the experience of that anti-imperial struggle. Thanks to the organisational genius of Gandhi, India's freedom struggle became what was probably the greatest and most encompassing social movement that the world yet has seen; as the historian Sumit Sarkar (2001: 39) has put it, 'the decisive linkage between anticolonial mass nationalism and the coming of democracy remains indisputable'. It was inconceivable that the leaders of the movement should not respect democratic principles, in their rhetoric if not always in their practice – which was often hostile to mobilisations springing from below. The Congress leadership sought to reconcile tensions in the anti-imperial struggle; unity in the fight

2. Much of the text here is based on Corbridge and Harriss (2000), where further references will be found.

against imperialism was all. Under Gandhi's influence, the movement compromised with caste differences, and especially with untouchability. Struggles of peasants against landlords, and of workers against capital, were sought to be channelled into anti-imperialism and were supported only up to the point at which they began seriously to threaten the rights of private property.

And for all that the freedom struggle involved remarkably broad based political mobilisation by the Congress, India – given its status as a colony, and even more its long history of the exercise of social control by elites through the ideology of caste – had nothing comparable with the history of active (even if pre-democratic) citizenship on which Scandinavian social democrats were able to draw (as Sandvik explains in Chapter Four). Even many years later, in the seventh decade of sovereign India, it is argued by one of India's most influential social scientists, Partha Chatterjee, that the rights of citizenship are meaningful for only a small fraction of the people of India (Chatterjee 2004); empirical studies show that the sphere of civil society is generally dominated – unsurprisingly – by members of the middle classes. 'Participation' in associational life in civil society often has the effect of closing down channels of state access for the poor, rather than building the sorts of strong state-society linkages that have been such an important part of Scandinavian social democracy.³

A fraction of the Congress leadership was sympathetic to socialism. As Niraja Gopal Jayal (2013) and Neera Chandhoke (Chapter Eight) have pointed out, the Motilal Nehru Committee Report of 1928, essentially a draft constitution, suggested a commitment to economic and social rights long before the discourse of human rights had become current; these ideas were strongly reflected in the Karachi Resolution of the Congress in 1931. The Congress Socialist Party (CSP) was formed in 1934, and in the 1930s the Communist Party of India (CPI) changed its line and communists entered the Congress aiming at changing the direction of this 'bourgeois' organisation. However, at the same time, the more powerful peasants and local notables increasingly took over the local leadership of the Congress. By the end of the 1930s, immediately before the outbreak of war, the conservative fraction of the Congress had won out – thanks significantly to Gandhi's intervention – against

3. See Asher Ghertner's brilliant analysis of this in Delhi (2015: Chapter Two).

the left. This defeat was confirmed by the decision taken in 1948 to abolish semi-autonomous groups within the Congress – a measure aimed specifically against the CSP. Thereafter, the Indian socialist movement, restricted largely to parts of North India and Andhra Pradesh, became deeply fractured and, though one of its avatars enjoyed a brief moment at the centre of government (in the short period of the V. P. Singh administration 1989–90), it has by now really withered away.

At the same time, in the later 1940s, the CPI adopted revolutionary tactics until it reverted to the parliamentary line following the violent suppression of the Telengana movement in 1951. The ‘left’ was the principal opposition nationally to the Congress throughout the 1950s and into the 1960s, but always a long way behind – except in Kerala, and later in West Bengal. As we discuss in Chapter Three, radicals in Kerala fostered broad popular movements, while communists in West Bengal took quite doctrinaire positions. Outside the bastions of Kerala and West Bengal, and the small north-eastern state of Tripura, Indian communists have never really succeeded in building a strong base, especially among the rural working class.

The tensions within the Congress over the line of development that independent India should pursue are reflected in Nehru’s speech in the opening debate of the Constituent Assembly on ‘Aims and Objects’ when he said, almost in so many words, that he and others would have liked to have seen the word ‘socialist’ stated among these aims and objects, but that they had decided to miss it out because its inclusion would have made others so unhappy. He maintained, nonetheless, that the new India must be socialist in inspiration. Jayal and Chandhoke have shown how the Constituent Assembly ultimately reneged on the commitments that had been made in the 1920s and 1930s to the implementation of economic and social rights, relegating them to the non-justiciable Directive Principles in Part IV of the Constitution. Dr Ambedkar pointed to the contradictions in the extraordinary ambitions of the Constitution of India in his closing remarks to the Constituent Assembly, when he argued that there was discordance between the democratic idea of political equality enshrined in the document and the reality of deep social and economic inequality in India.

The deep (and deepening) inequalities of Indian society, both material and cultural, help to account for the ways in which democracy has

actually functioned in the country. Over most of the country, political elites in the post-independence period failed, quite literally, to develop a 'common political language'. As Sudipta Kaviraj has eloquently argued, 'Deep inequalities of culture rooted in different levels of education, differential access on the basis of language, prevent our democracy from developing a real deliberative culture' (Kaviraj 2013: 245). And people, historically, have generally been mobilised either by incorporation into clientelistic networks centred on 'big men' or by populist appeals, rather than by integration from below through popular organisation. Indian democracy has for a long time been mediated by powerful individuals; in an influential way of putting it, it has been a 'patronage democracy'.⁴ How far this has changed over recent years is a matter of debate, though there is no doubt that a shift toward programmatic politics is taking place, in some states much more than in others. At the same time, the idea of democracy has become deeply rooted in Indian society even if its meaning has substantially been reduced to 'elections'.

The importance of electoral participation, especially to the masses, is reflected in the tendency that has sometimes been observed for there to be an inverse relationship between socio-economic status and voting. The burgeoning middle classes have quite often turned their backs against what one writer nicely calls 'the politics of din', and they look to technocratic solutions administered by a strong, even authoritarian leadership, rather than to democratic deliberation. Political parties are poorly organised, lack internal democracy and are often nothing more than the followings of more or less charismatic, generally populist leaders. Even a new political party, dedicated to the renewal of democracy in India – the Aam Aadmi, or Common Man Party – in spite of its remarkable electoral victory in elections in Delhi early in 2015, soon proved itself organisationally incapable even of mediating differences of view within its leadership (as John Harriss discusses in Chapter Five).

What India seems generally to have lacked – outside Kerala – has been broad based mobilisations from below that are at all comparable with those of the Scandinavian experience. As we noted in Chapter One, interests are segmented and movements and organisations are fragmented. Social groups, whether based on class or on ethnicity, compete with each other for benefits delivered by the state. The Constitution of India sets out

4. This term is suggested by Kanchan Chandra (2004).

group rights as well as individual human rights, and makes commitments to affirmative action for social groups considered to have been oppressed and exploited historically – initially those labelled as ‘Scheduled Caste’ and ‘Scheduled Tribe’ and, more recently, those identified as members of ‘Other Backward Classes’. The differences with affirmative action in Scandinavia, such as for women, are analysed by Fredrik Engelstad in Chapter Nine. Social justice in India has been reduced, in Niraja Gopal Jayal’s (2013) view, to nothing more than the pursuit of selective benefits for OBCs. Groups compete for access to public office in order to secure benefits for themselves, not for principles of universalism or to bring about societal transformation.⁵

Patterns of development, the absence of growth coalitions, and the rights agenda

While there was in the period immediately after Independence, and there has remained – at least until the recent past – hostility to capitalism among some members of the political elite, and in Indian political culture, influenced by both Gandhian critiques of industrialism and by socialist ideas, the Congress party that ruled India almost without break through the first half-century of India’s independence, always compromised with capital. Policy statements of the 1940s and 1950s promised that the state would have the dominant role in the economy – and the public sector remains large to this day – but the political leadership, including Nehru, always sought to reassure the members of the big industrial houses of their continuing role in India’s economic development. While the Scandinavian states facilitated growth and welfare-oriented agreements between unified and nationally organised capitalist employers and labour, in India (where such agreements were unfeasible) the state rather struck separate deals with capital while aiming to keep labour, at least in the formal sector, happy too. The Congress government successfully undermined the power of the CPI-led trade unions by setting up its own Indian National Trade Union Congress; Vivek Chibber (2003) argues persuasively that the Indian state has never had the capacity to ‘discipline’ capital in the way that has been characteristic of the developmental states of East Asia. Organised labour has remained a small fraction of the labour force as a whole, and it has

5. This is brilliantly demonstrated in Jeffrey Witsoe’s study of Bihar (2013).

been divided politically. And yet, it has not been quite as weak as some commentators have argued – successfully resisting, for instance, the intentions of the National Democratic Alliance early in this century to reform labour laws, and battling in 2016 against renewed attempts by the BJP-led government to introduce new legislation that is generally hostile to labour. And, simultaneously, the labour movement has come to show much more recognition of the needs and interests of the mass of ‘unorganised’ or informal labour that accounts for more than 90 per cent of the labour force as a whole.

The political settlement, therefore, on which the post-independence Indian state rested involved an implicit deal between the political elite and the corporate elite that was made up by a small number of family-owned business groups. These groups proceeded to secure private benefit in the context of a highly regulated, closed and inefficient economy, even while the promise that Nehru made before the Constituent Assembly – that Independence would bring ‘to every Indian the fullest opportunity to develop himself according to this capacity’ – was disappointed.

The inability of the Indian state to carry out redistributive land reform, following the successful abolition of the tax-farming intermediaries, the *zamindars*, was one reflection of the clout of the dominant, now-landowning peasants in the Congress. Any hopes of the pursuit of agrarian reform were dashed by the rejection of the Resolution on Agricultural Organisational Pattern at the Nagpur Congress in 1959.

Thus it was that India’s political economy came to be dominated, as Bardhan argues (1998 [1984]), by three dominant proprietary classes – the big bourgeoisie, the dominant landholders, and a white collar, bureaucratic class – whose ‘property’ was in the offices its members held, through which they were able to appropriate rents. The state enjoyed a degree of autonomy, but it was constrained by the pressures upon it to compromise with each of the dominant classes. According to Bardhan’s analysis, the failures of India’s economic development in the first four decades of independence had to do with the frittering away of public resources in mainly unproductive subsidies for the dominant proprietary classes – a far cry from the growth coalitions that were established in Norway and Sweden. It was nonetheless an interventionist state, committed in principle to bringing about economic growth through an ‘embedded market economy’ and to realizing improvements in the

capabilities and life-chances of the mass of the people (as Nehru had promised in his Constituent Assembly speech on 'Aims and Objects'). India's approach was, Nehru once said, a 'third way' between capitalism and communism.

As has long been generally recognised, however, the 'third way' meant in practice that India's development trajectory – for all the success of central planning in bringing about rapid change in the industrial structure of the country and high rates of industrial growth in the 1950s – has seen long periods of slow growth overall. The structural transformation of the economy remains incomplete to the present, with almost half of the labour force still employed in agriculture, even though agriculture now accounts for only around 15 per cent of GDP. And, far from bringing about inclusion and social justice, the Indian state largely failed to improve the capabilities of the mass of the people, who were offered what amounted to charity rather than social development.⁶ Perhaps the most egregious shortcoming of the Nehruvian state was its failure to meet the Constitutional commitment to realizing universal basic education by 1960.

Indian governments have been, and continue to be, obsessed with 'poverty reduction'. Given the high levels of poverty in the country – of which there can be no doubt, even though there are widely divergent official estimates of the proportion of the population that can be considered 'poor' – this is perhaps understandable. But the consequence of it has been that there have been large numbers of different programmes, which generally address the condition of *income* poverty rather than the structural causes of poverty understood as a multi-dimensional phenomenon that is not easily reduced to measures of income. Research on poverty dynamics shows, for example, the great importance of episodes of ill health in pushing people into poverty or in making it very difficult for them to escape from it. Yet public health care facilities across the country are very poor and public expenditure on health, as a share of GDP or as a share of public expenditure, is very low even by comparison with some of the poorer countries in Sub-Saharan Africa. The same is true of public provisioning of education. It may not be quite the silver bullet that it is sometimes claimed to be (a point reflected in the title of

6. See Jayal's analysis of the failures of the state in regard to the realization of economic and social rights (2013).

Craig Jeffrey and Patricia and Roger Jeffery's 2008 book, *Degrees Without Freedom?*), but equally there can be no doubt about the importance of meaningful education if more people are to have more opportunity to realize their potentials (which is what 'development' should be all about).

If the ostensibly social democratic commitments of the Nehruvian state, reflected in the inclusion of the word 'socialist' into the Preamble to the Constitution (though only in the 1970s), clearly came pretty much to nought – in spite of the later efforts as prime minister (1991–96) of Narasimha Rao⁷ – there has come about, subsequently, a radical change in economic and social policy. The word 'socialist' is still in the Preamble, but the term is absolute anathema to most of the country's political and economic elites. There is debate as to whether the pursuit of 'pro market' policies adequately explains the higher rates of economic growth that India has achieved since the early 1980s, especially as the extent to which neoliberal strictures have been followed is quite moderate. But there is no doubt about the radical change in the discourse of the policy elites, as well as the dominance of corporate interests in the state. The political settlement has changed with the ascendancy of rent thick sectors, such as real estate, among the more powerful corporate interests.⁸

A crucial question for the future possibilities of democratic development in India has to do with the position and attitudes of the corporate sector. Will these big capitalist companies support the state provisioning of social development and popular welfare, seeing it as a necessary component of reasonably just and sustainable economic development and not at all incompatible with growth? At present there is not much sign of this, given the all-consuming drive for higher rates of economic growth (shown up in election mantras of Narendra Modi in the general election of 2014, as he was on his way to winning the premiership) – and

7. This view of Narasimha Rao is strongly urged by James Manor, who reports him as having said in a 1992 interview, 'My model is not Margaret Thatcher, but Willy Brandt ... I do not believe in trickle-down economics'. See Manor (2011).
8. Kohli (2012) argues that corporate interests are now dominant. The importance of rent-thick sectors in the wealth of the dollar billionaires of India, who between them account for upwards of ten per cent of the GDP of the country (and at one point for as much as a fifth of GDP), is shown by Gandhi and Walton (2012). The change in the political settlement is discussed by Kar and Sen (forthcoming).

the large share of income in the form of various rents in the fortunes of India's biggest capitalists. Indian capital has two faces, no doubt, but one of them is that of – to say the least, socially irresponsible – crony capitalism. One of the fears about the new government of India elected into office 2014 was that it would be in hock to a small number of big corporate groups whose commitment to corporate social responsibility is no more than a fig leaf. Prime Minister Modi struggled to try to change these perceptions in his first year in office (see Sen 2015).

Alongside these developments there has come about, oddly it might seem, a number of major changes in regard to welfare that reflect the establishment of social rights: to basic education, to employment, and to food. Successive governments have been constrained by the pressures of effective lobbying on the parts of progressive middle class activists, and by democratic politics, to adopt these measures (See Harriss 2013, Ruparelia 2013, Jenkins 2013). It is very striking, however, that the focus has rather been on providing basic welfare than on social development, for India continues to devote a much smaller share of public resources to education and to health than do comparator countries. It is true that state and central government revenues have surged markedly since 2003, and that unprecedentedly vast sums have been spent on initiatives intended to tackle poverty and to be redistributive.⁹ But India has, as Nita Rudra argues, a 'protective' rather than a 'productive' social policy regime.¹⁰ Policy elites have sought latterly to inflect welfare policy, too, in a neoliberal direction, by moving away from direct provisioning to cash transfers. The apparent shift to rights-based policy in India in the early 2000s should not be confused with social democratic intentions (see Chapters Eight and Nine). This is perhaps most clearly apparent in the efforts of the Delhi government to create a 'world class city'. These efforts have involved massive demolition of slums and the effective denial of rights to living space to very large numbers of people, as land

9. See Table 6.1 (page 138) and Manor 2011. Manor also points out (in correspondence with the authors, April 2016) that evidence from a large-scale survey conducted by the National Council of Applied Economic Research and the University of Maryland shows that wealth was redistributed during the Congress-led United Progressive Alliance decade in office (2004–14). Yet the redistributive impact of the UPA initiatives did not prevent income inequality from growing.

10. Rudra 2008, discussed by Fredrik Engelstad in Chapter Nine of this book.

and housing have been thoroughly financialised.¹¹ This has happened in the same period as the passage of legislation establishing the social rights referred to earlier.

Scandinavia: Political settlements in social democracy¹²

Historical advances and unresolved conflicts

While the Indian case defies mainstream theories of democratisation, the Scandinavian cases defy the common understandings that economic elites inevitably dominate state and politics, and that it is next to impossible to advance from poverty to well-being by combining equity and growth. Norway and Sweden were late industrialisers, but partly for that reason they were able both to introduce and further develop advanced technology. Similarly, they benefitted from exporting natural resources to more advanced economies, combined with trade, shipping, and, somewhat later, especially in Sweden, advanced manufacturing. They benefitted again from the demand for Scandinavian products after the First and Second World Wars, and more recently from increasingly important markets in the Global South. Norway and Sweden, as small open economies have remained exposed in world markets, but crises such as that of the late 1920s have thereafter been avoided thanks to social pacts and welfare state arrangements that contributed to growth, at least until the 1980s.

There were crucial historical preconditions for this. Sweden has benefitted by having had a comparatively strong state from the 16th century. This developed as a result of the revolt against Danish and German dominance that took place at that time, the containment of the gentry, and the expropriation of the wealth of the Catholic Church and its replacement by the Lutheran state church that came to exercise firm control over the population, and also fought illiteracy. The absolutist

-
11. On changes in social policy, see Corbridge *et al.* 2013: Chapter Five; Ruparelia 2015. On land and housing in Delhi, see Ghertner 2015: Chapter One.
 12. For a review in English of the history of Norway and Sweden in the twentieth century in historical and comparative perspective, drawing on relevant research and with a comprehensive list of references, see Sejerstad (2011). For standard works on the history of the social democratic settlements, see Breman (2006), G. Esping-Andersen (1985 and 1990), O. Kangas and J. Palme (2005), and further references in Chapters Four, Seven, Nine and Ten in this volume.

imperial state of the 17th century decayed about a century later but its remnants were reformed in the 19th and early 20th century.

The public and judicial institutions of Sweden, along with private financial institutions, fostered modernisation of education and infrastructure. This was crucial for development beyond trade and early 'light' manufacturing, that is, for the rise of a big bourgeoisie and the expansion from extractive to mechanical industry; all together expanding the educated middle classes too. In spite of similarities with late German development, however, Sweden did not have a feudal past and its guilds system was less powerful than in the German states. The absolutist state remained strong and the church provided legitimacy and authority. The king (in command of the state) was certainly dependent on the gentry, but he could contain their control of land, resources, and manpower (often granted in return for support in the imperial expeditions) by defending the freedom of the many propertied farmers who were crucial in local governance. This *ménage à trois* was the basis for the representation of the relatively autonomous four estates – the gentry, the Church, the bourgeoisie (through mayors and court judges), and the farmers (one from each county) – in the House of the Estates (*ståndsriksdagen*), co-ordinated by the King. There was, therefore, some space for settlements on strategic politics and policies as well as for expansion of the rule of law, for constitutional reforms (reducing absolute royal powers and eventually introducing parties and the parliament), and various power sharing arrangements. In the late 19th century too, liberal middle-class-led educational, temperance, and laymen movements (among members of free churches) were involved through the increasingly important public sphere.

Norway, by contrast, was during most of this time under Danish rule (1537–1814) and thereafter the junior partner within a union with Sweden, until gaining full independence in 1905. While the Lutheran church was just as important in both subordinating and educating the people as in Sweden, public and private commercial institutions were less strong. There was no domestic gentry, but there was a relatively autonomous class of high level public servants rooted in the principles of the Danish bureaucracy, in addition to professionals and intellectuals; and there were well-to-do farmers and businessmen working in extractive industries, trading, fishing, and 'early' light manufacturing. There were

certainly differences between these groups and each focused on organising its respective interests in political parties and national movements. But there was also broad agreement on building modern political and administrative institutions, and democracy in the context of home rule (within the union with Sweden), and finally on fighting for full national independence. So it was that Norway developed democratic institutions far ahead of Sweden: while the Swedish system of public administration served as a framework, the Norwegian equivalent was built more 'from below' by nationalist social forces and organised interests that, simultaneously, penetrated the new state institutions. This was in contrast with the progressive actors in Sweden, who came primarily from among the rising middle classes – and later on from the labour movement – and who gradually gained control of the commanding heights of already established institutions, thereafter improving and democratising them. In this positive process, also, as Francis Sejersted (2011: 10) puts it, they dragged along large parts of Sweden's 'old social order'.

In spite of the rapid development of industrial capitalism and public institutions during the late 19th and early 20th centuries, however, unemployment and poverty remained widespread. The labour movement grew strong on the basis of blue collar trade unions (typically led by experienced radical workers but with the majority from the rapidly emerging young working class behind them) and related organisations (from kindergartens through educational groups, consumer and housing cooperatives and funeral associations) where a few sympathisers from the middle classes also came along. These were genuinely people's mass movements, often with formal democratic rules and their own internally educated leaders. Typically, these people and organisations also came together in their own 'people's houses' (which they usually built themselves so as to provide offices for their organisations, provide for internal education, festivities, and the like). They also founded social democratic and small communist parties, and were thus able to engage in electoral politics. Strikes and other expressions of class conflict were among the most intense in Europe, but the broader struggle for full democracy – which also engaged women on a large scale – was equally important. In this dynamic political environment, social democrats and liberals from among the rising middle classes, including many teachers and members of free churches from various social classes, could form

alliances. The widening of the public sphere – with many publications, citizen organisations, and broad social movements in both Norway and Sweden during the second part of the 19th century – was crucial for the development of democracy and better public administration (Chapters Four and Seven). In spite of this, however, radicalism increased in both countries in the context of the sharp class conflicts between labour and capital, and the Norwegian Social Democrats even became temporary members of the Comintern. In Sweden, it was thanks to the fear among the conservative political leaders¹³ of a socialist revolution, such as had happened in Germany and Russia, that they finally agreed to universal suffrage.

The situation invited political intervention from among conservatives and liberals in particular to impose legal regulation of work conflicts. And even though there were more civil and political liberties in Norway than in Sweden and in spite of efforts to provide interest based representation of labour, the labour movement felt subordinated and remained hesitant. Moreover, the proportional election system (which had been introduced to reduce the risk for conservative, liberal, and agrarian parties to lose out) made it difficult for the social democratic parties to win elections and to engage in anything but short-lived weak coalition governments with liberals.

The rise and development of the social democratic settlement

The settlements that defy common understandings about the inevitable political dominance of the capitalist elite, and the slim chances of combining equity and growth, were reached in the late 1920s and early 1930s. They were the outcome of a number of factors that came together at that particular moment. Both labour and the women's movements had become stronger, better organised, and disciplined (though they had been unable, up to this time, to mobilise a majority of the population in favour of radical social democratic policies). The world economic crisis in the late 1920s had weakened the employers and, politically, the extreme leftists as well as the conservative, liberal, and agrarian parties. Moreover, neither the employers nor the leftists and mainstream parties could provide viable measures or reforms to handle poverty and unemployment. However, the new Social Democrat-led governments came

13. Not to speak of the royal family, which had recently lost its suzerainty over Norway.

to power by focusing less than hitherto on confronting the right of the owners of capital to manage their companies and other core working class demands, and instead more on a broad, popularly oriented agenda to fight unemployment and foster welfare in alliance with farmers' parties. The Social Democrats accepted (for the foreseeable future) private ownership. This alliance with the farmers was also crucial in preventing them from linking up with fascist and Nazi ideas as in most central and south European countries. Intellectuals were significant in developing these new policies but the ideas were firmly anchored in the party and broader labour movement.

Early Keynesian policies to stimulate consumption were important, particularly by way of decently paid public works and additional support to farmers and the rural poor. But there also had to be investments and new jobs in regular production. As explained by Kalle Moene in Chapter Ten, this brought together leading employers and trade unions in the export industries, in addition to unions in low wage sectors in what came to be known as social pacts between capital and labour on workplace management and national collective agreements. The otherwise conflicting parties in the export industries dominated the national level employers' and workers' organisations and reached collective agreements that were binding on others, which that had the effect of reducing conflict and compressing wages throughout the economic system. Low paid workers' wages were increased while the better off workers in sectors where individual unions might otherwise have fought for exceptional pay were held back. The latter was because increasing wages for the better off workers would generate higher costs for inputs as well as demands for higher wages in the crucial export industries, thus reducing the competitiveness and long term ability of the owners to invest in modernisation that could expand production and generate more jobs.

Thus it was, in the particular circumstances of the Depression and because the Norwegian and Swedish states renewed their threats to impose legal regulation of work conflicts, that big capitalists and radical workers looked beyond their history of conflict, arrived at an agreement and, most importantly, institutionalised negotiations about their future relationship. Their understanding certainly generated frustration among some workers who might have gained higher wages in their workplaces.

More radical activists gained some followers in these sectors, but the labour movement was sufficiently consolidated to enforce a common policy. Many civil servants and white collar workers were hesitant too, because their chances of securing better pay were not considered, and because they did not (yet) benefit from public support for their higher education and the emerging welfare measures. Farmers and factory owners and some of their employees in low wage companies in which higher wages had to be paid – and which thus generated lower profits and job cuts – were also critical of the new priorities. But public social security and special support were provided to facilitate restructuring (including within agriculture and fishing), more jobs were created in the increasingly competitive modern sectors, and welfare measures were extended to civil servants and white collar workers. The risk certainly was that the generation of new jobs in the modern sectors would take so long that the general strategy would be undermined; this was avoided thanks to rapidly increasing demand for Scandinavian products overseas. One particularly important market, ironically, was Hitler's pre-war Germany.

Scandinavian democratisation had so far focused on adding civil and political rights to the rule of law. The public sphere's active media, citizen organisations, and liberal popular movements had expanded and played a significant role in shaping and further developing civil and political rights as well as impartial public administration. From the early 1930s, however, democratisation turned also into a wider framework for institutionalising and negotiating class conflicts and related concerns. The social democratic concern was how to gain majorities, build broader alliances and gain access to public resources. Aside from direct agreements between capital and labour (the social pacts), the answer was to work through the state with universal policies that would be good for all rather than giving special support to the labour movement and its self-help schemes for education and welfare. But what prevented the domination of stronger vested interests from inside and outside the state? The answer, as elaborated by Torsten Svensson in Chapter Seven, was to proceed from liberal democracy via elections and the public sphere to more inclusive power sharing agreements and elements of democracy in public governance too. This was done by reforming and widening the practices of interest- and issue-based representation in the formulation and implementation of public policies that had evolved

over the centuries through the parishes, municipalities and state-driven corporatism. From the 1930s, all organised interests in society, still including capital but also the previously excluded labourers and other subordinated groups, would always be able to influence public governance irrespective of the results of elections.

As explained in Chapter Nine by Fredrik Engelstad, welfare policies were certainly needed to protect people against the ills of capitalism and, most importantly in Scandinavia, to foster individual freedom for women and youth.¹⁴ But once the powerful employers in the crucial modern sectors had been convinced about how they could benefit from wage compression and less frequent work stoppages, it was broadly agreed that welfare measures were needed to support the new settlements, so as to foster modern production and generate both profits and new jobs and higher wages. For example, public and free education and training were required to provide capable scientists, engineers, and skilled workers, and to enable fairly equal wages. Similarly, unemployment schemes and new housing were needed for workers who had to find new jobs in new places. Universal social security and health programmes for all those affected by radical economic and social restructuring, as well as the mobilising of women into productive activity (both in the private and public sector) were crucial. They helped to supply employers with skilled labourers and to allow managers to increase productivity, competitiveness, and profits, and even to retrench workers as technology or markets changed, while, generally, more jobs were created at better pay levels. Finally, the welfare system sustained consumption and people's ability to pay loans even at hard times, thus reducing the risks of deep economic crises. The framework for interest based negotiations and settlements, paired with long term Social Democratic hegemony up to around 1980, provided the basis for the gradual expansion of the full-blown welfare state; from 1960 on this comprised universal education, health care, social security, and retirement pensions, and subsequently kindergartens. In fact, even large sections of the growing middle classes with lower take-home wages than in many other countries (because of the wage compression) obtained more benefits and became supportive

14. Important parts of this and the following paragraphs (with the exception of to the discussion of international policies) are based on the writing of Fredrik Engelstad (e.g. 2012; 2015).

of the increasingly comprehensive and universal welfare state. Bourgeois parties too came to support more welfare.

While Sweden was the master in building the welfare state, Norway was the pioneer with regard to economic democracy and workplace participation. Worker participation in workplace health and security committees, as well as employee representation on the boards of middle sized and large companies, reinforced the experience of common interest in employers and employees. Tripartite wage bargaining on the national level emerged in parallel in both countries, but here too the Norwegian *modus operandi* showed itself as the most stable. In Sweden, employers withdrew from formal cooperation during the 1990s; as a result, the social dialogue was narrowed, but yet the channels of contact were not closed down and the principles of consultation among all parties concerned still apply to the present.

The bases for political, economic, and social settlements discussed so far presuppose a strong nation state (to enable independent policies for economic development and welfare) as well as extensive export industries. Consequently, international engagement to support of both national sovereignty through the United Nations, and free trade and investments by other means has also been crucial. While the former concerns also brought Norway into NATO, Sweden sustained its policy of non-alignment and for a few decades supported national liberation in the Global South. Later on, however, Swedish support for radical projects was overtaken by cooperation (short of membership) with NATO and the primarily economic need to adjust to the EU and its priorities. And while Norway in turn has come close to the EU (short of membership), its more recent peace-engagement has also been intended to foster its international contacts and business interests. Similarly, as discussed in more detail in Chapter Twelve, the joint concerns with human rights, good governance and (in the case of Sweden) liberal democracy in the Global South (and the former Soviet empire) seem to be increasingly motivated by concerns about the rule of law, security, and business relations rather than by social democratic development, even if there is growing awareness in Sweden about the importance of the latter.

In both countries, the social democratic political settlement showed signs of decline around the late 1970s. As far as core elements of the welfare state are concerned, however, the slow crumbling of the politi-

cal hegemony of the labour movement may not be seen as a sign of the demise of social democracy. Changes since the mid-1990s have taken the character of adjustment of the welfare state to new situations. In the light of increased social complexity driven by a host of factors, such as changes in international competition, technological innovations, decline in the number of blue collar workers, and immigration flows, the welfare state could not possibly remain the same as before. Adjustments in Sweden have been more substantial than those in Norway, leading to worries that the unemployed and less well-off, notably youth and migrants, are increasingly marginalised, while the majority of the population with good jobs improve their standards and add private insurance to handle unemployment and sickness. In earlier decades, the labour movement promised a better future in a qualitatively different society. By contrast, today's Scandinavian youth, especially those with problems in finding jobs, wonder whether the system serves their needs; social democracy's core challenge has become that of keeping viable as much as possible of the welfare state model. New constellations of private and public responsibilities, greater emphasis on individual rights, the rise of new social movements, and new forms of public administration have emerged as responses to increased social complexity. These may be interpreted as attacks on well-established social arrangements, or alternatively as responses necessitated by a new social situation. Compared to the situation in the rest of Europe, however, the Scandinavian welfare state model seems to remain sustainable.

The problems of the social democratic political settlement are related to democratic deficits with regard to governments' ability to take independent national decisions (about capital and labour markets), and in interest- and issue-based representation in public governance, as well as to increasing inequalities, unemployment, and precarious work relations. So far this applies more to Sweden than to Norway, which has benefitted from oil revenues and related investments.

Efforts were made to address these issues in the 1970s and early 1980s by increasing the ambitions for transformative politics, but radical, often union based leaders, knocked against the significance and power of property rights. In the introduction of workplace democracy, property rights were assumed to be malleable, but subsequent reforms demonstrated the limits to change. In Sweden, Wage Earner Funds were

introduced, transferring parts of the profits in private companies to public investment funds. In Norway, commercial banks were ‘socialised’ by the introduction of politically appointed boards as the supreme bodies of the companies. Both attempts had to be given up after some years in the context of neoliberalism, as they served more to unite the bourgeois opposition than to address the increasing problems of sustaining the previous settlements in the context of globalisation of capital and the labour market, and the increasing number of immigrants and refugees. We shall return to those issues in Chapter Twelve, where we analyse the implications for Scandinavia of global uneven development.

Conclusions: comparing experiences of social democracy

Clearly, India’s experiences in social democratic development contrast very strongly with those of Sweden and Norway. For all the intention of social democracy that is implicit in the Constitution of India, and that was sometimes expressed more forcibly by India’s first prime minister, Jawaharlal Nehru, its pursuit was compromised from the first by the political settlement that was reached in the later 1940s. For all the language of state control – in the Industrial Policy Resolution of 1948, and then in the Industries (Development and Regulation) Act of 1951, and for all that the public sector remains very significant to the present – there was never any doubt about the place of private industry or, within it, of the power of a small number of family-controlled business groups. Several of them remain among India’s biggest companies. The system of licensing established by the Act of 1951 worked, in practice, in favour of these groups through the long era of what became labelled as the ‘Licence Permit Raj’. Meanwhile, the state and the political elite secured the dominance of capital over labour, the extensive protection offered to the fortunate few who secured permanent employment in the formal sector notwithstanding. And, sadly, the commitment to developing the capabilities of all Indians, expressed by Nehru before the Constituent Assembly, gave way in practice to an overriding commitment to economic growth, supplemented by the provision of limited welfare – instead of social development through public investment in education and health. How very different this was from the settlement reached in Scandinavia in the later 1920s and early 1930s, which involved both capital and labour and was facilitated by the political elite. The settlement

was the foundation of what were for long (and to a great extent, still are) economically highly successful welfare states. As we have shown, this was not in any way a structurally predetermined outcome in a relatively equal and socially and cultural homogeneous society. Scandinavian societies were unusually riven by class conflict in the period before the settlement – what we have called the ‘social pact’ – was arrived at in the context of the early years of the Depression. The agency of social democratic political leaders was essential to the forging of foundations for social democratic development in Scandinavia.

The factors that underlie the contrast between India and the Scandinavian countries include the radical differences in terms of political mobilisation, and consequently of the linkages between state and society (the first two ‘dimensions’ in our analysis of social democratic politics). In Norway and Sweden, people mobilised to a great extent from below, drawing on a long history of high levels of literacy and of quite extensive participation in local decision making, albeit of a pre-democratic kind. With democratisation, both countries built strongly supported popular movements in civil society, and formed well-organised political parties. Numerous formal channels of communication were established, which facilitated negotiation among various organised groups in society, as well as between those groups and the state. The state itself was constituted by effective, impartial bureaucratic and judicial institutions. How very different this was from the ways in which the Indian masses, the great majority of them illiterate, were mobilised politically through networks of clientelism and patronage around local ‘big men’ and – increasingly – through the populist appeals of political leaders. Clientelism continues to influence the ways in which state institutions work; Indians continue to have very little trust in them while still having high expectations of government. Associational activity in civil society has a long history, but it remains very largely a middle class sphere, sometimes capable of socially progressive action but frequently supportive of the sectional interests of particular middle class groups. The great majority of Indians relate to the state, as Partha Chatterjee (2004) has argued, as ‘labelled populations’ rather than as citizens endowed with rights and responsibilities.

Michael Walton has recently argued that a social democratic resolution is probably to be desired in contemporary India ‘... and is poten-

tially consistent with, and possibly necessary for, a long-term growth dynamic. India's deep inequalities of wealth, social status and citizenship make this more, not less desirable' (Walton 2013: 67). We agree. Walton goes on to ask, 'Is there a potential for, and likelihood of, major groups of capitalists becoming a force for at least supporting, and potentially pressuring the state for social democratic designs?' He thinks that such designs are 'almost certainly in Indian capitalism's long-term interests', because a skilled workforce is such a key input. Yet he concludes that 'The challenge is that the business pressures on the state in these directions would involve a degree of long-sightedness and a resolution of collective action problems that is not apparent now'.¹⁵ Wealth derived from rents contributes massively to business fortunes. There are no pressures to arrive at the wage compression that has been of such fundamental importance in Scandinavia, as Kalle Moene explains in Chapter Ten, and there are too many employers who have an advantage in keeping a large unskilled workforce unsteadily balancing on the poverty line, where survival is ensured by the minimal welfare that is provided by the state.

Authors' note

The authors have drawn on extensive discussions with Fredrik Engelstad and a number of his formulations and analyses in previous versions of the chapter; we are also thankful for comments from Neera Chandhoke, Hilde Sandvik, Torsten Svensson and James Manor.

15. These quotes are from an earlier, unpublished version of Walton 2013.

Comparative Notes on Indian Experiments in Social Democracy: Kerala and West Bengal

By John Harriss and Olle Törnquist

In this chapter, we compare, both with each other and in some measure with Scandinavia, the most outstanding experiments in social democracy that India yet has seen: the development experiences of the states of Kerala and West Bengal. Such a description of these states under governments led by communist parties may give pause to a good many Indian scholars and activists, including good friends, and so it calls for explanation. Social democracy is a politics based on political equality that strives to realize social justice, by democratic means and in such a way that the realization of social justice and democratic deepening serve each other. The social democratic promise embedded in the Constitution of India was pursued with inadequate determination by the Nehruvian state. This is also what the Communist Party of India (CPI) sought to achieve, in practice, after the final defeat of its attempts to pursue a violent revolutionary strategy in 1951. The parties have certainly held on to communist principles of leadership and organisation, but their achievements towards greater social justice have been within the framework of India's democratic polity. According to CPI general secretary Ajoy Ghosh, the aim in Kerala was only to realize the unfulfilled promises of the Congress Party (Bidwai 2015: 205).

The record of Kerala, sometimes described as 'India's Scandinavia' (as by Subramanian 2012), is well known. While Dalits, tribals, and fishing communities have often remained marginalised, and the neoliberal growth pattern during recent decades has undermined the Kerala model (George 2011) – even to the extent that the state's inequality in consumption now has no parallel among Indian states (Oommen 2014:

190) – its poverty elasticity of growth over the period 1958–97 was the most favourable in India (Besley, Burgess and Esteve-Volart 2007). The state stands first in regard to most human development indicators. It has always had the highest level of literacy among the major states, and the quality of health care has generated the highest life expectancy in the country. Moreover, these achievements are largely due to high levels of citizen awareness and participation, through organisation in civil society (Nag 1989). Even though neoliberal informalisation has made strong inroads, some of the legal underpinnings for labour organisation and capital-labour relations still remain in place.

The story of West Bengal in regard to the realization of social democratic objectives is more problematic. In terms of per capita income, poverty, and human development, West Bengal is an average state (as shown, for example, in the charts accompanying Subramanian's analysis [2012-1, 2012-2]). The State's performance in regard to the provision of health care and primary education is dismal. 'After three decades of left-leaning-rule', Kohli says, 'the high levels of poverty and low levels of human development in the state are a real blot on the left's record' (2012: 193). Yet poverty has declined from initially very high levels, according to both Besley *et al.* (2007), who found the state's poverty elasticity of growth to be second only to that of Kerala, and Ravi and Mahendra Dev (2007), who found that West Bengal had the best record of all in regard to the rate of poverty reduction. Kohli's argument that 'this decline in poverty is a result of deliberate redistribution and robust economic growth in the context of good governance, tell-tale signs of social democratic politics at the helm' (2012: 195) can be criticised for special pleading but the idea of a social democratic orientation is justified as far as outcome is concerned.

We go on to offer a comparative analysis of the socially transformative projects of the two states, and of their limitations, as they have evolved historically, focusing on the four dimensions highlighted in the introductory chapter, and with some reference to Scandinavian experiences

Kerala

Overcoming diversity and extreme inequalities

Most scholarship on the comparative history of social democratic development draws attention to the importance of the relative cultural homo-

geneity and socio-economic equality, as was the case in Scandinavia. In view of Kerala's religious diversity and historically extreme caste and feudal systems, the emergence of its social democratic development is thus a puzzle. However, Kerala's different religious communities (about 60% Hindus, 20% Muslims and 20% Christians) have been able to live side by side and cooperate in vital aspects of public life through what M.G.S. Narayanan (1972) labelled a 'cultural symbiosis', which Gurukkal (1987) later explained in terms of economic interdependence. Further, Kerala's system of caste differentiation, the most rigid and elaborate in the whole of India, was confronted by social reform movements in the princely states of Travancore and Cochin and anti-feudal struggle in British-governed Malabar from the mid-19th century.

The reform movements were remarkably similar to the liberal educational, religious, and temperance movements of Scandinavia at about the same time. The Kerala movements evolved in Travancore in the 19th century and later in Cochin. Christian mission activity encouraged a sense of their self-worth among historically subordinated, oppressed and marginalised people (Singh 2011: 290). Governments that feared the lower castes' turn to the missionaries, themselves engaged in education (Jeffrey 1976: 81). More importantly, according to Michael Tharakan (1984, 1998), already in the early 19th century, various reform movements put forward competitive demands for basic education, in conjunction with the commercialisation of an economy that included many small landholdings, not only plantations. This was because the princes of Travancore and Cochin fostered agricultural development via giving rights to the tenants to counter the powers of upper caste *Nayar* aristocrats and large landowners. The social pacts between the princes and these tenants recall the way in which the Swedish kings linked up at times with peasant proprietors, and leaseholders on state land, against the landlords. The pacts in Kerala fostered more inclusive economic growth in commercial agriculture, which in turn called for educated people in the expanding services, trade, and the colonial and princely bureaucracies, as well as for basic literacy among the increasing numbers of smallholders who engaged in the cultivation of tapioca, coconuts and, rubber along with coffee and spices (Tharakan 2006). These are the roots of Kerala's celebrated civil society. In addition, social reformers from among the higher castes and non-Hindu communities

like the Syrian Christians worked to bring about change in their own communities.

The rise of social democracy

From the 1930s, the anti-feudal struggles in Malabar and major parts of the reform movements in Travancore and Cochin came together under socialist and later on communist movements for class-based civil and social rights, anti-imperialism, and a linguistically unified state of Kerala. According to Prerna Singh (2011, 2015), subnationalism was particularly important in bringing together under-represented groups against the non-Malayali Brahmins. These processes have some similarities with rise in the same period of social democratic development in Scandinavia, but the conditions were of course different. So, how could the Kerala combination of bourgeois development and socio-religious reform movements take a social democratic turn?

According to Robin Jeffrey, one factor was the combined effect of the reduction of the disabilities imposed on the low castes and the collapse of the matrilineal kinship system. Together, these brought about social disintegration and, as he says, 'Marxism ... came to fill an ideological void keenly felt by thousands of literate people' (1976: 78).

Leaders of several movements found common cause in the Congress Socialist Party, founded in 1934 as part of the mass movement orchestrated by the Congress. Although no top level leaders emerged from the subordinated *Pulaya* community, several leaders of reforming caste organisations, such as the Sri Narayana Dharma Paripalana Yogam of the low ranked *Ezhavas*, turned to politics. Some of these eventually became important communists, most prominently Mrs K. R. Gauri and V. S. Achutanandan. Others had a background in privileged Christian or Hindu reform movements, notably E.M.S. Namboodiripad – later one of India's finest communist leaders – who as a student had been a member of the reform organisation of the Namboodiri Brahmins. They 'embedded' themselves in wider popular struggles that spurred left wing parties, including the Kerala section of the Indian Communist Party, which with additional leaders such as A. K. Gopalan and P. Krishna Pillai.

A second factor that contributed to Kerala's social democratic evolution, according to E.M.S. himself, is that 'the caste organisations in Kerala pioneered the mobilisations of the peasantry against the prevailing social

order which was extremely oppressive to poor people' (quoted in Nag 1989: 420). This was because of the shift by the turn of the century from the subordinated communities' competitive demands for education and government jobs to more mass-based organisations' demand for a wider varieties of rights and services for broader sections of the population (Tharakan 1998, 2006, and 2011). For example, radical leaders of the low ranked *Ezhava* caste linked up in the early 1930s with Muslim and Christian organisations to demand equal rights and opportunities for members of all these disparate groups (Arnold *et al.* 1976: 356).

Third, in Kerala as in Scandinavia, the major transformations of popular political priorities and organisation occurred in response to, first, the world economic crisis of the early 1930s. The struggle for civil and social inclusion and equality, which had so far been framed by special caste and religious demands, through the reform movements and in the context of commercial agriculture, was now combined with the increasingly important class differences and demands made by popular interest based movements. Second, the relative absence of class distinctions within the lowest caste groups meant that some caste movements for social reform could be politicised on class lines (Desai 2001). This was especially important with regard to the subordinated *Pulaya* caste of often bonded agricultural workers, whose own reform movements had not been very successful due to their limited resources and weak leadership. Similarly, the growing importance of class interests among the *Ezhavas*, within coconut production and toddy tapping and with little land of their own, could also not be handled within their own reform movement. Hence, many linked up with socialist and communist movements.¹ The same applied to workers in the coir and cashew factories. Even some of the better off *Ezhavas*, who wanted stronger action against the persisting discrimination that they experienced, followed suit.

Finally, the demand for land reform brought together different groups such as peasants in Malabar, who fought unreformed feudalism, and agricultural labourers as well as many tenants, toddy tappers, and coir and cashew industry workers in Travancore and Cochin, who struggled for redistributive justice against evictions and for decent wages and

1. By contrast, poor sections of the Syrian Christians had stronger landed roots. Several of them migrated to Malabar and typically became opponents of land reform.

employment conditions. In Kerala, therefore, as Patrick Heller puts it, 'The struggle against British imperialism became a struggle against the social and economic power of [the] landed upper caste agrarian elites. From the outset of mass politics, democratic rights in Kerala were about social rights' – whereas elsewhere in the country it was generally the case that 'the dominant nationalist Congress party politics ... sought to accommodate rural elites and downplayed class and redistributive issues' (2005: 85)

Electoral success, impractical strategy, and undemocratic adversaries

The Kerala communists shared in the vicissitudes of the Communist Party of India through the war years and into the period between 1946 and 1951, when the Party pursued a trade-union-based revolutionary line, with roots in Bombay and Bengal, in addition to the agrarian revolt in Telengana. This was ruthlessly crushed by the Congress-led government. But many Kerala communists and a number of socialist intellectuals and trade union leaders retained their popular influence. The socialists formed parties too, played a part in the new post-independence government of Travancore and Cochin, and still hold influence in some pockets of Kerala. But the communists' organisation was much more effective, partly by holding on to Stalinist forms of 'democratic centralism'. So the broad popular movements survived within the context of the struggle for a unified Kerala; the new communist priorities from the early 1950s, of working within India's democracy with a credible strategy for how to foster social democratic development (to which we shall return), was unmatched by any other parties and made it possible for the Left to win office in the state's first elections, in 1957.

The broad and increasingly class-oriented alliances of social movements, along with parties rooted in them, that had paved the way for the broad based struggle for social democratic development and electoral victory, recall several aspects of the fledgling labour movement in Scandinavia and its alliances with agrarian movements and parties during the first part of the century. It was impossible in Kerala, however, to proceed by introducing anything comparable with the Scandinavian growth pact between capital and labour. Industrialisation was lagging behind and, even though there were relatively strong business groups and unions, unevenly developed production and trade came with diverse interests and insufficiently unified organisations. It might have

been possible to advance on the initial basis of Kerala's own comparative advantages of high levels of education and export of agricultural products – as happened, for example, in Mauritius and Costa Rica (Sandbrook *et al.* 2007). But the communists' initially successful strategy of 'unity and struggle' with the Congress, in line with Moscow's recommendations, implied compliance with the national government's development strategy of import substitution and heavy industries. The Kerala government tried instead to adjust to the local conditions by way of a growth pact among labour, peasants, farmers, and industrialists, based on land reform and investments in inclusive, state regulated education, along with other social rights and policies. Land reform and more inclusive education were expected to increase production and incomes, strengthen democracy, and serve as a basis for industrialisation. But even though the land reform was cautiously designed in line with the Congress party's own policy recommendations from 1949 (Bidwai 2015: 206), it was resisted by all possible legal and political means by most of the larger landholders, perhaps especially from within the Syrian Christian community. Moreover, the emphasis on more inclusive state-led education for the benefit of underprivileged sections of the population was equally contentious, given that it would affect the privileges of many powerful groups and their state-supported educational institutions. The opposition came together in an anti-communist 'liberation struggle', supported by the United States. In 1959, the central government under Nehru imposed presidential rule; this decision was influenced by Indira Gandhi in her role as chair of the Congress Party (Jeffrey 1991; Bidwai 2015: 209 ff.)

From movement based politics to party-clientelism and insufficiently productive welfarism

There is no doubt about the relative success of the leftists in Kerala, who were in power from 1957 until 1959 and in left-of-centre governments from 1967–69, 1970–77, 1978, and 1980–81. During these periods, social democratic oriented reforms were introduced and, remarkably, the major advances were not entirely undone when the Left was out of office. The results depended substantially on the strong legacy of basic social and economic reforms in Kerala and the intense electoral competition between leftist and more conservative parties, which made both leftists and rightists sensitive to popular scrutiny and priorities. The

expansion of Mother and Child Health Centres, for instance, continued because all parties knew that people wanted them. Many other welfare reforms were introduced and kept alive over the years: unemployment relief, pensions for agricultural and other workers as well as for widows, subsidised housing, public distribution with subsidised prices of essential food, meals in schools and preschools, minimum wages, and more. The extent of political awareness (encouraged by widespread newspaper reading) and of associational activism were critical factors, in Moni Nag's view, in explaining the better access to and use of health facilities in rural Kerala, by comparison with West Bengal (Nag 1983, 1989).

In spite of these advances, however, and from the point of view of the four dimensions that we believe are crucial in the politics of social democratic development, the leftist political and interest organisations actually disintegrated during their scattered periods in power between 1967 and 1981. The United Front strategies were no longer driven by clear cut socio-economic interests and popular demands from below for specific policies, or by the idea of facilitating agreements between employers and trade unions – such as might have fostered growth and equity. Left-led coalition governments rested instead on compromises within the elite between the special interests of the various parties and their leaders. This process generated corruption as well as divisiveness. The larger Communist Party of India-Marxist (CPI-M), formed as a result of the split in the communist movement in 1964, retained most of the organised popular base and used it to confront their rivals at the polls, while the Communist Party of India (CPI) linked up with the Congress party and even supported the all-India state of Emergency. Various parties in coalition governments used perks to foster membership and separate interest organisations among small farmers, tenants, agricultural labourers, labourers in the informal sectors and industry, as well as workers and white collar workers in the public sectors, in addition to women's and youth organisations and cooperative associations and cultural and educational groups. Increasingly, many independent civil society associations, too, came closer to influential politicians and parties. The special interests of the various groups, both leaders and followers, were often given priority rather than unifying state policies and rights for all, regardless of organisational affiliation. Possibly worse, the benefits and welfare measures were chosen irrespective of their effect on

economic development – which stagnated. There were similar problems with regard to state-civil society relations beyond the parliamentary electoral system. In Kerala, as in Scandinavia, participation of different interest groups in policymaking and implementation had evolved on the basis of decades of social and political struggle. But in contrast with Scandinavia, where this struggle was rooted in pre-industrial representation of various interests, and where it was democratised by liberal associations and the labour movement, Kerala's state-society relations beyond elections were increasingly dominated by parties and individual politicians and bureaucrats. That said, this took place through networks of politically dependent organisations and leaders, rather than by means of populist appeals such as in neighbouring Tamil Nadu. And Kerala was less dominated by a single hegemonic political party than was West Bengal. So in spite of the negative effects of party-clientelism, the Kerala communists have had to consider various interests and have thus retained a substantial following (Heller 2013).

These disparate interests among the Left's following affected economic development, too. Land reforms were finally realized in the 1970s, but these, as well as the remarkable advances within health and education, did not include the weakest sections of the population and did not foster alternative inclusive development to the extent that was expected. The reforms did away with landlordism but mainly benefitted the tenants, who often developed special interests of their own. Moreover, there were many exemptions: tillers were granted rights only to their huts and small plots on generally infertile land, and tribal people and the fishing communities were completely outside the reforms. Most importantly, perhaps, the reforms were not followed up with measures to foster production. Many new owners developed interests in less labour-intensive crops and even engaged in land speculation. In addition, the reforms were implemented during a period of conflict between the CPI and CPI-M (in sharp contrast with the tenancy reforms some ten years later), neither of which had elected representation at the local level (see Raj and Tharakan 1983, Herring 1989, Franke 1992, and Törnquist 1991 and 1996). Better educated, privileged groups could develop new and profitable ventures and secure good jobs outside agriculture, and the former tenants from lower ranked communities gained education and land thanks to the reforms and welfare measures. But neither group

developed agricultural and other production activities of the kind that would generate new and better jobs for the underprivileged sections of the population – which remained marginalised, even if they now had the ability to read and write and enjoyed some access to health services. Meanwhile, many investors avoided Kerala, claiming it was difficult to cooperate with its strong trade unions. And, from the mid-1970s, increasingly many better educated and trained Keralites and their families sustained or improved their standard of living by way of employment as migrant workers in the Gulf countries in particular.

Attempts at renewing the 'Kerala model'

Efforts were made to break out of these dynamics during the 1987–91 Left Front Government under E. K. Nayanar, in which there was no participation of caste and community based parties. Several innovative policies such as decentralisation and cooperation towards improved rice production were initiated; left-oriented civil society groups, especially the People's Science Movement (KSSP) with its tens of thousands of members (many in educational institutions in rural and semi-rural areas) initiated a number of campaigns for full literacy, more democratic and socially inclusive education, and local development plans. There was a stumbling block, however, in scaling up these civil society initiatives to more universal local movements and policies, given that the government was not yet capable and partly also not willing to decentralise politics and administration (Törnquist 1995). So when the Left Front lost the elections in 1991, campaigners began prioritising democratic decentralisation and planning from below. For this, they won support from concerned scholars, some mass based interest organisations, and most importantly from the widely respected communist leader, E.M.S. Namboodiripad. During the next Left Front government, between 1996 and 2001, new initiatives moved ahead through the State Planning Board and the now well-known 'People's Planning Campaign' (PPC). This was in spite of stiff resistance, not only from the Congress-led political front, but also from within the Left Front itself and on the parts of several of the related unions and other organisations, which held on to rigid conceptions of class politics and 'democratic centralism'.

Essentially, the PPC was based on the distribution of more than one third of the planning (investment) budget to the local governments – on the condition that they developed proposals through participatory

planning to be facilitated by well-trained resource persons and guided by a comprehensive set of rules and advice. In terms of the four dimensions of social democratic development that we focus on in this book, the PPC was innovative. The missing growth coalitions between state-level organised capital, labour, and farmers, combined with social provisioning as in Scandinavia, were now to be fostered on the basis of local negotiations between government, labour, and employers within the framework of participatory development institutions. Conventional unions and employers' organisations were expected to take part, but special space was also provided for wider participation from informal workers and the self-employed. Social and economic compromises would be facilitated by way of democratically prioritised investments (via the planning budget) in publicly approved projects, as well as distributive welfare measures and special schemes to foster equal rights for all, including for Dalits and women.² Social rights and welfare policies would thus be of immediate value for a majority of the population as well as serving as a basis for economic development.

Moreover, with regard to political collectivities and state society relations, the divisive party and related interest group politicisation, which had evolved from the mid-1960s in particular, would be countered *not* by neoliberal market and civil society measures, as suggested by the World Bank, but by democratic fora for participation, along a long chain of popular sovereignty from neighbourhoods to representative groups and committees at higher levels.³ These channels of supplementary democratic participation were expected to undermine divisive lobbying by different interest groups. The same channels of participation were also to keep politicians, bureaucrats, and related contractors accountable, thus curbing corruption. In contrast to Scandinavian social corporatism, which could not be applied in Kerala (given weak industrialisation with fragmented unions and employers' organisations, in addition to 'soft' public administration), the organisational basis was, thus, democratic

-
2. The focus on women, after some time, was particularly pioneering in politically radical but socially conservative Kerala.
 3. There was thus a similar kind of three-way dynamic between central (here at the state level) and local government, and civil society, to that identified by Judith Tendler in her analysis of successful governance of development in Ceara in Northeast Brazil (Tendler 1997).

decentralisation with a number of new, supplementary, participatory institutions. This has recently been stressed on a general level by Heller (2013). In the Scandinavian setting, as shown by Hilde Sandvik in this volume, Heller's argument brings to mind two of the bases for the welfare state: the absence of strong guilds and the importance of the pre-democratic parish community meetings among all property owners and leaseholders of public land. Based on local taxation, these attended to, for instance, poor relief and development. But later on, they were unable to handle the new interests and challenges associated with the rise and development of capitalist industrialisation during the 19th century, and the huge numbers of people who could no longer make ends meet.

Initially the PPC was quite successful, but faced after some time a number of stumbling blocks that prevented substantial political and economic transformation. There were five major problems. One was insufficient linkage between measures in favour of social security and the promotion of production on the basis of Kerala's comparative advantages, including commercial agriculture and sectors drawing on the state's relatively high quality education services. Second, there were unresolved problems in regard to the relations of liberal-representative democracy and direct democracy in the policy process, which ideally would have been tackled through discussion with progressive administrators, politicians, and scholars. As recently reemphasised by K. N. Harilal (2014), blurred lines of responsibility and representation undermined deliberation between vital partners in social democratic development, generating distrust among them, as well as abuse of funds. A related third problem was the want of a viable strategy for involving the 'conventional' interest and issue based organisations among farmers, labourers, and industrial workers, related to the mainstream Left, in new plans and priorities. Fourth, it was particularly difficult to engage middle classes given that welfare and production measures were targeted rather than universal. As is well known from other efforts at social democratic development (see Chapters One and Two), the involvement of sections of the middle class is crucial for gaining majorities and generating broader interests in the welfare state. Even many young people with middle class aspirations lost interest in the campaign. Fifth, sections within the major left party (the CPI-M) and the Left Front made attempts to take over and benefit from the PPC, while others refused to support

leading local campaigners as candidates in elections and slandered and isolated major PPC leaders. As a result, PPC was further weakened and it was possible for the new Congress-led government to radically alter the campaign when the Left Front lost local elections in 2000 and state elections in 2001.

Stagnation of the Left and the rise of neoliberalism

The efforts of civil society activists together with leftist political reformists from 1987 until 2001 to bring about change were impressive; there is now more space for local democratic action and a few pioneering schemes remain (such as productive ventures among poor women at the neighbourhood level). But the campaigners did not succeed in generating a new democratic formula for the combination of equity and growth. Already, from the 1990s, the increasing rates of economic growth in Kerala were more related to the liberalisation of the Indian economy. Increasingly, Kerala's 'wealth' was sustained by the extensive remittances from the now more than two and a half million migrant labourers, primarily in the Gulf countries. The common estimate is that they send back about US\$ 13 billion per year, equivalent to more than a third of Kerala's GDP. The competitive power of Keralites in international markets rests on previous struggles for civil and social rights and public investments in education, but it is certainly not the underprivileged and poorly educated people who are competitive in these job markets. Moreover, in spite of this inflow of cash, the current growth rate (of around eight per cent) is only on a par with the other high performing Indian states. The remittances have not been well used to foster Kerala's own welfare system and its economic development. Rather have they have mainly been used for consumption, house construction, and investments in property and the service sector, often generating more imports, speculation, environmental destruction, and greater inequality. So, although the unemployment problem has been reduced (the current more or less reliable figure is about seven per cent), about the same number of low paid north Indian labourers have moved south to take the construction and service sectors in Kerala as have Keralites become well paid emigrants to other countries.

Even though the State Planning Board has announced a long term plan (produced externally by a New Delhi think tank) with the aim of taking the state in the direction of a Nordic model, there is, thus, little

semblance of social democratic development in the actual transformation of Kerala during the recent decades.⁴ In addition to the growing inequalities and reduction of earlier efforts at building a welfare state, business is well organised and influential, but factionalised. The rapidly expanding new middle classes have few expectations of the state; finding it inefficient and corrupt, they mainly opt for individual solutions to precarity, in addition to family and community solidarities. While sections of the old middle classes that were crucial partners in the historical achievements may still be interested in defending the remnants of the welfare state, the most vulnerable people, in between one-fourth and one-third of the population, including the *adivasis*, Dalits and workers in the old informal sectors, agriculture and industries, are badly affected and have little bargaining power. The trade unions are mainly defensive and rarely present in the new dynamic private sectors of the economy, which typically have informal employment relations. It may now only be the Self Employed Women's Association (SEWA) which does some organising among informal labour. Kerala unions made almost no effort to work among the large numbers of poorly paid migrant labourers from other parts of India, though there are some reports of scattered efforts by unions from outside Kerala. The growing problems with insecure employment relations and the need to arrange social security have not (yet?) generated the renewed interest in public welfare systems that has come about in Latin America, Indonesia, and East Asia. The various parts of the Left would certainly like to alter this situation, but the priorities remain unclear. Meanwhile some from the vulnerable sections of the population are abandoning the Left and returning to communal solidarities; the BJP is making inroads, including among *Ezhavas*.

This does not mean that there are no protests on the parts of hard hit people in Kerala. Many *adivasis* agitate for land, some fisher folk claim basic rights, and numerous people resist dispossession and environmental degradation of their land and neighbourhoods. But these actions tend to be scattered; even if some support is coming from various political parties and civil society, the outcome is rarely positive. There is certainly

4. See http://www.ncaer.org/study_details.php?cID=1&pID=26; http://www.kerala.gov.in/docs/publication/2013/kc/may_13/58.pdf; and <http://www.indiaenvironmentportal.org.in/files/file/Kerala%20Perspective%20Plan%202030.pdf>. Last accessed 25 November 2014.

new activism in civil society, including campaigns by KSSP against the high prices paid for medicines by ordinary people. And there are also protests against corruption as well as moral policing by conservative Hindu and Muslim communities. But coordination beyond what is possible through commercial and new social media is poor.

Several of the critical factors involved in the recent transformations and efforts at change in Kerala relate to the linkages between state and society. Confidence in public governance is low and the Congress-led government that entered office in 2011 was particularly ridden by corruption. Critique against this mismanagement and the abuse of power was the major factor behind the recent return to power of the Left in the 2016 state elections. There are also popular attempts at organic cultivation and supporting pioneering local government efforts to clean up cities. But the main linkages between state and society remain personal, via lobbying the equally mistrusted parties and leaders; while personal networks and clientelism are characteristic of the non-left parties, the CPI-M in particular is far better organised they are also affected by centralised and a culture of loyalty and obligation in return for favour. In short, while spontaneous protests, civil society organising, and social movements remain frequent in Kerala, their room of manoeuvre is constrained. So in spite of some rethinking of the problems of combining representative and participatory governance (Harilal 2014), not much has changed with regard to the persistent dominance of parties and politicians when people try to come together and take their problems to local government. This applies even to self-help and residential groups and town hall meetings. Political organisation and leadership are certainly not a problem as such, as long as vested interests of the parties and leaders are kept at bay, including in the wake of local and state elections. But in view of Scandinavian and other cases of social democratic development there is an obvious need for institutionalised channels of autonomous representation in government of significant interest and issue organisations (see Chapter Seven). This is not to undermine the parties, parliaments and executive administration, but necessary if vested party interests as well as clientelism are to be countered, and to foster trust in impartial public welfare and other services. In other contexts, similar efforts have been spurred by the need to handle unavoidable tasks such as reducing fuel subsidies in favour of more investment in welfare policies

and more promotion of inclusive production. In Kerala, an analogous issue might be the need to change tax laws so as to reduce incentives for speculation in land and other forms of property, and to fund welfare reforms that support production. While local government institutions are now in place, they remain weak and little happens without the intervention of members of legislative assembly (MLAs) and state level ministers. Quite against the spirit of democratic local governance, even 'pork barrel funds' (enabling individual members of the state legislature to spend money for development in their electoral constituencies) are now in place.

In spite of all this, a catastrophe for the Left comparable with that in West Bengal is unlikely in Kerala, given the communists' historically more solid roots in popular movements and organisations, and the stiff competition between parties and political fronts which is supported by Kerala's more vibrant media. The left parties remain relatively less corrupt than their competitors, there is no viable leftist alternative within the present electoral system, and the leftists uphold a general vision of the need to defend the interests of the weak in society. Finally, there seems to be a growing opinion within the Left of the need to combine efforts to defend the least well-off with industrial and other development projects, and a response to the aspirations of the middle classes. Efforts were made on part of the mainstream Left in face of the 2016 state elections to discuss an alternative view of how to foster equity and growth under the new neoliberal conditions, but contours are blurred. A social democratic orientation implies good organisation of the most crucial actors, and democratic channels (in addition to the much too dominant parties) in order both to revive the welfare state and to bring about more inclusive and environmentally sustainable economic development. Kerala has essentially bypassed the stage of industrial development (that never really was achieved in the 1950s and onwards) in favour of post-industrial activities. The state has little of the Global North's broad labour movement and production-oriented class of employers that demonstrated themselves to be capable of negotiating social pacts that allowed for the combination of growth and welfare, facilitated by the government. As a result, Kerala needs to negotiate the current phase of rapid uneven development that, if left unchecked, threatens to dispossess the weakest sections of the population of their

land, livelihood, and housing without providing decent alternatives. Many workers and middle classes may also benefit from a new pattern of development. The relevant historical experiences from Scandinavia are mainly limited to the agreements between the labour movement, the farmers and the rural poor on negotiating primitive accumulation by combining universal welfare and protection for viable agriculture with economic growth and more jobs in modern sectors. Some of this may be relevant in the rural settings of Kerala too, but the urban problems of environmental destruction and speculation are equally challenging and call for new solutions. In the similar context of Indonesia, even the election of the new president rested largely on his proven capacity to address these problems by negotiating urban development and liveable cities between business, middle classes, labour, and the urban poor (Djani *et al.* 2016).

West Bengal

The social context

All those factors we have found to be important in explaining the relative success of social democracy in Kerala, and its endurance through periods when the Left has been out of office, have played very differently in West Bengal. Indeed, the absence of some of these factors helps to explain the recent, stunning collapse of the parliamentary Left in the state. Manali Desai argues that, though the two states shared comparable structural conditions – high levels of insecure tenancy, oppressive landlordism, high levels of landlessness, exceptionally high population density, and higher levels of proletarianisation than elsewhere in India – their communist parties were and remain very different, essentially because of the very different ways in which they have related to popular movements. Structural factors were ‘refracted through leadership strategies and tactics, and the specific character of the nationalist movement in the two regions’ (Desai 2001: 41). The critical points to which she draws attention are that: (i) in Kerala, the CPI grew out of the anticolonial movement, whereas in Bengal it grew very largely in separation from it; and (ii) that the CPI in Kerala developed out of mass-based, grassroots organisations, while the CPI in Bengal was more isolated from popular movements. Bengal, dominated by the great city of Calcutta, was much more urban and industrial than was Kerala, and the city was home to the

bhadralok: the mainly upper caste, relatively well-off, educated minority that has generally dominated modern Bengali politics (Kohli 1990: 367).⁵ The principal leaders of all of West Bengal's political parties have always been drawn from among the upper castes, as have all of the chief ministers of the state, to date. Bengali communists, who also came from among the *bhadralok* (they are described by Basu and Majumdar [2013: 175] as an 'indigent middle class intelligentsia') did engage with trade unions from the first, and they were involved in peasants' protests (notably in the Tebhaga movement of 1946–47) and in local revolts. But it took until the later 1960s before they gave any priority to mass organising among farmers and the rural poor.

Kerala's particular social characteristics – the exceptionally rigid and elaborate caste system, and the close correspondence of caste and class – which lay behind both the powerful development of caste and social reform movements and their politicisation into class conflict, were not replicated in Bengal. There, the caste system was much more flexible and the correspondence of caste and class was much weaker. Bengal did not experience the development of caste and social reform movements in anything like the way that happened in Kerala.⁶ There were caste movements – such, notably, as that of the Namasudras (now regrouped under the banner of Matua Mahasangha) – but they were few and far between. There was also nothing at all comparable with the needs within commercial agriculture for bourgeois liberal changes, initiated by socio-religious reform movements among Kerala's Christians and better ranked castes, or with the alliance between tenant farmers and the princes of Cochin and Travancore against the old landlords. There was nothing comparable, either, with the experience of 'social disintegration' that Jeffrey (1991) identifies in Kerala. Nor, we may speculate, given the more limited presence of Christian missions, was there comparable encouragement for the reshaping of their subjectivities on the parts of members of the lower castes. Both the dominant *jotedars* and poor ten-

-
5. Basu and Majumdar also describe the *bhadralok* as 'educated colonial intermediate classes', born from among the Bengali rentier class (2013: 170). Kohli describes them as a 'gentleman elite', which eschewed economic enterprise (2012: 196).
 6. Atul Kohli comments at length on the reasons for the fact that, unusually in India, 'caste issues did not arise as the most significant issues for political mobilisation in Bengal' (1990: 398).

ants and sharecroppers might all come from the same caste, whereas it was rarely the case that landlords and tenants and labourers were not well distinguished by caste in Kerala. Nag argues that 'One reason for the lack of a strong rural base of left-oriented political parties in West Bengal is that it never had caste organisations of the type Kerala had. The caste system in Bengal was never very rigid ... and its caste organisations did very little to enhance the social and economic condition of their fellow members' (1989: 425). The consequence was that 'The political parties in West Bengal did not have the advantage, as in Kerala, of infiltrating the large, centralised caste groups, already struggling to achieve their social and economic rights' (*ibid.*: 420). Given these structural opportunities, but also thanks to their focus on universal civil and social rights and innovative mass based strategies, the leftists in Kerala managed to develop broad alliances in spite of religious communalism and divisive casteism. And while colonial Bengal had the reputation of being the most educationally advanced part of the country, the educational system was elitist and urban oriented. It was there largely for the benefit of the *bhadralok*. There was nothing like the demand from below for basic education that existed from an early date in Kerala.

Then, whereas the Kerala party had its origins in the Congress Socialist Party (CSP), a legal organisation that was part of an extraordinary mass movement, the CPI in Bengal grew up outside the Congress movement⁷. It faced both much greater repression at the hands of the British than did either the Bengali Congressites or the leftists of Kerala in the CSP, and it also confronted greater resistance from within the Congress movement. In Bengal, an anti-Gandhian position in the Congress was held by upper caste gentry and landowning classes, whereas by the 1930s the agrarian mobilisations that were taking place in their part of the country meant that the leftist leaders in Kerala faced less resistance from dominant peasants and landlords within the Congress party (Desai 2001: 49). 'The nationalist field in Bengal ... posed greater obstructions to the CPI winning political hegemony' (*ibid.*: 50). And as both Desai and Nag point out, the caste barriers between upper and lower castes had already crumbled by the 1930s to a greater extent in Kerala than in Bengal. Activists and organisers, who were almost all from the higher castes,

7. Bose and Majumdar (2013: 174) say that Bengal 'witnessed the birth of an alternate political culture to the Congress and Muslim League-led nationalisms by the 1930s.'

when they started to work in the countryside in the later 1930s, had a much harder task on their hands in winning the trust of the lower class people whom they sought to mobilise (cf. Nag 1989: 422). The CPI in Bengal was essentially an urban movement, whereas in Kerala there was no very clear urban/rural distinction. The upshot of all was that, by the time of independence and into the 1950s, the Bengal CPI had 'limited political power compared with their Kerala counterparts' (Desai 2001: 53). The party had nothing like the broad, radicalised social base and alliances with wider left oriented social movements and civil society organisations (CSOs) that has been identified by historians of the CPI in Kerala. Subsequently, too, the CPI-M (in West Bengal remained wary of social movements related to CSOs, as was clearly shown in some of the writings of Prakash Karat during the 1980s, later on the General Secretary of the Party (on which see Törnquist 1991: 71–72).

The CPI/CPI-M in Kerala and West Bengal have been quite closely comparable, however, in the way in which they have both built upon a strong sense of regional identity. In both states the communist parties came to stand from an early stage for regionally based opposition to the dominance of the Congress party.

West Bengal attempts at social democratic development proceeded in three phases: the formative years of class struggle, urban and rural, began prior to Indian independence and concluded with the coming to power of the first Left Front government in 1977; a second period, until around 1993, was characterised by successful party-driven agricultural development achieved through modest land reforms and decentralisation, together with improvements in agricultural technology; a third period, until the collapse of the parliamentary Left in the 2011 elections, was marked by problematic initiatives in industrial development and temporising with neoliberalism in such a way as to destroy what Basu and Majumdar describe as the 'social imaginaire' of social citizenship – in which popular classes have access 'to sustainable livelihood and a cultural sense of belonging' (2013: 169) – that the Left had established as the political commonsense of West Bengal.

The formative years

Class struggle among the Bengali workers was vital in the communist attempts during the late 1940s to initiate revolutionary struggles; in the 1950s, after the CPI had changed its tactical line to one of critical sup-

port for India's democracy, the party continued to grow through trade union activity. By this time, too, a powerful cultural movement (involving writers, film-makers, playwrights, actors, and producers, all inclined to the left) had helped 'the communists capture the imagination of the ... middle classes of Bengal'⁸ – and sentiments of regional nationalism, fired by that movement, eventually contributed to the displacement of class struggle in communist politics in the state (Basu and Majumdar 2013: 170). The party also won strong support among refugees from East Bengal, who felt a sense of betrayal by the Congress, the party that had agreed to the partition of Bengal. Bose writes: 'Deeply embittered by the trauma of displacement and the marginality and poverty they experienced in West Bengal, this population provided the core base for the communists' steady rise in West Bengal over the next two decades' (*ibid.*: 117).

In the late 1960s, after the split in the communist party, the CPI-Marxist (CPI-M) in particular began to focus on the rural scene. Until this time, as Arild Ruud has argued, 'the West Bengal CPI-M had politically been largely urban-based and oriented' (Ruud 1994: 360). How very different this was from the Kerala experience. After many years of economic stagnation in the state, in the context of a serious and badly handled famine in 1966 and of divisions within the Congress party, a United Front (UF) government, not led by but decisively influenced by the communists, took over the Writers Building in Calcutta for a brief period in 1967. There was an upsurge in popular movements at this time, and the mass base of the CPI-M grew through the later 1960s with increasing class polarisation. A popular peasant leader, Harekrishna Konar, as the minister responsible in the UF government, drafted land reforms but was soon preoccupied by the Maoist-led revolt in Naxalbari. Kohli argues that the 'success of the Naxalites among the peasantry forced the CPI-M to take peasant support seriously' (1990: 371). Labour unrest, peasants' struggles, and divisions in the UF government led to its fall and a period of presidential rule. In the 1969 state elections, however, another UF government was elected with stronger communist representation, and this time the CPI-M initiated militant peasants' and rural labour struggles. Especially significant was the campaign against

8. Elsewhere, Basu and Majumdar describe the communists as having become 'a hegemonic cultural force in Bengal' by the 1960s (2013: 180).

the *jotedars* – the big landlords – in which the party sought to build and maintain a broad front, including rich and middle peasants together with poor peasants and the landless, aimed at seizing the lands of the *jotedars*. The campaign may have realized only very modest redistribution of land, but it was very effective in extending the influence of the CPI-M and winning it electoral support. In state assembly elections in March 1971, the party became the single largest in West Bengal.

These struggles, however, in combination with continuing unrest among urban labour and Naxalite-inspired terrorism in Calcutta, had led to the fall of the second UF government in early 1970 and to another period of president's rule. Further assembly elections in March 1971 failed to result in the formation of a stable government, and president's rule was again imposed. Subsequently, a Congress government led by Siddhartha Shankar Ray in 1972–77 unleashed state repression against both Naxalites and the CPI-M; ironically, this left the latter as the principal oppositional force. The party's leaders, convinced by now of the failure of the revolutionary line of communist politics, were committed to the parliamentary means to power, and they consolidated their control over party cadres. 'Thus emerged a distinct corporatist culture of the party and its affiliated organisations based on the principal of democratic centralism' (Basu and Majumdar 2013: 186). This was the party that, in the aftermath of Indira Gandhi's Emergency, triumphed in the 1977 state assembly elections, with an agenda of social justice that was to be achieved (in practice, if not in the rhetoric of party leaders) by social democratic means.

The Left Front in power

Atul Kohli describes the CPI-M-led Left Front government in the 1980s as a party regime with the following critical characteristics: (i) coherent leadership; (ii) ideological and organisational commitment to exclude propertied interests from direct participation in the process of governance; (iii) a pragmatic attitude toward facilitating a non-threatening as well as a predictable political atmosphere for the propertied entrepreneurial classes; and (iv) an organisational arrangement that is simultaneously centralised and decentralised so that the regime was 'in touch' with local society yet not subjugated to local power holders. These regime attributes, Kohli argues, made 'the institutional penetration of society possible, while facilitating a degree of regime autonomy from the prop-

ertied classes' (1987: 11), that made it feasible for pro-poor redistributive reform to be accomplished. Richard Crook and Alan Sverisson, in a comparative study of decentralisation in twelve countries, conclude that West Bengal's system of decentralised local government had been more successful than others in regard to poverty reduction, largely because local conservative elites were challenged 'by groups supported externally by an ideologically committed government' (2003: 252). Their conclusion seems to bear out the importance of Kohli's fourth point regarding regime characteristics.

These observations are based on the practical achievements of the Left Front in the early years of its long administration of West Bengal, when it realized modest but effective agrarian reforms, including the registration of sharecroppers (through Operation Barga) and some redistribution of land – not much in absolute terms, but in the end accounting for about 20 per cent of all the land that has been redistributed in the country as a whole. Tenancy reform and land redistribution benefitted almost half of rural households (Sengupta and Gazdar 1997). And the Left Front established a three-tiered panchayat system of local government. None of this was carried through without opposition from local elites, and it was possible only because of the CPI-M's organisational strength. There are different views among scholars as to how effective the agrarian reforms were in regard both to poverty reduction and to the improvement of agricultural productivity – though there is now fairly broad agreement that the success of West Bengal agriculture in the 1980s, when the state out-performed all the other major states, certainly depended as well on rural electrification, increased exploitation of groundwater, and the cultivation of new varieties of paddy, or, in other words, on the development of the forces of production.⁹ There is no doubt, however, about the effectiveness of the reforms in consolidating the support base of the party among the poor in rural society, as well as among middle peasants, who benefitted from interventions to ensure 'fair' prices. This support base, and the panchayats, established 'a highly effective rural apparatus' (Beg 2011: 80), led mainly by somewhat better-off members of the rural population, on which the party depended for its long hold on political power. As recently as 2009, only two years before the Left Front was fi-

9. An early statement of this argument is by Harriss 1993; more recently see Kohli 2012: 205.

nally routed in state assembly elections, it was widely accepted that ‘The continued effectiveness of this structure ensures the continued electoral support for the Left Front’ (Chatterjee 2009: 42).

Chatterjee also referred, however, to a second explanation for the extended electoral success of the Left Front, which is that it depended upon a form of clientelism. Törnquist argues that, early on in the period of Left Front rule, ‘poor people in West Bengal may vote communist for the same main reason that motivates other poor people in other places to support, instead, reactionary parties – they simply stand by the best possible patron’ (1991: 69). Arild Ruud concurs. His analysis of the way the party ‘conquered’ rural Bengal, from his study of Burdwan/Bardhaman, demonstrates that ‘... the Marxist movement was in a way new and old at the same time. It was new in mobilising the masses and particularly the low castes in a broad movement, and old in the sense that it to a large extent behaved and was perceived of as a patron, only more just and more potent than the old patrons’ (1994: 379). The significance of clientelism is richly attested in more recent empirical studies by Pranab Bardhan and his colleagues (2009, 2011, 2014). The linkages with civil society were weak, while civil society itself was much weaker than in Kerala.

The impact of the ways in which the Left Front operated in rural society has been analysed by Dwaipayan Bhattacharyya, in writing about what he calls the ‘party society’ that was established in West Bengal, and that had its roots ‘in the violent class-based movements of the poor peasants as they fought against the domination of the landlords’ (2010: 53). Their eventual success depended upon the ‘strong and coherent organisation of the left parties’. Then, as a result of their mediation ‘between classes and communities, the social and political interaction in the village changed substantially ... (and) ... “party” [referring here to political parties in general, not to the left parties alone] began to play a vital role in almost every sphere of social life ... ’ (*ibid.*: 54). Bhattacharyya continues, with regard to the structure of local power: ‘Power was now an effect of organisational and popular support for a family, rather than its location in the caste or economic hierarchy. This did not necessarily offer room for the poor or the Dalits to occupy leadership. Rather, the leadership now shifted to a new elite – that was less dependent on land

and wielded educational and cultural capital – typified in the figure of the rural schoolteacher’ (*ibid*: 54–5).

The kind of reciprocal relationship between the communist party and communities that became established, Bhattacharyya thinks, made for prolonged social peace and for the ‘permanent incumbency’ of the Left, assisted by the weakness of the Congress party in the state – until the profound strategic errors of the Left leadership, which began to stack up from the later 1990s, reached a tipping point and the Left’s control over the party-society collapsed.

From about 1992–93, rates of agricultural growth in West Bengal began to decline, and, whereas in the previous period of high growth rural inequality had tended to decrease, it now began to increase again, as the rate of growth of rural employment and average earnings of agricultural labour households declined (Chattopadhyay 2005). At the same time, substantially because of increased salaries for the white collar public sector employees who, with the rural poor and a section of the middle classes, constituted the alliance that supported the Left, the state government was unable to invest adequately in the provision of the education and health services that rural people increasingly sought (Bardhan *et al.* 2014). Nag (1989) comments on the extent to which the differences in the quality of health care between Kerala and West Bengal had to do with the much more extensive mobilisations of people in Kerala around health issues than was the case in West Bengal. Kheya Beg has it that ‘The CPI-M failed to innovate a relationship between social movements and political office’ (2011: 98). According to Beg, ‘The CPI-M’s lack of political will or imagination to tackle education and social services for the unprivileged has been attributed to the pervasive social conservatism and patriarchy of the party’s *bhadralok* ... leadership’¹⁰ (Beg 2011: 84). The Left Front generally neglected, too, the large mass of those employed in the informal sector – to which more and more people had to turn as the only possible means of supporting themselves. Yet, Rina Agarwala tells us, ‘Politicians in West Bengal

10. It may be that more important than conservative, patriarchal attitudes was the adherence of the leadership to ‘scientific Marxism’. They sincerely believed that they knew best, and were quite convinced, for example that informal labour was unsuited for revolutionary struggle – as some from among them informed Törnquist in interviews in the 1980s.

[including those from the CPI-M] have rarely been directly involved in improving the livelihoods of the state's informal workers' (2013: 117). As she says, the neglect of these workers by a party that based its power on a platform of social justice – what Basu and Majumdar describe as the political commonsense, or 'social imaginaire' that the Left successfully established – is striking. Given this neglect, and the decline of the organised working class in the context of the economic liberalisation that was encouraged by the Left Front after its adoption in 1994 of a 'New Industrial Policy' – which encouraged 'enclave' development in SEZs and Agro-Export Zones – it is not surprising that it should have begun to lose support in the cities, even though the government was fairly successful in maintaining a higher rate of economic growth than most other states (according to Kohli's calculations, 2012: Table 3.1). Over the years, too, Bhattacharyya says, 'the governmental institutions [such as the panchayats] which once helped the party to respond innovatively to popular demands ... became dated and ineffective ... [with the panchayats often being] turned into an extension of the bureaucracy under partisan control' (Bhattacharyya 2010: 56–7). Party cadres in some cases began to act more and more like local mafias, depending on thuggery: 'Petty extortion – "collecting for the party" – became common; larger scale rackets by CPI-M goons were assured impunity, thanks to police collusion' (Beg 2011: 85). Dissatisfaction with the behaviour of party workers played a significant part in the rout of 2011 (cf. Bardhan *et al.* 2014).

In short, the Left Front in West Bengal was successful in breaking the hold of the landlord class and in raising for many years living standards among the rural poor¹¹ – though without creating an adequate base for dynamic non-agricultural development, and the creation of more productive jobs outside agriculture. The Bengali *bhadrolok* had not succeeded as entrepreneurs, and the gap that was left by their failure was filled by Marwari traders, immigrants from Rajasthan (Basu and Majumdar 2013: 171). There was not much of a Bengali bourgeoisie at all, and so the capitalist class of the state remained outsiders, espe-

11. John Harriss did not at first recognise, in 1991, the village in which he had lived ten years earlier, because so many small huts had been replaced by *pucca* houses – indications of improvements in living standards that had followed from agrarian reform and the improved productivity of agriculture (Harriss 1993).

cially as the communists made use of appeals to sub-nationalism against them (Kohli 2012: 200). Capital flight, for the capitalist class of the state, was always a possibility. There was very little chance, therefore, of the development of a growth coalition in West Bengal, though the commercial, mainly Marwari elite, with interests in the rice mills of the state, prospered, not least because the Left Front relied upon them to reduce the costs of rice procurement for the Public Distribution System (Harriss-White 2008). There were, indeed, quite close links between what was left of big capital in the state – mainly Marwari – and the communists. The Left Front government seems initially to have aimed to realize ‘balanced growth’ rooted in agricultural development, while compromising with the ‘national bourgeoisie’. To this end labour militancy was reduced. Indeed, the party made no efforts to appeal to informal labour and, as it sought to invite capital in from outside after 1994, the Left Front advertised the state as having India’s largest and cheapest non-unionised labour force. But the efforts of the Left Front to woo national and international capital failed – in spite of the sacrifice that it imposed upon labour – by also neglecting fair negotiations with farmers and agricultural labour, and thus being unable to deliver the land required (and promised) for major investments.

For all the contradictions that were entailed in the adoption of neoliberal policies by the Left Front in West Bengal – when, ironically, the same policies were being opposed by the national leadership of the CPI-M – it remained in office thanks to strong party organisation, patronage politics, and the legacy of its earlier social and economic reforms, and, it must be said, thanks to a divided opposition. In the end, sadly, lacking for so long an effective opposition, retaining political office remained an end in itself for the Left Front in West Bengal. When the Left Front sought to take over fertile agricultural land for industrial projects in the notorious cases of Nandigram and Singur, it finally wrecked the class alliance on which it had for so long depended (Beg 2011). The Left destroyed its rural apparatus and, with it, West Bengal’s experiment with social democracy.

Conclusions

Social democratic development is about political equality and social justice. Politics to that end requires that various interests can be com-

bined with universal rights and broad alliances. It has often been argued that this presupposes culturally and socio-economically relatively homogeneous societies, as in Scandinavia. But Kerala's formative years suggest otherwise. Social democracy may also be a viable proposition in efforts at combatting divisiveness and inequalities. This happened as socio-religious reform movements (in the context of commercialised agriculture) and peasant struggles against landlords were combined with demands for equal civil, political, and social rights when combatting the effects of the world economic crisis, and fighting for Indian and Kerala nationalism, under the leadership of embedded socialist and communist leaders.¹²

After the communists' historic victory in the first Kerala elections, however, attempts to foster social democratic economic development proved more difficult. And in West Bengal, the conditions were less favourable than in Kerala: neither economic structure, caste composition nor reform movements were well poised to further social democratic development. Hence, socialist and communist leaders tried compensatory policies, which became problematic. In spite of remarkable achievements in terms of human development reforms in Kerala and efforts to combat poverty in West Bengal, there have been a number of stumbling blocks.

One relates to the first and second dimensions of social democracy: political collectivities and state-society relations. In Kerala, after the leftist government was unseated in 1959 the broad alliances from below for rights and reforms were weakened in favour of centralist party political divisions, extending down to the lowest grassroots and civil society organisations. In its successful effort to win elections and get back into office, the Left itself formed top-down fronts. The separate parties in the Front's governments then used their positions to gain resources and mobilise members and voters. This party-clientelism generated additional fragmentation. In West Bengal, party intellectuals managed to extend their primarily urban trade union base through the effective combination of land reform measures and decentralisation. But the party came to act as a patron to the mass of the rural people. While some of the negative effects in Kerala were constrained by the pressures of intensive

12. And one may now ask if similar countermovements might be viable against the negative effects of today's uneven development.

electoral competition, this rarely applied in West Bengal where for three decades the centrist leadership of the CPI-M in particular exercised next to total dominance in state politics. At no stage did West Bengal's Left Front encourage the participation of non-party organisations in the policy process.

Second, these practices undermined in turn the third pillar in social democratic policies, the focus on wider issues and alliances. Party patronage came with special favours to members and loyal sympathisers. The fact that the (relatively) impressive Kerala land reforms and the important agrarian reforms of West Bengal did not include a number of vulnerable people made things worse. In West Bengal, popular education, public health and the plight of agricultural labourers were notoriously neglected. In both states, but especially in West Bengal, workers in informal sectors were also ignored, as were those who promoted women's interests and gender equality.

A third major problem was that the Left failed to build effective growth coalitions in either state. Although the informal alliance between the princes and the tenants in Travancore and Cochin offered a hopeful beginning, the rest of the story is not so sanguine. After independence Kerala was unable to draw on its comparative advantage with regard to education in an alternative development strategy (though it was used, later on, for individuals' benefit through migration, and is now sought to be drawn on under neoliberal policy). Industrialisation was weak in both states, and land reform while relatively advanced in Kerala, by comparison with the rest of the country, did not generate much growth. Labour in Kerala won better wages than in other states which, given insufficient improvement of productivity, held back investments beyond construction, some services and property speculation. In West Bengal, moderate agrarian reforms were partially instrumental in bringing about a high rate of growth in agriculture, at least for some time, but not enough to generate industrialisation. The West Bengal party, therefore, opted for external investments, holding wages down and neglecting in particular informal workers.

Fourth, the attempts at alternatives were devastating in West Bengal and inconclusive in Kerala. In Calcutta the communists' alternative policies to foster growth and create jobs largely resembled Deng Xiaoping's authoritarian variant of the pro-market policy that the Congress leaders

adopted in New Delhi, including forced land acquisition for the benefit of the big companies without proper negotiation and compensation. This paved the way for the total defeat of the Left. Meanwhile in Kerala innovative and promising attempts were made by leftists inside as well as outside mainstream politics to break out of the vicious circle by reinventing the dynamics of the formative period through decentralisation and planning from below. All the dimensions of social democratic politics were considered. Broader forms of democratic participation were initiated to include old as well as new organisations and groups. Priority was given to civil and social citizenship rights for all. Such rights and policies would be combined with locally negotiated agreements on economic development priorities. But the new local participatory institutions were not independent and efficient enough to reunite divisive groups and interests, to combine representative and direct forms of democracy, and to resist party political distortions. This undermined the focus on equal and non-partisan citizen rights and welfare policies. And targeting which excluded broad sections of the middle classes made things worse. Fundamentally, the localised (and often rural and semi-rural) settings of the campaign made it difficult to negotiate new and dynamic growth coalitions.

In West Bengal, the Left is now in shambles and, in Kerala, India's economic liberalisation and migrant labour remittances set the pace for social and economic development. State–society relations are undermined by distrust in public governance and the persistent dominance of personal networks and of parties and leaders with vested interests. In Kerala, increasingly large sections of the mainstream left want to foster equity and growth despite neoliberal conditions, and are too dependent on winning close electoral races to repeat the mistakes their comrades in West Bengal made while in hegemonic positions. But even so, there is a shortage of vision and no sense of a roadmap of the way ahead. In both states, there is a need to reduce the negative effects of rentier accumulation of capital as well as to foster coalitions in favour of more inclusive development and related social policies. This requires better representation of the important interests involved, and genuine engagement with the new middle classes in public governance and welfare. Little is gained in this process by, as we pointed to earlier (see page 65), the current Kerala State Planning Board's measuring itself against ideals drawn from

the Nordic states; rather, there is a need to reread India's experiences of the *politics* of social democratic development in comparative perspective.

Authors' note

Olle Törnquist is the principal author of the section on Kerala. He would like to acknowledge the special importance of comments and suggestions made during several sessions in March 2013 and November 2014 by Professors P. K. Michael Tharakan and K. K. George and their colleagues at the Centre for Socio-Economic and Environmental Studies, Kochi. When nothing else is specified, the following analyses are based on their studies, as well as Törnquist's (see their works in the list of references, and references therein). Similarly, Jos Chathukulam, J. Devika, B. Ekbal, R. W. Franke, K. K. George, P. Heller, K. N. Harilal, T.M.T. Isaac, M. S. John, M. A. Oommen, J. Prabash, K. Rajesh, and a number of their colleagues and related practitioners, have all contributed important insights. We also thank Robin Jeffrey for his careful reading of earlier drafts. All remaining mistakes are those of the principal author.

John Harriss is the principal author of the West Bengal section. He is grateful to Pranab Bardhan, Robin Jeffrey, and Ronojoy Sen for very helpful comments. He takes full responsibility for remaining errors of fact or judgement.



Photo by Prashant Nakwe, courtesy of *The Hindu*

Aam Aadmi Party supporters show youthful zest as they campaign for their leader, Arvind Kejriwal, whose image appears on the large banner in the background.

PART THREE

POLITICAL COLLECTIVITIES

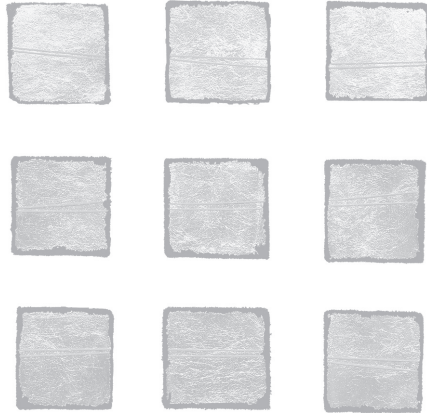




Photo by Karl-Evert Eklund, courtesy of Nordiska museet, #7906

The parish council deliberations discussed in chapters four and seven were followed by municipality meetings. This image is from one such meeting in Haninge Kommun, Sweden, possibly in the late 19th century.

CHAPTER FOUR

From Local Citizenship to the Politics of Universal Welfare: Scandinavian Insights

By Hilde Sandvik

The Indian People's Planning Campaign in Kerala was intended to fulfil the promise of the Indian Constitution, a promise that John Harriss and Olle Törnquist in Chapter Three identify as social democracy: 'politics based on political equality that strives to realize social justice, by democratic means and in such a way that the realization of social justice and democratic deepening serve each other.' It is hard work to create the sentiments of citizenship, equality, brotherhood, and empathy, all of which are so fundamental for making societies in which there is care for everyone and that have human dignity, as the main goal for politics. The planning campaign used political tools such as budgeting, redistribution, and investment in common goods in an effort to craft a grand class compromise comparable to that in Europe, which reconciled private profit with social investment and opened up for social democratic politics in Europe (Stokke and Törnquist 2013).

In a comment to Stokke and Törnquist, Patrick Heller in the same volume of *Democratisation in the Global South* underlines the importance of historical preconditions for social democratic policy and class compromise in Europe (Heller 2013). He emphasises the importance of *local* democratic arenas where social bargaining took place. These provided the foundation for effective citizenship in Europe and, in some places, contributed to the establishment of social democracy.

Social democracy did not begin with the working class and a grand class compromise that reconciled private profit with social investment. This social bargain was rather the end point of a fairly long, often contentious, process of mobilization and political transformation. It took root,

I argue, in local democratic arenas, and the key ingredient was not so much the formation of a working class that came to demand social democracy, as the more general formation of effective forms of citizenship. This more prosaic process was, at the very least, a necessary prerequisite to the kind of politics that would eventually produce social democracy. And this is arguably precisely where the challenge of democratization in the contemporary Global South currently lies (Heller 2013).

A similar argument has recently been emphasised by Irene Wennemo in a book on the preconditions for social welfare state in Sweden (Wennemo 2014). The Kerala People's Planning Campaign attempted to create local citizenship. But can this local formation of citizenship solve social problems caused by industrialisation and globalisation today? Scandinavian history offers, in my view, some useful insights about the very long history of local citizenship, but also the history of how and why it was necessary to solve problems on a national level when industrialisation and urbanisation changed society.

Wennemo starts her history of the Swedish welfare state with the broad range of preconditions in preindustrial Sweden: women's roles in the production and management of the household economy as able young servants, married managers, and eventually widowed household heads; high age of marriage (26 years for women at first marriage), the western European household formation system (Hajnal 1982),¹ a rural population that also engaged in export trade and with small households that were dependent on social cooperation for risk handling, and especially congregation meetings led by the vicar with all taxpaying household heads present, dealing with poor relief and schools. Norway had the same household formation system, high age at marriage, combination of agriculture and export trade, local institutions for risk handling and local institutions with six men from the congregation, appointed and led by the vicar, who organised poor relief and primary education.

When Sweden and Norway industrialised in the second part of the 19th century, the shortcomings of the old, local institutions became evident. The old local welfare system was based on small producers in rural

1. The western European household system, by contrast to e.g. India, may be summarised in terms of late marriage among both women and men who before marriage had often been servants in other households; after married, women were in charge of their own household, with their husband being the head of the household.

communities. Industrialisation made a growing population dependent on wage labour and vulnerable to unemployment and injuries caused by accidents in the new factories. As elsewhere in Europe, notably Germany, Swedish and Norwegian Parliaments sought to address some of these challenges with new legislation. The politicians were inspired especially by German legislation. Reports from both royal- and parliament-appointed labour commissions documented the urgent need for reforms. Social liberal governments from 1890 until 1930 started the reform process. Social democratic governments came into power in the 1930s and enforced the social legislation. In the post-war period, the many different insurance systems were included into one solid, sustainable universal welfare system.

This essay discusses how this transformation was possible in Scandinavia, and the sort of citizenship that was mobilised. Four periods in Scandinavian history illustrate different forms of government and of citizenship: the rural background of the old politics (up until about 1850); the social liberal efforts of 1850–1920; the interwar crises followed by the social democratic governments of 1920–40; and finally, and only very briefly, the post-war discussions on social citizenship that led to the establishment of national insurance schemes (1945–65).

The rural background

As far back as there are historical sources, there is evidence of the *ting*, a form of local organisation in Scandinavia. The Norse laws (12th–13th centuries) show that *ting* assemblies served to resolve disputes, punish crimes, and settle agreements about roads, bridges, and churches. Local tings were an arena of direct participation by 100–200 families, while the regional *tings* were comprised of representatives from about 12 local tings. The verb *tinga* means to bargain, or to make agreements. The laws also reveal arrangements for the old and sick without families: they should circulate from farm to farm (Norwegian *legd*, Swedish *rote*) for food and shelter, passing a couple of weeks at each place.

The *ting* was older than the state, and the emerging kingdoms had to adjust to this tradition. The *ting* became the meeting place for the royal power and the people, and the place where the king's claims for taxes and military support were disputed and protest articulated. Gradually, the *tings* came under royal control and judges appointed by the king

were given the power to issue verdicts and enforce new legislation and taxes.² However, local participation was still remarkable: the oldest known Norwegian *ting book*, or court record (preserved from 1613), reveals that about one-third of male household heads in a district with a population then of 1,000–2,000 inhabitants (200–400 households) took part in one of the three *tings* held in that year. Every second adult man had sworn the oath to serve as a judge – together with the royal judge who, along with the sheriff, visited about ten *tings* in his district three times a year. Women were involved in between ten and 30 per cent of the cases, and the court records reveal that they must have had about the same knowledge of law and justice as men.

Norway was under Danish rule from 1537–1814. Under Danish absolutism from 1660, both royal power and taxes increased in Norway. Sweden's military expansion drained the farms of young and able men both in Norway and Sweden in times of war. In these years, the *ting* continued as both an arena for the king's claims, for popular protest, and as before – an arena for the handling of local conflict and for the announcement of contracts and agreements. Locals were still involved in the many parts of the judicial system. Knowledge of law and justice seems to have been widespread even in these hard times and both testimonies and arguments in ordinary court cases and petitions as well as the many uprisings reveal civic spirit and opinions of fairness and justice.

To understand the burden of taxes, and of men being taken away to wage war, some basic facts about how hard it was to create a surplus in a Scandinavian pre-industrial economy are necessary. Ninety per cent of the population in Sweden and Norway lived in the countryside. Premodern agriculture in the high north under the polar circle was a risky living. Temperature limited farmers to a single annual crop and one pound of oats or barley seed might give five pounds of harvest in a good year. Only three per cent of Norway's land area and five per cent of Sweden's is arable. As the population grew, households combined agriculture with income from the export trades. Fish, timber, copper, and iron from Scandinavia found new and growing markets along the North Sea. Households managed both to maintain a farm and to secure income to buy grain and pay taxes through the gender division of work, whereby

2. Some results of a Nordic history project on the local courts 1500–1800 are published in Österberg and Sogner (2000).

women worked the farm and men, especially during winter, worked in the mines, woods or fisheries. Despite hard work, a household's surplus was minimal. Taxes and military service therefore were heavy burdens for the king's subjects, and protests often occurred.

Even under such circumstances, a basic school system was implemented. The state-imposed shift from Catholicism to Protestantism in Scandinavia, along with the nationalisation of the properties of the Catholic Church, took place early in the 16th century. According to Lutheran Christianity, reading and understanding the Bible was essential. The Swedish Church Law of 1686 ordered all parents to teach their children to read. The vicar was to monitor the literacy and religious observance of every household once a year. In Norway, education for all children as preparation for confirmation was established in 1736 in a way that – after some confrontation with the king's plans – was not too onerous a burden for the households: a teacher was paid by the community (very modestly) to circulate in the district and educate the children in the neighbourhood for some weeks each year. No schoolhouse had to be built. School took place in the living rooms of the farmhouses. In Norway, local commissions constituted by the vicar and six farmers supervised the system of education and appointed teachers. The same commissions were empowered to collect and control poor relief. In Sweden, the congregation meeting led by the vicar with all household heads had the same function. The primary education system was in other words financed and organised locally, though it had been initiated by royal decree. This illustrates the point that all social reforms and all offices – schools, doctors, midwives, courts, the postal system, transportation, and even the military and the church – were organised and financed locally, though under royal authority. Revenues accruing to the state were not used, as they are today, for the purpose of redistribution, but were intended to strengthen the king's army, court, and majesty.

By the beginning of the 19th century, therefore, in both Norway and Sweden, the king's subjects had a centuries-long history of involvement with law, justice, and local arrangements for common affairs. They had, in Heller's words quoted at the beginning of this essay, developed 'effective forms of citizenship', in local though not yet democratic arenas. Lay participation was probably stronger than in most other European countries. As subjects, people felt the burden of an emerging bureau-

cracy, strong states and the contrasts between times of war and peace. They knew how to frame their arguments according to law and also with references to 'common good'. In Sweden, farmers had political rights and were represented as one of the four estates in the diet, together with the nobility, the clergy and the burghers. Under Danish absolutism Norwegians had none of these rights.

In both countries, the state's central powers were strong, with bureaucracies able to collect and control taxes and to enforce law. There were few mediating powers. The church was under royal control in both countries and nobility in Norway was almost non-existent. The nobility remained in Sweden, but without the privileges of jurisdiction over their peasants that obtained in many other parts of Europe. The few guilds in the towns were under strict royal control but limited to regulating the standards of their crafts. Scandinavian guilds never came to occupy such powerful positions as guilds in German and Dutch towns.

In 1814, as a result of the Napoleonic wars, Danish rule in Norway came to an end and Norway and Sweden were joined in a union that lasted until 1905 and was dominated by Sweden, though with extensive Norwegian home rule. Sweden continued the four estate diet while Norway leapt from autocracy to popular sovereignty. Already by 1814, the Norwegian constitution gave the vote to 45 per cent of adult men. Ordinary farmers – both owner-cultivators and tenants, no matter how small their farms were, but not workers or cottars³ – were enfranchised and eligible for the unicameral parliament. (Acknowledging history and tradition, the Norwegian parliament was named *Stortinget*, the big *ting*.)

Despite their different political systems, Norway and Sweden faced many of the same challenges. In 1833 and 1837, farmers won the majority in Norway's parliament and soon controlled many local councils as well. They took revenge for centuries of heavy burdens by abolishing all direct taxes to the state. The state's expenses were to be financed by indirect taxes, such as customs and duties. Local taxes, however, were not abolished, but rather came under municipal control. In the 1890s, a very low direct tax to the state was finally reintroduced. In Sweden, the

3. Cottars were married rural workers who paid for their homes and plots of land through an obligation to work on the farmers' land, without a proper contract on their leasehold. A big farm could have ten cottars, a small farm one. The system, which developed in the 18th century, was brought about by pressure on land.

four estates diet did not go to such drastic measures. In both countries, however, social welfare such as schools and poor relief continued to be organised by the municipalities according to old laws. Poorhouses, workhouses, and other institutions were established in towns. In the countryside, where 80 per cent of the population still lived around 1850, the old system with *legd* or *rote* – transfer of lonely old, poor or sick from farm to farm, or auctioning them out for the lowest cost to the municipality – prevailed. In Sweden, poorhouses were built even in some rural districts.

In the centuries-long period of Danish absolutism, the Danish regime had tried to prevent popular regional or national mobilisation in Norway because of fear of protest and uprisings. Under the new Norwegian government after 1814, the new elites had the same fear of mobilisation, organisation and political parties (political parties began to be established only as late as in the 1880s). When an act from 1741 forbidding religious meetings (conventicles) without the vicar's permission was abolished in Norway, in 1842, lay religious, temperance, and many other popular movements with a national agenda emerged. In Sweden, similar legislation that had prevailed since 1726 was abolished in 1858/1868. Both men and women engaged in new social, religious and political movements and influenced the political agenda over the next hundred years.

The industrial challenge

New industrial technology emerged in Scandinavia only in the 1840s. Textile mills, mechanical industries, and a range of industrial activities developed gradually, both in towns and by waterfalls in the countryside. In both Norway and Sweden, workplaces like fisheries, sawmills, mines, iron works, and shipyards had for centuries coexisted with rural society. Farmers and cottars had worked part-time during winter and sometimes even during summer. Gender division of work had made this possible, because women managed the small farms when the men were absent. Some of the same elasticity and risk handling continued. However, the new industries opened up many new workplaces for cottars and a growing population without access to land. Yet poverty was widespread and many sought a better life. There was extensive emigration to the United States in the second half of the 19th century, at the same time as industrialisation and urbanisation were taking place at home.

The emergence of new industries happened without any change in social legislation. Unlike England, which established its first child labour law came in 1802, in Norway the first legislation was not until 1892. Legislation in the neighbouring countries was passed somewhat earlier: Sweden had prohibited night work for children in 1846, and Denmark had a similar law from 1873 (Seip 1984: 110).

The new social challenges were in the first place defined as a poverty problem. Several attempts to introduce new poor laws took place. Commissions recommended both the German Elberfeld system and the Scottish Chalmers system from Glasgow (Hennock 2007: 52–4, Englander 2013: 47). They preferred a stricter divide between ‘worthy’ and ‘unworthy’ poor: loans and philanthropic help for the worthy and jail-like workhouses for the unworthy. Both the 1845 and the 1863 Poor Laws in Norway were based on the old rural system, though they were also intended to accommodate greater mobility. When people moved to cities or industrialised municipalities for work, their former municipality of domicile was responsible for two years to reimburse whatever they received in poor relief or for medical treatment. This was to reduce the burdens on taxpayers in cities and industrialised municipalities. Swedish Poor Laws were similar.

The new industrial work made people more vulnerable. Without paid work there was nothing to live from but poor relief. Unemployment, injuries, or sickness caused destitution for families. In many new industries, the old paternalistic relation between employer and employees softened the tragedies. In some places, local insurance systems were established. Legal proposals for compulsory old age insurance for workers were debated in parliamentary committees but turned down with liberal arguments about the importance of maintaining a free market for labour. An early workers’ movement in Norway in 1850 proposed arrangements whereby the employers should pay the insurance. The problem was that when bankruptcy and closure ruined employers, then worker security also vanished. Municipal expenses, mainly poverty related, had increased by more than four times in Norway, from 17 to 80 million kroner between 1880–1914 (Fuglum 1978: 472).

The shortcoming of the old system was obvious and the social question came onto the political agenda, together with a demand for universal voting rights and for redistribution of wealth. Demands for

citizenship rights were expressed in national political and social movements with local chapters. Art and literature were obsessed with social questions. The king's reluctant acknowledgement, already in 1884 due to forceful liberal opposition, of the principles of parliamentarism (that is, that the parliament and not the king would appoint the government), was pioneering by European standards and encouraged widespread popular engagement in social and political matters. The political parties – conservatives, liberals and finally the social democrats – all had different opinions and different solutions to the social question – but they all agreed on the need for national legislation. In light of the discussion in Chapter One of this book about the four dimensions of social democratic development, and of Heller's argument, quoted at the beginning of this chapter, about the 'local democratic arenas' as point of departure for social legislation, one should take into account that, at this point in history, local solutions were not regarded as sufficient. The social question had in both Sweden and Norway become a national parliamentary issue. However, Heller's point that a lot of social politics happened long before social democrats came into power is true also for the Scandinavian countries, as will be shown.

Scandinavia was only on the fringes of the socialist movement. Labour parties were founded in 1887 in Norway and in 1889 in Sweden. The Confederation of Trade Unions (LO) was founded in 1898 in Sweden and in 1899 in Norway. The Norwegian Employer's association (NAF) was established in 1900 and a comparable association at about the same time in Sweden. The universal male vote was implemented in 1898 in Norway, and women got the same voting rights in 1913. Sweden followed with universal male and female suffrage in 1921. Social Democrat parties represented a new politics. In regard to social policy, these parties were far more radical than the liberal parties. During general elections in Norway from 1891 they proposed radical policies on schools, insurance for old age, ill health and injuries, free medical care, and free judicial help. They also advanced reforms in local elections (from 1890 onwards), including more house building, school meals, eight-hour working days, and insurance. And in the Norwegian national election of 1903, the social democrats proposed old age pensions and free hospital treatment financed by a progressive tax (Seip 1984: 287). Hence, the Scandinavian labour parties were, just like their social

democratic German peers, sceptical of Bismarck's social policies from the early 1880s. Bismarck's model dominated the discussion among the European elite at the time and was put forward in Scandinavia too, but the social democrats dismissed it with the argument that it granted the capitalists and 'their state' full control of workers' social security. Later on, however, the Scandinavian social democrats preceded their German comrades in developing radical reformist policies based on state-facilitated compromises between capital and labour (described as the fourth dimension of social democratic development in Chapter One).

In effect, social policies were based on compromises that began with the first parliamentary debates in the 19th century. Both in Norway and Sweden, the rural districts had most votes in parliament, and the farmers feared the costs of social policies that would mainly benefit the urban poor and the factory workers. Until the 1930s, the farmers' parties preferred self-help and insurance schemes, not tax-based schemes.

Fear of social unrest and social and humanitarian concern constituted the background for the Labour Commissions established in the 1880s. The Norwegian Labour Commission (1885–88), a royal initiative after the Swedish model (1884–89), consulted experts and experiences from many different countries. They studied British labour legislation and German social legislation, and particularly admired Bismarck's initiative from the 1880s, whereby insurance would be jointly paid by workers, employers, and the state. The Commission finally suggested factory inspections, injury and sickness insurance, and pensions for elderly, and a ban on child labour. Two further Norwegian parliamentary Labour Commissions (1894, 1900–02) continued the legislative work and balanced political initiative with the politically possible.

During the following years, Scandinavian parliaments prohibited child labour in factories (Norway 1892, Sweden 1846/1881). Norway introduced injury insurance for factory workers (1894) based on a German model (German Injury Act of 1884), with insurance financed by the employers, due to the opinion that injuries were one of the costs of modern industry.⁴ A similar law was introduced in Sweden in 1901. The Norwegian Factory inspection law (1892) established national factory inspection and factory supervisors were appointed. Sweden

4. In England the Workmen's Compensation Act was passed in 1897.

introduced a worker security law in 1889 (reformed in 1900), Norway followed in 1909.

Over other issues there was no possibility of reaching agreement. Neither on restriction of working hours nor on minimum wage did the politicians come to any agreement. Both the social liberals and the conservatives feared that universal social security schemes would lead to laziness and bankruptcy. Broad insurance schemes were well known in Scandinavia, but mainly as a provider for the elite: since the 1730s, all civil servants had been required to purchase insurance to provide for their widows. Despite the fact that this was a relatively well-off segment of the population, there had been frequent problems; actuaries had again and again refined the calculation to ensure sustainability. More than once their calculations saved the schemes from bankruptcy, warning that earlier calculations were too optimistic due to the household formation system in the elite; civil servants married late with young brides and started to pay insurance relatively late in life, and the widows' pensions became expensive because they outlived their men by many years. The pro and cons of broad insurance were well known. The disturbing ethical dimension of the new social problems that followed industrialisation and urbanisation were, however, widely debated in newspapers and meetings, as well as in literature and art. Ibsen's dramas cast a harsh light on the bourgeoisie. Novels and poems of other Scandinavian authors, less known outside Scandinavia, such as Alexander Kielland, Amalie Skram, Per Sivle, Kristofer Uppdal, Victoria Benedictsson, Gustav Fröding, and Dan Andersson helped to form a new consciousness. Equally important were the many popular movements that took up philanthropic and social issues. Increasing empathy and rising political consciousness led all political parties to include social policies in their programmes. The question was not whether to do it, but how.

In 1895, Norway finally introduced progressive taxation, though this tax was very low, at only three to four per cent. Primary schools and poor relief continued to be financed locally. 'The municipal principle', as Anne-Lise Seip has called this system for poor relief and schools, continued during the 19th century, until a new redistributive welfare state system started to emerge in the interwar period (Seip 1984). In the 19th century, the state did not undertake redistribution, but involved itself in social policy through legislation, regulating education and, in a

more modest way, working life. The state provided for the University, for secondary schools and for some compensation for communities that established regular schools with proper schoolhouses. In 1889, the Norwegian parliament passed the school act, which introduced seven years of compulsory schooling – still to be financed by the municipalities. Municipalities also took the initiative to finance and organise the improvement of modern society through investment in local electricity works, water supply, and hospitals. An illustration of the relation between municipalities and state in Norway is that the capital's (Oslo's) budget was equivalent to one-fifth of the national budget. Even issues of national importance had been co-financed by state and the municipalities. The railway was one example. Now the new social policies called for the same collaborative efforts, inspired by foreign reforms and under pressure from domestic problems and a growing consciousness of the failures of an unregulated industrial economy. There were certainly political conflicts on the character and scale of such reforms, especially in Sweden. In Norway in particular, however, liberal and agrarian politicians were important, and many of them were rooted in popular social and cultural movements, just like the social democrats as well as a number of conservatives. Social movements fronted the many social issues, often with support from academic experts, and political parties followed up the initiative with new posts on their party programmes for general and local elections. Nationwide women's organisations joined forces with doctors and medical science to stop the fatal tuberculosis that took so many lives from all social segments. They raised funds, hired nurses to teach basic hygiene, financed hospitals and medical training and finally pushed political parties to include hospitals and health in their programmes.

Sickness insurance was implemented 1909 in Norway, after many years of discussions on who should be included and who should pay. This replaced existing private sickness insurance, financed mostly by the workers, but with some help from employers and, in Sweden, also some from municipalities (from 1891). The social democrats wanted a universal sickness benefit and not an insurance scheme that would be just another burden for already poor people. The Sickness Insurance Act of 1909 insured mainly urban factory workers and servants, both urban and rural, with incomes over a certain limit. Sixty per cent of the scheme

was financed by the workers themselves, 20 per cent by the state, and ten per cent each by the employers and the municipalities. There was in fact no redistribution in the scheme, but rather a plan for reducing the expense of coping with poverty. The insurance scheme turned out to be very difficult to administer in periods of unemployment and inflation. People went in and out of the system depending on their wages. Universal sickness insurance seemed to be a more efficient and more just solution, and there was growing political support for the social democratic solidarity principle: the wealthy had to contribute by progressive taxation. But economic crises put an end to all reforms. Sweden and Norway had open, export-oriented economies and both were hit hard by the crises of 1921, 1926–27, and 1931–34. During these crises, unemployment insurance organised by some unions was an important support for many families. No universal unemployment scheme existed yet and many of the unemployed were not union members and received no economic support. For many, the solution was to seek out some livelihood in the rural districts, paid or unpaid. Young people realized there were no paid jobs and stayed at home on the farms. In Norway, the unions declared that there should be only one breadwinner in the families; married women had to quit their jobs.

Sweden had been the first country to introduce universal, compulsory old age insurance in 1913. The amount was low, but in the countryside where the living costs were less, this redistribution really made a difference. Married women also received old age pensions, and this can probably be regarded as an acknowledgement of women's contribution to the economy (Wennemo 2014: 99). An explanation for this successful reform was that the farmers now also accepted the principle of universality. With a universal pension farmers as well as wage labours would receive benefits from the redistributive system (Wennemo 2014: 147). A universal system also prevented stigmatisation of the receivers. In 1935, Sweden reformed the old age pension scheme to a tax financed system.

The Norwegians also reached a compromise on old age pensions for the poorest, financed by tax, in 1923. However, the economic difficulties of the time made it impossible to implement the law. Neither the conservatives nor the liberals dared to go for heavy taxes during the depression. More and more municipalities had introduced old age

pensions, but all stopped because of the crises. It was the class compromise between *Arbeiderpartiet* (The Norwegian Labour Party) and *Bondepartiet* (the Farmers Party; later *Senterpartiet*, the Centre Party) that made tax financed old age pension possible. In 1936, a pension for elderly people was introduced in Norway. As in Sweden the amount was low, but in the countryside it was a real help.

Maternal relief was also implemented. Norway's capital city, Oslo, had implemented a scheme in 1919 whereby single mothers got economic support that made it possible for them to care for their children. All single mothers with children under 15 and an income under a certain level received a pension. The pension was low and the municipality expected single mothers to find work and support themselves also their own incomes (Seip and Ibsen 1989: 416–7). Only after the Second World War, in 1948, did Norway establish universal mother's relief for those with more than one child.

Reforms and political compromises applied to attempts at regulating working life, too. In Norway, unions and employers made the first national collective agreement in 1907. A vital part of this agreement was that skilled metal workers would receive a minimum wage even in circumstances of labour surplus and that there would be local negotiations on higher wages for particularly efficient workers. Unskilled paper mill workers signed an agreement too. The general idea was to regulate working life in such a way that there would be no strikes and lockouts during the periods when jointly negotiated collective agreements were valid; in 1915, the Norwegian parliament passed an industrial dispute act in favour of collective labour agreements. However, the various attempts at compromises were criticised by radical sections of the labour movement in both countries. For a brief period of time, the Norwegian Labour Party was even linked to the Communist International, and, during the 1920s, in both Norway and Sweden the number of industrial conflicts was comparatively high. This only changed with the social pacts in the 1930s, which are analysed in detail in Chapter Ten.

From unruly strikes to social democratic governments

The economic crises in the 1920s put a stop for a time to social reform. Recently-established municipal pension schemes were abolished and no new reforms were introduced. The crises revealed the differences

between poor (mostly rural) and rich (urban) municipalities. Many municipalities were bankrupt and came under national control. In Norway in 1935, 11 per cent of the population received poor relief; municipalities used on average 21 per cent, and urban municipalities 16 per cent, of their expenditure for poor relief (Seip 1984: 31). The crises reinforced the understanding of an urgent need for a general welfare scheme. In the meantime, traditional rural solutions continued: unemployed people were allowed to clear land in commons and marginal arable areas and 15,500 new small farms received subsidies from the Norwegian state between 1921 and 1939.

Social Democrats in Norway as well as Sweden understood that they could not win elections and develop welfare reforms without building broader alliances. There had been short-lived Social Democrat-led governments in the 1920s, in Sweden in 1920, 1921, and 1924, and in Norway in 1928, but without a majority in parliament they had no possibilities for enforcing reforms. In spite of electoral advances in both countries, the Social Democrats had to establish broader alliances in order to form governments. Liberals had been the obvious allies in previous struggles for civil and political rights, but now the social democrats turned to the agrarian parties by making exemptions from their general preference for free trade regimes when it came to farmers' products, and by adjusting their welfare policy proposals. The farmers' parties were happy for higher milk prices in particular and supported the Labour Party governments which could finance the reforms by way of higher direct and indirect taxes. Welfare reforms for all through the state and not just for industrial workers were also attractive for the rural population. Actually, it was much thanks to the initiation in the early 1930s of this *kohandel* or *hestehandel* (horse trading) between the labour and farmer parties that Social Democrats came into government and could convince the voters about their politics. In general elections until the 1965 the Social Democrats in Norway received most votes (above 45%) and stayed in government. In Sweden Social Democrats stayed in power until 1976. and, among other things, facilitate the more well-known welfare reforms and social pacts between capital and labour (see Chapters One, Two, and Ten).⁵

5. In 1935, the Confederation of Trade Unions (LO) and Norwegian Employer's Association (NAF) signed a Main Agreement between trade unions and employ-

The reform period in the early 1900s had ended with the legislation of the eight-hour day in 1919 in both countries. The Norwegian old age pension law of 1923 had not been implemented because of the crises. In 1936, the Norwegian parliament passed a new old age pension law and it was implemented the next year. The pensions were financed by a fund to which both municipalities and the state contributed. These pensions were limited to those without means, and the amounts were not more than poor relief, but a *right* had been established.

Another unresolved issue, that of unemployment insurance, finally found a solution: Sweden introduced unemployment insurance in 1934, though it was not compulsory and organised by the unions with some provisions from the state, following the so-called Ghent-model (because such a scheme had first been implemented in Ghent, in Belgium). In Norway compulsory unemployment relief was introduced in 1938. It covered only 15 weeks, but again a *right* was established. Both reforms were possible to implement much thanks to the new social democratic governments that were supported by the farmers' parties.

Post-second world war

In the 1960s, the Scandinavian countries changed remarkably. Wage labour had become the main source of income and the agrarian population was much reduced. In Sweden, a strong urbanisation policy had depopulated the Swedish countryside. Norway preserved a relatively large rural population due to the fisheries and industries based on hydropower and minerals. In neither country, however, could unemployed people to retreat into rural society, as they had before the war. Dynamic economic development could not rely on such individual and local strategies. An acceptance of redistributive systems and universalist principles became more widespread in the population and in all political parties. The challenge for a well-functioning national welfare state seemed to be technology and administration, and the drafting of the necessary reforms called for planning. The establishment of a 'pay as you go' system, with a basic minimum pension for all and additional pensions based on income level and taxes paid, would require a big bureaucracy based on modern

ers. A similar agreement was signed three years later in Sweden. In Norway the agreement came the same year as a solid Social Democratic government came into power.

information technology (Seip 1994). Sweden took a pioneering role in the planning process, which Norwegian politicians observed eagerly. Punch cards and computing in its early stages became the solution for the complex social equity system that finally was established (Schartum 1985; Schartum 1987). In 1962 and 1966 respectively, Sweden and Norway established National Insurance Schemes.

The technological preconditions for redistribution and social engineering should not be overlooked. If computing technology was to be a tool for social equity and fairness, reliable figures from the banking sector and a lot of private data had to be accessible for the calculations. Hence, another long Scandinavian tradition should not be forgotten: that of the vicar's duty to register and report vital data on baptisms, burials, marriages and migration. Transparency was a precondition for citizenship; both political and social rights depended on acceptance of the idea that certain data not were regarded as private but more or less public. Since the 19th century, tax lists had been open to the public, so that everyone could come to the city hall and see for themselves who was the biggest or lowest contributor. Moreover those who failed to pay taxes lost their vote (until 1919 in Norway and 1937 in Sweden) while they were in arrears. In the 1960's, data on income and savings had to be transparent and available for the authorities to be able to set up a system of social redistribution based on taxation. Fairness and predictability were not possible without trust and well-developed administrative and technological skills.

A wider consequence of the tax-based redistributive system was the growing field of common goods that gave people more equal chances in life; hospitals, schools, universities, high schools, roads, railways, electricity plants, and after a while also in Norway, kindergartens. Schools remained public. National programmes for educating teachers secured the qualities of the schools.

Public elementary schools are regarded as one of the main causes of social equality in Scandinavia, even today (Moene Chapter 10). But there are notable differences between countries. Sweden and Denmark have more private schools than Norway. In these countries more parents send their children to private schools either for social or for religious reasons, or hire private teachers. Today only four per cent in Norway attend private schools, as against 7.6 per cent in Sweden, 12 per cent

in Denmark, and 13 per cent across the European Union as a whole⁶ (Berge and Hyggen 2011).

The welfare state in Scandinavia has not been unproblematic. For example, the welfare state started out as gender biased because it was based on the principle of a male breadwinner paying taxes over a normal lifespan. Neither women's part time jobs, nor their unpaid work in households and farms gave them any rights in the system. Until recent times, when women have adopted male work habits, this meant that the older generations of women received only basic pensions even if they had worked their whole lives. The important changes in Scandinavian women's employment and social rights in the late 20th century are outlined in Chapter Nine by Fredrik Engelstad.

Conclusion

The efforts at what Patrick Heller has called the formation of effective forms of citizenship on the local level as a pillar for further social democratic advances, and which have been tried out most famously in the context of Kerala, definitely resonate in the early history in Scandinavia of citizen-based governance and welfare reforms in the context of the agrarian economy and parishes, and later on in the municipalities. Already at the beginning of the 19th century, then, ordinary people in both Norway and Sweden had political citizenship and a long history of involvement with law, justice and communitarian arrangement of common affairs, albeit not in democratic arenas in the modern sense. Political democracy emerged towards the end of 19th century and at the beginning of the 20th century. By then, liberal parties engaged in social policies and introduced some reforms, often with support from the conservatives. In the process of industrialisation, however, local citizenship and welfare measures with roots in the agrarian economy were clearly insufficient and the new protective liberal legislation was only to prevent the most adverse effects of industrialisation. The reforms that required considerable redistribution and wider citizenship rights, such as old age pensions and later on gender equality, did not begin to be enforced until social democrats gained influence (especially from the 1930's and onwards) and made universal and national reforms possible.

6. In the EU there are big differences, with 56 per cent in Belgium.

This was on the basis of broader alliances with parties representing the rural population followed by class compromises between capital and labour combining growth and labour rights.

What enabled the broad countermovements in Norway and Sweden against full scale commodification? The movements were not just about the resistance of a comparatively broad and unified working class in the context of rapid late industrialisation. Art and literature mobilised feelings, too. The failings and egoism of bourgeois living were harshly criticized, and more egalitarian social and moral attitudes toward society beyond market relations were widely respected. To some extent, all political parties had to respond with a political agenda that offered answers to the issues raised by the popular movements and modern literature, issues such as those of child labour, sexual abuse, and women's emancipation. The socialist answer was certainly the most radical, with a focus on redistribution of wealth and power. But the vision of a fairer, responsible society engaged intellectuals, far into the middle ranks of society. The economic crises of the early 20th century had a great impact. Class compromises made it possible to win majorities in parliament for important universal social reforms and agreement between capital and labour on efficient production based on collective agreements about wages and working life. There are in many ways similarities between the Scandinavian history and the underlying ethos of the social reforms in Kerala that encouraged self-worth among subordinated and marginalised people.

What Are the Prospects for a Social Democratic Alliance in India Today?

By John Harriss

A core argument of this book is that the articulation of left-inclined political parties with a broad coalition of social forces in the pursuit of socially transformative politics – rather than for the pursuit of particular group interests – was the foundation of Scandinavian social democracy. Up to a point, certainly, Kerala had the same experience in the 1930s through 1950s, when the Communist Party of India (the CPI, then undivided) initiated India's most significant experiment in social democracy. The Kerala CPI – in contrast with the CPI in Bengal (as we show in Chapter Three) – was to an important extent actually born of the broad based social reform movements that had developed in that part of India, and it continued to work with a range of organised groups from within civil society. Such social movements open the possibility for intra-movement compromises, for example wage compression in exchange for security, that are a keystone of social democratic development. The aim of the present chapter is to assess the prospects in India now for the formation of a broad alliance capable of providing a basis for socially transformative democratic politics within a market economy.

On the one hand, as discussed in Chapter Two, the prospects of the left movement in the country have dimmed; electoral support for it has rather withered than expanded. On the other, the sphere of civil society activism is generally – even if not entirely so – dominated by middle class groups and interests, and tends to be compromised in bargaining for piecemeal social reforms (as Neera Chandhoke argues in Chapter Eight). But there is also a congeries of social movements and organisations that have mobilised around particular issues or interests. A case in point is the Campaign for Survival and Dignity, a coalition of more

than 200 grassroots and activists' organisations from across the country that was instrumental in the promulgation of the Forest Rights Act in 2006.¹ A networked movement was created 'by combining grassroots place-based struggles of marginalized people with flexible, open-ended networking across space and scale' (Kumar and Kerr 2012: 753). The National Alliance of People's Movements (NAPM) aims to foster similar mobilisations.²

In this context, what now are the possibilities for the mobilisation of workers, in combination with some from among the middle classes, in support of a social democratic project? What might be made of the many disparate mobilisations of different groups of people in different parts of the country, including those articulated by the CPI (Maoist), against Special Economic Zones (SEZs) and other appropriations of land in the interests of 'accumulation by dispossession' (and of the kind that have sometimes been brought together by the National Alliance of People's Movements)? There can be no doubt about the extent of protest in India today – much of it directed against appropriations of land – undertaken by many different groups, across most of the country. Is there a way of bringing together such movements with progressive organisations in civil society, in a new political project of social transformation? And in this context, what should we make of the recent waves of public protest: first over corruption, then against rape and violence against women, and most recently in the meteoric rise and fall and rise again of the Aam Aadmi Party (AAP). It appears, at least in Delhi, that

1. 'The Scheduled Tribes and Other Traditional Forest Users (Recognition of Rights) Act, 2006'.
2. The NAPM describes itself as: 'an alliance of progressive people's organisations and movements, who while retaining their autonomous identities, are working together to bring the struggle for primacy of rights of communities over natural resources, conservation and governance, decentralised democratic development and towards a just, sustainable and egalitarian society in the true spirit of globalism. We stand against corporate globalisation, communalism and religious fundamentalism, patriarchy, casteism, untouchability and discrimination of all kinds. We believe an alliance emerging out of such a process with shared ideology and diverse strategies can give rise to a strong social, political force and a National People's movement. In its quest for a larger alliance, beyond the people's movements, NAPM also reaches out to integrate various civil society organisations and individuals working towards similar goals'. <http://napm-india.org>. Last accessed 11 February 2014.

the AAP became a broad based popular movement, even if its leaders have subsequently done their best to 'snatch defeat from the jaws of victory' (in the words of an Editorial in *Economic and Political Weekly*³). The immediate questions that arose following AAP's debut in 2013, and even more so after its astounding victory in the Delhi elections early in 2015⁴ were, first, those of whether the Party would be able to sustain its winning alliance between poor working people and fractions of the middle classes; and, second, whether it would systematically pursue social democratic political development. The future of the AAP was, however, almost immediately clouded by the tensions within the leadership that erupted in March 2015.

The chapter proceeds by first examining trends in labour politics, then the state of the politics of social movements, and finally the politics of the middle classes, in a search for signs of a plausible multi-class social movement in contemporary India.

The contemporary politics of Indian labour

The labour movement in India has often been dismissed as not being a 'movement' at all, because political ties of trade unions have been seen as bringing about fragmentation, causing inter-union conflict, and subordinating the representation of workers' interests to political goals. This frequently expressed argument has been subjected to an effective critique in recent research by Emmanuel Teitelbaum (2006, 2011), who shows how claims of fragmentation and of political interference have been overestimated. In a similar vein, Rohini Hensman (2010) has documented how the trade unions have fairly successfully staved off changes in labour law sought by neoliberal policy makers who have been concerned to introduce greater 'flexibility' into Indian labour markets – even if the unions have not been able to stem the contraction of formal employment.

There is an irony in neoliberal globalisation. In many sectors of the economy companies look for the maximum flexibility in hiring and firing labour – for 'labour on tap', as *The Economist* describes it – and so

3. *EPW*, 50 (14): 7–8

4. AAP's victory in the 2015 Delhi election, in which it won 67 of the state's 70 legislative seats, was the biggest political landslide in India's electoral history, save for three elections in Sikkim (*The Hindu*, 11 February 2015).

seek to deny union rights. And there is no doubt that, not just in India, there has been extensive informalisation of work, extending into what have historically been protected, secure jobs taken up by well educated, middle class people (so creating what Standing calls a 'precariat'⁵). The irony is that these developments may also encourage renewed struggles for unionisation, even leading the remaining 'organised workers' to seek alliances with the mass of those who are informally employed. Informalisation may be seen to be a common foe by both organised and unorganised groups of workers (Sundar 2015: 44). And it has been observed that in India, as 'employers looked for green fields for investment, trade unions looked for green fields for unionisation' (*ibid.*: 49). Unions have faced ever greater difficulties in the older urban centres, but according to remarks of the General Secretary of the All-India Trade Union Congress, made in 2013, they have found 'new opportunities', associated with 'new industrial zones that are coming up around different cities' (Sundar 2015: 49).

This is in a context in which, as Sundar shows, the idea that industrial conflict has quietened down in the post-reform period is a myth. It is striking, too, that trade unions in India have experienced significant growth in their memberships over the years since liberalisation began – in contrast with the decline observed in many other countries (Lambert and Gillan 2013: 189). It is true that the frequency of work stoppages has declined, but their duration and size has increased, at least until recently. Data from the International Labour Office for the period 2005–08 show that India is amongst the top five countries in the world for number of workdays lost per 1000 employees. Of course it is true that the share of contract labour in total employment in the organised factory sector has increased considerably – from 13 per cent in 1992–93 to about 33 per cent in 2009–10 – but struggles over the formation of unions and against the employment of contract labour have 'rocked industrial relations in many firms in the second half of the 2000s' (Sundar 2015: 47), and they underlie much of the violence that has occurred in recent years,

5. Standing (2011) uses this term to refer to the growing number of people across the world living and working precariously, usually in a series of short-term jobs, without recourse to stable occupational identities or careers, stable social protection or protective regulations relevant to them.

as workers have fought against the denial of fundamental labour rights.⁶ Indian workers are certainly resisting informalisation, and the unions are also widening their agendas ‘to include systemic issues [for example, general economic issues such as inflation and the efficiency of the public distribution system] in a manner not seen before’ (*ibid.*: 49).

The widening of the unions’ agendas extends to more vigorous attempts to organise amongst informal workers (see also Lambert and Gillan 2013: 190). In December 2013, it was reported that – though the rally was largely ignored in the mainstream media – ‘nearly [100,000] workers, predominantly from the unorganised sector, marched to Parliament to demand a minimum living wage, social security measures and regularisation of work. The call had been given by trade unions across the political spectrum ...’ (Ramani 2013a: 12). This followed from presentations of demands made by trade unions jointly over several years, and a 48-hour general strike in February 2013, which had led the government to establish a special ministerial committee to deal with workers’ demands.⁷ In the context of the rally A. K. Padmanabhan, the General Secretary of the Centre of Indian Trade Unions (CITU, affiliated with the CPI-M), argued that ‘the largest number of members mobilized in all trade unions are from the unorganised sector. There is a general tendency to state that the central trade unions are only connected to the organised sector. But 65 per cent of the members of ... CITU consist of unorganised workers’ (quoted by Ramani 2013a: 13). There may be special pleading in this claim – and it is hard to accept that India is yet witnessing the development of the social movement unionism that has been so effective in Brazil in particular (Seidman 1994) – and it is important not to exaggerate. A report in the *Economic and Political Weekly* from almost twenty years ago spoke of ‘recent developments’ in the union movement that combined ‘ideological commitment

-
6. One of the most notorious episodes of violence involved workers in a Honda plant in Gurgaon in July 2005 (Sehgal 2005); another involved Maruti Suzuki workers at Manesar in 2012 (Sehgal 2012). In January 2015, photographs of Korean managers of a company in Sriperumbudur manhandling striking workers sparked outrage (see <http://kafila.org/2015/01/17/trampling-on-workers-rights-in-sriperumbudur>, accessed on 27 January 2015).
 7. Lambert and Gillan note that these actions brought together all eleven officially recognised central trade union organisations, as well as a large number of independent unions (2013: 192).

and practical integrity bringing together the organised and unorganised sector workers in a wider movement' (Wilson 1996: 16). More recent successes certainly are indicative of an awareness of the scope for interaction between organised and unorganised workers. The potential of a much wider, inclusive labour movement is still a very long way from being realized, but there are signs – as in Padmanabhan's statement – of some progress.⁸ This is in line with what Rina Agarwala has reported of the significant numbers of informally employed workers who are actually 'organised', as were construction workers, and the women bidi workers in her study (2013). She thinks that the movements she has studied 'may reflect a global trend toward social movement unionism', and that 'a modern blend of class politics may now be finding a new echo in, of all places, the informal economy' (2013: 204–5).

But the demands put before Parliament by the workers' demonstration of December 2013 – demands for a minimum wage of 'not less than Rs 10,000 per month linked with the consumer price index', for an 'assured pension for the entire population', and other social security measures – were made upon the state by the workers, not demands made directly upon capital, or for workplace rights. In some states of India, competitive electoral politics (in Tamil Nadu, in Agarwala's research, as opposed to West Bengal) have made for conditions in which some groups of informally employed workers have been able to secure significant welfare benefits, through state intervention. Agarwala's own assessment of these developments in Tamil Nadu is distinctly nuanced. She recognizes the compromise with neoliberalism: 'Their acknowledgement and protection of informal workers have enabled populist leaders in Tamil Nadu to pursue liberal economic reforms by assuring support from the very groups most disaffected by the reforms' (2013: 113). Other scholars make the link between government-sponsored social welfare and neoliberal economic development even more explicit. M. Vijayabaskar, for example, argues that

the state has been able to shift the question of labour welfare away from the workplace to the lived spaces, from the domain of capital to the domain of government of dispossessed populations. *This shift partly ensures that capital accumulation can now proceed unencumbered by the*

8. See also Lambert and Gillan, who note that 'many major union federations remain committed to "coalition building"' (2013: 191).

burden of protecting workers' livelihoods (Vijayabaskar 2011: 44, emphasis added).

Successive governments of Tamil Nadu, led variously by the All India Anna Dravida Munnetra Kazhagam (AIADMK) and the Davida Munnetra Kazhagam (DMK), have been ready to repress labour rights.⁹ And, as Supriya RoyChowdhury has suggested, in regard to Agarwala's arguments: the 'assertion that informal workers are acting as a class by seeking welfare from the state, but refraining from wage related demands from their private employers, is very troubling as [their action] fails to address the central issue of income poverty' (2013: 81).

RoyChowdhury, long a close observer of industrial relations in India, is generally more pessimistic than Sundar or Agarwala about the state of working class politics. She concludes, from her study of industrial disputes in Bangalore, that 'The struggle of industrial workers is now mostly framed within the paradigm of firm-based activities. What is absent is both a movement character in the activities of trade unions, and a broad class-based character in workers' struggles ... The character of the trade union movement ... underlies the absence of class activism in workers' struggles' (2010: 183). When she looks at the world, she does not see a broadening of the union movement that A. K. Padmanabhan, quoted earlier, described. RoyChowdhury found that, in the ready-made garment industry in Bangalore, 'The mainstream trade unions, including those on the traditional left like CITU ... have not engaged in a sustained manner with grassroots issues.' She goes on to say that 'In the absence of alliances with other unions and political parties such struggles at local level do not translate into an imagination, let alone a moment, of political resistance, and larger mobilizations, despite the New Trade Union Initiative's (NTUI)¹⁰ articulation of the need for this at the national level' (2014: 87).

9. See, for example the report on recent events in Sriperumbudur referred to in note seven.
10. NTUI is an 'independent trade union federation which over the last decade has especially concentrated on organizing informal workers' (RoyChowdhury 2014: 87). On its website, NTUI says that it 'believes in the promotion of organisation of unorganised labour on the basis of the unity of interest at the industrial or sectoral level ... It strives to secure legislation, policies and practices to actualise internationally accepted human and labour rights, eliminate authoritarian and feudal institutions, practices and values and promote labour rights, democratic

RoyChowdhury questions the idea that ‘the issue of welfare [can] really be addressed, as it is now being done in the development discourse, as distinct from the domain of work’ (2014: 89). She looks, therefore, to ‘bring class back in’, but clearly argues that there remains a long way to go in building a working class movement in India. Her arguments, and perhaps those of Vijayabaskar, have to be set on the scales against those of Agarwala, in particular. The two writers are implicitly or explicitly critical of the shift – in Vijayabaskar’s words – of ‘the question of labour welfare away from the workplace to the lived spaces, from the domain of capital to the domain of government of dispossessed populations’. Yet isn’t this exactly what successful welfare states have done, enhancing the productivity of labour as they have done so (see Chapter 9)? Is there not more of a basis for broad unity of working people around mobilisations aimed at securing social rights and good public services than there is around workplace issues – given uneven industrialisation and the extent of informalisation of labour in the Indian economy? This seems to be Agarwala’s position, welcoming the tripartite negotiations that have taken place in Tamil Nadu between labour alliances, state and capital. This assumes, of course, social democratic objectives, and the regulation rather than the replacement of capitalism.

The politics of social movements

India has a rich history of diverse social movements: religious, caste, linguistic, regional, tribal, peasant, landless, labour, women’s, students’, civil liberties, environmental ... the list is a long one. There was a great flowering of these movements in the aftermath of the period of ‘Emergency’ rule in the 1970s, when the prime minister, Indira Gandhi, briefly suspended the democratic functioning of the state. Some observers think that since that time, however, a kind of ‘mobilisation fatigue’ has set in, and that movement activism has been at least partially sup-

values, the dignity of labour and equality at the workplace and in society. In doing so, NTUI believes that it is essential to associate with non-union organisations that share the broad aims and objectives of NTUI and contribute effectively to unionisation, collective bargaining, and campaigns. Given this understanding NTUI, since its founding, has been committed to advancing not only its trade union alliances but also building social alliances with social movements and people’s organisations’ (accessed at www.ntui.org.in on 29 January 2015).

planted by more or less professionally-run non-governmental organisations (NGOs),¹¹ or most recently by judicial activism.

There is indeed room for debate over whether organisations such as the People's Union for Civil Liberties (PUCL), or the Right to Food Campaign, both of which have played an extremely important role in pressing for the passage of the important recent legislation that has given Indians rights to work and to food, should be considered to be 'social movements'. They have actually mobilised relatively few people and have rather worked through the use of legal instruments or through lobbying (Ruparelia 2013; Jenkins 2013). But if we grant that they have at least something of the character of 'collective mobilizations, informed of an ideology to promote change' (Oommen 2010: 11), then we can recognize that members of the middle classes have often played an essential role in these important social movements of the present and the recent past. They have also in the Mazdur Kishan Shakthi Sangathan (MKSS), which was such an important driver of the movement that eventually secured the passage of the Right to Information Act of 2005, or in the Narmada Bachao Andolan (NBA) that has struggled for so long against the vast Sardar Sarovar water and power projects, in western India, which have displaced so many people. These last are very significant movements involving large numbers of people, but in which middle class leaders – such as Aruna Roy in the case of MKSS and Medha Patkar in the NBA – have been prominent.

Even many of the social movements that have arisen from below, from amongst tribal people threatened with displacement to make way for projects of one kind or another, from amongst fish workers, or amongst former mill workers in Mumbai, have involved middle class people – though this certainly does not make them into 'middle class' movements. Latterly, struggles over land have seen the mobilisations of very many peasants and tribal people, across the country, as they have resisted 'accumulation by dispossession' – when the state has been actively involved in attempts to further the interests of capital accumulation by dispossession of land and other resources. As Michael Levien has reported, "Land wars" have led to the cancellation, delay or downsizing of projects across the country' (Levien 2012: 934);

11. See, for an important example, arguments over the depoliticisation of the women's movement in India (Menon 2004).

while Kundan Kumar (2014) has described the activities of a number of social and environmental movements in Odisha, in which concerns about social justice and ecology converge in resistance to capital. His long list gives an impression of the extent and tenacity of resistance to dispossession in one State of India, admittedly one in which 'The flow of extractive capital into ... resource-rich rural areas ... has accentuated social differentiation and exclusion' (Kumar 2014: 70). The list also gives an indication of the connections between India's Maoists, now organised across a swathe of the centre and the east of the country, and local movements of resistance to capital and to the state. It is not, generally, that the Maoists have organised resistance to projects like the Tata steel plant at Kalinganagar in Odisha (where tribal people have been mobilised since 2005), but they have both tried to take movements over and may sometimes have won support from them. Their involvement, however, has made it easy for the state government in Odisha to paint the movements as 'Maoist', and this has allowed the state to justify its use of force against them. As Kumar argues (and the point is of wider relevance than to Odisha alone), the way in which the state has acted against the movements shows its pro-business tilt, in spite of its pro-poor rhetoric: 'The contradiction between democracy, citizenship and capital in India is highlighted ...' (2014: 72).

The vibrancy of social movements – or of what may be referred to as 'grass-roots', or 'people's movements' (Sangvai 2007), or as 'non-party political formations'¹² – is replicated across much of the country, even if it has been somewhat dulled in recent years by the 'fatigue' noted earlier. A scholarly observer of Indian politics, D. L. Sheth, argued some years ago that 'Movement politics articulates a new discourse of democracy through a sustained political practice' – a practice that is critical of 'prevalent macro-structures of political representation' (2004: 56). And people who are deeply involved in collective political action locally may, especially if different groups are linked together in trans-local networks – as they are in the Campaign for Survival and Dignity – be very effective in changing the way the state works (as in the case of the Forest Rights Act). This is the hope that underlies the establishment in 1992 of the National Alliance of People's Movements, which now includes over

12. This phrase is a legacy of the late Rajni Kothari.

200 affiliated organisations, together with 27 fraternal organisations.¹³ It is also to be set against Kumar's pessimistic conclusion from Odisha that 'There is little reason to hope that the juggernaut of extraction will be stopped because of the actions of a few thousand people' (2014: 72).

How might this movement activism be linked with a struggle for social democracy? On the one hand, there are arguments advanced by Alf Gunvald Nilsen who, on the basis of his studies of movements in western Madhya Pradesh, suggests that tribal people experience both 'enablement' and 'constraint' as they engage with the state and the vocabularies of democratic rights and citizenship. He concludes that 'the best way for social movements in India to advance their oppositional projects is to *harness the state to their attempts to deepen democracy* and advance subaltern emancipation' (2012: 615, emphasis added), even whilst recognising that operating on the terrain of the state carries with it risks and constraints. But people's movements have not yet, anyway, articulated an agenda of socially transformative politics, and many eschew any relationship with political parties. As I also observed in regard to the politics of labour in India, social democracy is about the regulation, not the replacement, of capitalism, in order that the market economy is (in Polanyian terms) re-embedded in society and made to serve human needs. Is it possible that the huge potential of movement from below, which at the moment is fragmented between different interests and issues, might be brought together in common struggles for the realization of social citizenship?¹⁴

The editors of an earlier set of studies on *Social Movements in India* reached a fairly similar conclusion:

The redistributive agenda that emerges from the interaction between social movements and the state in India generally bears little resemblance to the Kerala experience in which competitive party politics and popular mobilization have produced significant land reform and a process of decentralization that has encouraged further popular partici-

13. According the website <http://www.napm-india.org>. Last accessed 2 February 2015)

14. Nilsen articulates the hope that they can be when he argues that 'the strategy of claiming citizenship is very likely to be not only a necessary starting point for activism, but also a genuinely radical starting point for oppositional collective action' (2012: 628).

pation. ... But social movement politics, perhaps more than any other institutional space (the courts, the parliament, even party politics) is a domain in which the language of anti-poverty remains extant. Whether these movements can survive as abeyance structures – the holding vessel for the egalitarian conscience of India – remains to be seen (Ray and Katzenstein 2005: 26).¹⁵

But now the question is whether the movements can be more than a vessel for an ‘egalitarian conscience’, that is, whether they actually can supply a multi-class base for constructing a more egalitarian society, one in which there is greater social justice, as well as more active participation in politics – in the way that Kerala once showed is possible in India.

The politics of the middle classes

The histories of social democracy both in Scandinavia and in the Indian States of Kerala and West Bengal show the importance of the alliance between workers, urban and rural, and the middle classes. A critical challenge that the left in Kerala, for example, has confronted in recent years has been the alienation from it of the middle classes (see Chapter Three). One of the reasons that social democracies support the principle of universalism in regard to services supplied by the state is that this can help to ensure the political support of the middle classes for social democratic policies. Where now do the Indian middle classes¹⁶ stand?

In 2014, the Bharatiya Janata Party (BJP), led by Narendra Modi, achieved a remarkable victory in the General Election. Commentary at the time, confirmed in subsequent analysis of election survey data, points to the central role of Modi himself in the BJP victory, and to the significance of the emphasis that he placed throughout on economic development, often referring to the example of his achievements as Chief Minister of Gujarat. It seems clear that Modi’s platform emphasised the idea of ‘opportunity’ rather than entitlements to welfare, and that

15. These were studies of the quite well-organised women’s, Dalits’, environmental, and farmers’ movements, and NGOs, rather than of the more localised movements that I have referred to in this chapter.

16. The reasons why I use the plural, ‘middle classes’, are explained in Deshpande (2003), Chapter Six, ‘The Centrality of the Middle Class’. The same author reviews evidence and argument about the size of the Indian middle classes.

this had a wide appeal amongst Indian voters – which in turn reflects how widespread what we may describe as ‘middle class aspiration’ has become in Indian society. How does this influence, and how is this reflected in the politics of the middle classes?

Protest politics

Some of the most notable political events of recent years in India are those referred to in the introduction to this chapter: the mobilisations around the India Against Corruption campaign led by the Gandhian social worker Anna Hazare, the demonstrations that followed the brutal rape of a young woman from the aspirational middle class, in Delhi in December 2012, and then the rise of the Aam Aadmi Party. In all of them, middle class people, many of them young, played a central part. They have a lot in common, as I have argued elsewhere (Harriss 2014), with movements, or moments of protest, elsewhere in the world since 2008: in Greece, in the Arab Spring, in Spain, in the Balkans, in London and New York, in Brazil, in Turkey, and in other countries. While each of these events has its own specific features, they share an expression of distrust of existing political systems and political elites, often combined with frustration with representative democratic politics – as well as a history of spontaneity and the absence, generally, of hierarchical leadership, and the prominent role of middle class youth. As the young protesters who occupied public places in Spain put it, they stood against ‘democracy without choice’. The movements have mostly sought to compel present regimes to reform themselves rather than aiming to replace them; they have not been driven by coherent programmes of social and political change, and they have seemed to put protest in the place of representative politics.

A rupture in politics: India against corruption?

The anti-corruption movement, and the mobilisations around Anna Hazare in 2011–12, have been seen by one commentator as perhaps marking ‘a critical moment of rupture in politics’ (Singh 2013: 18). The movement started in 2006–07, with the aim of monitoring the accounts of the 2010 Commonwealth Games in Delhi. India Against Corruption (IAC), as the movement came to be known, was led by a group of middle class professionals – lawyers, professors, journalists, engineers – some of whom had become social activists working in different fields, and by

such figures as Kiran Bedi,¹⁷ and Anna Hazare.¹⁸ In 2011, in the wake of a series of corruption scandals (over the Games, over mining in Karnataka, the affairs of the Adarsh Housing Society in Mumbai, and the 2G Scam) the movement articulated anger against corporate and official looting of public resources, middle class youth being ‘amongst the most active participants in the street, as well as in cyberspace’ (Singh 2013: 23). To begin with, those involved were mainly professional executives and others from the ‘new middle class’, students, young men, and relatively fewer young women. As the movement developed, it embraced a much wider range of social groups,¹⁹ though ‘the politically organized sections of the Other Backward Classes, Dalits, and Muslims came out openly against the movement’ (Banerjee 2011: 12) – and, as Manoranjan Mohanty (2011: 16) observed, ‘The absence of collaboration between ... the campaign and peoples’ movements fighting for democratic rights ... was stark’. With these particular absences, Hazare sparked, through carefully choreographed televisual events, a spontaneous movement of different groups of people, though a number of civil society organisations also became involved. IAC gained momentum and took up the demand for a Lokpal – an ombudsman – with very strong powers to investigate charges of corruption against public officials at whatever level. Anna Hazare’s undertaking of a fast unto death in April 2011, which attracted large numbers of supporters, compelled the government to respond to demands for a stronger version of the Jan Lokpal Bill.

The movement was seen as showing up the crisis of representative democracy in India: as one young man put it ‘It is not about support-

17. Kiran Bedi, who became the first woman member of the Indian Police Service in 1972, is credited with a string of successes in areas of women’s rights, drug abuse, prison reform, and corruption. In January 2015, Ms Bedi became a member of the BJP and shortly afterwards was declared to be the party’s candidate for the chief ministership of Delhi. She and her new party were then roundly defeated in the subsequent state elections.

18. Hazare is considered by many to be India’s leading living social activist. The central role played by Hazare himself, and the fact that he had a core leadership team around him, does distinguish these events from those elsewhere, which have not been focused in the same way around a particular individual.

19. IAC did successfully bring in a range of social groups, but it did not develop its agenda beyond political corruption – as it might have done, for example, by drawing attention to corruption over land acquisition.

ing one particular party or being against another party. Politics itself is the problem' (Singh 2013: 24). This thrust of 'anti-politics' is of course profoundly political, and it has arisen in a context in which there has for some time been a strong tendency for Indian middle classes to turn away from participation in electoral politics. The extent of distrust amongst the middle classes of popular politics – 'the politics of din', as Javeed Alam describes it (2004) – has been reflected in the inverse correlation that is sometimes observed in India between socio-economic status and voting. There is also a particular significance in anti-corruption movements. It has become a particular focus in the context of neoliberalism, because it is often represented as being the main reason why neoliberal policies don't deliver all the benefits that they are expected to. The assertion that 'corruption' – defined by the World Bank as 'the abuse of public office for private gain' (World Bank 1997, cited by Jenkins 2014: 43), conveniently avoiding direct reference to corruption in the business world – as the critical problem nicely shields the ideology and practice of neoliberalism from critique.

The Indian anti-corruption movement can also be distinguished from movements elsewhere by its particular combination of authoritarian elitism with an impulse of direct democracy. Pratap Mehta points out that what Hazare and his supporters sought in their then-preferred version of the Jan Lokpal Bill was an institution that would represent a tremendous concentration of power, commanded by a few individuals who would be selected, in turn, by a small body of people with supposedly unimpeachable credentials. But what would ensure that this body itself would be incorruptible? The whole idea was of a piece with the technocratic impulses of a good many civil society organisations whose ideas and actions imply mistrust of democratic institutions and sometimes an inclination towards an authoritarian elitism (Harriss 2007). Democratic institutions may, at the very least, get in the way of securing the best possible solutions to particular public problems, even if they do not subvert them for the private benefit of particular individuals. As one scholar says, 'the middle class is most comfortable with the "rule of law" solutions because it circumscribes political discretion' (Sitapati 2011: 44). Mehta argues, indeed, that the civil society agitation over the Lokpal Bill showed an absolute contempt for representative democracy: 'the claim that "the people" are not represented by their elected

representatives, but are represented by their self-appointed guardians is disturbing' (*Indian Express*: 7 April 2011).

Aam Aadmi

Yet the anti-corruption movement included as well as searching after the sort of direct democracy that is espoused in some of the people's movements of India, and which subsequently has been seen in the way in which the Aam Aadmi Party (AAP) has aimed to operate. The Hazare movement began to lose momentum in 2012, and it was in this context that there came about a split in the leadership group of middle class professionals – between those who followed Hazare in resisting the idea of entering formal politics, as being inconsistent with their rejection of the current political system, and those who followed Arvind Kejriwal in believing that this now had to be the way of carrying the struggle forward. Kejriwal and his supporters formed the Aam Aadmi Party in November 2012, reclaiming a term – *aam aadmi*, or 'common man' – that had been used by the United Progressive Alliance (UPA) government. There is more than a whiff of populism about the AAP.

The Party says in a 'Background' statement on its website²⁰ that: 'Our aim in entering politics is not to come to power; we have entered politics to change the current corrupt and self-serving systems of politics forever'. Political scientist Yogendra Yadav, who was initially the Party's principal strategist, spoke frequently about establishing an 'alternative politics', involving a much more direct relationship between the people and the decision-making that affects their lives and implying a level and kind of participation that goes well beyond participation in elections every five years. As the Party says in its Vision statement: 'We want to create a political system where the political leaders we elect and place in the Parliament are directly responsible to the voters who elected them. Our party's vision is to realize the dream of Swaraj that Gandhiji had envisaged for a free India – where the power of governance and rights of democracy will be in the hands of the people of India'. In office in Delhi after the elections of February 2015, the AAP promised in its manifesto – entitled '70 Point Action Plan'²¹ – to legislate 'the Swaraj Act to devolve

20. www.aamaadmiparty.org/. Last accessed on 13 April 2016.

21. The document is available at <http://www.napm-india.org>. Last accessed 2 February 2015)

power directly to the people. Decisions affecting the local community will be taken by citizens and implemented by their Secretariat ...'²²

The AAP envisages realizing its Vision partly by means of political decentralisation, which Gandhi also generally advocated. In the Delhi elections of 2014–15, the AAP launched Delhi Dialogue, described as 'a unique initiative of drawing up the party manifesto by forging a partnership between the party and the citizens of Delhi'. The party proceeded to organise large numbers of meetings, round-tables, and on-line consultations in realizing this aim. The process recalls some aspects of the consultative institutions established in Brazil that have gone some way, at least, towards building deliberative democracy –which is what the AAP also seeks.²³ And, in common with other recent protest movements, the AAP attempts to 'prefigure' democratic values in the ways in which it works. In the website page headed 'How We Are Different', the AAP makes the point that it practises internal party democracy and has no central high command like the other major political parties in India (in the Delhi elections of 2013 and 2015, candidates were usually selected locally), that it will not allow two members of the same family to contest elections (it opposes 'dynastic politics'), and that it will not allow special privileges for elected representatives (what it calls 'the VIP culture, inherited from the British Raj').²⁴ During its short period in office in 2013–14, much was made of 'doing different' from the established parties in these ways, and of the aspiration to direct democracy.

The AAP succeeded in 'doing different' when it upset 'politics as usual' in the Delhi elections of November 2013, defying all expectations by winning 28 seats and preventing a resurgent BJP from securing a majority. The AAP went on to form the government of Delhi, though briefly, with outside support from the Congress Party. Kejriwal's tenure

22. The Swaraj Act had still not been passed, however, by the end of the AAP government's first year in office. See 'AAP-meter: After a year, how has the AAP fared in terms of its manifesto?' *The Hindu* 14 February 2016

23. Seekings (2013a) provides a comparative study of the 'Brazilian model'.

24. In line with these concerns, the Association for Democratic Reforms found that none of the Members of Legislative Assembly (MLAs) elected to the Delhi Assembly in 2015, all but three of the 70 being AAP representatives, had been charged with 'heinous criminal offences' – a first – and that the new Assembly had the most members with assets worth less than Rs 1 crore amongst the last three assemblies (*The Hindu*: 11 February 2015).

as chief minister was brief but dramatic. It included his staging of public protest against the Union Home Ministry, over control of the police force of the capital. It was at this moment that the chief minister declared himself to be an 'anarchist' and seemed to be intent on creating a politics of chaos. Shortly afterwards, the AAP government resigned when, in the face of Congress and BJP opposition, it was unable to introduce the Jan Lokpal Bill in the Delhi parliament. The AAP then campaigned vigorously in the national parliamentary election of 2014, fighting more seats than any other party – though in the end with success only in four constituencies in Punjab. There followed a period marked by in-fighting; several of the more prominent party figures were publicly critical of Kejriwal, leading to several high-profile resignations. The party still seemed to some observers to be in disarray when fresh elections for the Delhi parliament were called; the BJP was perceived to be on track to winning a big majority. What these observers missed was that the AAP had consolidated its organisation in Delhi, and its elected councillors had successfully implemented local schemes with the funds they had been allotted. This, and the apology that Kejriwal offered for the error of abandoning power in Delhi earlier, reminded people of the positive achievements of the AAP government in its 49 days, especially with regard to livelihood issues. In the event, the AAP won 67 of the Delhi parliament's 70 seats.

What was so striking in the Delhi elections of 2013 and 2015, was where the AAP won electoral support. Though the primary activist base of the party was certainly drawn from the middle classes – professionals, rights activists, teachers, and students – 'constituencies with a large number of slum clusters/*jhuggies* [almost] invariably voted for the party' (Ramani 2013: Figure Four). As Ramani explains, 'By embarking upon a campaign that sought to equate the lack of adequate services to the *jhuggies* to corruption – perceived by the poor as their everyday effort to effect a bargain for themselves – the AAP managed to circumvent the traditional patronage networks and reach out to the poor directly' (*ibid.*: 5). Meanwhile the party appealed to many professional people who saw the need for 'a non-corrupt force', and to some amongst 'the traditional middle class that is linked to the public sector, petty shop owners, small merchants [as well as professionals] which is exasperated with the existing political parties on everyday issues such as inflation, and the lacunas

in the public delivery system' (*ibid.*: 6). It was, as Ramani says, an 'uneasy coalition', but exactly the kind of coalition that has to be built if there is to be a social democratic alternative in India. The landslide of 2015 can only have been achieved by the consolidation of such a coalition.²⁵

Ideas about social justice figure prominently in the programmatic pronouncements of the Party (as in the '70 Point Action Plan' presented to the electorate in 2015) and it has focused in practice on issues of access and pricing for water and electricity, as well as gas pricing, which surveys (the National Election Survey of 2009, for instance) have shown to be the most significant issues for voters. These matters of livelihood bear on the economic and social rights that were relegated to the non-justiciable Directive Principles of the Constitution of India – to the implementation of which the AAP has committed itself. It has, for example, declared that 'Water is not a commodity or an economic good ... [but] ... part of the fundamental right to life' (in the 2015 Election Manifesto), so aligning itself with the global recognition that corporations should not be allowed to take precedence over people's livelihoods (Nigam 2015). There is no doubt about the significance of what P. K. Datta has called the AAP's 'politics of practical results, of which the main beneficiaries are the underprivileged' in accounting for the landslide of 2015. Datta continues, 'These benefits may not be very large ... But it is a visible testament to the fact that voting can make a difference to one's everyday life – after the elections are over'. He notes that 'What is surprising ... is that the middle class appears to have been influenced by a wave that was apparent only in the lower sections of the social ladder', and he speculates that the AAP's 'politics of delivery' brings together different classes through widely shared interests in the quality of government and of public services (Datta 2015).

Datta's observations on the reasons for the AAP's victory in 2015 seem sound enough – even if they pay no attention to the extent to

25. The psephologist Sanjay Kumar points out, however, that what also contributed to the AAP victory 'is the very sharp polarization of the minorities, mainly the Muslims, who constitute 11 per cent of Delhi's voters' ('Interpreting the AAP win', *The Hindu*, 11 February 2015). The positive remarks in this paragraph should perhaps be qualified by the comments of some observers about the small numbers of women who were active participants in AAP events (Radhakrishna 2015).

which the BJP's defeat was self-inflicted.²⁶ On the other hand, those of Srirupa Roy (2014), who studied the AAP closely in the run-up to the 2013 election, suggest that there may be quite a gap between the probably mainly upper and intermediate caste Hindu men from non-working-class backgrounds who make up a lot of the rank and file of the party and the majority of those who voted for it. Her account of the AAP in action shows that the rank and file members of the party have only a limited recognition of the antinomies of 'participation' in the context of a society which is marked both by sharp economic inequalities and by hierarchical social values. The idea of an 'alternative politics' depending upon the more direct participation of 'the people' in decision making runs the risk of being exposed as a utopian fantasy so long as the deep inequalities of Indian society remain unaddressed and are exacerbated – as they are – by the pursuit of liberal economic policies. But then critique of the prevailing economic orthodoxy is likely to lead to the loss of support from amongst many of the new middle class individuals who have been drawn to the Party because of its articulation of opposition to the existing political elites.²⁷

There were, inevitably, question marks over whether or not the AAP could sustain the coalition on which its electoral success had been built. Much depended on how the AAP government that came into office in February 2015 went on to function, and on how it was perceived to work. In the event, the Party seemed to do its best to destroy itself within a few weeks of its great election victory. Senior leaders, notably Yogendra Yadav and Prashant Bhushan, who were critical both of the way in which Kejriwal operated as the leader of the party and of the strategic priorities that had been set, were ousted from its decision making bodies. (They went to be instrumental in the setting up of a reform movement – the Swaraj Abhiyan – initially within the Party.²⁸ See Radhakrishna 2015).

26. With the advantage of hindsight, commentators have remarked upon the ways in which the interventions of the prime minister and the president of the BJP, Amit Shah, in the Delhi elections – such as in the foisting of Ms Kiran Bedi as the Party's candidate for chief minister – contributed to the BJP's defeat.

27. Points made in this paragraph are all developed in articles by Palshikar (2013) and Shukla (2013).

28. Swaraj Abhiyan became an independent movement and in April 2016 announced the intention of forming a new political party.

These developments disappointed the promise that some commentators saw in the aftermath of the Delhi election victory. Pratap Mehta, for example, had argued that the victory 'represents a hopeful pattern in Indian politics', and both he and Aditya Nigam (2015) saw in it the sharpening of 'the battle against the plutocracy' (Mehta) and 'corporate-cronyism' (Nigam).

In sum, the AAP is an instance of the transformation of protest politics into a party-movement that is dedicated to realizing political change. But whether the new party could sustain its transformative potential, rather than becoming just another political party, seemed quickly to have been compromised by the in-fighting within it, which led the *Economic and Political Weekly* to declare the 'end of AAP as a political alternative'.²⁹ Activists lamented the inability to transform a movement into a reasonably functioning party, able to handle intra-party disputes in a democratic manner.

What the AAP episode shows, however, is that there is demand in Indian society for an alternative politics, and that it is possible to bring together an important fraction of the 'mass middle class' and the mass of the working poor – including Dalits, poor Muslims and poor non-Dalit Hindus – around livelihood-based demands for better government (that is not in hock to the corporate sector) and better public services. The AAP shows the way to what might be achieved, certainly in the cities. Translating these politics to the national level by addressing, for instance, questions of macro-economic policy, is a further step that the AAP has showed little sign of being able to take.

Conclusions

There is no simple answer, therefore, to the simple question that heads this chapter. There seems to be some potential in the labour movement if those in privileged jobs really can come together with the mass of the 'unorganised' labour force. There are hints of this taking place, but not much more than that. There is a great churning taking place from below in many parts of the country and there have been moments, such as that of the passage of the Forest Rights Act, when broad based but local people's movements have come together. But thus far there have not been

29. *EPW*, 50 (14): 8

many of them. Again, there seems to be potential that is still far from being realized. Stronger connections have to be established between the sphere of middle class activism – of the kind that has been instrumental in the passage of much of the recent rights legislation – and that of the people's movements. Finally, the experience of the AAP in Delhi shows what may be achieved when alliances are built between middle classes and working classes. The AAP has promised the deepening of democracy in the pursuit of social justice, and it might perhaps have occupied the social democratic space in Indian politics that has been left largely vacant as a result of the decline of the mainstream left. But that specific chance seems to have gone.

P. K. Datta argued, as I noted earlier, that the AAP promised 'a new language of class politics'. But what he seemed to be talking about was a language of politics as 'a search for public good', or as citizenship. It has become quite fashionable, for good reason, to make comparisons between India and Brazil.³⁰ In regard to political developments in Brazil, James Holston has written about what he calls 'insurgent citizenship', entailing 'a new kind of participation in an alternative public sphere' constituted by residents' own grassroots organisations, new understandings of rights, and a transformed understanding of the relationship between state and citizens. Poor people have appropriated the 'right to have rights' (Holston 2009, quoted in Seekings 2013a: 359). The 'alternative public sphere' is being created as a result of the excluded poor demanding inclusion. Doesn't this describe quite well what is taking place in India, too? It is a fair description of an important part of what the AAP was trying to do to begin with, what the organisations of 'unorganised' workers about which Agarwala writes are engaged in as well, and what Nilsen says of the people's movements that he has studied, in a context in which subaltern groups have had no effective rights at all. He writes:

When we are dealing with the mobilization of subaltern social groups in the context of everyday tyranny ... then the strategy of claiming citizenship is very likely to be not only a necessary starting point for activism, but also a genuinely radical point of departure for oppositional collective action (2012: 628).

30. Instances include Seekings (2013a) and Aiyar and Walton (2014).

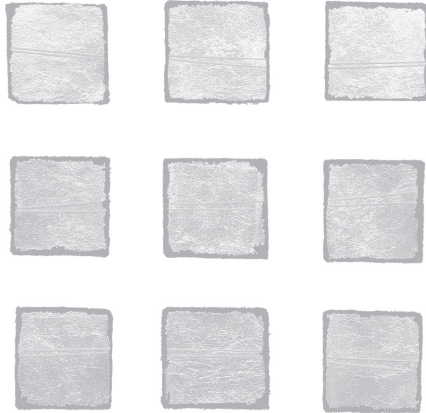
‘Insurgent citizenship’ is going on in India as well as in Brazil. What brings the insurgents together with some from amongst the middle classes, as was seen in Delhi in the 2015 elections, is the demand for political change in the cause of better government and better public services. There is a long way to go toward social democracy, but isn’t this the direction of travel?

Author’s note

I am grateful to Olle Törnquist, Alf Gunvald Nilsen, Supriya Roy-Chowdhury, and participants in workshops held at Jawaharlal Nehru University in March 2015 for their comments on earlier drafts of this chapter. Errors of fact, interpretation and judgement that remain are my responsibility.

PART FOUR

LINKAGES BETWEEN STATE
AND SOCIETY





Courtesy of the Tarun Bharat Sangh, © 2015

Meeting of a Gram Sabha, the village-level panchayati raj institution throughout India.

Governance Reforms in India

By N. C. Saxena

Even if a broad coalition in support of social democratic development emerges in India, the country's administrative system is not yet prepared to implement such programmes. India has been unable to achieve its Millennium Development Goals (MDGs) with respect to hunger, health, gender, and sanitation. In addition, a large number of marginalised and disadvantaged people either have not gained from development or in many cases have actually been harmed by the process. It is a matter of concern that India's pace of improvement on these social indicators is much slower than in poorer countries such as Bangladesh and Vietnam. This result might be considered a puzzle: India's economic growth during recent decades has been spectacular, second only to China. And its governmental outlays on social programmes have increased even more quickly than economic growth. Why haven't these outlays generated the expected developmental results? I argue that weak governance, manifesting itself in poor service delivery, uncaring administration, corruption, and uncoordinated and wasteful public expenditure are the key factors impinging on real development.

This chapter analyses India's inadequate progress as measured by social indicators and offers a few practical suggestions that could lead to more effective governance and accountability, thereby helping India in putting up a better show. My particular focus is on higher bureaucracy, especially the Indian Administrative Service (IAS), because of its leadership role in administering the social sector in India. Unfortunately, the IAS is in a bad shape – not least because of political compulsions imposed upon it.

I begin with an analysis of a range of serious problems facing India's higher bureaucracy: a lack of professionalism, the creation of redundant posts, short tenure, and unsatisfactory structures of reward and punishment, all of which hinder its ability to deliver services adequately. I then

suggest steps that an increasingly proactive central government might take to address these problems, particularly at the State¹ level in India's federal system, where they are most apparent.

There is perhaps reason for a tempered optimism: the Bharatiya Janata Party won the April–May 2014 elections on the promise of 'minimum government with maximum governance'. It is widely believed that the massive voter turnout in these elections and their clear verdict in favour of a single political party, for the first time since 1984, reflected people's aspiration for better governance; the new government now has an electoral incentive to address this issue satisfactorily. The BJP-led government could achieve this goal by: focussing on monitoring and assessment of outcomes, linking transfers of funds with performance by state governments, and extending accountability outward to society and citizens. Many of these reforms do not require financial outlays, enhancing the prospect of their implementation.

The emerging political climate in India

A paper brought out by the Department of Administrative Reforms (GOI) for a conference on the occasion of Civil Services Day 2009 observed:

For a variety of reasons, elections as an instrument for external accountability have some well-known weaknesses. In India, these weaknesses are exacerbated by the particular nature of the evolution of Indian democracy. Politics in India is marked by a conception of competition where to hold the state accountable is to gain access to its power and the goods it provides. Clientelism and patronage are rife and voters are mobilized more on the politics of caste, regional or religious identity than on the politics of accountability and initiatives that bring long term benefits to the public as a whole. Consequently, the state and its apparatus, including the bureaucracy are treated not so much as a means of generating public goods but as a means of generating benefits for the particular group that controls the state (GOI 2009).

Although holding the state to account for results through informed debates in the assemblies should be the main task of the State legislative as-

1. Throughout this book, but most notably in this chapter, 'State' is a shorthand for 'state government'. When any other meaning is intended, lower-case 'state' is used (eds).

semblies, in practice they rarely meet.² Today, many legislative assemblies meet only for 20 to 30 days in a year. The Haryana Legislative Assembly, for example, held only ten sessions from 2009 until March 2014, meeting for a total of 54 days – an average of 11 days per year.³ The assemblies for Uttar Pradesh (UP), Gujarat, Punjab and Uttarakhand sat for an average of 22, 31, 19, and 19 days respectively each year.

In the twelfth Gujarat Assembly (2007–12), over 90 per cent of all bills were passed on the same day that they were introduced. In the Budget Session of 2011, 31 bills were passed of which 21 were introduced and passed within three sitting days. In 2012, the West Bengal Legislative Assembly passed a total of 39 bills, including appropriation bills. Most bills were passed on the same day they were introduced in the Assembly. In 2011, a total of 23 bills were passed. On average, five members participated in the discussions on each bill. Judging from the manner state assemblies function, one could conclude that India is not at all a ‘deliberative democracy’. In practice legislatures only rubber-stamp executive decisions.

Most MLAs are not interested in their legislative responsibilities, but rather seek a share in the executive. Many use their back door access to influence decisions relating to contracts and licenses, as well as transfers and posting of officials., and such backseat driving affords legislators informal control over the bureaucracy, but in a way that promotes irresponsible decision-making and encourages corruption. The constitutional separation between the executive and the legislature has disappeared in India. This has resulted in erosion of internal discipline among civil servants.

In comparison, the Lok Sabha (lower house of Parliament) functions much more professionally and its deliberations add value to legislation. Not only does it sit for far more days⁴ than state assemblies, but the

2. <http://adrindia.org/sites/default/files/Odisha%20Performance%20Report%20of%20MLAs%20and%20Assembly.pdf>

3. <http://www.prsindia.org/theprsblog/?p=3257>

4. The 15th Lok Sabha (2009–14) sat for an average of 69 days each year from 2009 to 2014. However there were too many adjournments and disturbances in the House, vastly reducing the number of hours spent on meaningful discussions. The 16th Lok Sabha that started functioning from July 2014 has been more constructive.

committee system in Parliament has earned a great deal of respect from scholars for its detailed examination of bills and for often suggesting radical and pro-people changes. For instance, amendments to the Right to Information Bill, suggested by the legislative committee and accepted by government in 2005, made the resulting Act more effective in securing transparency and accountability from the executive.

Are politicians alone to be blamed?

To be charitable to the modern brand of politicians, it must be admitted that – except for high integrity, neutrality towards party politics, and provision of minimal administrative services in times of emergency– the civil service even in the past had little to be commended for. Efficiency in the civil services was always very narrowly defined. It meant contempt for politics and rigid adherence to rules; ‘public satisfaction’ was an insignificant part of the job evaluation. In such an environment, it is unfair to expect that the political processes would be totally free from populism or sectarianism. Because of the inability of the system to deliver, politicians do not perceive good governance as feasible or even important for getting votes.⁵ Only a rare would-be chief minister seems to be saying to his would-be voters: ‘within three months of my election, all irrigation canals will run on time, you’ll get 16 hours of electricity, rations will be available for the poor, a license will reach your doors one month after your application, your grievances will be promptly attended to’, etc. One reason he does not say such things is that he would not be believed: voters have no faith in promises of time-bound delivery through the administrative apparatus. Politics is after all the ‘art of the possible’, and, if the civil service is no longer able to ensure delivery of services, politicians are forced find other ways to keep alive the faith of the voter in the political system. Populism serves this purpose.

Although many civil servants hold the view that it is the political culture that largely determines the nature of the civil service and the ends to which it would be put, and therefore that civil service reforms cannot succeed in isolation, causation is also in the other direction. Non-performing administration leaves little choice to the politicians but to resort to populist rhetoric and sectarian strategies.

5. The political perception of governance has been changing quickly in India after 2004, as discussed in the next section.

Who should initiate reforms?

Will this deterioration in governance continue forever, or are there signs of change? My reading of the situation is that the rise of the middle classes, along with a free press, judicial activism, and civil society action, has emerged as a big corrective factor on the arbitrary use of executive power. With the liberalisation that followed dismantling of the licence-permit Raj, a significant and politically independent group of professionals, journalists, and academicians has emerged. These people have every incentive to take government to task for its failure to perform. Their bread and butter is not dependent upon the bureaucrat's smile and they are likely to be in the forefront of campaigns against bureaucratic and political indifference and poor performance. It is a healthy trend that the monopolies of capital, power, and authority – all of which governments enjoyed in the past – have broken down today. A case in point is the AAP in Delhi, which John Harriss analyses in Chapter Five. These new pressures seem to be more effective at the central level, but not so strong in the States, where they are needed more because, as discussed above, State legislatures also fail to fulfil their role as government overseer. It is significant that rights-based development, even when not requiring huge funds, did not originate from the States. It was largely initiated by the Centre, and the central government continues to be more responsive to public opinion, as witnessed in GOI's initiatives during 2004–14 on various rights-based legislation, such as the Right to Information, Right to Employment, Forest Rights, and, lately, Food Security.

The poor governance resulting from the vicious cycle of political distortions and bureaucratic apathy, can be set right, though it will require a large number of measures. A discussion on political and electoral reforms,⁶ though absolutely vital, is outside the scope of this chapter. Many malfunctioning States in India have, however, lost the dynamism and capacity to undertake reforms on their own without any external pressure. These states are ruled by people who understand power, patronage, transfers, money, coercion, and crime. The language of professionalism, goal orientation, transparency, building up of institutions, and peoples' empowerment is totally alien to them.

6. For instance, compulsory public declaration of assets by the candidates has increased the perception among voters about the extent and intensity of corruption in India's politics.

Even when some chief ministers such as Chandrababu Naidu and Digvijay Singh tried to improve governance in the 1990s to early 2000s, they eventually lost elections, giving an impression to other politicians that good governance is not compatible with political survival. Happily, there is a perceptible change in the electoral behaviour of the Indian masses in the last ten years, which gives hope that improving programme delivery may overcome anti-incumbency and lead to electoral victories, as has happened in Gujarat, Bihar, Chhattisgarh, Odisha, and Madhya Pradesh (MP). That governance was an important political issue in the 2014 national elections is certainly a very healthy sign.

There has been a growing realization among some chief ministers of the need to improve governance, but unfortunately only a few have been able to translate this into concrete action. This would necessarily involve keeping the MLAs and ministers under check, which is difficult when the state is under a coalition regime, or the ruling party is constrained by a thin margin in the Assembly, or the party is divided into factions. The reformist chief minister is often at odds with his own party officials, who hate getting sidelined in the process of establishing rule-based policy procedures. In many other states, even chief ministers seem to be averse to professionalising administration. They think that benefits from such policies are delayed whereas costs are immediate. As the general expectation of a government lasting a full term of five years is low, politicians try to maximise their gains from office and minimise their accountability for performance (Sud 2010).

When neither politics nor administration has the capacity for self-correction, only external pressure can coerce states to improve governance and delivery to the poor. In the Indian situation (where foreign donors provide very little aid to the States as compared with what is provided by the Centre), this can come only from the Centre, backed by strong civil society and judicial action.

Conditions under which the civil servants operate in the social sector ministries in the GOI are somewhat different from the work environment prevailing in the States. First, the central government joint secretary does not control field staff and is, therefore, free from the pressures of transfers and postings, which occupies much of a State secretary's day. Second, his/her tenure in the GOI is for five years, which facilitates development of professionalism. In the States, where officers expect that they will be

transferred within six months, they have hardly any incentive to perform or acquire domain knowledge. Third, central government officials are more in touch with experts, donors, and specialists, and therefore are under peer group pressure to learn their subject and be able to converse with professional experts on equal terms. In some cases, where the GOI's ministries (such as in education and health) have started behaving like donors and monitor outcomes intensively, results in the field are more satisfactory than in the ministries, such as Tribal Affairs, Food and Public Distribution, and Women and Child Development, which are content simply to release funds or foodgrains with little knowledge or interest of how these resources are utilised. And lastly, whereas the economic ministries in the GOI are mired with rumours of grand corruption, the social sector ministries, such as Rural Development, Elementary Education, etc.,⁷ despite their colossal budgets, rarely face bribery charges as almost the entire budget is passed onto the States.

The larger role that the union ministries ought to play in improving the States' capacity to deliver has been facilitated by change in Centre-State fiscal relations, giving greater clout to the GOI's ministries over the States, as discussed in the next section.

Changing centre–state fiscal relations

Although implementation of social sector programmes is under the domain of the state governments, according to the constitutional arrangement, these are increasingly being funded by the central government, as shown in Table 6.1. Due to fiscal constraints faced by the poorer states, Centrally Sponsored Schemes (CSSs) are often the only schemes at the field level in the social sector that are under operation, as these States spend most of their own resources and shares of central revenues for meeting essential non-plan expenditure (interest on loans, salaries, pensions, and subsidies). This has given rise to an impression among the common masses that 'development' is the responsibility of the Centre, a view that is not supported by the Constitution.

7. The list of 'clean' ministries also includes the Planning Commission, which used to handle a budget of more than Rs 1,500 billion (roughly 24 billion US \$) a year. However, the Modi government in January 2015 replaced the Commission with a think tank called NITI Aayog (meaning Policy Commission), which is a purely advisory body with no executive functions.

Table 6.1: Central Plan outlay in billions of rupees (US\$1 = approx. 60 rupees)

Sector	1999–2000	2013–14
	(Actual expenditure)	(Budget estimates)
Rural Development	86	745
Elementary Education	29	527
Health & Family Welfare	42	333
Women & Child Development	13	204
Water & Sanitation	13	153
Total of these sectors	181	1,962

Note: The allocation for subjects assigned to the States has gone up by more than ten times; even after accounting for inflation (not shown in the table) the allocation has grown by fully 500 per cent.

Source: Various central government budget documents at <http://indiabudget.nic.in>.

In addition to statutory transfers through the Finance Commission, States used to receive plan funds from the GOI through two routes, from the Planning Commission as untied support to states' plans (called Normal Central Assistance), and via the Centrally Sponsored Schemes of the GOI's ministries, which are tied to a specific scheme. The proportion of tied funds in total plan transfers to the States has increased steadily over the last three decades, from one-sixth in the early 1980s to more than fourth-fifths⁸ of the total in 2012–13, leading to criticism that the Centre had enlarged its turf at the cost of the States.

One of the reasons for this increase is rooted in the changes that have taken place in the nature of the central ministries' plan schemes that are funded by the budget over the last thirty years, shown in Table 6.2. The Centre spends more money on State subjects than on the central subjects, perhaps as a consequence of liberalisation as well as growth in profits of central parastatals (such as the National Thermal Power Corporation, and state-owned oil companies), because of which the Centre's budgetary involvement in the industry and energy sectors has been greatly reduced, permitting the Centre to allocate more on subjects traditionally under the purview of the States.

8. The author's calculation from the 2012–13 budget shows that the untied plan transfers to the States are Rs 412 billion, whereas the CSSs account for Rs 2109 billion. With the abolition of Planning Commission in 2015, plan transfers to the States are now totally tied and channeled through the central ministries.

Table 6.2: Percentage distribution of Central Plan outlay supported by the budget through the GOI's ministries, by Heads of Development

<i>Head of Development</i>	<i>VI Plan 1980–85</i>	<i>VII Plan 1985–90</i>	<i>VIII Plan 1992–97</i>	<i>IX Plan 1997–02</i>	<i>X Plan 2002–07</i>
Industry and Minerals, Energy, and Communications	51	44	25	17	16
Agriculture, Irrigation, RD & Social Sector	33	41	63	61	64

Source: Compiled by the author on the basis of Plan and Budget documents.

Centrally Sponsored Schemes were originally to be formulated only where an important national objective such as poverty alleviation was to be addressed, or where the programme had a regional or interstate character or was in the nature of pace setter, or for the purpose of survey or research. However, CSSs have proliferated enormously: in the terminal year of the Eleventh Plan (2007–12) there were approximately 175 CSSs. Government schemes are generally meant to continue until the end of the world. The world, however, may have changed in the meanwhile. Many CSSs have been in operation for more than ten years, and some even for 30. This period has seen several political parties in power at the Centre and the States. The result is that the party in power has no sense of ownership of the existing schemes, although it also does not wind them up, either because of bureaucratic resistance or sheer lethargy. Greater political advantage is seen in announcing new schemes on Independence Day or when the budget is introduced. Often the old schemes are refurbished under a new name with some cosmetic changes to derive political mileage from the fanfare over the launch of a new scheme, yet the general result is that the number of schemes keeps on increasing.

The Planning Commission set up a committee in April 2011, led by B. K. Chaturvedi, to take a look at the efficacy of CSSs and recommend measures for their restructuring. As a result, the number of schemes was reduced to 66, but not through transfer of schemes along with untied funds to the States (which would have given them freedom to take a view on the nature of schemes they wish to run). Smaller schemes were merged with bigger schemes without reducing the outlay of any Ministry, and control over funds and the nature of assistance continued to lie with the central ministries.

These trends should also be seen in light of the changing political economy of Centre-State relations in India. With the decline of the Congress party, regional parties and those built on sectional interests have gained importance. While States have become economically dependent on the Centre, they have become increasingly politically independent. As subjects under States' jurisdiction are politically more important (land, water, law and order,⁹ education, and health), the Centre has often used CSS funds to enhance its political visibility at the ground level.

The recommendations of the Central Finance Commissions¹⁰ (CFCs) have also helped the Centre to exert pressure on the States. Earlier CFC grants were generally untied, but the trend since the 1980s has been to link roughly 20 per cent of central devolution to certain specific schemes, thus making their transfer conditional upon the States fulfilling certain obligations. For instance, the Thirteenth CFC (2010–15) imposed conditions on the States relating to macroeconomic management, tax reform, expenditure reforms, and environment. It also wanted the States to ensure commercial viability of irrigation and power projects, departmental undertakings, and non-departmental enterprises through various means, including the levying of user charges (Govinda Rao 2010).

The GOI has increased its control over the States in three ways: first, through substantial funding of CSSs along with conditional transfers through CFCs; second, by sending funds straight to the districts, bypassing the State government and thus placing the district bureaucracy directly under the GOI's supervision;¹¹ and third, insisting on GOI clearance even for externally-funded projects on State subjects, such as water and health, including those which are part of State plans and not CSSs.

The enhanced control by the Centre over social sector spending through CSSs should be seen in the context of the sharp deterioration in the States' capacities to design and efficiently implement or evaluate programmes. There is enough evidence to show that the state governments' capacities to deliver have declined over the years due to rising indiscipline and a growing belief, widely shared among the political

9. Although police is a state subject, the GOI employs more than 750,000 policemen under various paramilitary forces.

10. These statutory bodies decide devolution of central taxes to the States.

11. This is changing, as explained in the next section.

and bureaucratic elite, that the State is an arena where public office is expected to be used for private ends. Also, immediate political pressures are so intense that State level politicians and bureaucrats have neither time nor inclination to do the conceptual thinking required to design good programmes, weed out those that are not functioning well, and monitor programmes with a view to taking remedial action that would improve the effectiveness of delivery.

Problems with centralisation

On the other hand, too much control by the GOI dilutes the sense of State ownership of the schemes, even as the GOI struggles to monitor progress in 676 districts spread over 29 States and seven union territories. Most schemes follow a blueprint and top-down approach, with little flexibility given to field staff. Any change in a scheme requires approval from the GOI, which is time consuming. Uniformity of schemes all over the country, from Mizoram to Kerala, without sufficient delegation to States to change the schemes to suit local conditions, leads to a situation where the States, even knowing that a scheme is not meeting stated objectives, become indifferent to its implementation. For instance the Indira Awaas Yojana, a village house-building scheme, both demanded and provided money for construction of indoor toilets. In many villages, there is no arrangement for water; these toilets were never used. However, States had no discretion to change the project design. Similarly, in labour-scarce regions in India, notably in the north-east and north-west, labour-generating public works schemes under NREGA (National Rural Employment Guarantee Act) are carried out, for which labour migrates from other regions. (Records are fudged to show employment of local labour.) It would be much better if the States had discretion in deciding the mix of poverty alleviation programmes. But GOI guidelines are rigid and afford no such flexibility to the States.

Many States are ruled by a political party different from that at the Centre. These governments do not put their weight behind CSSs formulated by the Union Government as they see no political advantage in their successful implementation. Successful schemes (for example, the mid-day meal scheme of Tamil Nadu, the Employment Guarantee Scheme in Maharashtra, the Antyodaya grain scheme in Rajasthan, and Two Rupee Rice in Andhra Pradesh) are characterised by a high degree of political commitment and administrative coordination, which

the GOI cannot secure for want of control over the staff. The Planning Commission observed that implementation of State sponsored anti-poverty schemes in Rajasthan, Tamil Nadu, Gujarat, and Karnataka was far better than that of centrally sponsored programmes in the same states (GOI 2001).

One reason for the relatively better performance of State sponsored programmes is that States actively or passively undermine the CSSs. States often do not release their portion of funds for CSSs according to mandated timetables, leading to uncertainty about the availability of funds at the field level. States even hold up the release of GOI funds tied to CSSs, for several reasons. First, the States have to get legislative approval for the GOI schemes, which takes time. Second, States do not attach importance to the spending on CSSs and thus are in no hurry to sanction expenditure. And third, fiscal problems¹² at the State level force the States to divert the GOI funds for paying salaries.

Changes introduced in the 2015–16 budget

Sensing that too much control by the GOI dilutes the sense of ownership of States with the schemes, in 2015 the GOI accepted the advice of the Fourteenth Finance Commission: it increased untied statutory transfers and reduced tied discretionary transfers via the Ministries, as shown in Table 6.3. Thus, although there is a big jump in transfer of untied funds to the States, a substantial part of the increase is expected to be used up in meeting commitments to CSSs, as the GOI has reduced its share in these schemes. For instance, the GOI contribution to staff salaries in the Integrated Child Development Services programme has been reduced from 90 to 50 per cent, forcing States to meet the rest from the increased untied transfer.

Reducing GOI funds dedicated to CSSs and devolving more untied resources to the States for State plans in the spirit of decentralisation will likely improve efficiency *only if* they are accompanied with improving governance and accountability. In many states, releases by the State Finance Departments to the districts for the State's own schemes are *ad hoc*, uncertain, delayed, and subject to personal influences. Faced with inordinate delays in the release of funds from the States' Finance

12. There has been improvement in the fiscal situation of the States after 2004–05, but there are still many States where deficits run high, such as the Punjab, Bihar, Kerala, West Bengal, and Assam and other north-eastern states.

Table 6.3: Transfer of funds to States (in lakh crore = trillion Rs)

	2013–14	2014–15 Revised Estimate	2015–16 Budget Estimate
Untied through Finance Commission	3.79	4.18	6.32
Tied through Central Ministries for CSSs	2.51	2.63	2.07
Total (in trillion Rs)	6.30	6.81	8.39

Source: Compiled from Finance Ministry documents.

Departments, many Central Ministries (such as Rural Development, Education, and Health) opted over the last two decades to release funds directly to district or state level societies, bypassing the state governments. While this improved the flow of funds to the field, ignoring state legislatures has long-term implications and was at best a temporary solution. Hence, in March 2014, the GOI started sending funds to state treasuries. Now, administrative departments will get funds only after approval by the State Assemblies and Finance Departments. Unsurprisingly, poorly-run state bureaucracies have been unable to release funds promptly, with the result that many flagship programmes have suffered. For instance, according to a newspaper report, thousands of health workers were not paid for months during the financial year 2014–15, and the construction of clinics in rural areas was delayed (*Hindustan Times*, 4 March 2015). *In the long run, the States must improve and simplify their financial procedures, so that funds reach the field in time.*

Having rightly reduced the number of CSSs, the GOI now should use the administrative resources thus saved for building state capacity, inter-sectoral coordination, and detailed monitoring by the central Ministries. CSSs compare unfavourably with externally aided projects as far as the practice of frequent reviews and evaluations are concerned. Third-party reviews should be undertaken periodically, such as in Sarva Shiksha Abhiyan (SSA, a scheme for universal education) and the National Rural Health Mission, which have had the desired effect of putting mild pressure on the States for improving implementation. This suggestion is expanded below. Third-party assessment of programmes combined with other civil service reforms will certainly improve bureaucratic accountability, which is so far confined to spending money with little concern for outcomes.

Challenges within the bureaucracy

A rigorous recruitment process ensures that the best talent available joins India's higher civil service. However, despite initial competence and enthusiasm, the hard reality is that many civil servants, in the course of their thirty-year career, lose much of their dynamism and innovativeness and end up as mere pen-pushers and cynics with no faith in their own ability to contribute to public welfare.

Many of the problems of bureaucracy in India are quite old and well known: obsession with rules rather than concern for outcomes, promotions based on seniority rather than merit, delays, and mediocrity at all levels are some of the factors that inhibit government efficiency. Many citizens find India's bureaucracy too slow, extremely rigid, and mechanical, and consequently not flexible or adaptive enough to cope with change. These challenges have been compounded by the phenomenon of 'policy paralysis' during 2010–14 that crippled professionalism in the civil service.

In addition to addressing the problems caused by the external environment, we need to look at some of the maladies afflicting the attitudes and work ethic at the top – the Indian Administrative Service (IAS) – which is tasked with providing leadership at the state and district levels.

Lack of professionalism

A high degree of professionalism ought to be the dominant characteristic of a modern bureaucracy. The fatal failing of the Indian bureaucracy has been its low level of professional competence. The IAS officer spends more than half of his tenure on policy desks where domain knowledge is a vital prerequisite. However, in the environment now prevailing in the States, there is no incentive for a young civil servant to acquire knowledge or improve his skills. There is thus an exponential growth in both his ignorance and his arrogance. It is said that in the house of an IAS officer one would find only three books: the railway timetable, because he is always being shunted from one post to the other, a current affairs magazine, because that is his level of interest, and of course the civil list, because this describes the service hierarchy!

Creation of redundant posts

Due to the control that the IAS and the Indian Police Service (IPS) lobbies exert on the system, a large number of redundant posts in the

superior scales have been created to ensure them quick promotions. The best ten to 15 per cent of officers are selected by the central government based on merit and promoted as secretaries, while the rest have to mark their time in the State to which they have been assigned. States unfortunately promote everyone based on seniority, leading to creation of a large number of unwarranted senior positions with high salary but no job content. Often a senior post has been split, thus diluting and diminishing the scale of responsibilities attached to the post. In some states, where once there was a single chief secretary, many officers now occupy bureaucratically equivalent but far less important posts, all drawing the salary of a chief secretary. In one State, five officers now do the job that had been performed by a single secretary of medical and health: health, family planning, medical, and medical education respectively, and finally a principal secretary who oversees the work of these four secretaries.

Two decades back, one inspector general (IG) controlled the entire police force in Punjab. Now there are 16 IGs, and 14 director generals, and additional director generals supervise their work. The GOI ministries dealing with state subjects have also seen tremendous expansion; the Agriculture Ministry has 18 officers of the rank of joint secretary and above!

This inverted pyramid (too many people at the top and too few in the lower rungs) has apparently been created to avoid demoralisation due to stagnation, but the net result has been just the opposite. It has led to cut-throat competition within the same rank of officers to get into more important slots. Instances are not lacking of officers going to the press and denigrating competitors for a plum job. Such competition between officers is exploited by politicians. And for officers in marginalised positions, government seems more unjust now than ever before, which results in their further demoralisation. Obsession among civil servants with what they can get from the system, rather than what they can give, is not conducive to achieving high professional standards. Of late, some senior officers are being hired by the private sector, not so much for their professionalism, but for their ability to influence government in favour of the hiring company.

Inadequate number of government staff

Perverse incentives are not the only factor undermining the effectiveness of the bureaucracy. The total number of government staff in India is

Table 6.4: Total government employment in India ('000)

Years	Central Govt		Quasi Govt.		Local Bodies	Grand Total
	State Govt		Central	State		
2000–01	3,261	7,425	3,291	2,901	2,261	19,138
2011–12	2,520	7,184	3,449	2,349	2,107	17,609

Source: Compiled from data in reports of the Directorate General Employment and Training, Ministry of Labour and Employment (GOI 2015: 32.1).

woefully inadequate when compared to other middle income countries. Including all categories, India has only 1.4 regular government servants per 100 of population, as against 3.3 in Vietnam and 4.5 in Sri Lanka (Schavio-Campo 1997). Shortage of staff, especially in poorer states (see Figure 6.1), results in weak governance and inadequate utilisation of plan funds provided by the GOI through CSSs.

Second, unlike senior civil servants, the number has been going down over the years, as Table 6.4 shows.¹³ Moreover, the composition of government employment is also skewed. For instance, in most States in India, about 30 per cent of all government employees are Group 'D' staff – drivers, menial labourers, and clerks – only distantly related to service provision. Key public services – education, healthcare,¹⁴ police and judiciary – are starved of regular employees, whereas many wings are overstaffed with Group 'D' and Group 'C' support staff that have mostly become irrelevant in view of computerisation and changing techniques of information management. For instance, of the central government's total of 2.5M regular employees in 2013, 63 per cent held Group 'C' posts and 26 per cent were in Group 'D' posts. About eight per cent held Group 'B' posts whereas employees holding Group 'A' posts, who are to provide leadership, were only about three per cent of the total.¹⁵ Though many Group 'C' staff, such as nurses and constables, provide meaningful services, there are still many clerks (the exact number is not known)

13. Data in Tables Four and Five, and in Figure One, are based on the reports of the Directorate General Employment and Training, Ministry of Labour and Employment (GOI 2015: 32.1).

14. In the last ten years, there has been expansion of contract staff in education and health – such as para-teachers, Accredited Social Health Activist (ASHA) and basic health care (Anganwadi) workers – because of the centrally-sponsored schemes funded by the GOI. However, their future continuity is not assured.

15. <http://dget.nic.in/publications/ccge/ccge-2009.pdf>. Last accessed 12 May 2013.

Table 6.5: State government employees in Tamil Nadu and Bihar

	<i>Tamil Nadu</i>	<i>Bihar</i>
Population 2011 (million)	72	104
Total number of state government employees (000)	1,041	253
Number of government employees per 1,000 population	14.4	2.4

Source: Compiled from data in reports of the Directorate General Employment and Training, Ministry of Labour and Employment (GOI 2015: 32.1).

hired to maintain files that computers now manage. The same is true of menial labourers, orderlies, and drivers in the Group ‘D’ category. Singapore also had 67 per cent Group ‘C’ and ‘D’ staff in 1970, but by 2008 it was reduced to just 20 per cent, whereas the share of Group ‘A’ staff increased from five to 52 per cent (Saxena 2011). Efforts should, therefore, be made to identify surplus support staff, set up an effective redeployment plan and devise a liberal system for exit. There should be incentives for clerks and class IV staff to become teachers and constables.

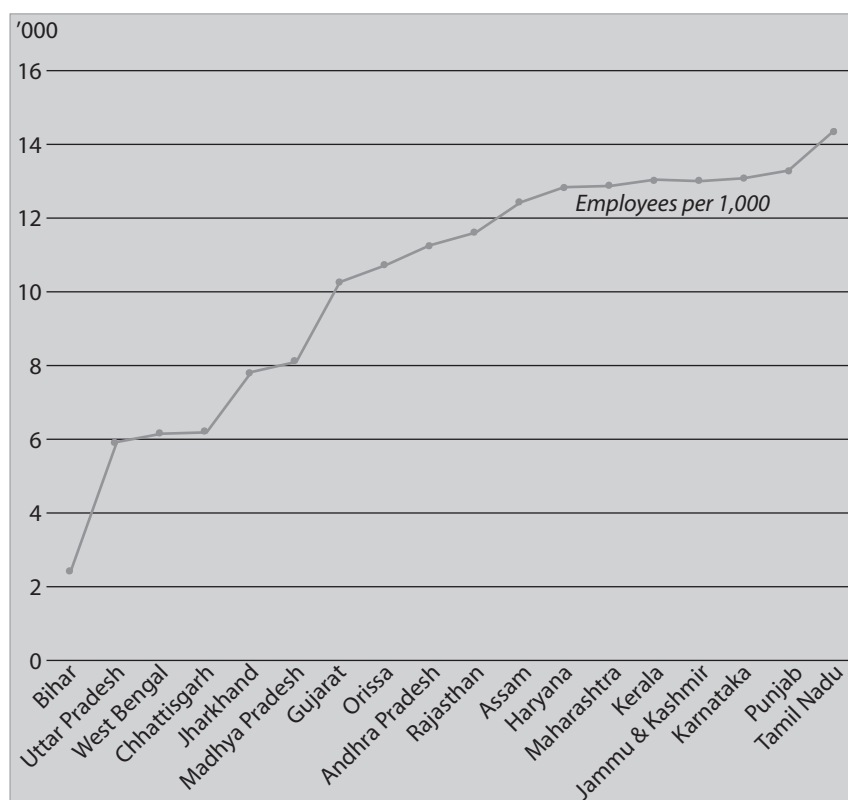
Lastly, it is instructive to look at inter-state availability of regular government employees. Table 6.5 compares the number of state government employees, including state Public Sector Undertakings (PSUs) and local bodies, in Bihar with Tamil Nadu. As compared to the global average of more than 30, Bihar has only 2.4 employees per thousand population. It’s no wonder that all schemes are in disarray there. Indeed, with staffing levels at less than half of the global average, it is a wonder that schemes are not in disarray in Tamil Nadu as well. The statewide position is shown in Figure 6.1.

With limited revenues it is just not possible to increase staff in social sector programmes on a regular basis; there is therefore no escape from ill-paid contractual employees, leading to a bizarre situation that a qualified para-teacher gets far less than a regular menial labourer or driver. The control over social sector flagship programmes under the new Modi government in the coming years is likely to be transferred to the States, where politicians may be unable to resist demands from contractual employees to be regularised. The extra fiscal burden due to regularisation would mean that expansion of the numbers of line staff would be halted, at the cost of satisfactory delivery of social sector programmes.

Declining civil service performance

The All India Services are supposed to provide leadership and serve the state, but the state structure is itself becoming increasingly dysfunc-

Figure 6.1: Number of state government employees per 1,000 of population



Source: Compiled from data in reports of the Directorate General Employment and Training, Ministry of Labour and Employment (GOI 2015: 32.1).

tional. In such a situation, it is no surprise that the bureaucracy at that level too is in bad shape. There is greater integration now, both socially and in terms of group objectives, between the members of the All India Services and the politicians of these states. Many civil servants are deeply involved in partisan politics: they are preoccupied with it, penetrated by it, and now participate individually and collectively in it. This is understandable, though unfortunate, because between expression of the will of the State (represented by politicians) and the execution of that will (through the administrators) there cannot be divergence over the longer run. In other words, a model in which politicians continue to be casteist, corrupt, and harbourers of criminals, whereas civil servants would be honest, responsive, and change-agents is not viable. In the long run, administrative and political values will come to coincide.

Theories of organisation distinguish between healthy and unhealthy organisations. In the former, objectives are clearly spelt out and widely shared by the members and there is a strong and consistent flow of energy towards these objectives. Problem solving is highly pragmatic and ideas of the boss are frequently challenged. There is teamwork and responsibility sharing. Judgment of junior members is respected and minor mistakes are permitted. There is a sense of order and yet a high rate of innovation. There is a performance yardstick and hence an incentive to perform and achieve. Mediocrity is shunned and those who choose not to grow or develop get dropped by the wayside. The sense of belonging is inherent in the organisation's achievements.

On the other hand, India's elected leaders seldom spell out their goals and objectives clearly. They tend purposely to be expressed in the language of aspiration or platitude. This makes it difficult for even well-intentioned officers to accomplish anything. Ignorance of the organisational goals or objectives exists down the line because of lack of transparency. Seeking or accepting help is considered to be a sign of weakness. Offering help is unheard of. With rare exceptions, assumption of responsibility for failures is inversely proportional to seniority. Verbal orders from politicians are obeyed and written circulars are ignored. Parallel power structures have emerged in certain rogue states, such as UP and Jharkhand, where posts are openly auctioned and civil servants are encouraged to become corrupt – and share the loot with their political masters.

When power is abused, the poor are most likely to suffer. Weak governance compromises the delivery of services and benefits to those who need them most; the influence of powerful interest groups biases policies, programmes, and spending away from the poor, and lack of property rights, police protection, and legal services disadvantage the poor and inhibit them from securing even those limited benefits that are legislated despite the influence of the powerful. Thus, poor governance generates and reinforces poverty and subverts efforts to reduce it. Strengthening governance is an essential precondition to improving the lives of the poor.

For instance, teachers need to be present and effective at their jobs, just as doctors and nurses need to provide the care that patients require. But they are often mired in a system where the incentives for effective service delivery are weak and political patronage is a way of life.

Absenteeism is rampant though seldom measured (see Administrative Reforms, below). Highly trained doctors seldom wish to serve in remote rural areas. Since those who do get posted there are rarely monitored, the penalties for not being at work are low. Even when present, they treat poor people badly.

Administrative Reforms

When presented as they have been above, the maladies that afflict India's administrative system seem to be incurable. This need not be the case. By unpacking the issues with care and precision, a set of plausible reforms begins to emerge.

Personnel issues

Appointments and transfers are two well known areas where efficiency criteria can easily be circumvented for political purposes. Even if the fiscal climate does not allow fresh recruitment on a large scale, a game of musical chairs through transfers can always bring in huge rents to corrupt officials and politicians. As tenures shorten, both efficiency and accountability suffer. In UP, the average tenure of an IAS officer in the last five years is said to be as low as six months. It is even lower in the IPS, leading to a wisecrack that 'if we are posted for weeks all we can do is to collect our weekly bribes'. *The Times of India* (1 January 2014) reports that, nationwide, 68% of IAS officers have average tenures of 18 months or fewer.

Transfers have been used as instruments of reward and punishment, there is no transparency, and, in the public mind, a transfer after a short stay is categorised as a stigma. Officers who are victimised are not in a position to defend themselves. Internally, the system does not require any evaluation of the events leading to the transfer; externally, public servants are debarred from going public to defend themselves.

Frequent transfers and limited tenures are playing havoc with public organisations. With every quick change in the head of the office, respect for authority is whittled away down the line. Rapid changes erode the mandate of the department or organisation. There are two other consequences. First, the incumbent himself is not sure how long he will stay. This affects his attention to detail, his capacity to master the situation, and his willingness to begin thinking, even incrementally, about how to

change things and improve them. Since opaque directives leave him uncertain regarding what has to be done, his preference is to opt for whatever was tried out in the past and seems to have sufficed. In the process, changes initiated by an 'innovative' predecessor are either disregarded or thought of as disruptive. Most public organisations do not possess the 'memory' to absorb change and continue it. Second, the perverse conservatism of the department head generates even more deleterious consequences down the line. Other staff in the organisation do not extend the commitment so necessary for change to be institutionalised. Their assessment is that everything new is only temporary, and that what is different from the ordinary way of doing things represents the foibles of the incumbent, to be forgotten immediately on the departure of the officer concerned. An attenuated hierarchy, which distorts intent and initiative, further impels the status quo.

A starting point to addressing this administrative-cultural issue seems to be straightforward: *reduce inappropriate political influence by instituting mandatory minimum service periods for higher administrative officials*. Life, however, is not so simple. The topic of reducing political interference is a sensitive one, for the right to transfer government servants is clearly vested within the political leadership under Article 310 of the Indian Constitution, which maintains that civil servants serve at the 'pleasure' of the ruling authorities. Yet few would disagree that this power is often abused by both government servants and politicians: the former in seeking prime postings and the latter for a variety of legitimate and illegitimate reasons. The prime concern of the political executive now is not to make policies but to manipulate jobs and favourable postings for their constituents. Managing service providers, rather than improving service provision, is now the prime concern of politicians. This means a high degree of centralisation at the level of the state government and little accountability.

The Second Administrative Reforms Commission of 2008¹⁶ recommends that all senior posts in both central and state governments should have a specified minimum tenure. The task of fixing tenures for various posts should be assigned to an independent Civil Services Authority.

16. http://darpg.gov.in/darpgwebsite_cms/Document/file/Decision10.pdf and http://darpg.gov.in/darpgwebsite_cms/Document/file/decision15.pdf. Last accessed 12 May 2013.

This is already being done in the GOI for secretaries in the Ministries of Home, Defence, and Finance, as well as for cabinet secretary. However, none of the state governments have made the tenure of higher ranks of the civil services (e.g. chief secretary and director general of police) stable say for a fixed period of at least two years. This is despite the Supreme Court's specific direction of ensuring stable tenure for senior positions in police and civil administration.

In January 2014, the GOI amended the Indian Administrative Service (Cadre) Rules 1954, mandating that an officer in a cadre post would hold the office for a minimum specified period and might be transferred before this only on the recommendation of a Civil Services Board comprising the chief secretary as its chairman, and other senior officers of equivalent rank as its members. Many state governments¹⁷ had already notified new rules¹⁸ in tune with the GOI's law, prescribing the minimum tenure as two years for senior IAS officers, but cleverly keeping the chief secretary outside the purview of these rules. Thus, the chief secretary continues to be at the mercy of the political bosses. This has made the GOI's rule for steady tenure ineffective even for other state officials, as the practice in the States is that, after the chief minister decides on transfers (which may be before the expiry of two years of tenure and purely based on political or monetary considerations), the chief secretary and other members of the Civil Service Board are made to sign their approval with a back date. *The GOI must insist that the chief secretary and the DG (police) have a stable tenure, so that they can then independently and objectively decide on the tenure of others through the statutory Civil Services Boards.*

It may also be mentioned here that many transfers are initiated at the request of the officer her/himself, and this tendency will also be curbed with effective implementation of the new policies. Many officers hanker after the 'trappings' linked to some posts: free vehicles, housing, and so on. It is clear that, to a large extent, these perks are dictated by the nature of jobs and should also constitute an element in determining how to

17. Andhra Pradesh, Chhattisgarh, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, and Uttarakhand.

18. http://persmin.gov.in/DOPT/Acts_Rules/AIS_Rules/Revised_AIS_Rules_Vol_II_Updated_Upto_31Oct2011/Revised_AIS_Rule_Vol_II_IAS_Rule_02.pdf. Last accessed 10 March 2014.

categorise posts. *Nonetheless, the salary package for Indian government servants should include cash in place of perks*; if nobody is entitled to subsidised housing or government vehicle, transparency and accountability will improve. Singapore has used this model with positive results.

Accountability

As a consequence of its colonial heritage, as well as of the hierarchical social system, administrative accountability in India has always been internal and upwards, and the civil service's accountability to the public has been very limited. With politicisation and declining discipline, even internal accountability stands seriously eroded today, while accountability via legislative review (as state legislatures hardly meet) has not been sufficiently effective. But strengthening internal administrative accountability is rarely adequate by itself, especially when the social ethos tolerates collusion between supervisors and subordinates.

'Outward accountability' to the public, therefore, is essential for greater responsiveness and improved service quality. Departments such as the police and rural development, which have more dealings with the people, should be assessed annually by an independent team consisting of professionals such as journalists, retired judges, academicians, activists, NGOs, and even retired government servants. These should look at their policies and performance, and suggest constructive steps for their improvement. At present, the system of inspections is elaborate, but often precludes the possibility of a 'fresh look' as it is entirely intra-governmental and rigid. The system should be made more open so that the civil service can gain from the expertise of outsiders in the manner of donor agency evaluations of projects. It is heartening to note that the GOI has already started doing so for some of its flagship programmes, such as SSA and NRHM. Petitions under the Right to Information Act have also empowered citizens, but its use is still dominated by civil servants pursuing personnel issues regarding appointments and promotions.

Priorities for enhancing both internal and external civil service accountability should also include: improved information systems and accountability for inputs, better audit, face-to-face meetings with consumers and user groups, publishing budget summaries in a form accessible to the public, a stronger performance evaluation system, scrutiny and active use of quarterly and annual reports, and selective use of contractual appointments.

One way to bring in accountability is to start a system of holding public hearings in matters pertaining to the works handled by each office. Prominent social workers and NGOs should be associated with this exercise for more productive results. The teams would undertake surveys of the quality of service delivery in key areas as they scrutinise policies, programmes, and delivery mechanisms. Civil servants' views on work constraints and reports of fraud and corruption should be elicited. The reviews conducted should also form the basis of time bound requirements for changes and improvements, which should then be monitored.

Needless to say, such comprehensive reforms need political and administrative support from the top. Accountability has to be induced; it is a result of a complex set of incentives, transparency in processes and decision making, plus checks and balances at various levels of government. It cannot be decreed by fiat. Thus, the seniors in the government departments have to put their weight behind new accountability systems and review them from time to time.

Decentralisation and strengthening peoples' institutions

Creation of panchayats in India through a constitutional amendment in 1993 initially raised hopes about their role in improving service delivery to the people, as decentralisation was expected to achieve higher economic efficiency, better accountability, larger resource mobilisation, lower cost of service provision, and higher satisfaction of local preferences. But studies show that, although some village level panchayat leaders have done commendable work, elected local bodies have not on the whole benefitted the people to the extent of funds provided by government. Their record in empowering traditionally excluded communities is even more disappointing.

Panchayats are more concerned with consolidating existing economic and social relations than using the democratic process to change inequitable rural societies. Gram panchayats function more or less as 'political' organisations that reflect local power relations. Development funds are used to consolidate that power.

The picture is worse at the block and district levels. This is despite the fact that, when compared with the village tier, these two tiers have sufficient funds and staff at their command. The elected members of the panchayati raj institutions (PRIs) at these levels behave more or less as

contractors, given that there is no institution comparable with the gram sabhas that might apply moral pressure upon them.

Involve panchayats in the social sector: Panchayats at all levels are mostly busy implementing construction-oriented schemes, which promote relationships between contractors and wage labourers. These do not require participation of the poor as equals, but rather make them more dependent on block staff and the head of the village (that is, the Sarpanch). In such a situation, panchayat activities are reduced to collusion between the Sarpanch and block engineers. Panchayats should be made more active in programmes related to education, health, self-help groups, watershed, nutrition, pastures, and forestry, all of which require people coming together as equals and working through consensus in order to design and effectively implement specific projects.

Grant panchayats authority to collect local taxes: Local bodies have not been given sufficient powers of taxation to raise revenue locally. In addition to receiving a share in taxes and central grants, the panchayats should have the right to levy and collect more taxes, such as on land and water, on their own in order to reduce their dependence on state and central governments. Today's PRIs hesitate to levy and collect taxes, as they prefer the soft option of receiving grants from the GOI. This must be discouraged and the local bodies be encouraged to raise local resources for development and then receive matching grants from the Centre and their State.

Increase untied grants: States need to increase the share of fiscal transfers to PRIs as untied grants. The formula of transfer should no doubt give weightage to population and poverty, but also to efficiency. The formula of transfer should no doubt give weightage to population and poverty, but also to efficiency. Through a carefully designed methodology, it is quite possible to measure the performance of panchayats, and to what extent they are inclusive and participative. It may be added that similar rankings can be evolved to judge the accountability of administration, especially to people, and districts/states should be incentivised on the basis of their rankings.

Empower Gram Sabhas: Gram Sabhas, to which all adult village members belong, meet regularly in only in a few places and, even there, participation is generally low. This is unsurprising, as most State acts and policies have not spelled out the powers of Gram Sabhas, nor have

any procedures been laid down for the functioning of these bodies. Empowering Gram Sabhas and strengthening their control over panchayats would be a powerful weapon in the battle for transparency, and for involvement of poor and marginalised people. For instance, Gram Sabhas should be the final authority to decide who the poor are, subject to a ceiling fixed by government on objective considerations.

Gram Sabhas should be empowered still further. Attendance and work of important field level functionaries whose work touches the lives of almost every person in the village, should be monitored by Gram Sabhas and panchayats, regardless of the tier to which these functionaries answer. Specifically, Gram Sabhas should monitor teachers, doctors, midwives, village health workers, agricultural assistants, veterinary doctors, electricity department linemen... the list goes on. The creation of local cadres through administrative and legislative measures is essential so that panchayats can function effectively, execute schemes, and be accountable to the people. This would also reduce staff costs.

Link devolution with performance: A 'Devolution Index' may be prepared for all states, and at least one-third allocation of Centrally Sponsored Schemes in the panchayat functional domain or block grant (when introduced) may be allocated to the state governments on the basis of this index.

Perform meaningful social audits, including ranking of panchayats: PRIs are now incurring large expenditures. Their accounts are to be audited by Local Fund Audit, but there are several problems with this. First, there are huge arrears, and in some cases accounts have not been audited for more than ten years. Second, the quality of their reports is very poor, therefore the utility of such audits is doubtful, and the impact they make on improving systems is at best marginal, perhaps negative. Thirdly, there are complaints of corruption, and the general impression is that audit reports can be bought. Lastly, elected officials are not held accountable for any lapses noticed in their reports, only officials are, which breeds irresponsible behaviour on the part of politicians and citizens alike.

The quality of work done by panchayats should be subjected to social audits. Based on these reports, panchayats should be graded, and future funds linked with their grade. Strengthening financial management and audit procedures will also strengthen accountability of the local bodies, their standing committees and their representatives, to the people as well as to government.

Through a carefully designed methodology, it is quite possible to measure the performance of panchayats, and the extent to which they are inclusive and participative. In UP, a 2002 study evolved some criteria for ranking 20 panchayats. Fifteen of the studied panchayats ranked either in the 'unsatisfactory' or 'very unsatisfactory' category. But two achieved a 'good' rank and three were evaluated to be 'very good'. Notably, two of the best functioning panchayats in the sample were headed by female Sarpanches (Srivastava, 2002).

Increase the use of IT: Information technology can be very effectively used by PRIs in their project implementation. This has been sufficiently demonstrated in various pilot projects carried out across the country. For instance, land records can be put on the web and then disseminated through private kiosks.

Improve governance at the Block and District level: Rural decentralisation and PRIs are a profound change in the Indian rural institutional scene. They may ultimately offer a better option for rural development and poverty alleviation. Disadvantaged jurisdictions might then be the main winners. It is an important opportunity. However, it is a mistake to think that PRIs will emerge as caring institutions in an environment of rent-seeking politics and unresponsive and inefficient bureaucracy. If district level civil servants and politicians are indifferent to public welfare, it is too much to expect that village and block level politicians will be any different.

There are big risks in premature promotion of PRIs. Vested interests of the bureaucracy and state-level politicians have undermined past attempts at decentralisation, and these vested interests remain. Steep deterioration in political morality, as well as in governance, has further distorted the scene. In particular, the link between decentralisation and improved teacher performance in government schools is problematic (Bennell 2004) in many states, as discussed below. The effectiveness of decentralisation depends on how well it is administered, and the sequence of the measures adopted is equally important.

Decentralised authority to act must be combined with adequate standards for guidance, and adequate audit and oversight mechanisms, in order to ensure compliance with general policies. This would seem so elementary that it would hardly require iteration, but the frequency of violation is too great to ignore. India should learn from the experience

of Pakistan, where substitution of the district collector by an elected non-official, called a Nazim, totally failed (Saxena 2013). If not carefully designed, sequenced, and implemented, decentralisation can increase the fiscal burden on the States even as it leads to a breakdown in service delivery,¹⁹ particularly to the poor.

Thus, higher-level political and civil service reforms must go hand-in-hand with empowerment of panchayats. Effective panchayats also require effective district and block level administration. The managerial competence of the States and their capacities to control their bureaucracies effectively, as well as panchayats, with fairness and justice, have to be enhanced before deepening panchayati authority. Reducing funds for tied CSSs and devolving more untied resources to the States for state plans in the spirit of decentralisation will improve efficiency only if they are accompanied by improved governance and accountability, especially in the poorer and badly governed states.

Presently, the political will at the state level to strengthen decentralisation is lacking, because state politicians gain from centralisation of powers, and fear the loss of power and patronage that is expected to follow from decentralisation. The GOI must play an important role in neutralising resistance from the States. It should also direct its ministries to put the sector-oriented user committees and parallel bodies under the supervision and control of Gram Sabhas.

Absenteeism

A World Bank study (2003) showed that the bulk of expenditures in education and health typically flow to the salaries of teachers and health workers, yet rampant absenteeism and shirking by these service providers means that services are often ineffectively provided, or not provided at all. Governments use these resources to provide (targetable) jobs rather than (less targetable) high quality services. The system links service providers, but not service provision, to the State. Field investigations in rural areas of Indian states, particularly in the north, reveal that teacher absenteeism is endemic; almost two-thirds of the teachers employed in the sample schools absent or not teaching at the time of the investigators' unannounced visits. A study quoted by Keefer and Khemani (2003) recounts how a village school in UP can be non-functional for

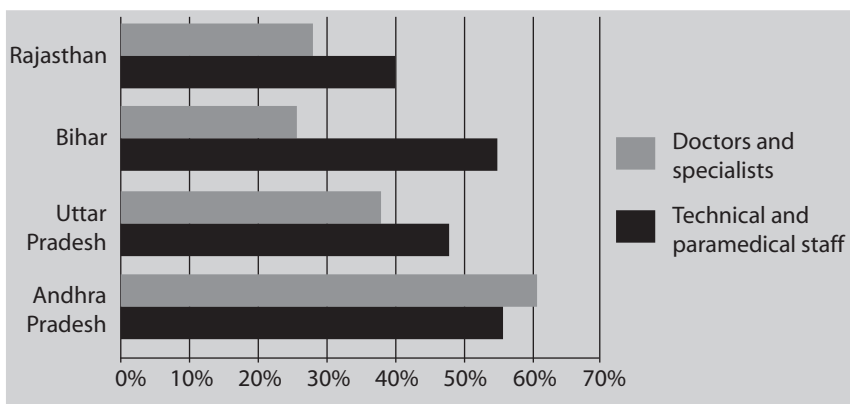
19. A cynical remark is that PRIs have only succeeded in the decentralisation of corruption.

as long as ten years due to teacher absenteeism and shirking, without any collective protest being organised. A World Bank study (Pandey *et al.* 2008) found that the average rate of teacher attendance was 65 per cent in UP, but the average rate of teacher activity (active engagement in teaching-related activities) was only 27 per cent. No more than a third of the teachers were actively teaching, preparing to teach, or engaging in other education related activities during survey visits.

Similarly, rural health care in most states is marked by absenteeism, inadequate supervision/monitoring, and callous attitudes. As Figure 6.2 shows, Andhra Pradesh (AP) has the best record whereas Bihar has dismal attendance: just 24 per cent of the expected number of medical doctors were actually present at community health centres. If the medical officer is not present to monitor the attendance of other health centre staff (including not just paramedical staff but also technicians, and pharmacists, etc), then it is more likely that those others too will abscond from their duties.

Promote the use of innovative IT to improve monitoring. For example, in rural Udaipur, in Rajasthan, community health centres have experimented with using cameras with tamperproof time and date functions (Narayan and Mooij 2010). Teachers were required to take their own pictures, along with their students, at the start and close of each school day. Together with other measures (a bonus contingent on presence, and a fine in the event of absence), the experiment led to a decline in

Figure 6.2: Per cent of medical staff actually present at community health centres as a ratio of sanctioned and recruited strength



Source: Indian Planning Commission, cited in Gill 2009.

the teacher absence rate from 44 per cent to 27 per cent in a period of 27 months. Student test scores also improved.

Absenteeism and School Management Committees: So far, the decentralised governance model to oversee school performance, in which communities have oversight powers over schools and teachers through school committees, has not been effective in improving accountability and helping schools deliver acceptable learning outcomes. According to a World Bank study (Pandey *et al.* 2011) one key reason for ineffective functioning of school-based management committees has been lack of knowledge among communities: committee members themselves are unaware of how committees are formed, who the members are, and what controls they have over the school. The PROBE 2 surveys also found that these committees had not been effective in improving the levels of teaching activity.²⁰ Once again, unequal power relations interfered with the presumed channels of accountability. Power in most committees rested with the president (generally the Sarpanch) and the secretary (generally the headmaster), but they are not held accountable. This must change. *Teacher absenteeism and lack of accountability has to be addressed by not only by greater community involvement in management and ownership of schools, but also through better oversight mechanisms and measurement of achievements of each student, on the basis of which teachers' performance should be assessed.*

The Planning Commission's evaluation of a universal education scheme (SSA; GOI 2010) had the following to say about the school committees:

Community ownership of schools which was envisaged to be the backbone for the successful implementation of the programme at the grassroots level has met with partial success as most village education committees took a ringside view of school activities. While Village Education Committees (VECs) in Assam, Bihar, Chandigarh and Rajasthan reported that they were involved in monitoring of schools, infrastructure improvement and improving enrolment, meetings were held on quarterly basis. In Himachal Pradesh and Tamil Nadu meetings were not conducted on a regular basis. None of the VECs were involved as much with appointing para teachers (except Andhra Pradesh) as with infrastructure improvement (80 per cent). More than half of the VECs

20. <http://www.indg.in/primary-education/primary-education/policiesand-schemes/EDUCATION.pdf>. Last accessed 12 May 2013.

were concerned about funding matters. Parents' role as primary stakeholders has been limited as only 50 per cent of the parents in the rural and 45 per cent in the urban schools were aware of the existence of PTA.

The responsibility for effective implementation rests with the school headmasters, as community mobilisation/ownership has not gained ground and involvement of PRIs in management of schools occurs only in a few states. The role of School Management Committees and Parent-Teacher Associations (PTAs) are partial at best and there is a need for them to engage more substantively in non-monetary school activities, such as improving educational quality, and monitoring teacher and student absenteeism. For this to happen, significant capacity building is required.

The task of ensuring teachers' attendance and quality cannot be left to the village level education committees alone. Such committees, even where they are active, are involved in construction works and physical infrastructure, and leave the learning aspect to the teachers and headmasters. Many members from disadvantaged and vulnerable sections are often in awe of the school authorities. Whereas contract teachers appointed by the panchayat are more responsive to people's needs, regular teachers do not consider themselves as accountable to the village. *Therefore, whereas all-out efforts should be made (through untied direct grants to the school committees, organising more effective training programmes, grading schools on the basis of parameters²¹ that are amenable to change through local initiative, etc.) to improve peoples' sense of ownership of the school, for several years to come one should not dilute vertical accountability, to be enforced by the government system through capturing authentic data and reviewing it with the teachers from time to time.*

Monitoring and Evaluation systems

At present, officials at all levels spend a great deal of time in collecting and submitting information that is not used for taking corrective and remedial action or for analysis. It is forwarded to a higher level, or used in answers to Parliament/ Assembly Questions, but not much more. Further, the data collected are not normally subjected to any regular checks. Indeed, the ministries fail not only to verify their accuracy, but

21. For example, Andhra Pradesh schools are graded as 'A', 'B', 'C' or 'D' based on their performance, which improves teacher accountability (GOI 2010).

also to harness the data to create more effective accountability procedures. Although some Ministries do concurrent evaluation and engage professional organisations to prepare impact studies, such reports are hardly read by policymakers, and corrective follow-ups are rare. Ultimately, the process of hiring a professional for an impact study degenerates into another patronage activity, where favourites are chosen, and the quality of the report is a secondary consideration.

Equally, state governments do not discourage reporting of inflated figures from the districts, which again renders monitoring ineffective. As data are often not verified or collected through independent sources, no action is taken against officers who indulge in bogus reporting. In UP, for instance, the numbers of fully immunised children that are being reported by the state government are almost 100 per cent, but independent assessments put the figure of fully immunised children in UP at less than 40 per cent.

Most states have a computerised Integrated Child Development Services (ICDS) monitoring system, but the available information is not used for taking corrective and remedial action or for analysis. For instance, each anganwadi centre (ICDS clinic) reports on the number of malnourished children category wise, but these figures are neither verified independently by the States nor being used for assessing the effectiveness of the programme.

A young member of parliament, Sachin Pilot, while trying to understand how ICDS functions in the districts observed (*Economic Times*: 11 February 2008):

As a part of a group of MPs working on the issue of malnutrition, we visited several states, especially remote tribal areas, to see how these centres were being run. I was surprised to see that the anganwadi worker who manages the centre with almost no help has to keep 18 registers updated! It is another matter that sometimes the number of children at such centres is less than the number of registers.

During another visit, we discovered that all data of children at the centre for the past five months – weight, vaccinations, health records etc. – were filled in with pencils. On probing further, I found it was done so that in case of an official inspection, the figures could be erased and ‘correct’ data inserted to make the centre’s performance look good!

The practice is so widespread in all the States, presumably with the con-

nivance of senior officers, that the overall percentage of malnourished children, in the case of zero to three year olds according to the data reaching the GOI is eight per cent (with only one per cent of severely malnourished children), as against 46 per cent malnourished (and 17 per cent severely malnourished) reported by the National Family Health Survey (NFHS-3, GOI 2006). The field officials are thus able to escape from any sense of accountability for reducing malnutrition (Gandhi *et al.* 2011). One district collector, when confronted with such bogus figures, told me that reporting correct data is 'a high-risk and low-reward activity'! *Cases of flagrant over-reporting should not go unpunished; otherwise honest reporting will continue to be discouraged.*

As prime minister, Manmohan Singh called the government's performance in combating malnutrition a 'national shame', but he was unable to persuade the States to accept that the problem exists at all, much less that solutions are at hand.

From a technical perspective, the situation can easily be corrected: accountability can be heightened by (a) placing district records on a website would provide greater transparency, and (b) holding frequent field inspections by independent teams of experts, nutritionists, and grassroots workers. Further, the central government's Ministry of Women and Child Development (WCD) should lend its authority to the task of holding states accountable for flawed data.

Pratham, a voluntary organisation, has evolved a simple and low-cost test that evaluates the extent of learning in primary schools. Their findings show that actual learning levels are abysmally low (Barry *et al.* 2014). However, the States either challenge or ignore Pratham's findings.

All ministries/departments should collect and analyse quantitative data on absenteeism of both service providers and service receivers (students in classrooms, or women turning up for institutional deliveries) as it throws a great deal of light on the quality of service. A careful research design, backed by appropriate technical support, would enable measurement of the performance levels of all service providing agencies – such as police stations, health and anganwadi centres, panchayats, etc. – and the extent to which they responsive, efficient, and participative.

It is not enough that the central government departments and the state governments use professional and academic organisations to undertake impact studies from time to time. *Their findings must be pub-*

licised and discussed with key stakeholders so that improvements in design and delivery can be effected at the earliest. The findings of impact studies should also be included on Government websites, and also distributed in workshops they organise. Dissemination of results is critical for use.

Right to public service laws²²

Starting with Madhya Pradesh in 2010, another ten state governments (Rajasthan, Delhi, Jammu and Kashmir, Bihar, Punjab, Uttar Pradesh, Himachal Pradesh, Uttarakhand, Karnataka, and Jharkhand) have so far enacted a right to public services act, albeit under different names, with five declared objectives: (a) assurance of service provision; (b) within a stipulated time frame; (c) that holds designated officers accountable; via (d) a two-stage appeal system for grievance redressal by; and (e) a system of penalties and fines for delay or denial of service. Since the services that come under this Act are dependent on departmental willingness, their number varies from as low as 15 in Uttar Pradesh to 124 in Rajasthan. Kerala's proposed legislation covers only 13 services.

Covered services may include provision of documents (certificates, licences, permits), cash (pension, stipends) and material goods (electricity, water connections). The nature of these services can be classified as regulatory (trade, licence), administrative (birth, caste certificate), basic (water, electricity), and welfare (pension, stipend) services. It is encouraging to note the enthusiasm of the state bureaucracy in pushing for the implementation of the legislation. This is manifested in the fact that all these state governments are taking proactive steps to digitise parts or the whole of the service delivery system connected with these services, with clear internal control and transparency built into these efforts. In Karnataka, a total of 151 services in 11 major government departments are covered by the Act. The official website²³ provides a tool by which citizens can track the status of their application.

Another good example is Bihar, where the designated monitor can track each application by name on her computer screen. The initial results are encouraging: Bihar has already received ten million applications for various services, almost all of which have been attended to. The

22. Based on Sircar (2012).

23. <http://sakala.kar.nic.in>. Last accessed 12 May 2016.

average rate of disposal seems to be 98 per cent, an appreciable achievement indeed. Similarly, Madhya Pradesh has received more than nine million requests and has attended to them all. The enthusiasm of the state governments, at a time when the political class and bureaucracy are suffering from low public credibility, is probably an indicator of a conscious political attempt to regain the faith of the middle class in the political and bureaucratic system. Recent rights-based legislation is clearly an attempt to regenerate faith in public administration, particularly in the Hindi heartland.

Link devolution with performance

The GOI transfers roughly 6.5 trillion rupees (this amount does not include subsidies, such as on food, kerosene, and fertilizers) annually to the states, but very little of it is linked with performance and good delivery. Incentives often work in the other direction. For instance, the Finance Commission gives gap-filling grants so that the States' revenue deficit at the end of each five-year period becomes zero. Thus, if a State has been irresponsible and has ended up with a huge revenue deficit, it is likely to get a larger gap-filling grant. In other words, the Commission rewards profligacy.

The concept of good governance needs to be translated into a quantifiable annual index on the basis of certain agreed indicators such as infant mortality rate, extent of immunisation, literacy rate for women, sex ratio, feeding programmes, availability of safe drinking water supply, electrification of rural households, rural and urban unemployment, percentage of girls married below 18 years, percentage of villages not connected by all-weather roads, number of class I government officials prosecuted and convicted for corruption, and so on. Some universally accepted criteria for good budgetary practices should also be included in the index. Once these figures are publicised, States may get into a competitive mode towards improving their score.

A portion of central transfers should be linked to such an index. Further, states should only compete with 'similar' states for central funds. To accomplish this, states should be divided in three categories: those whose per capita income is below the national average, those where it is above the national average, and the special category states (such as the northeast and hill states).

Conclusions

Despite good achievement on the growth front, India faces significant challenges as its social indicators continue to lag behind expectations. Mere increase in social sector expenditure will not change this situation unless such increases, particularly those directed toward socially excluded groups, are effectively monitored with regard to clearly defined outcomes.

Civil service reform, an issue of critical importance, has engaged the attention of the Government of India since well before independence. Since 1947, about fifty Centre-level commissions and committees have been set up to study and make recommendations on what broadly can be characterised as administrative reforms. As a result, some incremental reforms have been effected. But those reforms are essentially 'soft' and have not seriously addressed the issues of lack of accountability and outcome orientation (corruption, criminality, and collusion within the government). Many recommendations involving basic changes have not been acted upon; therefore, the framework, systems, and methods of civil service functioning have remained unchanged since they were installed on the basis of the Whitehall model in the mid 19th century. The prodigious research and intellectual efforts of these committees, not to mention the administrative and financial resources expended on them, have been largely wasted. As the Second Administrative Reforms Commission (GOI 2008) noted, 'the Indian reform effort has been unfailingly conservative, with limited impact ... Civil service reform in India has neither enhanced the efficiency nor the accountability of the Civil Service in any meaningful manner'.

Civil service reforms must be aimed at improving transparency, accountability, honesty, efficiency, and sensitivity in public administration at all levels. The solution to the problem of corruption has to be more systemic than any other issue of governance. Merely shrinking the economic role of the state by resorting to deregulation, liberalisation, and privatisation is not necessarily the solution to addressing the problem. *Legislatures and the agencies themselves must eliminate all procedures, laws, and regulations that breed corruption and come in the way of an efficient delivery system.*

We must also remember that we are not talking about creating a bureaucracy *ab initio*, on a clean slate. We have inherited a bureaucratic

system that has its own compulsions and culture. Our challenge today is how, to ‘create’ a new bureaucracy that works out of what we have. We are somewhat like the managers of a fitness club knocking people into shape. The ‘big bang’ approach that Bo Rothstein argues was implemented in Sweden in the late 19th century²⁴ is not likely to be tried in India (but see Svensson’s counter to Rothstein’s view, in Chapter Seven of this book). We have to be content with incremental reforms that can be sustained over a long period.

Governance reforms are intractable under a ‘kleptocracy’ that exploits national wealth for its own benefit and is uninterested in transparency and accountability. A pliable and unskilled civil service is actually desirable from its point of view – public employees dependent on the regime’s discretionary largesse are forced to become corrupt, cannot quit their jobs, and reluctantly become the regime’s accomplices. Providing financial assistance from the GOI to the States without linking it with performance and reforms is a waste of resources. In all other cases, reform is manageable, albeit difficult, complex, and slow. Therefore, considering that the States will need external pressure on them to improve outcomes, certain control by the GOI over funds and the policy domain in the social sector is necessary, until such time that the States show signs of improvement in governance.

24. See Bo Rothstein (2011) ‘Anti-corruption: the indirect “big bang” approach’, *Review of International Political Economy*, 18 (2): 228–50.

Strengthening Control or Fostering Trust? Indian Politics and Scandinavian Experiences

By Torsten Svensson

There is a growing awareness among policymakers as well as theorists about the vital importance of 'good governance' in finding ways to foster successful economic development and democracy, as well as improving welfare policies and social justice. The implementation of policies that further radical and far-reaching economic, social, and political goals is critically dependent on the quality of government (Rothstein and Teorell 2008). This view is also clearly stated in Chapter Six by N. C. Saxena. In India, 'poor governance' goes a long way toward explaining why development policies and economic growth seem not to lead to the fulfilment of development goals. As Saxena says: 'weak governance, manifesting itself in poor service delivery, uncaring administration, corruption, and uncoordinated and wasteful public expenditure are the key factors impinging on real development' (see page 131). In this chapter, Indian governance is contrasted with some historical experiences from the transition of Swedish governance, from being weak and highly corrupt into one of the world's cleanest and most trusted governments. I argue that one important factor in this transformation was the construction of strong democratic linkages between state and society, the *second dimension* of social democratic politics (see page 14).

Saxena presents several striking examples and tells a convincing story about how the vicious circle of extensive corruption and weak institutions at all political levels dramatically hampers development in India. The situation seems to be exacerbated by a federal system with a low correspondence between central policies and performance at the State level within the Union of India. The political system rests on pa-

tronage and lobbying rather than on electoral accountability, resulting in low confidence in politicians. There is a lack of professionalism among the administrative staff, and it is often the case that redundant posts are created, based on seniority rather than on merit. The bureaucracy, at all levels, is highly dependent on ruling politicians and positions are highly insecure. Frequent transfers and limited tenures are used as political instruments, resulting in low professionalism and limited responsiveness to the public, as well as lack of interest in improving the quality of service. The most conspicuous phenomena are far-reaching absenteeism among teachers and health workers: field investigations in some rural areas have revealed 'that teacher absenteeism is endemic, with almost two thirds of the teachers employed in the sample schools absent or not teaching' at the time of the investigation. A study of the attendance of doctors and health providers had similarly depressing results (see page 159).

At first glance a comparison between India and Sweden with regard to corruption or 'quality of government' may seem to be misplaced. Sweden is, and has been for a long time, one of the least corrupt countries in the world, together with a cluster of other countries including its Scandinavian neighbours (Tanzi 1998; Delhey and Newton 2005: 320; Hopkin and Rodriguez-Pose 2007: 192, 201; Rothstein 2011: 240). It is a unified, small, rich and highly industrialised country with a long democratic history, much smaller in size than any of the major Indian States. It is homogeneous with respect to ethnicity, religion and culture; or at least it has been so during modern history. However, until the 19th century it was one of the poorest agrarian countries in Europe. The state was small and far from being a modern welfare state, with most tax revenues being collected from 'tax farming' and land rents (with no income tax) and spent on the military. The bureaucracy is considered to have been weak and corrupt (Sundell 2014: 105f). The transformation of the state was, according to Rothstein (2011), the result of a 'big bang' approach where many reforms were implemented almost simultaneously in the last decades of the century.

In this essay, I will discuss theories of corruption and policies intended to increase the quality of government, with a particular focus on the importance of trust. Trust is broadly understood as the extent to which individuals expect others to fulfil promises in situations of uncertainty. Trust is 'a bet on the future contingent actions of others'

(Sztompka 1998: 20). The theoretical section is followed by a short summary of what we know about the transformation of the Swedish state. A further section is specifically on the importance both of universal welfare policies and the integration of strong interest organisations into policy making. With the historical differences between the Swedish and Indian experiences in mind, it may be understandable that Saxena concludes that the 'big bang' approach that succeeded in Sweden in the late 19th century is unlikely even to be tried in India: 'We have to be content with incremental reforms that can be sustained over a long period' (see page 167). But how could these reforms survive and be 'sustained' in a society that seems to be corrupt at all levels? And is 'the big bang' really a good description of what happened in Sweden? I argue that the historical record suggests otherwise. It took a long time, and corruption was only eradicated step-by-step. Control, visibility, and increased accountability were necessary pieces in the puzzle in order to foster trust, thereby solving the collective action problem. But control was combined with empowering people in local communities and representative assemblies, to get people together to communicate about the 'common good' and have influence over policies and the civil service. People and 'clients' have to get real democratic representation in order actually to have power to influence policies and make civil service accountable. So there still may be some lessons to be learned from the Swedish transformation.

Strengthening control or fostering trust?

Saxena's analysis and reforms that he advocates seem sound and appropriate. His arguments may be understood in terms of the theory that explains corruption, as well as the development of sound state-society relations, as mainly a principal-agent problem (on this theory see: Rose-Ackermann 2001; Rothstein 2011; Persson *et al.* 2013: 451–4; Rothstein and Teorell 2015: 3f). In the simple version, public servants are looked upon as agents who are given authority to perform a task decided on by the principals, in this case the politicians. However, the agents have more information about concrete situations and contexts than do the principals. Due to this information asymmetry, the agents have the opportunity to use their positions and delegated authority to pursue their own personal goals. Agents can betray principals as long

as the principals lack information and control. Without proper performance evaluations, opportunities for bribes and absenteeism remain. One crucial assumption in this version of the theory is that the principal is benevolent and honest; the focus is on how the behaviour of the agents can be controlled. As we see very clearly from Saxena's picture of governance in India, however, this assumption is not warranted (even though he seems to find the Central government the possible agency of reform). He describes well a situation of political corruption where we can look upon the politicians as the agents who are supposed to answer to the principals, in this case the citizens, or the electorate. But the politicians' position of trust as the ruler is not used primarily to realize the common good. Based on weak accountability and limited information, politicians rather use their position for making personal gains. The medicine prescribed in both instances of principal-agent relations according to this school of thought is to change incentives for misbehaviour: to strengthen control, delimit agents' room of manoeuvre, and impose more efficient monitoring, accountability, and evaluation (Persson *et al.* 2013; Rothstein 2011).

However, the experience of reforms guided by principal-agent theory is quite disappointing: 'anti-corruption reforms in countries ridden with rampant corruption have largely failed' (Persson *et al.* 2013: 450). The reason is that corruption should be looked upon as a collective action problem, not just as a matter of information and control of the agent. In real life, and contrary to the assumptions of principal-agent theory, it is hard to find benevolent principals who are willing to legislate and, more importantly, to enforce existing anti-corruption laws (which most often already are in place). This has not to do with cultural differences with regard to what is supposed to be acceptable, or with the existence of different moral yardsticks about bribery or private use of public resources. Dislike of bribery and corruption is a general and widespread attitude: 'Ordinary people do not approve of corruption: Those at the bottom of the economic (and often social) ladder see it necessary for survival' (Uslaner 2011: 20). But all actors, principals as well as agents, are stuck in a 'second-order social dilemma' where those reformers who announce they will change the rules of the game are looked upon as corrupt as well (Ostrom 1998: 7; Rothstein 2011: 235). If you expect that everyone else bribes the doctor to get treatment in time and you also

realize that this is a shared expectation of how the system works, it could be disastrous to be the one who sticks to the formal rules. You may end up as the ultimate sucker in the game (cf. Sundell 2014: 97). So from a strict game-theoretical perspective, this dilemma seems to be unsolvable: 'Consequently, in a context in which corruption is the expected behaviour, monitoring devices and punishment regimes should be largely ineffective since there will simply be no actors that have an incentive to hold corrupt officials accountable' (Persson *et al.* 2013: 457).

At the same time, examples of real-life situations characterised by cooperative solutions are numerous. This is also the case regarding governance in quite large and complex societies. In some countries, politicians and state representatives are trusted. Their civil services are looked upon as clean, trustworthy, and characterised by a low degree of corruption and therefore also by a high degree of impartiality (Rothstein and Teorell 2008). The question, then, is whether it is possible to change the game and, if so, how? Ostrom explores a range of experimental studies that demonstrate strict rational choice predictions to be wrong, both in one-shot games and in iterated ones. Several studies also show how rules and games in small group settings may evolve towards cooperative solutions giving benefits to all participants. The key concepts seem to be trust and communication, especially in face-to-face encounters (Ostrom 1998: 8ff). Several studies on more complex societal situations support the importance of trust in facilitating cooperation (Oskarsson *et al.* 2009a; 2009b). As long as mistrust dominates, there is no incentive to cooperate: 'Rather, the rewards of corruption – and hence the existence of actors willing to enforce reform – should be expected to depend critically on how many other individuals in the same society that are expected to be corrupt' (Persson, Rothstein and Teorell 2013: 450). So the first question is not how best to control the cheating agents. It is, rather: whether and how is it possible to build trust among citizens? Is it possible to go from an uncooperative state of order to a cooperative equilibrium? Rothstein in his earlier work argues that an indirect 'big-bang' approach can yield such a result. As will be clear in the following sections, I disagree, both theoretically and empirically.

Trust through a 'big-bang' approach?

In his well-cited article that presents the 'indirect "big-bang" approach' Rothstein points to the problem of incrementalism in order to eradicate

corruption (Rothstein 2011). It seems impossible to identify a first single step that will start a positive process towards a Weberian bureaucracy that functions according universalistic principles. The introduction of, for instance, strict surveillance of public servants, a system of ‘ombudsmen’ or harsh punishment for bribery, will inevitably be absorbed into the particularistic culture and patterns of behaviour, fed by the common understanding that no one else will stick to the formal rules: ‘the new institutions will be overtaken by the corrupt/clientelistic networks and dominated by such practices that, in its turn, will increase cynicism among the population and serve to delegitimise future efforts to increase the quality of government institutions’ (Rothstein 2011: 240; Rothstein and Teorell 2008: 183f). Rothstein’s argument for an indirect strategy is then based on an analysis of how the Swedish state was transformed from being highly corrupt to one of the least corrupt bureaucracies in the world today.

The Swedish state was without doubt highly corrupt during the 18th and most of the 19th century. Civil servants relied on personal ties rather than on the observance of formal laws. Recruitment to higher positions was based on personal ties, seniority, and noble birth, rather than on merit. It was customary to hold several full-time positions and it was also possible to sell and purchase positions under the so-called ‘accord system’. This was logical as many positions were not combined with a universal formal system of fixed payment or salary. The arrangement worked as a private pension scheme. ‘Sportler’, meaning informal payments to the civil servant for services executed, fit well into this system. Today, we would describe this arrangement as bribery, and it was also looked upon as bribery by several participants in the parliamentary debate at the time (in the Diet of Estates) – (Heckscher 1952: 25f; Nilsson 2000: 4ff; Rothstein 2011: 240ff; Sundell 2014: 107ff; Teorell and Rothstein 2015: 5f; Rothstein and Teorell 2015: 9f).

According to Rothstein’s article on the ‘big-bang’ approach, admittedly referring to anecdotal data, the necessary institutional steps and dramatic change in governance took place over a very short period in the later 19th century, between 1860 and 1875. He presents a long list of reforms introduced over these years, of which several were directly connected to the civil service, such as establishing new professionally staffed boards and a shift to a modern bureau-system, abolishing aris-

tocratic prerogative for higher positions, improving the wage system, enacting laws that restricted direct payments, and overturning the 'accord system. Some were concerned with the political system, including a major reform of the parliament, as well as new laws regarding local and regional authorities and political decentralisation. Other laws implied a range of freedoms: regarding companies and economic activity, religion, and the press. Finally, education was reformed: basic education became mandatory and free, and standards were established for university degrees. A clear signal of a new modern society was that taxes were to be paid in money instead of goods. In Rothstein's view, the most important effect of the 'non-incremental' and dramatic reforms was that 'the whole idea of what it meant to be a civil servant changed' (Rothstein 2011: 243). The reforms did not directly target corruption as such; rather, 'the full set of political institutions ... not a few, but almost all major political, social and economic formal institutions were transformed during a relatively short period of time with the 1860s as the central decade' (Rothstein 2011: 245).

However, the recipe, the indirect 'big-bang' approach, seems not to be so different from the incremental and direct reforms he criticises. First, many of the reforms were aimed directly at the civil service: the creation of modern bureaucracies connected to a new industrial society; reforms to put an end to bribery and 'sportler'; the introduction of fixed wages; the abolition of the old collegial bureaucracy, combined with recruitment based on merits rather than on seniority and aristocratic descent; and the abandonment of the 'accord-system'. So at best it is rather the combination of such direct reforms, together with aiming for universalism, that matters, if enduring change is to be brought about. In Rothstein's own words: 'targeting corruption directly is probably not going to lead to change *if it is not accompanied by an "indirect" strategy* in which many, if not most, other public institutions are changed to universalism and impartiality' (Rothstein 2011: 246, *emphasis added*). In Sweden, reforms aimed directly at the civil service seemed to play an important role for building trust and eradicating corruption. Second, the supposed effect of these more indirect reforms – such as parliamentary reforms, free media and religion, or company rules – on corruption or in a broader sense on the view of politics and the political culture, or the significance of universalism, lacks convincing evidence.

This relationship seems at most to be argued theoretically. Rothstein seems to have presented a very interesting outcome: the occurrence of a shift in political culture. However, the change in ‘the political culture from a particularistic understanding of *what politics is* to a universalistic one’ (Rothstein 2011: 245) may not be an effect of these reforms. The reforms may rather be looked upon as the last step and outcome in a process of increasing universalism.

Third, the time span seems not to be as compressed as Rothstein argues. Other findings show that several of these reforms had been discussed for many decades. Legislation came about and was put into practice more incrementally, as Rothstein acknowledges in later work together with Teorell. In their analysis of court hearings they show how appeals against malfeasance grew in number during the late 18th and the first half of the 19th century. The courts actually began to work in a Weberian manner before the huge reform process in the later part of the century (Rothstein and Teorell 2015; Teorell and Rothstein 2015; cf. Uslaner 2005). Reforms aiming for increased control of the civil service seemed to be important parts of why corruption decreased. And these reforms also seem to have been introduced incrementally.

A step-by-step analysis of how the ‘sportler’ was reformed is illuminating in this respect. The roots of this private income can be traced to the way the independent farmers were obliged to pay the king’s bailiffs for collecting taxes and keeping up law and order; these officers were not paid by the king directly for this service. The ‘sportler’ came to describe most informal payments for services, paid directly by the client to the un- or underpaid government employee. It covered provision for revenue collection and ‘fees for written documents of various kinds’ (Sundell 2014: 108). The parliament already in the 1830s looked upon the system of informal payments as enforced bribery that corrupted the bureaucracy (Sundell 2014: 108f). At the same time, it was hard to abolish the system in one sudden blow. Reformers understood that the state could not afford to pay reasonable salaries as well as simultaneously raising resources needed for creating the monitoring capacity. ‘[T]his could thus result in higher expenses for the state as employees could receive a salary and still pocket the income’ (Sundell 2014: 110). Reforms had been introduced as early as 1661 and several laws followed in the 17th and 18th centuries. Legal activity increased substantially in

the 1830s. But instead of abolishing the system, it was regulated and formalised incrementally. One step was to accept the fee formally, but to make prices official, fixed, and publicly announced, coupled with the introduction of exemptions for clients who were unable to pay. This made monitoring easier as discrepancies from the fixed standards became clear. Replacement of the 'sportler' with general user fees followed, combined with raised and fixed salaries, increased monitoring and control, laws against misconduct, and the end of a system where state employees could hold more than one public position. These steps were introduced in some areas before 1850, in some others between 1855 and 1883, whereas the final 'sportler' continued right up to the middle of the 20th century. Sundell concludes that the process should not be described as a sudden blow and part of a 'big bang'. He advocates the view that, 'given that informal payments are seen not only as criminal activity but as symptoms of an underfunded public administration, a "second-best", incremental approach in which reforms aimed at improving existing systems may be more fruitful' (Sundell 2014: 118).

Most importantly, and surprisingly, Rothstein's 'big-bang' articles offer no real discussion of the mechanisms that would account for how and in what ways *trust* in others' behaviour is strengthened among citizens. I sympathise with his criticism of principal-agent theory, and I support the theoretical argument that brings the problem of collective action into focus. So the explanation of this transition should therefore be found in the ways trust among citizens was established. There seems, however, to be a shift from this basic argument on trust and answering the question as to how this came about, to describing how the political culture had changed, that is, a supposed aggregated outcome of increased trust between individuals and toward civil servants. This criticism is also argued for in Rothstein's later work, where it is suggested that 'big-push' or 'big-bang' theories help us understand persistence, but lack the important explanation of change: 'However, what is missing in this analysis is the fundamental question of what caused this major and lasting transformation of the country. The mechanism that explains this major change from one equilibrium to another is a theory of how collective action problems were overcome and how new rules of the game came to be enforced in practice' (Rothstein and Teorell 2015: 2; Teorell and Rothstein 2015: 4).

In their later work, Rothstein and Teorell emphasise the importance of an exogenous trigger starting an endogenous process of reforms which step-by-step overcame the social trap. In the Swedish case losing a war ‘big time’ in the middle of the 18th century (it lost Finland to Russia and perceived a serious threat from Denmark in the south) led to a widespread view within the political elite that the country’s existence was at stake. The ill-functioning bureaucracy in general, and in particular an incompetent military administration, was partly blamed for the military defeats. This led to a growing awareness and shared notion within and among the elite, strongly reflected in the Diet of Estates at the time, about the need for an efficient and fair civil service. According to Rothstein and Teorell, reforms could be made credible as a fair court system was in place and had been shown to work successfully against malfeasance within the civil service. Another prerequisite in the Swedish case was, according to these authors, ‘the rise of liberalism and organised liberal opposition as a powerful political force in Swedish politics from the 1830s’ in combination with ‘the rise of a new sphere of public debate in the form of widely circulated newspapers’ (Rothstein and Teorell 2015: 13; Teorell and Rothstein 2015; Rothstein 2011: 246). The growing liberalism within the Diet of Estates and in the following pre-democratic parliament was also a sign of a new composition of the civil service – for public officials dominated these institutions – which seems to have been a driving force in the reform process. The nobility was slowly losing its strong position, and more liberal-minded administrators pushed for reforms (Rothstein and Teorell 2015: 12).

In Rothstein and Teorell’s view, the solution to the collective action problem seems to be through a shared commitment within the political and administrative elite to designing a new game – ‘they must overcome the problems of supply, credible commitment and mutual monitoring’ (Rothstein and Teorell 2015: 6). The elites were increasingly embracing a liberal ideology and were kept together by a common view about the existence of severe threats to the country and need for a modern civil service. Instead of a ‘big-push’ the authors conclude that reforms against corruption take a very long time to establish and to take effect (Rothstein and Teorell 2015: 13f). But why then would these incremental reforms, introduced from the top during a long period of time, be perceived as credible and increase trust both among ordinary

people – merchants, farmers or all the different categories of clients – and toward public officials? Why did these reforms not fall into same trap that Rothstein himself warned against with regard to incremental reforms in the present day, where ‘the new institutions will be overtaken by the corrupt/clientelistic networks’ (Rothstein 2011: 240; cf. Person *et al.* 2013: 464)?

One first important step seems to have been the face-to-face communication within the elite, for during this time a small group of public servants in the Diet led the redesign of rules. In general terms they managed to overcome the second-order dilemma by using one of the most important tools for transforming the Prisoners’ dilemma into a coordination game (Ostrom 1998: 6ff.). Secondly, and if the sparse historical data are reliable, legislators were able to rely on a just and clean court handling malfeasance in the civil service, making monitoring robust enough to discourage deception and fraud. The explanation still lacks evidence from outside parliamentary debates, first and foremost about the mechanisms that made aspirations routine at all levels, and part of the common understanding of how the civil service works and what it is supposed to do.

One important clue is found in the indicated prerequisites – a comparatively free press, and a common liberal and pre-democratic ideology shared among a growing part of the political elite and also with the new civil organisations outside the political establishment. The severe threat in the 18th century was war. After losing Finland to Russia and perceiving Denmark to be a hostile neighbour at the southern border, Sweden’s ruling elite feared that their country was on the verge of losing its political independence. New external threats toward the old elite came into existence in the middle of the 19th century: a growing new industrial class representing the powers of capitalism and ‘dramatic increase in number and activity of voluntary associations’ (Rothstein 2011: 245). These organisations were open to all classes, had a strong emphasis on ‘the common good’, and strong support from important parts of the new capitalist class representing the emerging industry and private finance (Rothstein 2011: 246). Inherent in this ideology was individual freedom and the urge for universalism and demands for fair and equal treatment. However, it is necessary to analyse more precisely how these developments produced the eradication of corruption.

Trust based on impartiality, universal policies and civil organisations

Inequality seems by far to be the single most important factor in breeding corruption (Tanzi 1998; Uslaner 2002, 2005, 2011). The basic logic is that inequality works against cooperative solutions as it drives down trust. Low trust in turn breeds corruption, which is followed by more inequality. It is an inequality trap that is hard to break. It is hard for a person who assumes, probably with good reason, that the economic as well as the political system works in favour of the rich and powerful, to trust in others' promises, proposed laws and suggested cooperative solutions. Power simply drives out trust (Hardin 2002; Öberg and Svensson 2009; Öberg *et al.* 2011). In order to overcome the collective action dilemma and to get closer to cooperation, increased trust is needed. And in order to create opportunities for growing trust, policies should aim for more equality. As already said, direct institutional and administrative reforms are not effective if not combined with indirect policies. And as Uslaner, a critic of the focus on institutional reforms, points out: 'policies that might reduce inequality are, after all, the choices of legislatures and executives' (Uslaner 2005: 3).

In this respect, the historical context and circumstances for fighting corruption were admittedly more favourable in Sweden than elsewhere (Schmid 2010: 42–55; Wennemo 2014).

In the state-building process in the beginning of the 16th century, King Gustav Wasa confiscated land from the landowning aristocracy and church, and made the church subordinate to the crown, so facilitating the rise of greater equality and of principles of universalism. The king's actions against the nobility led to the creation of a large class of independent farmers. Almost 80 per cent of the land was in the hands of the state and the farmers by the late 16th century. The traditional continental alliance between king and nobility was replaced with an alliance of farmers and the state. This cleared the way for the rise of a population of relatively independent and self-reliant farmers. The aristocracy never really recovered and the church remained in the hands of the state. Even though it is hard to get systematic and reliable data, it seems clear that Sweden was an outlier with regard to socio-economic and demographic factors as early as in the 18th and 19th century: low economic inequality, high average length of life, low infant mortality and widely spread ability to read, combined with a uniquely free press based on law (Wennemo

2014: 57–81; Schmid 2010: 45). It is true of course that the equal rights were mainly restricted to the independent farmers and leaseholders on state land, and then only to the heads of the households. On the one hand there were many crofters and tenants, and also labourers, without these rights. On the other hand there was also a rather remarkable social mobility in the sense that many worked as labourers before inheriting a farm, and many workers married farmers. Even if Sweden was one of the poorest countries in Europe at the time, the living conditions among the rural agrarian population were relatively ‘good’, homogeneous, and equal.

Homogeneity, a positive factor for trust-building (cf. Hardin 2002; Öberg *et al.* (2011)), was combined with unique political participation at different levels. Early on, farmers and leaseholders on state land had the right and took part in the local parish meeting as well as having a political platform in the Diet of Estates from the beginning of the 18th century. The parish meeting and ordinary farmers’ participation therein is often neglected (but see Chapter Four in this volume for another interpretation), yet seems to have been a very important basis for cooperative local administration and policy making, for instance regarding poor relief, care of orphans, taxes, and the obligation to keep tenement soldiers (the allotment system implied that a group of farmers was obliged to equip and keep a soldier with land and croft). The parish meeting was not at all democratic with regard to participation and voting but at least all eligible farmers, that is, the heads of these households, had the right and were expected to attend and deliberate. It can be looked upon as the roots of local democracy and local administration and formed the experience and roots of the development of a local welfare state, through local sickness and unemployment benefit societies (see Chapter Four). As Wennemo describes, ‘Every household could observe and had influence in the decision-making. The fact that all eligible households had economic responsibility as well as self-interest in the outcome and participated in the decisions about the allocation of resources was important for the success of the cooperation’ (Wennemo 2014: 77, my translation). It seems to have overcome the social dilemma in much the way that Ostrom describes in regard to local communities, where trust is built on face-to-face communication. This was repeated in local associations later on, for example when benefit societies were created

to support local infrastructure (e.g. roads, schools) and when tenant associations as well as other local associations came to be parts of national people's movements.

Local poor relief, targeted on the needy poor, was clearly stigmatising – in stark contrast with today's universal welfare policies. But the local welfare arrangement with roots in the medieval parish was still the basis for universalism and trust, as it involved everyone in the community: 'All households should take part in financing the welfare policy and everyone who was a permanent resident had the conditional right to get help. To the extent it was possible the recipient should contribute with work in return' (Wennemo 2014: 274, my translation). Everyone contributed, and when the pension system and other welfare policies were introduced they were based on universal principles both as regards financing, and benefits. Even though the benefit levels were very low at the beginning, the principles were established (Wennemo 2014; Svensson 1994).

Historians are now in such widespread agreement about the extent of corruption in the Swedish bureaucracy at the time, and its similarity with what exists so widely in the world today, that the description above may be regarded as an established fact. However, local self-management with extensive participation of farmers was also connected to a comparatively strong and efficient state at the local level, financed through land rents, taxes, *tionde* (the ten per cent of production tax in kind to the church) and ensuring the obligation to maintain tenement soldiers (Schmid 2010: 44f). An important prerequisite in order to make this work efficiently was presumably some reliable assessment about household earnings and a census; the first national census in Sweden was accomplished in the middle of the 18th century.

This argument about the importance of participation in local governance is not to be confused with the popular (though possibly misleading) view that civil organisations are schools of democracy and sources of social capital. Rather, as Teorell and Rothstein argue, trust in the public service as well as decreasing corruption may have been in place before most peoples' movements became at all powerful. The importance of participation at the local level, the parish meeting, is rather about power and partly-imposed communication. The parish was actually an organisation mandated by the state to handle local matters.

By taking part in decision-making and having a say in how to handle local problems, even poor farmers became not only responsible, but also empowered.

The parish was related to the old agrarian society and participation was still restricted to propertied households. As industrialisation came in, towns grew and new social classes entered the scene. In order to handle new demands from a growing non-agrarian population and working class, and, following from this development, the growing 'social question', the parish was replaced with a new local organisation in 1863. As did the parish, the new 'municipality' built on the combination of state duties and local governance. In the countryside, the borders of the municipality coincided with the old parish. However, local participation broadened extensively. From now on, all taxpayers could take part in the municipality meeting, even though votes were still not equal. Moreover, the parliament based on estates was abolished. In the new national parliament that was designed in 1866, the municipalities elected the representatives to one of the two chambers. Consequently, the link between the state and citizen was not only maintained in this new local organisation, but indeed reinforced. As popular movements and voluntary organisations grew stronger and the working class came step-by-step to be represented in municipalities and in the parliament, demands for democracy and an equal vote grew as well. At the time democracy was introduced, the state was looked upon as the obvious tool for societal change (see Chapter Four; also Rothstein 2011). In course of time, Swedish democracy, developed to be integrative and based on broad participation. The popular movements based on democratic membership, mass mobilisation and strong local organisations – in particular the labour movement, farmer organisations and the temperance movement – played an important role in party building and in the nomination process for representative positions. These organisations were also gradually integrated into the democratic process when the social democrats began to develop the welfare state and actively intervened in the economy and labour market, in what later on was described as neo-corporatism (Öberg 1994; Lewin 1992).

Ostrom may be correct in pointing to the importance of iterated face-to-face communication for the creation of trust. However, with reference to Swedish experience and uniquely high trust, also at the national level

and towards the state, the argument about local communication has to be combined with growing citizenship and broadened representation in these local assemblies, as well as the integration of the local organisation with the state. In order to trust others you must also have some power and perceived influence on policies and over administration. I argue that the crucial mechanism for building trust lies in the same reciprocal exchange and empowerment through representation that corporatism subsequently was built upon. It seems to me that the later, highly developed and democratic version of corporatism in Scandinavia rests on similar mechanisms of communication, participation, and power.

The well known model of social corporatism at the state level was refined and developed after the bureaucratic reforms were introduced in the late 19th century. Social corporatism became an important pillar of the modern welfare state development during the 20th century. As welfare policies went from being a local matter to become the central part of the strong society, the state created intimate links with civil associations holding interests in different policy areas. As early as in 1902, unions and employers became parts of the local public employment offices and in 1912, notably before democracy was established, the state set up the National Board of Health and Welfare in order to solve the 'social question' in which unions and employer's organisations took part (Rothstein 2003: 273ff). First and foremost, the state involved the important organisations concerned with farming policy, and the strong peak organisations of the labour market (employer and worker organisations) in both policymaking and administrative boards. As time went on, the organisations became closely involved in discussions about and took part in the implementation of labour market policies and economic policy. 'The purpose was to make organizations capable of moderating members' demands and to secure industrial peace. In exchange, unions obtained comprehensive welfare policies, protective measures and the right to collective bargaining and strike' (Öberg *et al.* 2011: 370–371). Soon the same arrangement spread to other policy areas and became the common approach to policymaking in the 1950s and 1960s. In areas where a strong interest was lacking, the state actually helped out to create an organisation in order to set up a corporatist dialogue (Öberg *et al.* 2011).

The system is sometimes mistaken for being the manifestation of consensual Swedish politics. This was actually not the case; interest

conflicts on the labour market and about economic policies were severe and involved very strong interest groups with large democratic memberships that had the potential to paralyse the whole society (Rothstein 2003: 240ff). The corporatist arrangements made it possible to involve otherwise conflictual interests in political reforms, to ease conflicts and find ways to avoid opposition from discontented members. The core of corporatism is mutual dependence and can be understood as a system for exchange: 'Exchange between state and organised interests requires that one party is in control of resources in which the other is interested' (Öberg *et al.* 2011: 368; cf. Coleman 1990). Iterated encounters between otherwise conflictual interests at the top level even resemble the small group face-to-face communication described by Ostrom. After a while the parties came to know one another, they got to understand each other's arguments and also knew that were going to meet again. Iterated and successful exchanges built trust, among elites as on the local level. Agreements could be reached as long as the members could be persuaded to restrain from excessive demands and they still perceived that negotiations could lead to acceptable positive outcomes

Conclusions

Every historical trajectory is unique and cannot be made into a formula. The concrete historical circumstances and prerequisites behind the development of trust and cooperation in Sweden, the basis for impartiality, may be seen as quite exceptional and impossible to copy. However, some lessons may be learned at a more general level.

So far, we may conclude that in order to make anti-corruption policies work, people have to trust that others – public servants as well as other clients – also will keep to the rules. And, in order to build trust it seems important to fight inequality and enhance living conditions. This is of course more easily said than done; especially as such policies are precisely the ones that become perverted in corrupt practices. Big government is sometimes looked upon as inviting corruption. But corruption is not about government intervention in general; it is about how intervention is done (Hopkin and Rodriguez-Pose 2007: 201ff.).

It is therefore crucial that policies are universal and not selective. It is well established that universal welfare arrangements are closely related to and support trust in public institutions: 'Contacts with uni-

versal welfare-state institutions tend to increase social trust, whereas experiences with needs-testing social programs undermine it' (Kumlin and Rothstein 2005: 339; cf. Svensson 1994; Rothstein and Uslaner 2005; Hopkin and Rodriguez-Pose 2007: 201; Öberg and Svensson 2009; Oskarsson *et al.* 2009a). In contrast with selective programmes, universal welfare-state institutions, most often designed to be of high quality, build on the principle that everyone pays, but that everyone also gets something. You become a recipient as soon as you get into a life situation where you qualify for the benefit, such as going to school, getting sick or becoming old. As the policy is designed as an insurance against misfortunes, self-interest is built into the system. In an Indian perspective, universalism would for instance mean a focus on preventing downward mobility rather than just targeting the poor (cf. Krishna 2010: 16ff., 24ff., 150ff., 158). Moreover, as universal programmes build on simple general and highly visible rules the rights to benefits and security are not dependent on the discretionary needs-testing decision from an individual public servant. They are not open for corruption in the way that selective programmes tend to be or, most certainly, are suspected to be.

Universalism and universal welfare policies are closely related to another important factor: fair institutions. In addition to the degree of inequality, fairness in the legal system is an important factor in strengthening trust (Uslaner 2005). The story of the development of the courts in Sweden in the early and middle 19th century supports that view. Impartial courts and policies which are perceived to be fair counteract the negative relationship between power and trust. That is, the negative effects of economic inequality seem to be compensated for by impartial treatment and fairness. In line with theories on transaction costs, it has been shown in studies on workplace behaviour that 'perceptions of duly enforced and fair institutions positively influence employees' trust in their superiors, which, in turn, leads to more cooperative behaviour and increased willingness to enter into formalised contracts' (Oskarsson *et al.* 2009a: 292; cf. Rothstein 2003, 190–193).

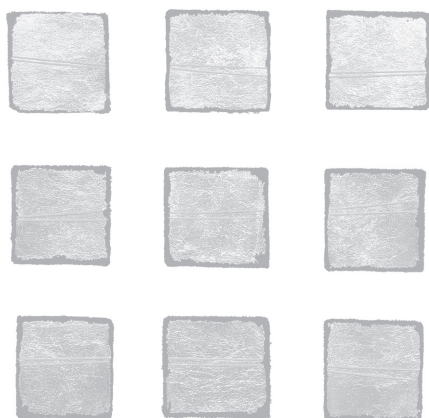
Moreover, the Swedish experience points to a combination of reforms from above with strong local representation and empowerment. Ostrom may be correct in pointing to the importance of iterated face-to-face communication for the creation of trust (cf. Krishna 2003: 363).

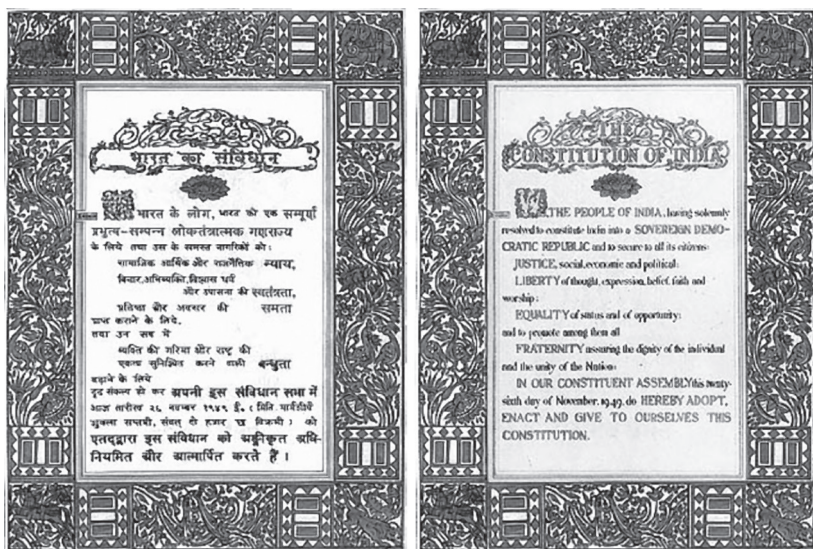
However, with reference to Swedish experience of high trust, also at the national level and towards the state, the argument about local communication has to be combined with growing citizenship and broadened representation in these local assemblies as well as the integration of the local organisation with the state. Parish meetings and, later, municipality meetings implied iterated enforced communication and decisions on common problems as well as answering to the demands from the state. At the same time, the design of these local organisations followed on the need to channel popular demands from below. The parish answered to the position of independent farmers, the municipality was implemented in the wake of industrialisation and growing needs and demands for democratic participation from the working class and the new bourgeoisie. The corporatist arrangements that followed from the 1930s were in the same way integrating strong popular demands into policymaking and administration and making radical policy development possible. In order to trust others you must also have some power and perceptible influence on policies and over administration.

Looking back on how Saxena portrays Indian governance and how Rothstein analyses the Swedish counterpart, it seems important to emphasise that fighting corruption takes time; there is no quick fix or 'big push' at hand. In line with Saxena's argument in regard to India, the idea of a 'big bang' is not consistent with Sweden's historical experience of incremental change. It took a long time, and corruption was only eradicated step-by-step. However, it also seems very important to complement Saxena's emphasis on incremental top-down, anti-corruption policies – in line with Rothstein's reasoning – with policies aimed at strengthening trust, in order to escape from the tragic social dilemma. It is not about strengthening control *or* fostering trust, it is about both. Control, visibility and increased accountability are necessary pieces in the puzzle in order to foster trust, thereby solving the collective action problem. But control has to be combined with empowering people in local communities and representative assemblies, to get people together to communicate about the 'common good' and have influence over policies and the civil service. People and 'clients' have to get real democratic representation in order actually to have power to influence policies and make civil service accountable.

PART FIVE

RIGHTS AND WELFARE





Courtesy of the Parliamentary Museum, Delhi

The Constitution of India was written and illustrated by hand in both Hindi and English. The original copies are housed in helium-filled cases in the library of the Parliament of India.

The Chequered History of Social Rights in India

By Neera Chandhoke

This chapter traces three moments in the chequered history of social rights in India. As early as 1928, the Motilal Nehru Constitutional Draft, drawn up by the leaders of the freedom struggle, recognised social rights¹ as an integral part of fundamental rights. However, the Constituent Assembly demoted these rights to chapter four of the Constitution titled ‘Directive Principles of State Policy’. They remained in the Constitution as aspirations rather than rights up until the beginning of the 21st century. Beginning in 2001, a number of civil society organisations began to mobilise in order to demand that social rights be upgraded to legally enforceable rights. Backed by a supportive Supreme Court, these demands gained traction. Under the leadership of the Congress Party that led the coalition (the United Progressive Alliance, or simply UPA I and II) in power at the centre for ten years (2004–09 and 2009–14) Parliament legislated a number of social rights, and gave them legal sanction. Prominent among them are the 2005 National Employment Guarantee Act, the 2013 Food Security Act, the 2006 Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights Act), and the 2005 Right to Information. Notably, the 2009 Right to Free and Compulsory Elementary Education became a part of article 21 of the Fundamental Rights chapter of the Indian Constitution that grants the right to life. This period can be seen as the second moment in the biography of social rights.

-
1. Social and economic rights refer to different sorts of goods to which human beings have a right. In this chapter, the concept of social rights includes economic rights (such as the right to a sustainable income) as well as social rights that guarantee access to the basic conditions of life (such as health, primary education, food, shelter, and work).

The third moment in this history was initiated in 2014. In the general elections the right-wing Bharatiya Janata Party (BJP), speaking the language of opportunity – the legitimising ideology of the market – rather than that of rights or entitlements, came to power with a substantial majority in the popular house of Parliament. The BJP government quickly announced that it would move towards the establishment of universal social security through a number of schemes; it has subsequently emphasised large-scale, technology-enabled Direct Benefit Transfers.² At the time of writing (in April 2016) the fate of these schemes still remains to be seen, but what has already become apparent is that the space of civil society has shrunk dramatically since the BJP came to power. The party prefers to legislate security schemes ‘from above’ rather than consult civil society activists,

The making and unmaking of a social rights agenda

At first glance, India seems to have followed the well worn script of three generations of rights subscribed to by western theorists. In 1979, the Czech jurist Karel Vasaak, in his inaugural address to the International Institute of Human Rights in Strasbourg, suggested that political and civil rights belong to the first generation of human rights, social and economic rights fit into the second generation, and solidarity rights that range from the right to a sound environment to culture can be described as a third generation of rights (Wellman 2000: 639). The three generations of rights theory codify the three components of a clarion call that had stirred and motivated the French people to overthrow a decadent monarchy and a decaying aristocracy in 1789 (liberty, equality, and fraternity). Scholars who categorise rights in this mode do not, by any means, reduce a complex historical phenomenon to a simplified stage-like theory of growth. While various phases of history are sometimes characterised by the articulation of one or another generation of rights, these articulations nevertheless are best understood as overlapping and cumulative.

The Indian case proves an exception to this rule. In the third decade of the 20th century, Lord Birkenhead, the Secretary of State for India, dared the leaders of the freedom struggle to produce a constitution that

2. Chapter 3 of the Government of India’s *Economic Survey for 2015–16* lays out the government’s approach.

could fetch approval across a spectrum of political positions. The right honourable Secretary was fated to disappointment. The Congress party rose to the challenge and, in the 1927 session held in Madras, decided to draft a constitution in association with other political groups. An All-Parties Conference was set up to supervise the task. On 19 May 1928, the Conference appointed a committee of nine members with Pandit Motilal Nehru as the chairman.

The committee was mandated to determine the basic principles of a future constitution, with special reference to the communal problem, and Dominion Status/Responsible Government. The Congress had stipulated that the basis of the constitution should be a Declaration of Fundamental Rights. The committee accordingly took care to conceptualise, list, and guarantee a charter of inalienable fundamental rights that could not be withdrawn at any point of time. Strikingly, the committee conceptualised an integrated system of rights that reached across traditional divides in the way rights had been discussed.

Paramount among the rights recommended by the committee were universal adult suffrage for men and women, the classic rights to liberty and privacy, freedom of conscience, and the free profession and practice of religion – subject (as the draft Constitution has it) to public order or morality. Also granted was the right to free expression of opinion, the right to assemble peaceably and without arms, and the right to form associations or unions for purposes not opposed to public order and morality. All citizens were assured equality before the law and granted equal civic rights. There shall be, declared the constitutional draft, no state religion for the Commonwealth of India, or for any province. Nor shall the state either directly or indirectly endow any religion, or give any preference, or impose any disability on account of religious belief and status. No person shall be obliged to attend religious instructions in schools receiving state aid or public money. Citizens were granted the right not to be discriminated against on ground of religion, caste, or creed, whether in the field of public employment, office, power, honour, in the exercise of any trade or calling, and in the use of public roads, public wells, and places of public resort. All citizens were granted the right to constitutional remedies (Kumar and Sharma 1995: 70–5).

Of particular note was the listing of social and economic rights as an integral part of fundamental rights. In his report to the President of

the All Parties Conference, Pandit Motilal Nehru stated: 'We cannot believe that a future responsible government can ignore the claims of mass education, or the uplift of the submerged classes, or the social or economic reconstruction of village life in India' (*ibid.*: 13). Whereas political power was necessary to lift people out of poverty, ill health and illiteracy, and was an essential precondition for social and economic rights, it could be justified only when social and economic rights were enacted and implemented. Accordingly, primacy was given to the right to free elementary education, without distinction of caste or creed in the matter of admission to any educational institution maintained or aided by the state.³ Such a right, stated the report, shall be enforceable as soon as due arrangements are made by a competent authority. The report obliged a future Parliament to make suitable laws for the maintenance of health and fitness for work for all citizens, for securing a living wage for all workers, and for the protection of motherhood, of welfare of children and against economic consequences of old age, infirmity, and unemployment. The right of association in order to maintain and improve labour relations and economic conditions was also granted.

The All-Parties Conference, which considered the report in the last week of August 1928, suggested the addition of a clause that would direct Parliament to make laws ensuring fair rent, as well as fixity and permanence of tenure for agricultural tenants. This clause was added to the list of social rights enumerated in the supplementary report issued by an enlarged committee in September 1928. Interestingly, the supplementary report at the same time recognised titles to private and personal property lawfully acquired and enjoyed at the establishment of the Commonwealth (*ibid.*: 152).

The recommendations of the Report of the Motilal Nehru Committee fetched a fair degree of enthusiasm. On 2 September 1928, editorials appeared in several newspapers. A piece in the *The Hindustan Times* titled 'Dawning of a New Era' saw the report as heralding 'the final death of communal egotism and the birth of a national consciousness

3. The importance of fundamental rights was first emphasized by the 1895 Constitution of India Bill, whose author was unknown. Article 16 of the Bill documented a variety of rights including free speech and free state-provided education. In 1925, Anne Besant had drafted seven fundamental rights in the Commonwealth of India Bill that ranged from the right to liberty to the right to free elementary education (Joyal 2013: 136–44).

in the country. ... We have drawn the Magna Charta of our liberty' (*ibid.*: 306). The *Amrita Bazaar Patrika* was one of the few newspapers that paid attention to the grant of social rights. Its editorial stridently criticised the addition of a clause, initiated by Pandit Madan Mohan Malviya, that an independent government shall not confiscate lawfully acquired private property. According to the editorial, Jawaharlal Nehru had strenuously opposed this anti-socialist measure at the Lucknow meeting. His father, Motilal Nehru, reportedly suggested that it was useless to put a patch of socialism on the report. 'Quite right; but why put the patch of capitalism either?' asked the editorial. The resolution, it continued, added the provision that the Indian Parliament should make laws to ensure fair, fixed, and permanent rent to agricultural tenants. This does not come within the Declaration of Rights it was pointed out, because no right has been declared in it. On the other hand, it smacks of patronising the poor (*ibid.*: 310).

The legacy of the freedom struggle on the issue of social rights was mixed, with the highly individualist right to private property coexisting with social and economic rights that demand a modicum of redistribution. Some rights such as the right to freedom of religion were individualist, and others such as the right of minority communities to their own educational institutions were collective. Above all, the insertion of the clause that Parliament shall make suitable laws for well-being, conceivably, paved the way for conceptualising social rights as part of policy-making. That is, instead of rights shaping the constitutional framework of India and imposing limits as well as obligations on the state, the state was given the responsibility to draft these rights.

The decline of social rights

On 9 December 1946, eight months before gaining independence, the Indian Constituent Assembly met for the first time. It remained in session until 24 January 1950, two days before the Constitution was promulgated. The Assembly's interpretation of social rights was markedly different from that proposed by Motilal Nehru's committee 18 years earlier: social rights were not conceived of as binding obligations on a future government. Hence, the Constituent Assembly's advisory committee on fundamental rights concluded that rights should be divided into two parts. Whereas political, civil, and cultural rights were made

justiciable and backed by law, social and economic rights were relegated to Chapter Four, on Directive Principles of State Policy that are non-justiciable.

The downgrading of social rights occasions some degree of perplexity. The leadership of the freedom struggle had gauged the pressing needs of Indian society accurately and presciently in the early decades of the 20th century. But when the time came to draft a constitution for independent India, the leadership decided to drop social and economic entitlements. Social and economic ill-being in the country continued to wrack the lives of millions of Indians in 1947. The issue becomes even more puzzling when we recollect that in the two years preceding independence, overlapping agitations by students and blue- as well as white-collar workers shook the country. In many cases, strikes and rural uprisings were targeted towards anti-imperialism. In other cases, demands for well-being, for redistribution, and for justice spilled over the borders of anti-imperial protests, right into the arena of social entitlements. Intense agitation by workers and peasants should have attracted political attention and led to prioritisation of social and economic rights. Despite general upheavals and calls for social rights, the status of precisely this set of rights was reduced to mere directives that a future government might or might not heed. It is a sad comment on the state of Indian politics that one of the earliest rights to be articulated by the freedom struggle, the right to free and compulsory elementary education, was taken out of the fundamental rights chapter and reduced to an aspirational right. India won political independence, but ill-being continues to stalk the lives of a majority of its people. Today, seven decades after independence, 300 million people live below the poverty line and levels of malnutrition and hunger in the country have remained scandalous.

In the 1920s, the Congress had reached out to Indians across caste and creed on planks of secularism and rights. In the 1940s, the same party reneged on its commitments and social rights became a project for the future. Certainly the Directive Principles codify good intentions but, in the hard world of politics, trade-offs between different goods are the rule rather than the exception. In these trade-offs, good intentions come to naught, even if they do not precisely pave the way to hell. The negotiation of deep-rooted problems demands bold decisions and inflexible determination. Successive governments have hardly revealed

either strength or determination to tackle ill-being, and social rights remained unrealized.

This is not to suggest that the Indian state has done nothing to resolve the vexatious problems of poverty, ill health, malnutrition, hunger and starvation, illiteracy and unemployment. The significant point is that citizens do not have a *right* not to be poor (Chandhoke 2012), or until recently the *right* not to be illiterate, or the *right* not to be malnourished. Rights are significant for political life because they uphold the status of citizens as people who matter and matter equally. Rights, therefore, impose corresponding obligations on the state. There are certain things that should not be done to people (for example, torture), and there are certain things that must be done for them (for example, provision of basic needs). It was precisely this aspect that went missing in the Constitution, and in political life, for 50 years.

Tamil Nadu and Kerala are among the exceptions to the non-realization of social rights. Tamil Nadu is one of the most industrialised states of the country, accounting for 11 per cent of the country's industrial output. The government has paid sustained attention to infrastructure, education, and skill formation, and has given private entrepreneurs a degree of freedom from regulation. These measures have made the state one of the main destinations for foreign direct investment (FDI). At the same time, the state ranks only just below Kerala on all indicators of social development, particularly nutrition, health, and education. Tamil Nadu was one of the first states in India to implement midday meals for children in the 1950s. This improved school attendance, particularly that of girls, and reduced undernutrition among children. At the same time, the state has broadened the reach of Integrated Child Development Services. Notably, combatting child hunger and malnutrition were priorities for the state much before judicial interventions led to the adoption of similar measures in other states in the first decade of the 21st century. Tamil Nadu is the only state to have universalised the Public Distribution System (PDS). The provision of reasonably priced food grains through the PDS, and old age pension schemes are cited as important for the decline in poverty and prevention of malnutrition. Poverty in the state is lower than the national average, including poverty among the Scheduled Castes and Scheduled Tribes, two communities to which the bulk of the country's poor belong (Gandhi *et al.* 2011: 82). Comparatively better health in-

dicators in the state are due to widespread access to health care. Among all the states, Tamil Nadu spends the highest proportion of its domestic product, 12 per cent (in 2013–14), on education. Compared to the rest of the country, the state has achieved substantially higher levels of human development (Vijayabaskar *et al.* 2004).

What accounts for the fact that Tamil Nadu has consistently performed better than the rest of the country, in economic growth as well as in social indicators? In the first place, one of the most progressive anti-caste movements in the country arose in the state in the early 20th century. The movement aimed to secure opportunities for all people,⁴ to eradicate superstition, and to promote education. The focus on education ensured that aspirations of the backward classes did not stay confined to reservations in public jobs as in the rest of the country. Members of these classes were able to achieve a competitive edge in the professions. Second, Tamil Nadu has the added advantage of being a well-administered state, and has an efficient bureaucracy.⁵ A dynamic entrepreneurial class, which has been given a great deal of freedom and space in the state, has facilitated industrial development. Third, considerable attention has been paid to infrastructure. The state is highly urbanised and well connected. More significantly, social development in the state has been achieved through considerable investments in the social sector. The other route lies through what, for want of a better term, can be called populism. Of crucial importance is the role of the electorate in setting the terms of the electoral agenda and the terms of engagement (Chandhoke 2013).

Despite slow rates of economic growth until 2007–08, Kerala is known for delivering the basic conditions of well-being to its people. Poverty figures are the lowest in India, though Kerala has not done too well in mediating inequality (see Chapter Three). The proportion of poverty among the Scheduled Castes (22 per cent) and Scheduled Tribes (44 per cent) in the rural areas is much higher than the average for the state as a whole. But on balance, the state has achieved high levels of social development in regard to infant mortality, literacy, and life expectancy. These levels compare favourably with those of several developed

4. It is important to stress that, in practice, ‘the people’ usually excluded Dalits.

5. As data presented in Chapter 6 (Figure 6.1) show, Tamil Nadu has relatively more state government employees than all other states.

countries (Gandhi *et al.* 2011: 65). In terms of health indicators, the performance of the state is the best in the country. Competent health care is directly related to the establishment of supportive infrastructure, high literacy rates, and the role played by the mass media, social movements, and above all strong political will.

Kerala's success in ensuring well-being to a majority of the people, as also discussed in Chapter Three, is largely due to the interaction of two main factors. First, the goals of the Left Front government led by the Communist Party of India-Marxist (CPI-M) have been institutionalised, and are generally adhered to even when non-Left parties are in power. The second factor is that in the space of civil society, social movements and campaigns have tenaciously fought to ensure a life of dignity for all. Much is made of the Kerala model, highly celebrated by Amartya Sen. This model has evolved over the years through creative interaction between governments and vibrant social movements that have concentrated on realizing the basic conditions of well-being. For instance the movement for health launched by the Kerala Sastra Sahitya Parishad (KSSP) has pressed upon the government the need to make health a right. More importantly, the KSSP has consistently argued that health has to be located within wider social realities: poverty, lack of proper food, and an unhealthy living environment. It has consequently sought to raise public awareness, through the establishment of health camps and the publication of documents on health.

The interaction between collective action in civil society, public campaigns, and Left parties has resulted in a package of redistributive policies focussed on land reform, imposition of controls on the prices of food and basic needs, public housing and free or inexpensive medical aid, expanded education services, and a number of programmes to increase social and economic mobility among the poorest groups. An ambitious programme of land reforms adopted in 1969 gave ownership rights to the cultivator tenants and homestead rights to hutment dwellers. This enabled transformations in health, literacy, and decline in birth and death rates.

The second moment: return of the social rights agenda

The experience of Tamil Nadu and Kerala tells us that political recognition, as well as the realization, of social rights demands certain preconditions. Among these preconditions are an active civil society that focuses

attention on securing civil rights and well-being, progressive social movements, and enlightened political parties and bureaucracies. Civil society has to engage critically with governments and bring these issues to the forefront of political agendas, press for the expansion of political projects to prioritise health, education, and income, and monitor the implementation of state policy.

Unlike the Scandinavian experience, trade unions in India are yoked to political parties and represent a miniscule percentage of the work force. Unions have shown little interest either in the welfare of the unorganised sector, which constitutes 94 per cent of the working class, or in the welfare of peasants. And political parties tend to think of social rights as an electoral/populist ploy rather than a basic right of citizens. Do the poor and the marginalised in the country have 'voice' as distinct from the 'vote'? This is the question.

In the first decade of the 21st century, civil society organisations stepped in to represent the interests of the most deprived and the most marginalised in the country. Mobilisation proved effective, and the enactment of social rights followed a number of civil society campaigns, the filing of Public Interest Litigations in the Supreme Court, and the onset of a new phase of judicial activism. In the early years of post-independence India, the Supreme Court had privileged fundamental rights over Directive Principles. Subsequently, the support that the court extended to the Emergency imposed by Prime Minister Indira Gandhi's government in 1975–77 makes for a sordid tale.

Post-Emergency, the Supreme Court sought to recover its role as a defender of constitutionalism by championing the cause of the poor and the marginalised. Justice Bhagwati in the *Minerva Mills* case famously argued that social rights are substantive rights. A rule that imposed an obligation on the state or an entity, he ruled, was still a legal rule because it prescribed a norm of conduct to be followed by an authority, even if the rule was not enforceable in court (Shankar 2009: 107). Taking on a new role, the Supreme Court favourably intervened in basic livelihood matters, such as education, shelter, information, and the environment.

In July 2001, in response to a Public Interest Litigation filed by the Peoples Union for Civil Liberties, the Court issued a number of strictures to the government. It was of utmost importance, instructed the highest court in the land, that food should be provided to vulnerable

sections: 'In case of famine, there may be shortage of food, but here the situation is that amongst plenty there is scarcity ... distribution of the same amongst the very poor and the destitute is scarce and non-existent, leading to malnourishment, starvation and other related problems' (Human Rights Law Network 2009: 8).

The scolding bore results and the government initiated a massive programme of employment generation via the *Sampoorna Grameen Rozgar Yojana*, streamlining the Public Distribution System in food grains and mandating midday meals for school children. The culmination of the campaign is the National Food Security Act 2013. The Bill, which allots five kilograms of food grains (at one to three rupees per kilogram) every month to eligible priority households, covers up to 67 per cent of the population, gives importance to women as heads of households for issuing ration cards, includes pregnant and lactating mothers in schemes for free meals, and plans to set up state food commissions to investigate violations of the right. State governments have been given the power to decide what constitutes a priority household.

Critics accept that every step to widen the coverage of food security schemes is welcome, but 'incremental measures at targeting the needy are a poor substitute for a cohesive, rights-based universal system of food entitlements' (*The Hindu* 2013). The time has come to universalise the right to food, particularly when discrepancies are bound to stalk decisions on which households are eligible. In this respect, the Act lags behind state governments such as Tamil Nadu (which has universalised the supply of food grains) and Chhattisgarh (which supplies subsidised pulses and other food to almost 90 per cent of households).

Despite all caveats that have been entered regarding the Act, undeniably the Right to Food Campaign has come a long way since 2001, and several achievements can be credited to it. In response to Court orders, most state governments proceeded to introduce midday meals in government and government-aided schools. The programme has been transferred to state governments. On numerous occasions, the Court has pulled up state and the central government on this front. The Court has accorded legal backing to the right to food. And the campaign for food rights has led to the formulation of the right to work.

The campaign for the right to food realized fairly early on that assured employment is an essential precondition for food security simply because

it liberates people from dependence on outside agencies. The demand for this right (distinct from the demand for food-for-work programmes) has not raised a new entitlement onto policy agendas. Several employment generation schemes were in existence in some form or the other. But when in December 2005 the long-awaited National Rural Employment Guarantee Act (NREGA, now MGNREGA – the Mahatma Gandhi National Rural Employment Guarantee Act) was adopted by Parliament, new hope was infused into rural areas that have been stagnating in recent decades. The Act grants to each rural household a legal right to employment on unskilled manual work for a hundred days per year, at the minimum wage given by the state government. Considered the largest public works employment project in the world, MGNREGA targets the rural poor effectively, though we find striking heterogeneity in its delivery across states (Liu and Barrett 2013).

India might not have had a social revolution, but in the ten years of UPA rule, attention began to be paid to zones of poverty and ill-being, as a result of interventions by civil society. The role of civil society in promoting social legislation cannot be underestimated. What trade unions (and political parties whose hearts purportedly bleed for the poor) could not achieve, civil society managed to accomplish in a decade.

The third moment: a change of regime

Matters changed dramatically in the 2014 General Elections. In the run-up to the elections, the Congress party claimed credit for social legislation. Yet the party managed to secure only 44 seats in the popular house of Parliament. The winner was the Bharatiya Janata Party (BJP), which managed to secure 282 seats in the house on a vote share of 31 per cent. The electoral verdict represented impatience and discontent with uncertainties that dogged coalition politics, as well as policy paralysis. In the middle of general dispiritedness across the country in 2013, Narendra Modi, the leader of the BJP, emerged as a national leader. He promised stability, a thorough shake-up of the system, ‘opportunities’ instead of ‘hand-outs’, an end to corruption, and recovery of dignity. The BJP’s agenda of development and promises of jobs tapped the rising aspirations of a middle class in the lower and backward classes/castes.

The absence of a sizeable opposition in Parliament, and the ‘brute majority’ secured by the BJP, bode ill for democracy in general, and for

social rights in particular. The constituency of the BJP is the trading class, and the constituency of Modi as prime minister is the corporate sector. The party has not been known for its commitment to the poor. Politics is, however, unpredictable and chancy, and the government realized that it had underestimated the hold of entitlements and rights on the popular psyche. Under attack by a parliamentary opposition that had come together to confront amendments to the Land Acquisition Act, and charged with being anti-poor, the government moved rapidly to repair its image in popular perceptions. It declared that a social security regime would be established. Pursuant to this commitment, the government introduced the *Pradhan Mantri Jan Dhan Yojna*, (PM's Peoples Wealth Plan). Predominantly poor people who open bank accounts are assured of accident and life insurance. The government has also launched the *Pradhan Mantri Jeevan Jyoti Bima Yojna* (PM's Life Insurance Plan), the *Pradhan Mantri Suraksha Bima Yojna* (PM's Security Insurance Plan) and the *Atal Pension Yojna* (Pension Scheme). All are expected to be facilitated by the Aadhaar, the unique identification number that all Indian citizens are now supposed to have, and by mobile phone technology.

However laudable these efforts may appear, they arouse deep scepticism for good reasons. For one, the government has slashed expenditure on existing centrally-sponsored social welfare schemes, even as it has announced new schemes without allocating funds for them or laying down timelines for their implementation. Education, health, agriculture, livelihood security, food security, local self-government institutions, drinking water, and the Scheduled Castes and Tribes sub-plans have been adversely affected by funding cutbacks. The central government argues that state governments, which will now get an increased share of tax revenues, will look after these schemes. The record of state governments in social policy has, however, been uneven and does not breed trust (as Saxena argues forcefully in Chapter Six).

In the meanwhile, implementation of existing social policy is held hostage to the government's reluctance to spend money on schemes introduced by the previous government. Jean Drèze reminds us that the current government is completely silent on the National Food Security Act. Though hunger and undernutrition levels remain scandalous, and higher than in other countries, they are unaddressed. No attempt has been made by state governments (with the exception of Chhattisgarh

– a BJP-ruled state – Tamil Nadu and Bihar) to implement food entitlements through a reformed public distribution system. And above all, hardly any attempt has been made to identify households that should have a right to benefit from the scheme on the basis of reliable data (Drèze 2015).⁶ One analyst acerbically commented that ‘no Indian Prime Minister has ever launched such a full frontal attack on the welfare state that India, for a brief period, has tried to be’ (Sampath 2015).

More relevantly, the government has launched an attack on the rights-based discourse in development. A rights-based approach to well-being, which had been emphasised by civil society activists during the time of UPA I and II, has been replaced by the enactment of social policy ‘from above’. This line is in accordance with the experience of East Asian countries, such as Singapore, which the prime minister admires.

Whether this approach has any virtue that makes it superior to the rights-based approach is debatable. A rights-based perspective governed welfare legislation in the post Second World War period in Europe, particularly in Scandinavia. The belief that citizens had intrinsic and inalienable rights to certain goods, and that these rights placed an obligation on governments to provide access to these goods, ruled out paternalism. The BJP government has moved away from this discourse and toward social security as part of governance and inclusiveness. The move is arguably a step backward, not forward, because the status of citizens as bearers of rights has been subverted. They have been turned into consumers of goods provided by the state at will.

It is not surprising that the social security schemes the government proposes to implement demand investment not from the state, but from the proposed beneficiaries. For instance, if the administration lapses on its commitment to provide 100 days of work to each household covered by MGNREGA, it is obliged to pay unemployment benefits to the workers. For the present government, the citizens are responsible for themselves. This is more than borne out by clauses in the newly announced packages. The government pats itself on its collective back

6. The Act provides food through the public distribution system to 75 per cent of the rural population and 50 per cent of the urban population, with corresponding ratios higher in the poorer states and lower in the better-off states. The report of the Shanta Kumar Committee in January 2015 recommends reduction in the coverage of the Act from 67 per cent to 40 per cent, and the privatisation of the Food Corporation of India.

because by April 2015, nearly 150 million bank accounts had been opened (under the *Jan Dhan* scheme). Under the zero deposit clause, 58 per cent of these accounts have no money in them. The problem is that contributory insurance plans are linked to earnings on an auto-debit basis from the bank account. All schemes state categorically that if a bank account contains insufficient funds, the benefits of the schemes will cease (Sampath 2015). Bank accounts are significant because subsidies to the poor, such as cash benefits in lieu of foodgrains, and pensions are transferred to the account, but these funds are simply insufficient to pay for insurance schemes that have been announced with such fanfare.

Certainly contributory schemes of social insurance are an accepted mode of welfare policies, but they can hardly apply to India because they are based on two assumptions: (a) people need to be protected against unanticipated disasters; and (b) low to moderate poverty levels. In a country where 300 million live in absolute poverty, the assumption that they are capable of contributing to the betterment of their lives, or of that of their families after death, is simply implausible. The poor have to be protected against exigencies in their daily lives, not only against unforeseen hazards or disasters. But it is precisely protection against the risks of daily lives that is denied to the people of India by the present dispensation.

In effect, the third moment in the biography of social rights is marked by the marginalisation of civil society, both in the making of policy and in articulating dissent on policies that subvert the foundations of democracy. A rights-based approach to social policy has been sidelined. And social security schemes introduced by the government are paralleled by cuts in social sector spending. These schemes are based on the principle that people should pay for their own security. If India had any claims to moving towards a welfare state model, these claims have been overturned.

The BJP government is swayed neither by civil society activism nor by the politics of dissent because the government, along with the front organisations of the religious right, are determined to take over not only the political space, but also that of civil society. The perspective bodes ill for the future of democracy. Social security schemes have been and will be launched, but purely at the will of the government without any heed for the politics of voice.

Evaluating Civil society activism

To return to the question posed in this volume (notably in Chapter Five): have civil society campaigns contributed to the development of transformative politics in India? That is, have they succeeded in prising open doors for future political interventions that can build on the successes of previous campaigns? In the Indian context, the answer to this question cannot but be mixed. India certainly compares poorly with the case of Sweden. At the founding moment of capitalism in Sweden, partnership between the state, capital, and the working class laid the foundations for a welfare state. Subsequent initiatives taken by unions in alliance with the peasants, built on and consolidated initial gains. Bo Rothstein and Lars Trägårdh point out that, in Sweden, the relationship between state and civil society is less confrontational than usually suggested in the literature on civil society in the Anglo-American world. Whereas the working class in Sweden was denied universal suffrage until fairly late in the day, the corporatist model of political representation for the working class did become established (Rothstein and Trägårdh 2007). Cooperation between the state and the workers encouraged reformism and moderation in the labour movement, and the state became responsive to the demands of labour even if this class was not represented in Parliament. In sum, corporatist solutions for political representation, which were deliberative and inclusive, were adopted almost two decades before democracy was established (*ibid.*: 240).

In India, as suggested above, trade unions have spectacularly failed to represent the interests of casual workers, poor peasants, and landless labour within political party organisations, let alone in the government. Movements of poor peasants have raised issues of well-being to the forefront of political agendas, for instance through the Maoist movement. But these struggles ignore the issue of representation in decision-making forums (raised in discussion of the four dimensions of social democratic development in Chapter One of this book). The gap in representation of the needs of marginal sections of the population was filled up by civil society activism. From 2004 to 2014, civil society came together to press upon the government the right of citizens to social goods. Once laws granting the right to information, to food, and to work had been adopted, activists kept watch on acts of omission and commission and issued citizen reports. In the late 1990s, non-governmental organisations (NGOs)

perceptibly shifted their strategy; from opposing and critically engaging with the state, to advocacy, and to partnership with the state. During the period of UPA rule, prominent civil society activists were given representation in the National Advisory Commission (NAC) headed by the president of the Congress party, Ms. Sonia Gandhi. The stellar role played by the NAC in securing social rights for the poor is universally acknowledged. In a personal communication, Olle Törnquist points out that compared to the Scandinavian case, civil society organisations in India are weakly rooted in social movements. This is true, but activists nevertheless did a good job of placing the needs of the poor onto the table of priorities.

Under the BJP, government social security plans are announced without corresponding mobilisation of, consultation with, or intervention of civil society organisations. On the contrary, the government has come down heavily on these organisations by blocking their bank accounts, putting a stop to funding, and casting aspersions on their ability to represent the people of India. In many instances, NGOs have been typed as anti-national. The government has made determined efforts to shrink the space available to civil society. For instance, at the 27th session of the United Nations Human Rights Council in September 2014, India opposed the resolution (A/HRC/27/L.24) on 'Civil Society Space'. The objective of the resolution was to create and maintain in law and in practice a safe and enabling environment in which civil society can operate free from hindrance and insecurity. The resolution urged states to acknowledge publicly the important and legitimate role of civil society, so that it could be enabled to participate in the public debate on decisions that contribute to the promotion and protection of human rights.

Whereas 66 states supported the resolution – because in their opinion a pluralist civil society is critical to strengthen democracy, provide essential services, and promote and protect human rights – India (along with Bahrain, China, Cuba, Egypt, Russia, South Africa, the United Arab Emirates, and Venezuela) proposed hostile amendments intended to weaken the resolution. While introducing two amendments, the Indian representative alleged that external funding of civil society organisations was susceptible to misuse, and that there is need for transparency and accountability of these organisations (UN Human Rights Council

2014). By opposing the resolution, India took the side of countries notorious for denying democracy to their people, and for jailing human rights defenders.

The rather sharp reversal in the political fortunes of civil society compels us to ask two hard questions of civil society activism: (a) Can theorists afford to conceptualise civil society in abstraction from the state? (b) Correspondingly, does civil society possess the capacity to spark off transformative politics on its own, without a supportive state? I address these questions together by drawing on two aspects of civil society activism. One aspect is generic, the other specific to India.

In the aftermath of the fall of the Berlin Wall, a number of theorists conceptualised civil society as an antidote to a power-driven state and a profit-seeking market. Civil society was represented as standing for solidarity among citizens. In retrospect, the perspective appears naïve for two reasons. One is that as an integral part of the complex of activities we call society, civil society cannot pursue a logic that runs contrary to the state and to the market. It cannot be, and is not meant to be revolutionary in the sense of breaching the system. In the 1970s, Solidarity in Poland rediscovered the concept as a creative alternative to revolution. Revolutions devour their own children; civil society focuses on the preconditions that enable these children to live meaningful lives. This is the mandate of civil society. It works within the system in order to realize the potential of the system.

Certainly in authoritarian regimes, civil societies have catalysed the transition to democracy. In the first decade of the 21st century, from Nepal to Libya, huge crowds driven by a distinctly anti-authoritarian mood assembled and agitated in public spaces to demand an end to monarchical rule, dictatorships, and individualised tyrannies. The mobilisation of civil societies against undemocratic governments once again, after 1989, aroused hopes that the best protection against anti-democratic regimes is a political public.

Once democracy has been established, social associations enable pursuit of multiple projects ranging from developing consciousness on climate change, to discussing and dissecting popular culture, to keeping watch on the state. For even democratic states are likely to be imperfect. Democracy is a project that has to be realized through sustained engagement with holders of power. Citizen activism, public vigilance, informed

public opinion, a free media, and a multiplicity of social associations are necessary preconditions for this task (Chandhoke 2011). The concept in other words signifies that ordinary women and men possess the competence to shape politics. That is why civil society is a necessary precondition of democracy. Civil society activists have to work within the system, not try to abolish it. Civil society in effect signals the end of the revolutionary imaginary.

Civil society cannot be revolutionary for another reason. In a significant intervention in social movement literature, Manuel Castells argued three decades ago that most urban-based social movements are not about restructuring production relations that lie at the core of social relations. Urban social movements combine struggles over collective consumption, with struggles for community culture and political self-determination (Castells 1983).

Though his analysis reflected the dynamics of urban movements in the 1960s and 1970s in South America, the Squatters movement for land for instance, Castells' analysis of the nature of contestation is valid for other times and other spaces. Struggles for collective consumption in civil society across the world are generally about the capacity of the state to deliver social goods to the people. If the state cannot deliver, a number of civil society organisations have shown readiness to partner the state in these activities. For ordinary individuals who battle conditions of ill-being every day of their lives, civil society activism is beneficial.

The danger is that the state is not seen as a condensate of power to be engaged with politically, or as a necessary institution for the reproduction of an exploitative capitalism. It is simply seen as a benign provider of social goods. The state, in effect, gets depoliticised. The state is, however, not a benign provider of goods as and when civil society asks for these goods. As a condensate of power, the state provides the political context in which civil society can or cannot carry out its mandate. The precondition of a democratic state is civil society, but the precondition of a vibrant civil society is the state, which lays down the terms of engagement.

Take the experience of civil society organisations even in the ten years of UPA rule, which was sympathetic to the causes initiated by NGOs. Legislation on social issues raised by campaigns marked a new phase in Indian democracy. But it is also true that legislation in most of

these cases fell noticeably short of the agenda drawn up by activists in consultation with the political public. For instance, the right to education campaign had demanded that early child care, which is of crucial importance in shaping the personalities of children below age six, should be included in the right to education, and that the age bar should be raised so that girls who are forced to stay at home minding siblings while their mothers work, can enter the educational system after the age of 14. These conditions were simply not heeded despite a vibrant debate on the issue in the columns of journals and on the website of the relevant ministry. The right to education is important, but as legislated it falls short of what children in India require.

Furthermore, the preconditions for the realization of the right were simply not set in place. Government schools have acquired notoriety for lack of infrastructure, non-performance, a high degree of teacher absenteeism, and involvement of teachers in tasks such as census operations, election duty and preparation of midday meals for the children. Nothing has been done to reform a highly inadequate and inequitable educational structure, even though the Right to Education Act laid down an elaborate scheme for improving the state of primary education in the country by 31 March 2013. It is a telling comment on the state of education in the country that allocations for this sector did not exceed 3.5 per cent of the GDP throughout the ten-year rule of the United Progressive Alliance. The lesson we learn from the experience is bitter. In democratic states, civil society organisations can press for the enactment of legislation and they can monitor the administration of these laws, but there is little they can do about deep-rooted flaws in the system. Civil society is not a synonym for revolution after all.

It is also of interest that most campaigns for the delivery of social goods have either originated from a Supreme Court decision, or succeeded in their objectives when the Court has intervened on their behalf. The Indian state has proved more responsive to Court injunctions than to popular representations, compelling more and more groups to invoke judicial activism. On some occasions, the Court has acted on its own, notably in the cases of the right to information and the right to education. In the cases of rights to food and employment, the Court cracked the whip on the government when a group of activists filed a petition in the Court (using the instrument of Public Interest Litigation).

Much concern has been expressed about the proactive role adopted by the Supreme Court, because the judiciary is non-representative and because it tends to tread on the toes of the executive and of elected members of Parliament (Rudolph and Rudolph 2008). Some scholars even dismiss such activism as populism, and a mere attempt to refurbish the image of the court after the emergency (Baxi 1985). Above all, as Madhav Khosla points out, unlike the Supreme Court in South Africa which has played a significant role in institutionalising conditional social rights insofar as it instructs the government to remedy a particular grievance, the Indian Court has not elaborated a doctrine of systemic social rights in the form of entitlements for everyone (Khosla 2010). In part, the Court has adopted a proactive stance because the agenda of contemporary civil society mobilisation is self-limiting. There is no demand for a radical redistribution of resources, or for land reform that would shake up the system.

We can find many faults with the way civil society activists frame demands and press them upon the government. These quibbles are secondary. Today, the main concern is that the government is determined to constrain civil society and deny it space. On 2 May 2015, a number of prominent civil society activists wrote an open letter to Prime Minister Modi. The letter is self-explanatory.

We write to you today as members and representatives of Indian civil society organizations and, most importantly as Indian citizens, to express our deep concern at how civil society organizations in general and their support systems, including donors are being labelled and targeted ...

The letter points out that the government had frozen funds, released intelligence reports to paint NGOs in a poor light, subjected disbursement of funds to a case-by-case clearance, and put NGO activists on a watch list. Several NGOs have closed down, donors are unable to support work, and 'there is an overall atmosphere of coercion and intimidation in India's civil society space'. The letter also observes that civil society is involved in empowering people to be aware of their constitutional rights. Such action may include questioning and protesting against decisions of the government. 'It does not behove the Government to label any and every conflicting voice on these issues as "anti-national", "against national security" or "donor driven" and seek to create a public atmosphere that justifies a 'crack down on NGOs' (Muttreja *et al.* 2015).

The letter underscores the point made earlier that the efficacy of civil society activism depends on the space the state allows it. Ultimately, the precondition of a civil society that strives to shape political agendas is a democratic state that welcomes the shaping and reshaping, the expansion and the deepening of the democratic project.

This government is unlikely to set up another National Advisory Council that can push social legislation, and it is unlikely to modify its commitment to provide security without even mentioning social rights. Can civil society in the present context challenge the tendency of the government to monopolise decision-making, and pursue forcefully an agenda of social rights that can provide to huge numbers the where-withal to live in dignity under the present dispensation? The prospect seems bleak.

Conclusions

The biography of social rights in India carries a salutary lesson. The fate of social rights depends on various factors: if the government is sympathetic to the cause; if civil society campaigns have the ability to influence leaders/ministers; or if the Supreme Court has intervened on behalf of civil society petitioners. In India, social policy has been enacted in a very specific political context constituted by three factors: civil society campaigns, judicial activism, and state intervention.

The contemporary government prefers to enact social security legislation as part of its mandate to govern. John Harriss, drawing on work by Rob Jenkins and Sanjay Ruparelia, has suggested that the 'new rights' agenda that emerged during UPA I and II has changed the way public issues have been framed, and has the potential of altering the way social groups relate to the state:

Ruparelia puts it that a 'distinctive feature of India's new welfare paradigm ... concerns its efforts to promote greater political transparency, responsiveness and accountability'. For Jenkins this amounts to the promotion of 'governance rights'. For both writers this aspect of the Indian legislation is strikingly distinctive, and potentially of great importance in itself, in catalysing and opening up arenas for the mobilisation of new progressive coalitions. This is the particular significance of the Right to Information Act of 2005, and of the transparency clauses in other parts of the new legislation – that they encourage the mobilisation of people

to hold the state to account, and to claim their rights as citizens, through such means as the instrument of a *jan sunwai* (public hearing) (Harriss 2013: 563).⁷

The problem is that the status of these policies is open to doubt under the current dispensation. The Modi-led BJP government is unlikely to set up another National Advisory Council and it is unlikely to modify its commitment to furthering the neoliberal agenda and the market. Education and health continue to be neglected. Can civil society in the present context pursue forcefully an agenda of social rights that can provide to huge numbers the wherewithal to live in dignity under the present dispensation? Given the hostility the government shows towards civil society the prospect seems bleak. The people of India have paid a heavy price for the downgrading of social rights to policy. This is what the three moments in the history of social rights in India tell us.

7. James Manor points out similarly (personal communication), that the architects of the National Rural Employment Guarantee Scheme, knowing that powerful actors at the local level would seek to pervert its implementation, inserted into the Act transparency mechanisms that would make such efforts at sabotage visible to poor villagers. The architects intended, Manor says, to catalyse discontent among the poor so that they would become more proactive politically.

Welfare State – India and Scandinavia: Social Rights, Decommodification, Democracy

By Fredrik Engelstad

Rights make up one of the four dimensions for comparison of India and Scandinavia sketched in Chapter One. Among the variety of rights, focus here is on the social rights through the welfare state. All societies have arrangements for taking care of citizens unable to secure their own subsistence: the sick, the extremely poor, orphans, the elderly. In a welfare state, social responsibility for care is based not on charity, but on citizen rights. In industrialised societies, social rights stand in opposition to market relations; they are resources that give citizens access to welfare goods independently of ability to pay. The more deeply institutionalised is the element of social rights, the stronger is the welfare state.

The significance of social rights is not limited to issues of social welfare; they have clear democratic components and also affect economic productivity, as Kalle Moene explains in the next chapter. Basic resources such as education or good health are crucial for a good life, but they are equally important for full democratic participation among citizens, even in the special case where participation is restricted to voting in elections.

Theoretical background: welfare states and commodification

A starting point for understanding modern welfare states is the contrast between two great thinkers, Karl Marx and Karl Polanyi. The development of capitalism is the story of expanding market relations and thereby commodification that Marx (1867) prophesied in the mid-19th century. Not quite so, was Polanyi's (1944) reply. Growth in commodification is undeniable, but it is countered by the formation of solidary groups that oppose brute market forces (Polanyi 1944) and promote processes of

decommodification. Among studies of welfare regimes, Gøsta Esping-Andersen's *Three worlds of welfare capitalism* (1990) probably holds the most prominent place. A core element in his book is how the variety in commodification and decommodification determines the structure of welfare states in the industrialised world.

With Marx, Esping-Andersen points out that commodification has its roots in the status of labour power as a commodity under capitalism. Crucial here is the transformation from pre-capitalist economies and early capitalism to full-blown industrial capitalism. In the Scandinavian countries, these processes took a very special turn that led to their social democratic regimes. By pressing for replacement of local privileges and vestiges of patrimonialism through class struggles over power in the labour market, the labour movement also became a central actor in the growth of commodification. With Polanyi, Esping-Andersen assumed that the cash nexus as a central feature of modernisation will never be complete. Specific modes of political development have led up to different versions of welfare states in the modern industrialised world. Condensing these variations, Esping-Andersen elaborated a taxonomy of liberal, conservative, and social democratic welfare regimes that has become a standard conceptual tool in the social sciences.

The logic of is that of a two stage process: the first stage is marketisation and commodification, followed by a second stage of decommodification that regulates and modifies it. Scandinavian decommodification took on a double face, as modified employment relations and as broad social support systems. The labour movement was relatively homogeneous and well organised, enabling workers to institutionalise collective bargaining on a broad scale. In parallel with subsequent agreements between labour and capital, the involvement of the state in labour market processes was broadened, paving the way for a generous and universal welfare state (Svensson, Chapter Seven).

Welfare states in less developed countries

In the wake of Esping-Andersen's conception, the relevance for societies outside the traditional industrial world is necessarily questioned. Do they fit in the taxonomy, or do societies such as India or South Africa call for a different typology? One answer has been elaborated by Nita Rudra (2008), who distinguishes between *protective* and *productive* welfare states; India serves as a typical example of the former, South Korea

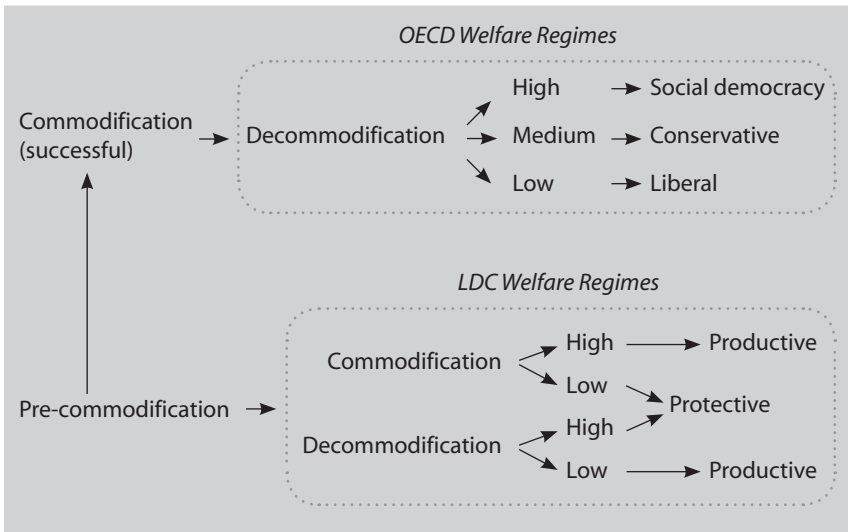
of the latter. Commodification and decommodification are central to Rudra's conception, but they are ascribed a different role than in Esping-Andersen's analysis.

The productive welfare state is described as minimalist and strongly affected by commodification. In Rudra's view, the main tenet of South Korean welfare policies has been to develop the population into competent labour market participants. In this sense, the productive welfare state 'share[s] certain elements with the liberal model' in Esping-Andersen's taxonomy (Rudra 2008: 87). The main focus has been investment in basic education for the population as a whole, thus increasing the competitiveness of modern industries; other aspects of welfare allowances were kept at a minimum by the state, and left to be provided by enterprises or private actors. This was a tough but efficient policy, one that entailed high growth rates and very substantial increases in the average income of the population. Despite In the absence of publicly funded welfare arrangements, a large part of the population was able to procure private welfare allowances (Rudra 2008:142).

The protective welfare state exemplified by India has a broader emphasis on poverty relief and social rights, but without significant elements of redistribution; it is 'a curious fusion of elements of socialism and conservatism' (Rudra 2008:86). From Independence the country had the ambition of establishing a welfare state, but on a different basis than South Korea. Regular labour markets embraced a small part of the economy. The result was a divide between a formal and an informal sector, the former with labour rights based in legislation, the latter virtually without rights. Rudra (2008: 111) classifies India as a protective regime on two grounds. Social policy aimed at the poor has the character of protection by securing survival at a minimum level. In the formal sector social policy also has the character of protection, but in this case of privileges for a minority. In both cases, protection is linked to sub-optimal productivity; thereby it becomes an impediment to long term development of a generous welfare state benefitting the population as a whole. Rudra's basic arguments on commodification in productive and protective welfare states, and Esping-Andersen's taxonomy of welfare regimes, are summarised in Figure 9.1.

Rudra's conception of India as basically decommodified calls, however, for some qualifications. The country has seen unprecedented eco-

Figure 9.1: Varieties of commodification



Source: After Rudra 2008: 85, Figure 4.1.

economic growth rates in the last two decades, and the present government promises to increase growth by further liberalisation of the economy. Simultaneously, comprehensive political changes in the welfare systems have taken place. A vast expansion in social rights and welfare programmes took place in the first decade after 2000, which marked the end of the period studied by Rudra. Moreover, commodification is very differently shaped in the informal and the formal sector. In parallel, the Korean welfare state has changed significantly over the last two decades, by expanding public funding and moving ‘closer to the universalistic Nordic model.’ (Kuhnle 2011: 259)

Some general features of the labour market may serve as background for the comparison of welfare states and patterns of decommodification. India’s informal sector mainly consists of small farmers, agricultural workers, local artisans, and workers with short term jobs. Some of these subgroups are in a mode of pre-commodification; they are hardly able to sell their labour power. Others live under extreme forms of commodification; forced to sell their labour power under conditions of excessive insecurity (Gupta 2009). Paradoxically, these groups are socially very close. Due to lack of market power and absence of collective action among workers, the extreme commodification in parts of the

informal sector in India has few if any common traits with the situation in Scandinavia. In addition, even modern sectors now employ a lot of labour under 'informal' contracts. While Scandinavian decommodification proceeded through employment relations modified by the welfare state, the Indian type has so far been linked to caste or kinship, with little or no power of transformation in the labour market. In the formal sector – mostly but not exclusively public employment – commodification is relatively weak. Job security and worker protection is strong and indeed stronger than in Scandinavia, with trade unions holding privileged positions and workers enjoying an exceptional degree of employment security by Scandinavian standards.

The following discussion rests on brief characterisations of social rights and welfare benefits, followed by empirical descriptions of welfare state programmes, and the analysis of the delivery of goods and services.¹ The United States is drawn into the discussion as an additional reference point, to show the contrasts between India's protective welfare and the U.S.'s liberal model.

Welfare state and social rights

Rights have both a normative and a practical/political aspect. One type of normative statement is the negotiated United Nations Declaration of Human Rights. More analytical, normative statements are developed in moral philosophy and the social sciences. Among the prolific examples are works by T. H. Marshall (1950) on development of civil, political, and social rights, Amartya Sen (1985) on human capabilities, and John Rawls (2002) on justice as fairness. Despite significant differences, these works converge on the salience, in addition to political liberties, of social rights that encompass rights to education, health care, work opportunities, and an adequate standard of living for all citizens. One obvious aim of rights is social well-being; in addition, social rights have a double edge: they have a decommodifying effect while at the same time empowering citizens by enabling claims on the state.

These normative statements, however, are ideals; they prescribe neither ways nor means to reach the goals. For rights to materialise, they must be anchored in legislation and policy formation and operational-

1. For general presentations of the Scandinavian model in the wake of Esping-Andersen (1990), see Kautto (2010), Sejersted (2011).

ised and implemented by political and administrative authorities. In this context, rights are shaped by several factors: (i) they may be negative or positive, thus implying freedom from constraints or guaranteeing goods or services, such as education or pecuniary allowances; (ii) rights may be realizable in a substantive sense or introduced mainly as future political goals; and (iii) rights may be justiciable on the individual level, or function mainly as general obligations on political authorities.

Political anchoring of social rights

Social rights may be anchored by constitutional resolution or by legal provisions regarding specific policies. Constitutional resolutions normally are too general to specify how rights are to be materialised; most rights formulated in a constitution are not justiciable claims. The realization of rights is dependent on policy formation.

India has been in the forefront in issuing rights to citizens. As pointed out by Neera Chandhoke (Chapter Eight), social rights were a core issue from the inception of the Indian Constitution. Promulgated in 1950, political and civil rights were unconditionally included in the Constitution, whereas social rights were given status as policy recommendations rather than legally based requirements. In 2002, the Indian Constitution was finally amended to establish the right to primary education for children between six and fourteen years; this was followed by a heavy emphasis on social rights under the Congress-led governments between 2004 and 2014.

That justiciable social rights were expressly included in the Constitution relatively recently is not peculiar to India. In the development of the Norwegian welfare state, essential social rights grew out of policymaking and regular legislation, not from constitutional guarantees (Sejersted 2011). The right to education was included in the Norwegian Constitution only after comprehensive reforms in 2014 to incorporate human rights already implemented in other parts of the legislation; a right to health care remains beyond the Constitutional purview, even though it is a bedrock social expectation. In contrast, bringing the right to education into the Constitution in India had a substantive effect, by creating stronger pressures from the Centre for implementation in the States. It also created a more powerful tool for the growing judicial activism on the part of the Supreme Court, and for activists pressing for social reforms.

Universal provisions

In a democracy, the *right to education* is universal in a strong sense: it is unconditional, relevant to all, and should be accessible to all. Hence, the state is required to secure the delivery of services in accordance with this right. This is acknowledged by the special position of rights to education in the Norwegian and Indian constitutions.

Formally, the *right to health care* does not have an equally strong position. In India it has been subsumed under the right to life. Based on policy formation, in Scandinavia it is a universal right that is valid for all citizens, albeit on the condition of need. In addition to its universal character, the right to health care is also applicable to groups with special needs, such as the permanently disabled, and mothers and children.

Rights to subsistence may be either universal or dependent on needs testing, means testing, or both. In Scandinavia, the right to minimum retirement pension is universal in the same sense as education. It is unconditional and accessible to all long term residents. So is a pecuniary child allowance. In India, the right to subsistence has mainly been a duty of the State, and with provisions based on need. The most important right of subsistence is the right to food, applicable to citizens below a 'poverty line'. Likewise, old-age pensions are allocated to those below the poverty line. For children, the right to food has been made unconditional; food distributed freely through public schools is accessible to all children attending school.

Means tested and/or temporary provisions

Rights to subsistence are partly operationalised by benefits that are means tested or of a temporary character. Most important among these in the Scandinavian context is temporary support for subsistence and in some respects the disability pension, distributed on the basis of medical status. Citizens with a disability preventing them from holding a regular job, have a right to economic support, in accordance with the severity of their disability and based on their former income. An important qualification, linked to an underlying norm that has been strengthened over the last decades, is the so-called 'work line' (*arbeidslinjen*). The main purpose is not only that of mitigating a medical problem, but of compensating reduced ability to work; the compensation is temporary in the sense that it reflects the degree of disability at a given time. The right to temporary support for subsistence is activated in situations of

overwhelming economic need. The size of the provision is scaled in accordance with documented needs in the household. These allowances are allocated on the basis of individually assessed needs.

In contrast, need assessments in India are to a large extent made on the basis of group membership and other forms of social categorisation. The category of ‘below poverty line’ gives access to a number of provisions, such as the programme for food delivery or old-age pensions, mentioned above. If a household meets this criterion, the right to the provision is automatically released.

The right to work

Both in India and Scandinavia the *right to work* is anchored in the Constitution, albeit with substantially different implications. In Norway it is not a justiciable right, but constitutes a ‘responsibility of the authorities of the State to create conditions enabling every person capable of work to earn a living by his work.’ (Article 110). It rests on two premises: all occupations are on principle open to all, and the state is obligated to adopt policies that secure full employment – something that implies the existence of liberal, all-embracing labour markets. In India, on the other hand, the right to work is operationalised into individual claims. Very crudely, it is the right to a job; if not a full time job, then at least a job that generates a minimum of income. This is materialised in large public employment programmes, primarily in the rural areas, as a form of relief work for households below the poverty line.

The right to work also has another dimension: that of differential access to jobs. To counter discrimination against marginalised groups, India has introduced an elaborate system of ‘reservations’ (quotas) to strengthen the access of minority groups to public sector jobs. Members of Scheduled Tribes, Scheduled Castes, and Other Backward Classes are guaranteed priority to close to 50 per cent of all vacant positions in the public sector. In contrast, the type of discrimination that has received most attention in Scandinavia is connected to gender. Norway has used quotas in some instances, but not directly in employment decisions (Teigen 1999). The most important measure in the public sector is that of preferential hiring: in the case of similar skills or competencies among the best qualified, the minority candidate (usually a woman), shall be preferred. Discrimination against applicants with a non-Western background obviously also is a problem, but has not been addressed by the same resolute measures.

Employment-related rights

In Scandinavia, employment is a main source of welfare entitlements in the form of sickness pay, unemployment benefits, and public pensions that come on top of the universal minimum pension. These allowances are linked to payment via the tax bill, paid by both employers and employees. Additional pension elements are funded through private insurance companies or publicly run pension agencies. Thereby, the welfare system reflects the social stratification of working life, somewhat mitigated by measures of redistribution from high to low income groups.

In a similar way, employment in the formal sector in India gives access to social benefits in the form of retirement pensions, unemployment benefit, and sickness allowances, which vary considerably by employer and job category. However, for the more than 90 per cent of the workforce in the informal sector (or workers in formal sectors with informal employment), rights are virtually non-existent, except to poverty relief or participation in work programmes. Suggestions for improvement of the situation of workers in the informal sector in urban areas were put forward in 2008 (Agrawal and Anupama 2013:63), but with the principal exception of Tamil Nadu (Agarwala 2013), up to now their impact has been negligible.

Central to the right to subsistence in the work sphere is of course wage formation. In the Indian formal sector, trade unions have a place, and collective bargaining between employers and employees is common. The informal sector, in contrast, has little place for trade unions or collective bargaining (Agarwala 2013). Wages are set according to short term fluctuations in supply and demand. But this is mixed with social rights, given that minimum wages, which are fixed politically, function as a wage floor. In contrast to many other countries, in Scandinavia there are no government mandated minimum wages. If it makes sense to speak of a minimal wage level, then such a level emerges from more or less centralised wage negotiations. Trade union federations and employer associations have a pivotal position in the planning and implementation of working life regulations.

Rights within working life

Social rights concerning negotiations, working conditions, and authority relations in the work place are not mentioned in T. H. Marshall's discussion of rights, but nonetheless constitute a salient condition for

the emergence of welfare rights and specific allowances. Rights to participate or to influence decisions in the workplace are democratic rights; in addition, they contribute to making the labour movement into a serious partner in the planning and implementation of the welfare system (Hagelund and Pedersen 2015).

In addition to the constitutionally guaranteed right of labour unions to organise, India probably has one of the world's most elaborate webs of labour protection legislation. More than 200 acts regulate virtually every aspect of working life, such as dismissals, health and security issues, and overtime (Srivastava 2011). Legislation on dismissals is very strict: employees within the formal sector cannot be dismissed without government permission. The right to organise in trade unions is guaranteed by the Constitution. Likewise, legislation recommends that workers take part in decision-making within companies. But most of these rights are relevant only within the formal sector.

Scandinavian working life is both more and less regulated than in India. On a par with India, the right to found and join trade unions is guaranteed in the Norwegian Constitution (Article 101). However, the form of rights allocated to employees within enterprises is very different. Work environment problems are supervised by an internal committee made up 50/50 by management and worker representatives. Employees in joint stock companies have a right to be represented on the board of directors. As opposed to these quite strict regulations, the possibility of dismissals is quite liberal in Scandinavia: it is very liberal in Denmark; most restricted in Norway, and Sweden is in-between (Svalund 2013). But all are more liberal than the Indian formal sector.

The most salient difference concerns the distinction between the formal and informal sectors. Virtually all labour relations are formalised in Scandinavia. This is not to say that no parts of Scandinavian working life resemble the Indian informal sector; the 'black economy' has been growing, partly due to both legal and illegal labour immigration. In addition to illegal activities comes a grey zone of 'social dumping'. The result is an undermining of rights and security for Scandinavia's increasingly large group of marginal employees (Nicolaisen and Trygstad, 2015).

Rights and decommodification

Given that some rights are universal and unconditional, others conditional on need or group membership, and others again dependent on

prior payment, limits in degree and scope of decommodification becomes a crucial issue (Esping-Andersen 1990). Social rights of primary concern for democratic participation are the rights of education, health care, and minimal subsistence. To the extent that these are dependent on payment and are exposed to market forces, the extent and significance of decommodification is seriously weakened. To a lesser degree, this is true for rights connected to a given level of material welfare, such as extra pensions; pensions contribute to the welfare of the recipients, but are of less importance to decommodification and to democracy. Workplace related rights to job protection and participation in decision-making have the character of rights to intangibles, rather than to provisions. But to a large extent, they are also related to political as well as social rights, and are therefore also a part of a political discourse.

Characteristics of welfare provisions

The value of rights depends on the delivery of provisions they are meant to bring forth. Simultaneously, the way that specific allowances materialise has a strong impact on the degree to which delivery is successful. Most generally, allowances may be made in kind or in cash. At the outset, it is reasonable to assume that allowances in cash are commodifying, whereas those in kind are decommodifying. But 'kind' is a broad category, and its effects depend on forms of delivery and corresponding logistics. Roughly, in-kind provisioning may be specified in three sub-types: services, objects, and opportunities.

Services

Some of the most important welfare programmes are organised in terms of services – above all education and health care. The quality of the service depends on the competence of the professional and his or her presence in the delivery of the service. Less visible, but no less important, is the administration of the services and the conditions of employment under which personnel work: earnings, position in the labour market, time constraints, control of delivery of services. In addition comes the infrastructure: facilities, location, and continuity of services.

Objects

In India, the right to food has materialised in large programmes that distribute subsidised foodstuff to households classified as needy. One

advantage of this form of programme is its directness. An identified need is met with exactly what is needed. A disadvantage is that it presupposes considerable central planning: after the needy are identified, the programme administration must procure the food, store it and divide it up into smaller portions, and then distribute it to the recipients. Successful delivery rests on several presuppositions; the availability of the products, storage capacity, durability. Then there are questions of security and leakage; what risk is there that some of the products are lost or stolen on the way to the recipients? On top come economic interests and transactions connected to the product: what price sellers obtain in negotiations with the programme administration (compared to regular market transactions) and how these transactions affect the food market in general.

Opportunities

The concept of 'opportunity' here covers programmes of work, shading into relief work. They are basically supply driven; people are offered work even where employer demand is not present. This arrangement has the same advantage as with food: there is an identified need for work, which the programme delivers. Possible disadvantages are located on the demand side. Even if useful tasks are waiting to be done, they have to be identified and administered, and matching an existing workforce with relevant tasks mostly happens on an *ad hoc* basis. Moreover, there is the question of priorities, which always involves conflicting interests: which tasks are the most pressing, and who has the greatest interest in getting them done?

Cash

Allowances in cash function very differently from the various types of in-kind assistance. One possible problem with cash is that its use is not directly targeted: recipients may spend their money as they wish. Alternatively, a sort of pseudo cash, such as food coupons, may ensure that the use meets the target. Another challenge has to do with transferability: in order to receive allowances in cash, beneficiaries must have a bank account, which presupposes a well-functioning bank system that is tailored to ordinary people. Even if cash allowances may be spent in unfavourable ways, the allowance endows the recipient with flexibility and power in the market. However, this may be offset by market imperfections and lack of access to markets where the goods are supplied.

Provisions and decommodification

India and Scandinavia show clear differences in the composition of allowances. Health care and education necessarily take the form of services in both countries. Relevant differences here lie in the quality and scale of services, which are very extensive in Scandinavia, but less so in India. In-kind benefits in the form of material goods hold an important place in India; they are close to negligible in Scandinavia. In India, the right to work materialises in arrangements that are close to constituting relief work, whereas this right in Scandinavia takes the form of broad labour market policies, along with retraining and educational programmes. Albeit on different levels of expenditure, cash transfers hold an important place both in India and Scandinavia, but the relative weight is much greater in Scandinavia than in India.

Welfare State Programmes

When comparing welfare states, key elements are efficiency of delivery, quality of the provisions, and strength of the forces counteracting commodification. This section describes these aspects as they relate to four of the most fundamental welfare state categories: education, health, subsistence, and employment.

Education

Already from the first years of Indian sovereignty, the necessity of building up the educational system to meet the needs of all citizens was widely recognised, but successive governments did little to build up the primary educational system before the 1990s. The Right to Education Act was only passed in 2009.

Access to primary schooling seemingly reached a peak in the 2000s. The gross intake into primary schools in 2012 was 114 per cent of the relevant age cohort. The 14 per cent above 100 indicate that, in addition to children in the relevant age group, a sizeable number from other age groups is entering the educational system (World Bank 2014a, Table 2.12). There are also indications of improvements in years of schooling. In 1999 slightly above 60 per cent remained in school at grade 5; in 2011 it was reported that slightly below 90 per cent made the transition to secondary education (*ibid.*). However, only some 70 per cent of children in primary school are reported as being present (ASER 2015).

Despite this recent expansion in enrolment, surveys indicate that the quality of the education is severely deficient (De, *et al.* 2011). In rural areas in India as a whole, reading abilities actually declined between 2008 and 2014 (ASER 2015). Information on possible reasons is scattered, but a few stand out: teacher quality in public schools is low, and teachers are often absent during school days (Narayan and Mooij 2010). Many parents have little or no motivation to send their children to school, even when education and nutrition programmes ensure that children get food. The quality of schools is also measured by the general level of literacy in the population. In 2010 the literacy rate of women aged 15–24 years was only 75 per cent. Functional illiteracy is considerably higher (Drèze and Sen 2013: 113, 122; see also Chapter Six).

The history of literacy in Scandinavia is a peculiar one. A state church was established after the reformation in the 16th century. This led to a programme for teaching all adolescents, male and female, to read the Bible. Around 1800, the rate of literacy in the two countries had reached virtually 100 per cent (Tveit 1991), well above England and France in the same period. Ordinary schools were very primitive at this time and developed more quickly in urban areas than in the countryside; it took almost a hundred years before a full-fledged modern school system was in place. General attendance above the primary level was not realized before the latter half of the 20th century. Hence, India and Scandinavia have a common history: primary educational systems in both developed over a long time and from a starting point of considerable poverty.

Relative to its insufficiencies of primary education, India's higher education sector has far better funding. Whereas public expenditure on primary education per pupil is 7 per cent of per capita GDP, for higher education it is between 50 and 60 per cent (World Bank 2014b). For a modern state, a well-functioning system of higher education is essential; what is special about India is the discrepancy between the two levels, which reflects the neglect of the lower level. In comparison, relevant numbers for Sweden and Norway are 42 and 44 per cent for higher education and 28 and 21 for primary education (*ibid.*).

The question of private or public schools is a pertinent one. In India as a whole, the share of pupils aged 6–14 years in private schools increased from 18.9 per cent in 2006 to 30.8 per cent in 2014 (ASER 2014); in addition, many public school pupils spend money on private tutors. The

growth of privately funded higher education has been explosive during the last two decades. Two-thirds of Indian students in general education and three-fourths in technical education are now educated in private, self-financing schools (Planning Commission 2013). These numbers may be compared to the United States, where ‘only’ between 20 and 30 per cent of students in higher education are enrolled in private universities and colleges; in the OECD area as a whole, the number is 15 per cent (Tilak 2014: 34).

Scandinavia is found at the other end of the spectrum. In Norway, 98 per cent of the pupils in primary education are enrolled in the public system. The exceptions are religious schools and schools with alternative pedagogy, but these private schools are also mainly funded by the state. Likewise, tertiary education as a rule is public and free (notable exceptions being business schools and religious colleges). Sweden has moved to a more privatised system: 10–15 per cent of pupils at the primary and secondary levels are now enrolled in private, so-called ‘independent’ schools. However, competition between private and public schools is strictly regulated. Like in Norway, the independent schools are private in a restricted sense: they are run with 80 per cent funding from the state, on a par with Swedish public schools (the rest is brought in from municipalities or private donations).

To conclude, the salient problem is not necessarily that of enrolment, but of the quality of teaching. In any version of a right to education, the universal presence of facilities to achieve the desired result is a precondition. This is obviously true for primary education. In tertiary education, where access contains a clear element of competition, a universal right may be taken to mean equal access to the competition, instead of equal distribution. However, inequality in primary education produces inequality in the right to access to the tertiary level, as it creates serious inequalities in the chances to succeed. Privatisation risks exacerbating these inequalities, as prospective students with modest means are excluded if they are unable to pay necessary fees. Hence, highly privatised education creates serious problems for the quality of democracy, while also contributing to a loss of productive assets.

Health care

When judging the volume and quality of health care in a given country, the level of income is of course crucial. Gross national income per capita

in Scandinavia is about ten times higher than in India, and about the same as the United States. Given that health care is a basic need, one might expect that a low income country like India would invest a greater portion of its income in health. In fact, the opposite is the case. Even though expenditures on health care expanded from below U.S.\$ 20 to above U.S.\$60 from 1995 to 2014 (WHO 2015), India uses relatively few of its available resources for health care – far lower than in any region outside South Asia (Drèze and Sen 2013, Table 6.2).

Table 9.1: Gross National Income, health care expenditure, and life expectancy, 2012

	Gross national income	Health care expenditure		Life expectancy
	per capita (\$US)	per capita (\$US)	% of GNI	M / F
India	5,350	157	4.1	64 / 68
Sweden	44,760	4,158	9.6	80 / 84
Norway	66,520	5,970	9.0	80 / 84
United States	53,960	8,895	17.9	76 / 81

Source: WHO 2015b (www.who.int/countries/en).

In the present context, however, the question is not so much the quantitative differences between India and developed countries in general, but which track of social development seems most productive. Table 9.1 shows investments and results in health care in India, Scandinavia, and the United States. Even though health care expenditures per capita in the U.S. are double those of Scandinavia, the results in terms of life expectancy are significantly lower. One reason for this discrepancy is the composition of privately and publicly funded health care. In all countries, there is a combination of public and private funding, but the combination of the two elements varies dramatically. In Scandinavia, the public portion of total funding is 80 per cent or more. In the United States, public funding is still considerable, at 46 per cent of total health spending. In India, only 33 per cent of the already very low spending on health is in the public domain (WHO 2015b). One consequence is a division between urban and rural areas. An overwhelming share of health services is located in urban areas. Another is the gulf between rich and poor. Well-to-do citizens in urban areas have relatively good access to health care, and are able to pay for it. To a far lesser degree do

people – even wealthy people – in the rural areas have access to health services and, even if they have access, the expenses usually weigh heavily on their family budgets. Nevertheless, even poor families in rural areas seem to prefer private to public health care (Balarajan, *et al.* 2011). To a large extent, this is due to the low quality of medical equipment in the public sector, high absenteeism of medical staff (Banerjee and Duflo 2009), and low regularity of the services (Drèze and Sen 2013:149).

One of the buzzwords of the last two decades has been ‘public-private cooperation’ (e.g. Asian Regional Bank 2013). Some combination of public and private health care cannot be avoided, and can undoubtedly be fruitful. Here the histories of health care organisation in Scandinavia and the United States demonstrate alternative development tracks. In the wake of the great economic crisis of the 1930s, class compromises were settled in Scandinavia in a manner that formed the basis for a comprehensive welfare state. At the beginning of the 20th century, private programmes in health care had a salient role in complementing public services (Berven and Selle 2001). But the subsequent development of the welfare state came almost exclusively in the public sector. In the 21st century, the private element has somewhat increased, but still is a complement to the overwhelmingly public health care system.

In the United States, the New Deal had wide consequences for economic life, but less so in the health sector. Despite the considerable public element in health care, the leading and most dynamic parts remain in the private sector. Confronted with the formidable challenges to public health, it is inevitable that India’s private sector will take a prominent position (Ghosh 2005). But experiences from Scandinavia indicate that strengthening the public health sector in the long run would yield the greatest gains in efficiency.

The most important elements in preventive medicine, including but not limited to curbing epidemic illness, are sanitation facilities and clean water supply. In Scandinavia, provisional arrangements based in single households were incorporated into municipal administration during the first half of the 20th century. In India, provision of water improved considerably from the 1980s, and 93 per cent of the population had access to improved water sources by 2012 (WHO/UNICEF 2014). Despite improved sanitation, more than 50 per cent of Indians defecate in the open (*ibid.*). In this field, private-public partnerships are less

consequential than for health care, as they concern infrastructure and not services, and hence have less impact on democratic participation.

Subsistence, minimum pensions

The assessment of poverty in India varies greatly according to the measures employed. Estimates range between 42 per cent (World Bank) and 27 per cent (Indian Planning Commission) of the population in 2004–05. At the same time, all sources agree that the prevalence of poverty has declined over the last decades (Krishna and Shashidhar 2014). The growth of the Indian economy, and accordingly the tax base, has meant much better funding of poverty relief programmes. Most important among relief programmes are various types of social assistance schemes and programmes for distribution of food.

The National Social Assistance Programme for the disabled and the elderly is a set of means tested programmes of cash transfer, some of which are reserved for members of households below the poverty line. Even if allowances are modest, payments over the NSAP increased tenfold during the first decade of the 2000s (Ministry of Rural Development 2011). Coverage rates of pensions, while varying between States, seem generally to be low; a World Bank survey reports rates of between 25 and 80 per cent in the rural population, and generally lower rates in urban districts. On the other hand, problems of leakage seem to be modest (Bhattacharya, Jos, Metha, Murgai 2015).

Most significant by far are food distribution programmes. The Public Distribution System (PDS) has a long history. Having been a universal system, targeting was introduced in 1996. Only households deemed to be ‘below poverty line’ were fully eligible, but targeting in practice led to large errors of exclusion. In 2009–10 expenditures on the TPDS amounted to 1.3 per cent of the GDP (Nagavarapu and Sekhri 2014). Nevertheless, the nutritional situation in India remains critical. Despite some progress, roughly one out of six is undernourished, and one in four regularly suffer from inadequate food availability (see Table 9.2). Evaluations of the implementation of the PDS have been very critical. The Planning Commission (2005) estimated that less than 60 per cent of households below the poverty line had been covered by the programme, largely because of errors of exclusion and poor implementation in major states. The Planning Commission study argued that ‘weaknesses in the delivery mechanism have led to large scale leakages (36.38%) and diver-

Table 9.2: Inadequate nourishment and share of food expenditures of the poor, 1993–2010

Measure	1993	2000	2010
Share of food expenditure of the poor	74%	63%	65%
Undernourishment*	22%	17%	16%
Food inadequacy*	32%	27%	25%

*Note: Three year rolling average.

Source: FAO.

sion (21.45%) of subsidised grains to unintended beneficiaries' (*ibid.*: viii). Several measures have been tried out to improve the efficiency of the programme, not least by means of information technology (Nagavarapu and Sekhri 2014). Administrative reforms do seem to have contributed to improvements in delivery; a survey in nine states reported a rate of coverage of 75 per cent of targeted households (Khera 2011).

The very ambitious National Food Security Act (NSFA) adopted 2013 expresses a previously unheard of ambition for subsidised food distribution. As foreseen by the National Food Security Bill (2011), two-thirds of the population, some 800 million citizens, are to be covered. It is too early to get any clear impression of the success of the programme, but it seems safe to assume that its implementation will encounter far more challenges than the TPDS, both economically and practically.

Even if it does not go beyond loose assumptions, the new initiative invites some general reflections. First, in addition to the economic and practical aspects, the transition from the TDPS to the NFSA constitutes a drastic expansion of the recipient group, with two-thirds of the population now included as prospective recipients of goods via the state. Their activity in market processes is reduced; their role as clients is broadened. There is a parallel here to the expansion of reservation quotas to Other Backward Classes in the 1990s. Instead of phasing out a relief programme, (e.g. for scheduled castes and scheduled tribes) it is expanded in order to cover 'all' possibly relevant groups.

Second, alternative modes of delivery – whether in kind, by vouchers, and/or by cash – are being discussed. A survey conducted by Khera and associates (Khera 2011) indicates that a majority of recipients prefer delivery in kind, which would be consistent with India's character as a protective welfare state. As an alternative, the use of vouchers would

be more in line with the American form of a liberal welfare state. In the American case, the allowance is targeted in a double meaning, concerning both recipients and their use of the provision, while the actual provisioning is delivered through transactions between buyers and sellers in the market. Buyers are restricted in their choices, whereas producers and suppliers are ordinary market actors. In this case, the group of buyers is a minority group that hardly influences market processes.

In contrast, the typical social democratic form of poverty relief takes the form of cash transfers. A minimum old-age pension is guaranteed to all citizens above 65 years in Sweden, 67 in Norway. Below that age limit, several targeted relief programmes cover relatively large groups. The total number of disability pensions in Norway amounts to almost ten per cent of the population aged between 18 and 67 years. The main age groups are those above 55 years (NAV 2015). In one sense, the disability pension functions as an early form of old-age pension.

Each year, for an average period of relief of five months, three per cent of the Norwegian population receive temporary social security allowances. Of these, 40 per cent are immigrants or children of immigrant parents (Statistics Norway 2014). All of these allowances are in cash. Given differences in average income levels, the amount of cash transfers is of course on a vastly different scale in Scandinavia than in India. But the differences in structure are more pertinent. In Norway the overarching orientation of poverty relief is the ‘work line’: recipients are expected to become able, or at least attempt to become able, to enter the labour market and participate in working life, whereas in India the main aim seems to be relief in the short run.

The Scandinavian system for relief is strictly individualistic. The individual receiving support from the state should at the same time be relieved from dependence on family or on charity. It may sound paradoxical that the big Scandinavian social democratic state is not a threat to individualism, but a support for individual autonomy. By comparison, India’s protective social policy is imprinted by collectivism, group membership, and in-kind allowances.

Work

In rural areas, India large parts of India’s unorganised sector is family based and linked to agriculture or traditional crafts. In urban areas more workers enter into employment relationships, even though half of these

workers are self-employed. In total, more than 80 per cent of workers in non-farm employment are unorganised (Agrawal and Anapuma 2013: 45). Like other citizens, unorganised workers are covered by the social policies mentioned above. Moreover, the government on both central and state levels, has established support programmes for specific occupational groups (*ibid.*: 61, 67). The Unorganised Workers' Social Security Act adopted in 2008 provides for a national advisory board, but only with consultative functions. The act is supposed to transfer parts of the responsibility for unorganised workers from the central government to employers and insurance companies, but as of now, no practical measures seem to have materialised (*ibid.*: 64).

The largest part of working life policy in India is the MGNREGA programme for employment in rural regions, which emerged from the National Rural Employment Guarantee Act of 2005 and was initiated in 2006. Rural households have a right to up to 100 days per year of unskilled work at minimum wages. The programme is based on citizens' 'demand' for work opportunities, in contrast to regular labour markets, where demand is on the employer side. Work tasks are restricted to improvement of infrastructure in rural areas, such as roads and irrigation systems. For the fiscal year 2013–14, more than three million households benefitted from the programme, although total expenditures amounted to only slightly more than one-half per cent of total GDP.

On the positive side, the MGNREGA has substantively contributed to poverty relief. The programme has also had some positive effects on wages in agricultural labour markets (Berg, Bhattacharyya, Durgam, and Ramachandra 2012). At the same time, employment through the programme declined from an average of 54 days per household in 2009–10 to 43 days in 2011–12. The programme has had serious problems, concerning insufficient planning, uncompleted works, and deviance from programme guidelines and restrictions (Comptroller and Auditor General of India 2013). Corruption has been rampant, even if it has somewhat decreased due to increased transfer of wages into bank accounts (Drèze 2014). Targeting is still a problem. In India as a whole, 44 per cent of those who wished to work did not get employment (Dutta, Murgai, Ravallion, and van de Walle 2014: 25). And, there are great variations between states. Paradoxically, the programme shows mostly higher access in richer states than in the poor states where needs are greatest (Liu and Barrett 2013, Aiyar 2014).

A different form of targeting is the ‘reservation’ of jobs in the public sector to targeted groups, in order to counteract social disadvantages of poverty, discrimination and social status. In one sense this has been successful: in 2011 Dalits filled 11.5 per cent of senior positions (‘Group A’) in public jobs, while they constitute some 16 per cent of the population (*The Economist*, 20 June 2013). The other side of the coin is the possibly negative effect on efficiency, concerning both recruitment and promotion. The aim of keeping up and even raising the representation of preferred groups affects selection processes and work environments. and makes it difficult to dismiss incompetent employees.

In Scandinavia, labour market policies have three main components: vocational training, labour market retraining programmes, and fiscal policy regulating demand in the economy (Dølvik 2007). In Norway, unemployment benefits are a general compensation for job loss, as a part of the national insurance system, with allowances proportionate to prior earnings; Sweden’s arrangement is more insurance-based. In addition to unemployment policies, the structure of old-age pensions and disability pensions also have an indirect effect on labour market functioning, as they influence the supply of labour power. Moreover, wages for partly disabled employees may be subsidised by the state. The core notions here are the creation of *jobs* and the functioning of labour *markets*. The overarching aim is to enable citizens to function as autonomous actors in the labour market.

The question of job security is closely related. In India, as in parts of the industrialised world, downsizing of firms is tightly regulated by the state. In Scandinavia, employment protection is moderate. For the companies, even moderate economic problems provide a sufficient reason for layoffs. Hence, job security is lower than in the organised, and higher than in the unorganised sector in India. In addition to serving as a safety net for employees, generous unemployment benefits secure flexibility in the economy as a whole. This is a source of a considerable gain in productivity.

Emphasis on the market aspect of work is a trait Scandinavia has in common with the United States, but labour market functioning is highly regulated and closely connected to the tripartite mode of cooperation. Most trade unions and employers are organised in national federations, and act as regular contract partners at the national level. Further, em-

employers are 'socialised' into the national welfare system by administering payments connected to taxes, pensions, sickness pay, and (partly) unemployment benefits.

Another aspect of the tripartite arrangements in Scandinavia is legislated employee co-determination, at the job level through equal participation in health and security committees with considerable power and at the company level by representation on the board of directors. Contrasts between Scandinavian and Indian working life are highly significant at these points. In India, power relations between employers and employees are extremely unbalanced, both concerning intra-firm relationships and political influence. Despite rudimentary counterexamples, such as the National Advisory Board for unorganised workers, most employers in India are exempt from welfare state considerations, with the exception of formal obligations regarding worker security, which in the private sector are neglected more often than not (Gupta 2009). By implication, employers as a group have weaker links to the development of Indian society as a whole.

Welfare state: decommodification, rights, quality of democracy

In the descriptions of India in this chapter, administrative failures emerge as a leitmotif. The sources of these deficiencies are treated extensively by N. C. Saxena in Chapter Six. Suffice to add that the forms of provision have distinct effects on planning and implementation. Dealing with needs for food or work through in-kind welfare provisions presupposes an elaborate infrastructure and makes delivery very demanding. Even if in-kind delivery is intended to be decommodifying by targeting specific needs, the end result may be that fewer people receive the support to which they have a legal right. Allowances in cash, as in pensions, may entail a higher degree of commodification; but, if the infrastructure is simpler, the end result may be higher average welfare for recipients. However, cash is only relevant for some types of allowances. For services with strong democratic elements, such as education and health care, the most important reforms will be improvements in services, administration, and infrastructure.

Protective or productive welfare state?

Nita Rudra's (2008) classification of welfare states in developing countries presented India as a typically 'protective' welfare state, in contrast

to South Korea as a typically 'productive' welfare state. Rudra's conceptualisation and its application may of course be questioned; broad categorisations never fit perfectly. A main difference between the two countries was the role ascribed to primary education. During the first decade of the 2000s, much happened in India: enrolment in primary education increased significantly, along with some improvements in infrastructure, and per capita expenditures on health care increased substantially. Even so, the average quality of both education and health care is critically low. Recipients of poverty relief to a large extent remain exactly that – recipients, clients – in an infelicitous parallel to the clientelism in many areas of Indian politics. The well-to-do evade state funded services and rely on the market for private education and health care. Programmes for poverty relief are structured in a way that foregoes the potential for economic and social development of an advanced welfare state. Thus, the basic traits of a protective welfare state are still present in India, with protection taking on the double face of privilege and pseudo-charity.

Equally important as the protective/productive divide are comparisons with the United States and Scandinavia. It comes as no surprise that the Scandinavian welfare state is more comprehensive than in India; a less obvious conclusion is that this is true for the United States as well. When it comes to marketisation of the sectors most strongly linked to citizenship, education and health, India is actually the more 'libertarian', with public responsibility and funding way below the U.S. Further marketisation will not bring India closer to the American model; it will increase the distance even more.

The core of the Scandinavian social democratic order is a precarious balance between market functioning and market regulations. A combination of productive and protective elements includes high levels of productivity and high levels of taxation. The welfare model based on this balance is under pressure from at least two sources. On the one hand, demographic changes require vastly increased investments in welfare state measures. Increased costs can be borne either by increased taxation or by making welfare state provisions less comprehensive, or more dependent on means testing and private solutions. On the other hand, increased international labour migration raises questions about regulation of working life. In several industries, something like an 'un-

organised' sector seems now to have emerged, with low wages and few social rights for workers. In the long run, this may lead to the welfare state being hollowed out.

Social rights and their extension

Five clusters of rights have been presented: rights to pecuniary assistance, food, work, education, and health care, of which the first three constitute various aspects of subsistence. Among these, financial assistance seems to have positive aspects in India. Given that the problem of identifying target groups is solved, allowances are delivered without enormous leakages. While differences in allowance levels are very great between India and Scandinavia, divergences in implementation of provisions in cash are less so. On the other hand, the right to food and the right to work, which are administered as in-kind provisions, are haunted by huge demands on infrastructure and equally large problems of implementation. Amid great variations between India's states, on average only half of the targeted population benefits from programmes intended for it. Another question is connected to the nature of the provisions. Transforming welfare provision from programmes focused on providing a minimum level of subsistence, towards those designed to generate dynamic spillover effects – as would be the case if the majority of the population was participating in a dynamic economy – is an overarching challenge. This would also be in line with the general Scandinavian model.

The rights to education and to health care present an altogether different challenge. In a developed welfare state, the primary democratic obligation of the state would be to secure for its citizens some basic opportunities for social participation. Education and health care would be prime examples of decommodified provisions, and thus constitute the basic common ground for citizenship. In India, the opposite is the case. The total share of GDP spent in these sectors is even lower than most poor countries. In the public sector, spending levels are even lower, which partly (but only partly) explains the deplorable level of infrastructure and of services. To the degree that Rudra's (2008: 86) characterisation of India as a fusion of elements from conservatism and socialism is true, it appears as a paradox that what should be a core commitment of a democratic state develops into extreme marketisation and commodification of services. By implication, rights to education and

health care lose their 'positive' nature, connected to provisions, and take on more of a 'negative' freedom from constraints: that is, citizens come to have the right to seek or offer services, but the state does not take on responsibility to secure services on a satisfactory level to all citizens. If rights remain purely formal, they slowly fade into shadow rights.

The connection between the formal and the informal sector also takes on a paradoxical character. Vast absenteeism among personnel, both in schools and health institutions, is a major factor behind the low quality of the services. However, this is made possible by exceptionally high job security in the formal sector, where they are employed. Social rights in one sector undermine social rights in another. This is a mode of protection unheard of in the Scandinavian context.

Ineffective rights have spillover effects on the quality of democracy. A vital democracy presupposes support and interest, political competency, and participation by citizens. If not, it slowly deteriorates and becomes an empty shell. Thus, social rights and the welfare state are crucial to the performance of democracy. A well-functioning welfare state is the social instance that can guarantee that citizens have the competency and the ability to participate. At the same time it is crucial for political legitimacy. It demonstrates to citizens that the state and politics are there for their sake, and not the other way around.

In the long run, shadow rights give rise to shadow democracy, even despite a well-functioning electoral apparatus. The challenge is clear for India, but in the long run also for Scandinavia.

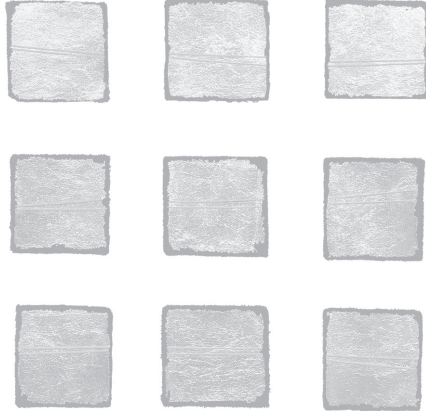


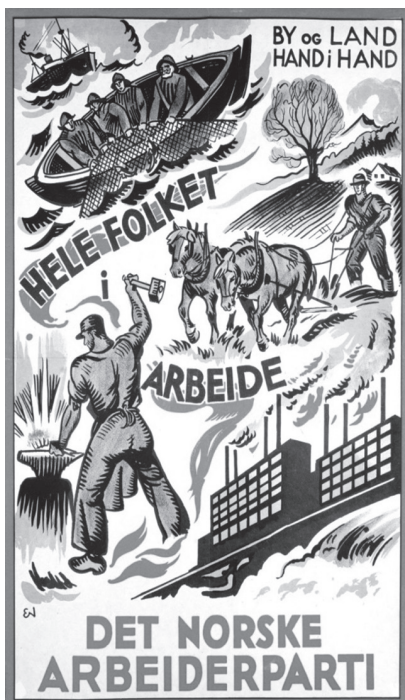
Courtesy of IndiaOnlinePages.com

Thanks to decades of public action for education, Kerala was the first state in India to achieve 100% literacy.

PART SIX

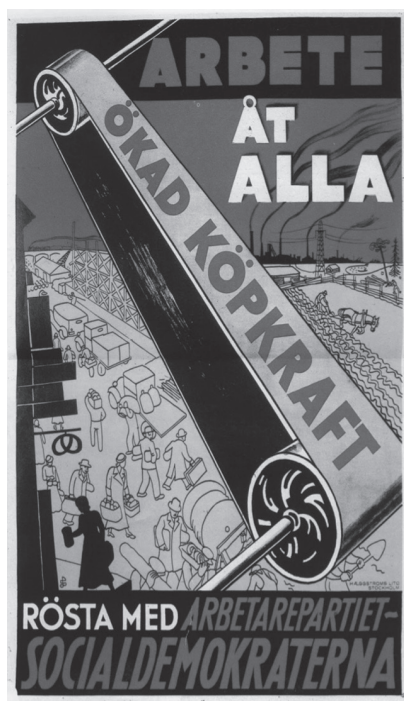
EQUITY AND GROWTH





1933 election poster for the Norwegian Labour Party: 'Town and country, hand in hand, all the people working – The Norwegian Labour Party'.

1934 election poster for the Social Democratic Party in Sweden: 'Jobs for everyone, increased purchasing power – vote labour party: Social Democrats'.



Social Equality as a Development Strategy

By Kalle Moene

Greater wage equality for a given mean implies, almost by definition, that a substantial majority of the population gets higher incomes. In many developing countries, the majority below the mean can be three-quarters of the population or more. In this essay, I defend a much more radical proposition: greater equality implies a higher mean via structural change – and thus a double gain to the great majority of the population. In turn, greater equality and a higher mean income are both likely to boost empowerment and the welfare state – all to the benefit of the bottom millions.

The gains from globalisation can therefore be made bigger by sharing them more equally. Social movements, political parties, unions, and employer associations can benefit by implementing what I call *social equality as a development strategy*. The strategy consists of a low level of inequality and a high level of social insurance. Both can be desirable goals in themselves – and they are both good for economic growth and development as well.

But is social equality feasible for a poor country like India? Contrary to what many believe, I argue that its economic feasibility is just as plausible for developing countries today as it was for Sweden in the 1950s. Yet, I don't suggest that it is politically feasible to imitate the special forms that Swedish equality took. No successful country-experience offers ready recipes for how other countries can escape poverty, underdevelopment, and corruption. Accordingly, nobody can engineer trust and prosperity by importing institutions from other countries. That said, learning from others is different from imitating them.

Development always faces specific economic and political obstacles. The surplus of labour in a country like India is an obvious example. The

scale of the informal sector is another. A pressing question is therefore whether the lowest wages can be raised without increasing the level of unemployment. Although low productivity jobs never can pay the market wages of high productivity jobs, my basic claim in this chapter is that greater social equality nevertheless can simultaneously raise the lowest pay and the overall level of modernisation without creating unemployment. This may sound like black magic. But the basic principle is not mystical at all.

Social equality makes it more profitable to create new jobs and to extend modern activities. Job creation takes time, everywhere, and the labour surplus and the informal sector cannot disappear overnight. Nonetheless, without social equality it would take much longer to absorb the labour surplus and to eliminate the informal sector. To illustrate the basic logic of the strategy, I start with a simple example.

Two, three and four wheels

The rickshaw was initially the name of a two-wheel carriage to transport goods and persons, drawn by a runner who a century ago carried on India's deadliest occupation. It was first used in Japan in the middle of the 18th century, later introduced into many countries in Asia. The two-wheel rickshaw is still in use in poor quarters of India, but most of them were gradually replaced by a three-wheel cycle rickshaw, then a three-wheel auto-rickshaw with a two-stroke engine and, most recently, by an auto-rickshaw fuelled by a less-polluting liquefied natural gas (LNG) engine – and to some extent by cars and trucks with four wheels. Even today, one can see two- and three-wheel rickshaws throughout India, providing essential transport services alongside cars, trucks, and buses. This wide dispersion of technological productivity from runner-driven rickshaws to modern trucks indicates that the inequality in wages and opportunities must be huge.

With so much old-fashioned technology still in use, the scope for egalitarian reforms and social progress may seem dim. A rickshaw operator's hourly wage is low because the productivity of the rickshaw is low no matter how hard the runner works. A rise in the lowest wages, if enforced, would therefore present a choice that might lead to an increase in unemployment among the workers who operate the technology with the lowest productivity.

But higher wages at the bottom is only one side of wage compression. Wage restraint in the most productive units is the other. Wage restraint makes investment in new means of production, such as modern trucks, more profitable. Having more trucks raises the demand for transport workers to man the new equipment. As a consequence, the lowest wages can be raised, making the least productive rickshaws less profitable, without creating extra unemployment: those who must give up the rickshaws can start working on trucks, busses, and cars. Thus, equality through wage compression can give us more trucks and fewer rickshaws, a structural change that enhances the average productivity.

The same basic logic can be applied for what happens between enterprises within all sectors, between sectors and branches of industry throughout the whole economy. Wage compression stimulates the entry of new, more productive technology. It stimulates the most modern branches of industry and retards the least productive. It reduces the dispersion of productivity across units of production, across branches of industries, across sectors of society. Thus, the average productivity goes up within sectors, across sectors, and for the entire economy. As people are moved from low productivity jobs to jobs with higher productivity, average wages go up as well. All this can have widespread implications for the rest of society.

Social equality as a development strategy is built on the idea that an economy can offer higher wages for the great majority when wages at the top of the pay scale are moderated. The higher average productivity and smaller wage differentials that follow from compression stimulate new social policies of health, education, and social insurance. Both the higher income and the more even distribution of it contribute to raising the political demand for social spending, increasing the feasibility of implementing a more progressive social policy that can provide better health care, improved education, and more social protection. These improvements in turn feed back to the processes of job creation and wage formation. I explain this mechanism of social equality as a development strategy in more detail by drawing on the Scandinavian experience, below.

What is the strategy of social equality?

Is the strategy just to change the wage distribution and wait for social policies and structural change to come? Obviously not. There are two

separate issues: (i) economic feasibility, whether social equality can actually work if implemented in a development context, and (ii) political feasibility, whether social equality has sufficient support and can be implemented. The strategy of social equality is to prepare for the two issues to work together simultaneously in a virtuous circle. The means to achieve this include suitable social organisation and mobilisation in the labour force, political parties that draw attention to the most pressing social issues, and political competition over possible solutions.

In other words, the strategy of social equality is not a detailed recipe, but a range of several possible initiatives to help start a virtuous circle – a participatory, cumulative process of social and economic progress. The initiatives should take full advantage of how economic achievements can lay the foundation for the implementation of social policies to the benefit of the great majority, and of how social policies lead to further economic achievements that again increase the political opportunities. Politics and institutions play an essential role in all this, as do social movements, unions and employers – but within an environment of contested exchange based on gradualism and mutual benefits.

The specific policies that might be implemented are to some extent determined by the economic and social conditions within a society. Certain initiatives are more likely to succeed under the given circumstances; when circumstances change, the most suitable initiatives also change. What may seem unattainable today may become feasible after economic and social circumstances have changed. The strategy of social equality aims at an inclusive and participatory growth path, recognising that several gradual reforms, each with democratic political support, can end up way ahead of what can be achieved by a once and for all collective reform decision by the same participants. Social equality as a gradual process may alter beliefs, behaviours, and interests in the population. As d'Tocqueville wrote regarding equality of conditions, 'it gives a certain direction to public spirit, a certain turn to the laws, new maxims to those who govern, and particular habits to the governed'.

Accordingly, social equality as a development strategy does not prescribe a specific, predetermined sequence of initiatives and reforms. From a policy point of view, Baland, Moene, and Robinson (2010: 4601) emphasise that a prerequisite for reform is understanding, and then alteration, of the entire political equilibrium:

Governance reform is unlikely to be successful unless we understand the political forces that generate bad governance in the first place. In lieu of such an understanding, policy reforms to improve governance will often be ineffective. We suggest that to be effective reform has to change the political equilibrium of a society. Though it is possible that small changes may do this, it is more likely that reform has to take place simultaneously in many dimensions. Finally, a research priority is to try to understand salient cases of endogenous transitions from bad to good governance (or vice versa, though this is much less common) to identify some generalisations about the factors or circumstances that lead to improved institutions, and by implication, better governance.

In the egalitarian development of Scandinavia, attempts to compress wages came first both in Sweden and Norway. In the next round, workers who were made more similar (by a higher employment level and a more compressed wage distribution) expressed their new political demands for extended social policies by casting their votes in favour of certain political initiatives. Decisive as it was in the Scandinavian case, wage compression is not the only way to start. The cumulative process can develop its own momentum independently of how it is started. The strategy of social equality aims at utilising feedback from labour markets and investments to garner support for social policies, and feedback from implemented social policies to improve conditions in the labour market and returns on capitalist investment.

Social equality as a development strategy relies on competition. To understand how, we must first free ourselves from the straightjacket of thinking about competition as price competition alone. In fact, the Scandinavian experience is difficult to understand if we only concentrate on static price competition in markets and static tax competition in politics. In both economics and politics, the competition to create or apply something new – what I call ‘real competition’ – is more important than the competition to lower the costs of existing arrangements, what I refer to here as ‘ideal competition’.

Real and ideal forms of competition constitute not only conflicting perspectives for the understanding of how society works; the two forms of competition can also imply serious political conflicts in reality. Properly understood, the rise of the egalitarian development path is real competition in motion. To use governmental intervention to insist

on ideal competition in all areas of life, as the leaders in the European Union often do, may erode the real competition for institutional change and progressive policies. The puzzle is perhaps not why the egalitarian development path has thrived in a few countries of northern Europe so open to foreign competition, but rather what is blocking it in the countries that need it the most.

The economic feasibility of social equality

The basic requirements of social equality are wage compression, along with redistributive welfare spending on health, education, and social insurance. In this section, I discuss how these elements affect real competition, and economic development more generally, and to what extent they stimulate economic adjustments that magnify or mitigate the initial impulses of greater equality. The essence of capitalist dynamics is captured by the process of creative destruction.

Development as creative destruction

The term creative destruction became popular through the work of Joseph Schumpeter, most notably in his *Capitalism, Socialism and Democracy* (1942). Schumpeter, who openly acknowledges his debt to Karl Marx, argues that new products, new methods of production, new markets and new forms of industrial organisation generated by capitalist competition effectively revolutionise

the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in. (p. 82)

Economic development may be interpreted as setting the process of creative destruction in motion. How does social equality affect economic development interpreted in this manner? More specifically, what links wage compression (and other social democratic features) to development as a process of creative destruction? Do institutions of social equality slow down or speed up the process?¹

To understand the dynamic process, we need to take competition seriously. The essence of all competition – real and ideal – is contest and rivalry. But here the similarity stops. A concern for capitalist dynamics

1. My answers build on Moene and Wallerstein (1997) and Barth *et al.* (2014).

must be based on a perception of real competition, not its ideal textbook variants concentrating on the small margins. Real competition is over discrete choices and great leaps. It is about innovation, broadly defined. The contest to be first to do something new, where some contestants win and others lose, creates economic inequalities between them. There may be great differences between winners and losers, and often the winners take all. Real competition may therefore require countervailing power to produce good results. This is one reason why unions and other social organisations are important catalysts in the creation of complementarity between capitalist dynamics and social security.

Real competition is dynamic, but it is not only a race to create new products, new technologies, or new work organisation where the winner obtains a temporary monopoly position that constitutes the private benefits of innovation. The distinction between real and ideal competition extends beyond dynamic technological choices: real competition takes place also in nonmarket areas including institutional change, organisational design, and in politics. In contrast to the personal incentives, individual solutions and short-sightedness that characterise ideal competition, real competition often rewards complementary gains such as cooperation, trust, and long-term thinking. This is why global competitive forces can induce social equality that revolutionises the political and economic structure from within.

We also need to be clear on the basics of innovation, including how existing technologies, designs, and organisational principles are implemented. Some important innovations are more or less directly embodied in new capital investments. Even though such innovations are lasting, they do not last forever. A business, for instance, that once revolutionised production and dominated the market for a new product, experiences falling profits as rivals introduce new and improved designs. As the process continues, the scale of new improvements becomes so large, and profits decline so much that the original technology becomes obsolete. Hence, a successful innovation is normally a source of temporary market power; its arrival erodes the profits and position of firms using older technologies, yet in the end it gives way to the entrance of new competing technology.

One way to make this idea of creative destruction analytically tractable is to incorporate it into a growth model that includes capital

equipment of different vintages (Moene and Wallerstein 1997). In such a set-up, newer capital equipment (of recent vintage) is more productive than older ones, but the new technology is costly, so firms that already produce using older vintages do not immediately replace them with the new innovation. Instead, the replacement process is gradual. The key decisions are therefore when to invest in new equipment and plants, when to scrap the old ones.

Capitalist innovation and adaptation means that new production units are established as long as new investments yield positive profits. On the other end of the productivity distribution we find how the creation of more productive equipment makes old technologies (vintages) obsolete. They cannot cover variable costs and are scrapped. At any one moment in time, however, there are both older and completely new technologies in use, distributed over production units and enterprises.

The development gap ...

Developed and developing countries may both use the most modern technology in some applications. The basic difference is not tied to the most modern equipment. The difference is in how widely the most modern equipment is used – which depends on how profitable it is in use, given the size of the market, the training and competence of the labour force, and the wages that must be paid.

For instance, both India and Sweden have a modern Information Communication Technology (ICT) sector. Yet, a modern ICT sector, and even if it were more modern than that in Sweden (which it is not), would not make India more developed than Sweden even in the application of the information technology. The overall application of information technology in Sweden is much higher than in India. In fact, Sweden ranks third on the ICT Development Index published by the United Nations International Telecommunication Union (2014). Denmark is number one and Norway number six, while India is nestled between Swaziland and Senegal at number 129. It is this difference in wide application of the most modern technology that leads to the development gap. In other words, the economic development of a country cannot be defined by its most modern applications or innovations. The level of economic development is determined by the average application of each innovation once it becomes a new and available design.

Consider now two (hypothetical) economies, one modern and 'thick' with previous innovations, and one more backward with a much 'thinner' application of previous innovations. For the sake of the argument, let both economies employ their entire workforces. The first economy would have a narrow gap between the most modern and the least modern technology in use, and a corresponding distribution of workers over high productivity technology within a narrow productivity range. The second, less developed economy, would have a much higher gap between the most efficient and least efficient technology in use. The reason is that its thin layers of each technology imply that the workforce is distributed over a wide range of technologies from the most modern to the very backward technology. The gaps between the least and the most modern technology in use are also reflected in the distribution of labour earnings. When the return on investing in the most modern technology is more or less the same across countries, the considerable difference in the development gaps across countries must imply that there are significant differences in the distribution of wages within each country as well.

If a technology with very low productivity, relative to the most productive technology, is profitable to use, it must mean that wages at the bottom must be correspondingly low relative to the wages in the most productive units – for instance wages to a rickshaw driver relative to an ICT worker. In the first, developed economy, the gap between the highest and lowest wages would be much lower as workers are employed under much more similar conditions. This is not just a theoretical proposition; it can be seen throughout the world.

... in the United States, China, India, and Norway

One way to illustrate the gaps is to compare the distribution of 'total factor productivity' in different countries. To provide the numbers requires a substantial effort and some courageous assumptions.² The numbers are meant to reflect 'the level of economic modernization' in our discussion. Comparable numbers for exactly the same years in all countries are not available.

2. Hsieh and Klenow (2009) and Barth, Moene and Willumsen (2015) apply methods that err on the safe side by focusing on total factor productivity and not only labour productivity.

Table 10.1: Dispersion of total factor productivity

United States	1977	1987	1997
90 – 10	1.04	1.01	1.19
75 – 25	.46	.41	.53
Standard Deviation	.45	.41	.49
India	1987	1991	1994
90 – 10	2.97	3.01	3.11
75 – 25	1.55	1.53	1.60
Standard Deviation	1.16	.99	1.23
China	1998	2001	2005
90 – 10	2.72	2.54	2.44
75 – 25	1.41	1.34	1.28
Standard Deviation	1.06	.99	.95
Norway	1997	2001	2005
90 – 10	.80	.74	.73
75 – 25	.37	.34	.34
Standard Deviation	.35	.34	.33

Source: The dispersion in the United States, China and India is taken from Table II in Hsieh and Klenow (2009), while the Norwegian figures are calculated in Barth, Moene, and Willumsen (2015), using Hsieh and Klenow’s approach on Norwegian manufacturing data. Industries are weighted by their value-added shares.

Consider Table 10.1. It provides three measures of the productivity gaps: (i) the 90–10 measure illustrates the gap between the first and the ninth decile in the productivity distribution (this is the gap between the best among the least productive ten per cent and worst among the top ten per cent most productive production units); (ii) the 75–25 gap illustrates similarly the gap between the 25th percentile and the 75th percentile; (iii) the standard deviation is a summary measure of the total dispersion. All numbers are in ‘logs’.

Many observers think of the United States economy as the most efficient and modern economy in the world. It is therefore a natural benchmark and starting point. Comparing the United States to India in Table 10.1, we see that the productivity gap in India is much higher than in the United States, irrespective of how we measure it. We can think about this as an illustration of the effects of development. As the numbers are in ‘logs’ we must do some simple calculations to get percentages: a jump

from the first to the ninth decile in the productivity distribution implies a 330 per cent increase in the United States (in 1997), while in India (in 1994) a similar move would imply a 2,140 per cent increase. In other words the lowest decile in India has 4.7 per cent of the productivity of the ninth decile, compared to 30 per cent in the United States. The other two measures confirm the pattern: development implies a smaller gap between the most and the least productive technology in use and the variation can be large.

Comparing the United States to China again confirms the pattern. China has a higher gap between the least and the most productive technology in use, but China's gap is less than India's, reflecting the fact that China is more 'developed' than India and less 'developed' than the United States.

Comparing the United States to Norway illustrates another important feature. A jump from the first to the ninth deciles of the productivity distribution in Norway (in 1998) implies an increase of 123 per cent, while in the United States (in 1997) a similar move would imply a 330 per cent increase in productivity. The first decile in the productivity distribution in Norway has 80 per cent of the productivity of the ninth decile, compared to 30 per cent in the United States.

Contrary to what many observers believe, Norway (and Scandinavia generally) has a much lower productivity gap than the United States. According to our measure, the United States is far from being the most efficient and modern economy in the world. Egalitarian countries seem to have smaller development gaps and thus more modern economies, implying that a larger share of the workforce is employed in high productivity jobs. I view this as a stark illustration of how wage equality affects structural change under the process of creative destruction – the full implications of which are discussed next.

Wage inequality and wage costs

The development gaps reflect the levels of wage inequality between workers who work in enterprises and occupations with different productivity. As seen, the development gaps are highest in developing countries. There, the labour force is distributed over thin layers (vintages) of capital equipment with relatively few jobs in each layer of productivity. It is not easy to change the productivity of capital equipment once it has been purchased. A rickshaw can never become a modern truck even

after it is well known how a modern truck works and is designed. When wages are tied to the productivity level in each local production unit – an empirical fact in decentralised labour markets – an economy with thin layers of each technology has large wage inequality.

When wages are tied to the productivity level determined by the investment in technology *in the local production unit*, new investments in the most modern technology become lower than they otherwise would have been, implying that each layer of technology remains thin. Each technology is also bound to last for long as it is less threatened by rival entry of new technologies. Thin layers of long lasting innovations are again decisive for the high level of wage inequality.

In other words, wage inequality is caused by the dispersion of productivity across enterprises as long as wages are tied to the technology invested in each local enterprise. This wage determination also explains why the high dispersion in productivity is sustained by profit maximising investment decisions. Thus, high wage inequality is associated with a stagnant backward economy that sustains the inequality.

More generally, we can think of the wage as consisting of two parts: a prevailing base wage that goes to every worker of similar quality, and a local wage premium tied to the productivity of the local plant. The level of wage inequality for a given dispersion of productivity becomes higher the more the local wage premium is tied to local productivity.

An important element of social equality as a development strategy is wage compression, or wage restraint, that reduces the local wage premium. Compression can be accomplished in various ways. The Scandinavian way is to take wage setting out of market competition and place it into a system of collective decision-making. By contrast, South Korea subsidises skill formation or education in ways that create a higher number of workers with the relevant qualifications and thus lower market bargaining power, which in the next round can drive down the local wage premiums.

As indicated, a wage environment that constrains the local wage premium resembles the Scandinavian system of wage coordination quite well. The coordination imposes a peace clause at the local level that limits the use of strikes and lockouts after the central negotiations are completed. Of course, Scandinavian authorities also heavily subsidise education and training programmes, with similar effects on local wage restraint.

To see the effect of wage compression, let us again return to our comparison of two development paths – one that has evolved with high local wage premiums (the United States and Indian cases) and another path that has evolved with low wage premiums (the Scandinavian and South Korean cases). Wage restraints imply lower expected wage costs and thus higher expected profits over the lifetime of an investment. As a consequence, investments in new technologies in the Scandinavian and South Korean cases are higher than in those of the United States and India. The layer of technology is therefore thicker in each vintage of the equipment since more investments have been made with the new technology. So even if the two paths have exactly the same level of employment, the lowest wage must be on a higher level in the case of wage compression.

Too special – the sceptics would say

A sceptical reader might insist that the above comparison is unfair: large countries like India and Brazil have many idle hands, and hence the lowest wage would not rise with wage restraint higher up in the wage distribution. This might be so in the short run. But the situation at the bottom of the wage distribution would be even worse in the long run if wage restraint is absent. Without wage restraint, investment would be even lower, and those who stand outside the sector of modern production would remain there for a much longer time.

A sceptical reader might also wonder whether the mechanism of social equality only applies in sectors with fixed investments. I think the effects of wage compression in these sectors are more evident than in, for instance, service provision. Yet, innovative investments may also come in the form of local training programmes in service provisions. The less the local wages are tied to local improvements, the more training each enterprise may find profitable to undertake. Again, wage compression may give us the highest rates of modern training, because the workers benefit more widely and more collectively as broader segments of the workforce might be offered training.

Finally, a sceptical reader might fear that executive salaries are excluded from wage compression. Of course they should be included. In Scandinavia, executive pay is not officially a part of the union wage contracts. Yet executive pay is affected by the power of unions and the involvement of employer associations in the central wage negotiations.

Everybody involved knows that when executive pay is aggressively raised, unions become less willing to continue with wage moderation and more willing to engage in behaviour that harms the interests of capital owners. As a consequence, employers tend to keep executive pay more in check in the Scandinavian countries than in the more 'backward' capitalist economies like the United States and United Kingdom. The countries with low union influence have the highest gaps between the remuneration of top executives and average employees. This kind of inequality is also contagious. To cap top salaries is clearly an important element in any strategy of social equality as a development path.

In all cases, it might be puzzling that the average wage in the workforce goes up with wage restraint, at the same time as the expected wage cost of each new investment declines. The puzzle is easily resolved. Lowering the expected wage cost speeds up the process of creative destruction – both with fixed capital investments and with investments in skill formation – moving a larger share of the workforce to more productive jobs. So even if wages in the most productive units were to decline, more workers would move from lower productivity to higher, raising their average wage. In other words, even though the local bargaining power of work groups declines, members of the groups are moved to more productive circumstances where even a lower bargaining power yields a higher wage.

The reallocation of workers contributes to wage compression, eliminating the jobs with the lowest wages and moving workers to jobs that are better paid. The responses of capitalists to more wage compression is to invest more in new technology that leads to an even smaller gap between high and low wages. Clearly, the highest paid workers receive a smaller rise as they work in the best production units, and cannot gain from the reallocation of workers in other ways than through a higher base wage. Their total wage may thus decline as their local wage supplement might go down more than the prevailing wage increases.

The logic of self-enforcing wage equality is simple. For a given dispersion of productivity, wage inequality is higher the more wages are tied to local productivity. Untying wages from local productivity reduces wage inequality. This change stimulates job creation and job destruction that, together, reduce the dispersion of productivity, leading to further reduction in wage inequality.

In this context, it may be worth noting that, historically, the smaller wage differentials in Scandinavia were defended more in terms of efficiency than of equity. In the 1950s, two Swedish trade union economists, Gösta Rehn and Rudolf Meidner, argued that equalising wages across Swedish firms and industries would promote economic development by forcing wages up in low productivity firms or industries and keeping wages down in high-productivity firms or industries. By reducing profits in low productivity firms and increasing profits in high productivity firms, labour and capital would be induced (or coerced) to move from low to high productive activities, increasing aggregate efficiency as well as improving equality (Rehn 1952; see also Moene and Wallerstein 1997; and Agell and Lommerud 1993).

So far we have focused on the supply side and on incentives to invest in modern technology and skills as wages are compressed. What about the demand side?

Development and the extent of the market

Above we have considered two links between wage inequality and development. Economic development affects the wage distribution and the wage distribution affects economic development via job creation and job destruction. Together, the two links can explain why economic development is unequal across countries and regions. Wage compression stimulates economic development and the demand for workers in more modern enterprises, raising the lowest wages and gradually eliminating the jobs with the lowest productivity, without creating unemployment.

This process of modernisation is like a production process with increasing returns to scale. The larger the scale, the wider the modernisation can be and the higher the productivity per worker can become. But the degree of modernisation is limited by the extent of the market. And the extent of the market again depends on the level of economic development and modernisation. Markets do expand through the higher incomes that further development and modernisation generate. This mutual dependence can be crucial for economic development and economic growth, in particular in local economies without an easy access to larger markets. The participants in the local economy can be locked into a development trap where the extent of the market is too small to generate further modernisation and where modernisation is too low to generate a large enough market.

Globalisation may imply a lot of things, including an easier access to foreign markets. This access may have two positive effects within our set-up. First of all, the level of modernisation is no longer limited by the size of the local markets, making further modernisation and development more profitable. Better market access may lead to a take-off. If development takes off, it is profitable to invest more in each new technology. Thus, the second effect is that each new layer of modernisation may become more comprehensive, which in itself leads to further wage compression. The lowest wages are eliminated since these jobs are no longer profitable. The average wage goes up since modernisation and development increase the share of modern jobs.

The extent of the market can of course also be affected by public policies. Local demand is important. Yet social equality as a development strategy does not necessarily depend on public intervention on the demand side just to regulate total demand. The long run extent of the market – both private and public demand – is determined by the extent of modernisation and specialisation. In all cases it is decisive what the public demand actually consists of. Public policies of health, education, and social insurance are inherent requirements in social equality as a development strategy, not because these policies generate public demand, but because they bring about necessary provisions that the market does not supply with equal efficiency.

Social policies as welfare spending

A welfare state arrangement can be highly beneficial for large groups in any developing country. It can provide social protection against serious shocks to any economic activity, raising its profitability. It

can stop a farmer selling precious assets – her livestock, farm tools – when she suffers a crisis, such as a drought or someone in her family becoming ill. It can help her and those many millions who go hungry even in the good years, when there is no drought. Social security can encourage her to take risks with higher yielding crops. It can encourage poor families to keep their children in school – as shown by very successful schemes in Brazil, Mexico and South Africa. All of them contribute to growth, but also to a fairer and more equitable society.

This fine summary (by Hilary Benn in 2006, when he was Britain's International Development Secretary) of the effects of welfare spending in poor countries contrasts with views held by many economists

and other scholars who may see the formal welfare state as a hindrance for capitalist dynamics, for growth and development. Let us therefore consider how welfare spending affects the development process that we have discussed above.

Welfare spending enhances workers' capabilities. It provides social insurance; it may help in preventing poverty traps. It also empowers weak groups who can now dare to stand up against landowners, strongmen and employers because the public provisions make them less vulnerable (Barth and Moene 2015). More generally, welfare spending raises education levels and the health of the population, which again affect the productivity of each enterprise.

In our set-up, we can interpret all this as an increase in the basic productivity of investment in modern technology. As workers become more capable and healthy, the profitability of investing in high productivity equipment goes up as well. As long as this is the case, welfare spending is clearly complementary to capitalist dynamics in the form of real competition. It makes it profitable to invest in thicker layers of modern technology, generating higher average incomes. Workers become more concentrated in modern high productivity jobs. All this contributes to further wage compression as workers now work under more similar conditions. Higher average productivity also implies a higher common base wage to all workers.

But does not welfare spending erode the incentives to work hard and thus contribute to a weakening of the capitalist dynamics more generally? Does not a comprehensive welfare state become a drag on economic development? In most cases, the answer is no. Scandinavian experience indicates that social policy not only stimulates capitalist dynamics via better social insurance, better health services, and better education, but also levels the playing field, thus improving the allocation of talent from all parts of society.

Some Scandinavian employers have understood this since the 1950s, when they actively lobbied for generous welfare services to all citizens (Swenson 2002). They believed that either alternative –no welfare benefits at all, or some welfare benefits allocated on the basis of means testing – would hamper labour supply. Their views are of relevance for larger countries like India and Brazil, even though employers there seldom express similar views.

The Scandinavian experience shows how collective interests and needs of employers often are more manifest in small and open economies than in large and more closed ones. It does not mean that those interests are not the same for all employers in any country, only that they fail to lead to active policies because of a lack of coordination in the largest countries. Competitive pressure from abroad makes the costs and benefits of different alternatives more distinct. For instance, private solutions to unemployment insurance would have to be based on some sort of experience rating in its financing, implying that those employers most exposed to fluctuations in the world market would have to pay more. Alternatively, employers would have to raise the wages in the jobs most exposed to international competition and to international fluctuations if workers were to care for their own insurance. As small open economies must have a large export sector, Scandinavian employers suggested that all sectors of the economy should contribute in financing the necessary insurance. In addition, social insurance has important spillover effects to financial stability more generally. When the banks' customers are insured, the banks are in part insured themselves. When workers obtain higher health, education, and thus productivity, employers gain as well.

Hence, the effect of welfare spending on the economic development process may be similar, but less direct, in comparison with that of wage compression. As long as welfare spending raises the production capabilities of workers, it also stimulates further modernisation and creation of modern jobs. But is social equality politically feasible?

The political feasibility of social equality

The political process works as a filter that selects among the feasible paths. As production takes place, specific economic and political interests manifest themselves. It is important to understand how the filter may change with the income growth in society and its distribution over the population. Will the filter counteract or reinforce the distributional changes in the economy that growth and modernisation create? Does more equality in the economy induce policies that undermine or strengthen those trends? Clearly, the answers must depend on governance and the degree of inclusiveness of political institutions. Democracy supported by social movements can be an important inclusive institution. Social movements coordinate some of the collective interests in

the population. How does the pre-tax income distribution affect redistributive policies?

Political support of welfare spending

The comprehensive cradle-to-grave welfare state in Scandinavia is based more on universal spending, with benefits going to all citizens, rather than on means testing. Politically the welfare state has benefitted from this feature as it gathered wider support in the population even though universal spending is rather expensive. A targeted programme to the needy would only gather a similar support if one could rely on stable and strong altruism or solidarity in the population.

The insurance aspect of welfare spending extended support also to members of the middle class, who might pay more into the welfare system in the form of taxes than they expect to get out in the form of benefits. All these aspects are also important for implementing social policies in developing countries. Yet, the most pressing question for the implementation of social equality as a development strategy is how the overall support for it is affected by changes in the income distribution and in the trust that people have in the public provider.

To make this statement clear, we must first of all get rid of a common yet misplaced emphasis: the welfare state is not a pure mechanism of redistribution from the rich to the poor. If it were, a huge inequality should generate high support for more welfare spending. The welfare state has never worked as simply as that, which is evident from the observation that, even in the developed world, those countries with the smallest pre-tax income inequality have the largest and most generous welfare states (Barth and Moene 2015). Extending the picture to include developing countries it is even clearer that countries with the most profound inequality before taxes and transfers have almost no welfare arrangements at all (Lindert 2004).

To understand these regularities, we have to note that the welfare state is a potential provider of goods and services that the private sector often cannot supply equally efficiently, including social insurance, health care, and education. These welfare provisions are normal goods in the sense that the political demand for the provisions go up with higher income. The classification of welfare provisions as normal goods can be controversial for reasons that are not so easy to understand; a normal good is simply one of which more is better: people

would prefer to have more of such goods if they had more resources to acquire them.

Public welfare provisions are paid for by taxes. The demand for such provisions by one specific individual therefore depends on how much she earns, in addition to how high the total taxable incomes in the country are. On top come obviously her personal needs and fears – how vulnerable she feels to shocks – but the list also includes her sympathies for others who maybe be worse off. Finally, her demand for public welfare provisions also depends on her trust in the state apparatus and in her local public service provider.

Keeping all other things constant and just raising her income would, I claim, raise her demand for welfare provision. Why? Simply because having a higher income enables her to afford more of the many things that she likes – including those that a welfare state provides, health services, education, pensions, and social insurance for her-self and others. With a lower income, her immediate needs would most likely be so pressing that she would be unable to pay much higher taxes so as to have more welfare provisions.

We have already seen that wage compression in the labour market implies that the majority of workers get higher pay even as the average income goes up. Now comes the political benefit of wage compression: when the majority of the population gets higher incomes via wage compression and structural adjustments, a majority of voters demand higher provisions by the welfare state – as long as those provisions are normal goods.

The political demand for welfare spending goes up both because the tax base (the average wage) increases and because the individual wage to each worker within the majority goes up as well – without necessarily altering the needs and risk that each person is exposed to. So welfare spending becomes higher when inequality (before taxes and transfers) is low, reinforcing the initial wage compression via political adjustments.

Welfare spending is therefore one of the clearest examples of how equality creates support for more equality, which I call political reinforcement. In several connections and with co-authors, I have tried to test this proposition. Our exercises confirm the proposition that wage compression increases welfare spending (see Moene and Wallerstein 2001, 2003; Barth and Moene 2015; Barth *et al.* 2015).

Indeed, this mechanism in Scandinavia seems to be so strong that a generous welfare state is not dependent on a social democratic party being in power. It is rather the other way around: in order to win elections, political parties from across the spectrum have to shift their policies in a social democratic direction as wage compression shifts the political centre of gravity. And, as wages become more compressed both right wing and left wing parties shift their policies towards higher levels of generosity (Barth *et al.* 2015).

No doubt, this is a sunshine story of welfare spending. Can it hold in an unstable developing country where people don't trust the state apparatus, where there perhaps are dishonest and incompetent local providers who never forget themselves in allocating the benefits meant for others? Each of these features poses problems. Yet, they are problems common to all policies to be implemented in a state characterised by fraud, favouritism, and corruption, not only those of social provision. When institutions are extractive in this manner, the institutions need to be changed regardless of which policy one seeks to implement. This is why anti-corruption policies must always be part of any strategy of development – including the strategy of social equality. Let me now return to the narrower issues that are distinctive in a social equality as a development strategy.

Redistribute later – not now?

Some observers insist that development must come first, followed by redistribution and social. They might think that welfare spending is nice, but only after one can afford it. It might be tempting to reason like this. Yet, such logic can be challenged in at least two ways

First of all, it is based on an idea that we can postpone necessary policies of health provision, education, and social insurance until we are affluent. Such a perspective privileges private consumption to an extent that is clearly absurd and might even undermine the ability to earn high private incomes as well.

Second, it is based on the false assertion that becoming rich with a certain income distribution does not affect the ability to redistribute in the future. But economic development creates economic and political interests that tend to sustain the emerging distribution patterns via democratic political processes. This is another aspect of political reinforcement where high inequality generates low support for redistribu-

tive welfare spending (Barth *et al.* 2014). So, postponing the policy can effectively eliminate it altogether.

We have to incorporate the fact that welfare spending is both fuelled by and fuels wage equality via empowering of weak groups in the labour market and via structural change in the economy. The generosity of social policies narrows wage differentials by altering the power between groups in the labour market and the dispersion of productivity in the economy. Both reactions lead to more wage equality. In the next round, higher wage equality raises the political support for a more generous social policy by raising the income of the majority of the electorate.

This complementarity between social spending and earnings is an important example of the mutual dependence between politics and markets. It demonstrates how economic and social equality multiplies due to the complementarity between wage determination and welfare spending. Based on an elaborate model of these processes, Barth and Moene (2015) estimate an equality multiplier of more than 50 per cent, using data for 18 countries over 35 years. Any exogenous change in either welfare spending or wage setting is thus magnified in the long run by 50 per cent by endogenous forces caused by social complementarity. Country comparisons show that the multiplier is highest in countries that start with a low level of welfare spending, like most developing countries today.

The equality multiplier helps explain why almost equally rich countries differ so much in the economic and social equality that they offer their citizens, and why the divide in living standard between rich and poor countries may be widening. The equality multiplier can generate persistence of social policies. This may be good news in the development context, as countries that embark upon social equality as a development strategy may be able to continue with the policy. The equality multiplier creates the conditions for further social improvements even with shifting governments.

Political support of institutions for wage compression

What about the political support for wage restraint and coordinated wage setting? As I have emphasised there can be more than one set of institutions that support wage compression. Let us nevertheless consider the variant that has been most prevalent in Scandinavia.

Who was the egalitarian entrepreneur in Scandinavia? The clearest beneficiaries of the wage restraint – and of social equality more gener-

ally – are of course low paid workers who gain by the increase in demand for their labour power as investments go up. Yet, the lowest wages go up only as long as investments in the most productive technology increase. So the conditions that lead to the highest rise in the lowest wages also must raise the profitability of new investments. Thus it was possible to mobilise employer support for this aspect of social equality. The resulting distributional conflict had an element of ‘the ends against the middle.’

Coming to power in Sweden and Norway, the Social Democratic parties’ key innovation was not the Keynesian crisis policies that were adopted in the 1930s, but rather the institutional response to the problem that threatened the social recovery programme (Moene and Wallerstein 2006). What would keep the increased government spending from raising the wages of insiders in the labour market, rather than increasing employment?

Where unions were militant and sheltered from foreign competition in output markets, higher social spending was more likely to raise wages than employment. Workers in export sectors had to accept large cuts to stem the decline of employment when foreign demand collapsed in the 1930s. In the construction industry, by contrast, workers were highly paid, militant, and sheltered from foreign competition. They did not have to accept large wage cuts to keep their jobs. They also benefited from the increased government spending on housing. Yet, higher construction wages raised the costs also in the export sector, which threatened both jobs and living costs of, for example, metalworkers.

Feeling the global competitive pressure and the threatening social conflict inside the labour movement, the national confederation of unions intervened to force wage agreements for construction workers in line with what workers in other sectors could obtain. The intervention was the initial step in a process of centralisation of authority within the union movement in both Norway and Sweden. It was encouraged and supported by employers, of course, who were more than willing to constrain wages in any sector. And the union movement needed the muscle of the employers’ confederation, which could threaten with lockouts against workers who wanted to break out of wage coordination.

One important lesson is this: to implement a certain policy, one should not only look for support from the most obvious group of

beneficiaries. Observers often claim that social equality is impossible to implement in countries like India and South Africa, because of a large informal sector and a huge labour surplus more generally. Yet, neither the large informal sector of surplus labour, nor the lack of a strong, unified collective organisation of low skilled workers would in principle make social equality development infeasible.

Even though the lowest pay was raised by collective bargaining in Scandinavia, the low wages were set at a level that gave full employment. As long as there are constraints on local bargaining for better paid workers, the same result could have been obtained by competitive market forces in the low end of the wage distribution.

At the lower end of the wage distribution, higher demand for labour is the workers' best friend. The social equality as a development strategy can secure higher demand for low paid workers by constraining the wages of the better paid workers and thus stimulate the process of modernisation through higher investments in modern technologies. As soon as scarcity of these workers is felt, normal market pressures will nudge their pay higher. Clearly this can take time, and delays caused by the initial labour surplus can easily undermine the strategy. The process can be helped by any public programme that increases the demand for low skilled and low paid labour – like the world's largest job guarantee programme, the National Rural Employment Guarantee Scheme (NREGA) in India.

The principal point, however, is that the mechanism of wage compression can work also in the case where low paid workers are not represented by any comprehensive organisation that has the power to negotiate higher wages. It can be implemented by wage constraints on the higher paid workers, increasing the profits from modern job creation and thus leading to the creation of more modern jobs. In turn, this job creation also leads to higher demand for the low skilled and then to a rise in the lowest wages. Thus holding back the wages of the middle class, can raise the wages of the poor – even when the poor do not have a common interest organisation that directly influences their wages. Yet, the strength of this mechanism may depend on local contexts and needs to be studied more systematically around the world.

Even though it would be easier for the poor if they were organised and acted collectively, it is not decisive for the mechanism of social

equality to work. Neither is it logically decisive whether low skilled workers are employed in informal enterprises, or not. What really matters is how fast the labour surplus can be absorbed by new investments that have been stimulated by wage restraint. The real problem here is therefore more political than economic feasibility. If it takes long before the labour surplus is absorbed, the quest for wage moderation in the name of solidarity with low paid (informal sector) workers may be seen as misplaced.

Concluding remarks on a viable equality

To appreciate the Scandinavian achievements, we have to recall that the economies that the Scandinavian social democrats inherited in the 1930s were far from affluent. There was open unemployment in the cities and disguised unemployment in the countryside. Around half of the population lived in sparsely populated areas where most made a living from farming and fishing. The real per capita GDP of Sweden and Norway was below the current real per capita GDP of the low middle-income countries today; a majority of citizens in Scandinavia became rich under the Scandinavian model of governance, not before.

Scandinavian social democrats released an impressive development path of modernisation and structural change. Over a period of more than 80 years, economic growth has been at least on par with that in the United States, but with much more social involvement and egalitarian distribution of the proceeds. As the system evolved, the earnings distribution became more and more compressed. The low wage inequality and the increasing mean level have also induced more egalitarian policies of health, education, and social insurance against income loss and old age.

Throughout, social equality has been sustained by external pressure on internal behaviour. Global economic competition on the outside has led to local cooperation on the inside where the division line is the border of the nation state. In larger countries a similar distinction between external and internal could be placed at a lower level than the entire nation. The resulting egalitarian practises and policies have had clear effects on the private sector as well. Policies that make workers more healthy and capable also raise profits from modern technology – and capitalists naturally respond by investing more in it. When this is the

case, technology becomes less dispersed, reinforcing the initial impact of the egalitarian policy. Some equality creates more.

As a result, the Scandinavian countries now have the most modern economies with the smallest wage differentials, the most generous welfare states, and highest employment rates in the world. Like most countries, the Scandinavian countries have recently experienced raising wage inequality, but the magnitudes are smaller and the level of wage inequality in Scandinavia is still comparatively low.

In this essay, I have asked whether lessons from the small open economies in Scandinavia have any relevance for larger developing economies that are not so open to foreign competition. As a minimum, the Scandinavian experience might be worth considering simply because it demonstrates how the strategy of social equality has been used to buttress global economic competitiveness. Contrary to the expectations of many skeptics, social equality has not been a drag on development and efficiency. When global competition can direct the main institutions and policies in a more collaborative and egalitarian direction in economies that are so directly exposed to competition in the world market, it must be economically feasible to use a similar strategy in larger economies where more of the activities are primarily exposed to domestic competition.

Can a similar egalitarian path to affluence be repeated politically in developing countries today? Like social democracy, social equality as a development strategy is based on evolution, not intelligent design. It is not a set of ready-made political and economic formulas. It is participatory democracy enriched by social organisations, based on a search for political and economic development paths that can be implemented democratically by benefitting the great majority in society. Political feasibility has to do with whether or not it is possible to implement the egalitarian policy by some sort of majority support.

Feasibility is in fact the first cousin to what Daron Acemoglu and James Robinson, in *Why Nations Fail* (2012), describe as inclusive institutions:

while economic institutions are critical for determining whether a country is poor or prosperous, it is politics and political institutions that determine what economic institutions a country has... . Inclusive economic institutions...are those that allow and encourage participa-

tion by the great mass of people in economic activities that make best use of their talents and skills and that enable individuals to make the choices they wish.

In his positive review of their book, Jared Diamond (2012) emphasizes that this is exactly what Scandinavia has done: ‘the ultimate development of inclusive political institutions to date is in modern Scandinavian democracies with universal suffrage and relatively egalitarian societies’.

Clearly, nobody can follow exactly the same road. Each country must find its own way to combine market efficiency and social equality. It is reassuring, however, that the many skeptics who from the start have doubted the long-run economic and political feasibility of social equality by now have been proven wrong. Some critics claimed that social victories would be continually eroded by market forces, others that market forces would steadily be eroded by social reform. Neither was right.

The Scandinavian experience demonstrates that social equality is not an alternative to market orientation. On the contrary, markets and social reforms are complements in the sense that all major interests can benefit from reforms implemented in market economies. Markets function better when the outcomes are shared fairly, and reforms work better when they are constrained by market competition.

Thus, social equality as a development strategy combines the aspirations of the majority of the working population and the private interests of the capitalists. It creates socially beneficial incentives for the allocation of capital without challenging capitalist ownership per se, and it creates socially beneficial incentives for work and export orientation without challenging union control. In this sense, social democracy combines functional worker security, functional market orientation, and functional development.

Author's note

This chapter is based on ongoing research at the Center of Equality, Social Organization, and Performance (ESOP) at the University of Oslo. I am grateful for comments by Jan Terje Faarlund, and for comments, suggestions and extremely careful editing by John Harriss and Olle Törnquist.

Democratic Development in India: Reflections on Problems and Prospects

By Pranab Bardhan

Joan Robinson, the Cambridge economist, is reported to have said famously that, whatever you can say about India, the opposite is also true. This large, diverse, and complex country defies generalisations. Yet, as a social scientist trying to get a grip on a broad understanding of the Indian reality, one has to search for some central tendencies in the statistical sense, while remaining fully aware that there will be many outlier observations. In this spirit, this chapter engages in some general reflections on the broad patterns and trends in democratic and inclusive economic development in India, with no aspiration to be comprehensive. We start with brief comments on the nature of Indian democracy and India's economic growth fundamentals, thus defining some of the parameters of democratic development. Then we dwell on the structural obstacles on the path to inclusive – social-democratic in a minimal sense – development, and we end with a discussion of the alternative approaches to social welfare and redistributive policies in India.

The nature of Indian democracy

Let us start with some comments on the nature of Indian democracy. We shall keep in mind three essential ingredients of democracy: (a) electoral representation and political competition; (b) some procedures of accountability; and (c) some basic human rights.

Elections are impressively vigorous in India, with a high participation of the poor in a 'festival' of democracy. But even in the most recent national election, concluded in May 2014, which was unusually aggregative and presidential, signs of extreme political fragmentation remained. There were still 36 political parties with at least one seat in Parliament, and the vote share of various regional parties still remained high. Then

again, while political competition among parties is intense, the parties themselves are often not internally democratic. Elections have also become very expensive, with murky financing and no limits or proper auditing of the use of party funds. The average wealth of elected politicians keeps rising significantly, along with the large corporate donations with some expected quid pro quo. This raises the barriers to political entry and corrupts the political process. Also, the proportion of elected politicians with a criminal background remains substantial – criminals with command over financial and organisational resources have a particular advantage in electoral mobilisation; they are also more credible in providing local protection and assistance services.

In institutions and procedures of accountability, India has a rather mixed record. The rule of law is quite erratic; many politicians and businessmen violate the spirit and the letter of the law, often with impunity. The hankering for strong leaders that many sections of the population have demonstrated in recent days is also not healthy for fostering institutions of accountability. The courts are clogged and occasionally corrupt, particularly at the lower levels. Police and bureaucracy are often subservient to the ruling party (particularly on account of political manipulation of the mechanisms of transfers and promotions). There are, however, some effective and (largely) independent checks on the executive by the higher courts, including the Comptroller and Auditor General, the Central Vigilance Commission, Election Commission, and others. The media are active and technically 'free', but the influence of corporate ownership and of public and private advertisements are substantial and potentially pernicious. The constitutionally stipulated devolution of power, and finances in particular, from the state governments to elected municipal bodies and rural panchayats has so far been extremely limited in most parts of India. Local democracy is thus rather weak and captured, even in otherwise well-governed states like Tamil Nadu and Gujarat.

India does not have a very bright record in basic individual human rights. Liberal values with respect to individual rights are not deeply embedded in Indian democracy. There is a premium on group rights rather than individual rights. An individual's freedom of expression (in speech, books, films, art, and so on) is often violated egregiously, if there is even a remote sense that it might potentially offend some group sensibility.

In parts of the country, basic human rights are in permanent suspension in the name of fighting rebels and 'terrorists'. There is, however, an active civil society that tries to bring some of the grossest abuses to public attention.

Economic growth and the prospects for inclusive development

What are the problems and prospects for inclusive development under such a vigorous but flawed democracy? The economic growth fundamentals in India are potentially quite strong:

- (a) Domestic saving and investment rates are relatively high for a poor country.
- (b) After the opening of the Indian economy, the alacrity with which a part of the hitherto protected Indian business community adapted to the demands of global competition and thrived suggests a remarkable resilience.
- (c) There are signs of a vigorous entrepreneurial spirit in all corners of the economy, rejuvenated by the infusion of business entries from hitherto subordinate castes (like some of the peasant castes of south and west India).
- (d) The majority of the population is quite young, thus offering the potential of a large and productive young work force.
- (e) With better transport and communication (particularly the remarkably fast spread of mobile phones), connectivity is increasing in a way that is likely to speed up enhancement of productivity.

But there are major structural and institutional problems blocking the full realization of these strong growth fundamentals:

- (a) The physical infrastructure (roads, electricity, ports, railways, etc.) is weak. Public budgets laden with heavy subsidies, salaries, and debt servicing have very little left for infrastructure investment, leading to increasing frequency of public-private partnerships on infrastructure. But these have often been saddled with problems of mismanagement, too high debt-equity ratios, opportunistic renegotiation, non-transparent regulations, and corruption. In addition, caught in the crossfire between corporate lobbies on the one hand and social activists and judiciary on the other, official land and environmental clearances for infrastructure projects have become extremely slow,

non-transparent or erratic (lurching from one side to the other) in recent years.¹

- (b) Secondary education is a minimum qualification for many good non-farm jobs, and yet the children from poor families overwhelmingly drop out before entering or completing secondary school, on account of economic and, particularly in the case of girls, also social compulsions.
- (c) The average quality of school and college education is not sufficient to develop employable skills for many jobs, including some manual factory work. The provisions for vocational training and skill formation along with connections with potential employers, particularly for rural youths, are extremely deficient. In a so-called 'labour-surplus' country, there is now a serious shortage of employable labour in factories and other enterprises.
- (d) Despite all the economic growth of recent years, a major social and organisational failure, almost at a disastrous level, over many decades has been in matters of public health and sanitation, where India lags behind even some African countries.² Poor public health and sanitation continue to keep the Indian disease burden high and productivity of workers low.
- (e) Environmental degradation has been a major drag on net economic growth. The latest United Nations Development Programme (UNDP) *Human Development Report* observes that the annual depletion in natural resources (depreciation of 'natural' capital) in India as proportion of national income (conventionally measured) is nearing five per cent per year (not substantially lower than the cur-

-
- 1. The BJP-led government that came to power in 2014 is trying to scuttle some provisions in the previous government's Land Acquisition Act, notably those requiring consent of the local population and a social impact assessment prior to the launch of a project. Although it has faced considerable opposition, the government has already watered down some of the requirements in environmental clearance of projects in actual implementation of policy, not through legislation.
 - 2. According to the *Human Development Report* of the UNDP, the deaths of children under age five due to unsafe water, unimproved sanitation or poor hygiene per hundred thousand children numbered 316 in India in 2004, whereas there were 255 in Sudan, 256 in Zimbabwe and 286 in Gambia.

rent growth rate in national income), compared to 3.6 per cent for Brazil and 0.1 per cent for Costa Rica.³

All of the above – infrastructure, education, public health and sanitation, the environment – involve the governance effectiveness issue with respect to delivery of key public goods and services, which is rather low in India and, of course, varies a great deal between different states in India. A recent ranking, by Mundle *et al.* (2012), of 17 major Indian states in terms of a composite score for quality of governance (taking into account delivery of infrastructure, social and judicial services, fiscal performance, law and order, and quality of legislators) suggests, unsurprisingly, that the six states that occupy the top ranks, across alternative rules of weighting the different indices, are: Andhra Pradesh, Gujarat, Haryana, Kerala, Punjab, and Tamil Nadu. The bottom ranks are largely occupied by seven states: Assam, Bihar, Jharkhand, Madhya Pradesh, Uttar Pradesh, and West Bengal.

Governance ineffectiveness is often regarded as a lack of state capacity, which many point to as India's major failing. While it is true that the bureaucracy is often inept, or corrupt, or simply truant (see Chapter Six), it is equally important to keep in mind that state capacity is sometimes weak not necessarily because of a dearth of capable people, but because of a systemic impasse.

Extraordinary state capacity may be observed in some episodic matters, for example in organising the complex logistics of the world's largest election, the world's second-largest census, and some of the world's largest religious festivals. But extraordinarily poor state capacity is displayed, for example, in some regular and essential activities like cost-effective pricing and distribution of electricity – the key input for the economy. Chronic under-recovery of costs, erratic supply, and anaemic investment in electricity are caused not so much by an inherent lack of administrative capacity, but more by factors relating to complicity in a sinister political nexus, populist pressures, and outright theft. Similarly, much of the police and bureaucracy are highly politicised and often deliberately incapacitated. Corruption in India is often more dysfunctional than, say, in the more politically centralised countries of East Asia, primarily because it is fragmented and with no encompassing centralising

3. Muthukumara Mani (2014) estimates that, in 2009, the cost of environmental degradation in India came to five-point-seven per cent of its GDP.

entity that could internalise the distortions ('negative externalities') of each act of corruption.⁴

The apparent lack of state capacity may be more a symptom of the underlying difficulty of organising collective action (or collectively working out a 'social pact') in India, a problem exacerbated by the country's large heterogeneous population, fragmented polity, and extreme social and economic inequality. In such a context, commitments on the part of the state are often not credible, anticipating that different interest and identity groups settle for short run patronage and subsidies.⁵

Challenges of economic governance

I presume that, for the foreseeable future in India, there is not much alternative to an essentially capitalist production framework, for all its inequality and instability and alienation and despoliation. With the entry of many historically 'backward' castes into business (including some of the traditional peasant castes), the legitimacy of capitalism is socially now more broadly based. In any case, most alternative, theoretically better production systems have yet to show their long run viability (in a world of continuous innovations) for a large enough scale. (This is not to ignore sporadic and localised cases of success of cooperatives, worker-run enterprises and self-help groups). So we may have no alternative but to concentrate on ways of regulating and humanising capitalism and keeping its excesses in check. The latter has become particularly important as, all over the world, progress in technology and globalisation has privileged mobile capital and weakened the countervailing power of labour.

In recent years, as prices of land and other natural resources have gone up in many developing countries, there has been some tension between entrepreneurial and rentier capitalism. In almost all parts of India, the politician-real-estate-tycoon-builder-contractor nexus is often seriously interfering with the regulatory and service delivery functions of the state, which are essential for a capitalist democracy.

A special feature of the Indian economy, even more than other developing economies, is that much of it is informal, with petty production at

4. For an analytical discussion of this issue, see Bardhan (2005), Chapter Eight.

5. This is related to the main theme in the analysis of India's political economy presented for example in Bardhan (1984).

extremely low levels of productivity being the dominant mode. In many sectors a capitalist way of organising production will improve productivity (and thus the surplus for potential redistribution). The main producer needs here are for adequate provision of credit, marketing, insurance, infrastructure, and connectivity for small and medium enterprises. The large part of the informal sector is crowded by people who have nowhere else to go (they are often refugees from agrarian or ecological distress). A small relatively successful part of the informal economy is linked in a supplier network with formal capitalist firms and markets. The main economic governance challenges in the production sphere will be to:

- (a) Develop a regulatory framework that can transparently maintain competition among firms on a level playing field, along with provision of public infrastructural and extension services to the disadvantaged firms;
- (b) Promote skill formation on a war footing and create opportunities for productive but labour-intensive activities to absorb the million-plus entry every month into the non-farm labour force;
- (c) Foster democratic control in workplaces/factories (an issue in which Left trade unions have shown remarkably little interest);
- (d) Encourage democratic participation in preservation and management of the local commons;
- (e) Strive through deliberative processes (in platforms like political parties where multiple interest groups are represented, not just through public action by single-interest NGOs) to find a healthy balance between the need for creating more productive non-farm jobs on the one hand and that for sustaining the environment (and ancestral tribal rights) on the other;
- (f) Resist, through democratic popular movements and representations, the continuous oligarchic pressure in influencing policy decisions.

Towards a partial social democratic resolution

Let us turn finally to the question of harnessing of the capitalist surplus for a minimum social welfare state. Alternative approaches have been under discussion in public debates in India.

One can think, for example, of a minimum basket of social protection policies. Such a basket should, at least, contain a minimum safety net; there

is a general consensus in India on its need, though not on its individual ingredients. In my judgment this should consist of: (a) an 'employment guarantee' on public works, both rural and urban; (b) unconditional transfers to pre-school children, as well as the elderly and disabled; (c) public sanitation and clean drinking water for all; and (d) universal primary health care.

Of course, in a country with massive poverty and low tax-GDP ratio, even such a minimum basket will require a significant expansion in revenue. This may be achieved partly by slashing the large (explicit and implicit) subsidies that currently go to the better-off (amounting, by some estimates, to about nine per cent of the GDP), partly by widening the tax base and streamlining a unified tax structure (say, through the long-postponed goods and services tax) and closing the many loopholes in the tax net (including the one enabling the current routing of Indian funds through the Mauritius tax haven), and partly by intensifying taxes on land and real estate and all capital gains, and reintroducing the inheritance tax (which was abolished in the 1980s).

For many years in India the political Default Redistributive Option has been the quota or 'reservation' approach for 'backward' groups, which is popular but actually highly problematic, if one analyses the issues involved. Compared to other budgetary transfers, politicians find quotas to be relatively 'costless', but the long-run costs can be heavy.

- (a) It is a static approach, enhancing the incentive for groups to remain backward.
- (b) There is a frantic race (even among some 'dominant castes') to be officially declared as 'backward.'
- (c) Like the 'infant-industry argument for temporary protection' of handicapped production lines, quotas are seriously afflicted by 'time-inconsistency' (that is, when the originally stipulated temporary period is over, it tends to be prolonged indefinitely); the 'infant' never grows up.
- (d) The focus on historical handicap of some groups can sometimes drown the need for individual responsibility for efforts or initiative.
- (e) In any case, large numbers of the children of the poorest backward groups drop out of school before they can meet the minimum requirements for the reserved quota of jobs in the public sector.

- (f) There is also inequity involved in transfer of resources/jobs to a small elite of some historically backward groups, paid not by the general taxpayer, but by sometimes poor but equally qualified members of historically forward groups.

Instead, the emphasis should be on providing scarce credit, free education (including remedial education in particular), and other facilities especially to young people from backward groups, compensating for historical handicaps, but leaving adults in higher education and job markets relatively open to competition. I am somewhat less opposed to 'political reservation' (like seats for disadvantaged groups in panchayats and municipalities) where the arguments for affirmative action in terms of 'role models' and nurturing of confidence-boosting in public arena are more important.

There has also been some debate on the question of targeted versus universal welfare programmes. Targeted programmes are supposedly more cost-effective, whereas universal welfare programmes may sometimes be unaffordable. On the other hand:

- (a) Cost-effectiveness of targeted programmes is largely marred by the governance issues relating to administering and identifying the beneficiaries: BPL (below-poverty-line) cards, for example, go to the non-poor in large numbers and many genuinely poor are left out. The electronic or biometric 'unique identification' of citizens will not solve the acute problem of means testing in India.
- (b) In the often politically arbitrary selection of beneficiaries, clientelism thrives.
- (c) Targeted programmes often collapse because of a lack of political support from middle and upper classes, whereas some universal social insurance policies against common risks could have a better political chance.

One general universal approach has been the 'rights-based' approach, popular with social activists and Supreme Court judges. At the minimum, it serves to raise consciousness among the poor and the vulnerable about their entitlements, that they are not mere supplicants to the politicians and bureaucrats, that if the latter fail, there is access to courts to enforce these rights – public interest litigation and court injunctions on these matters, stretching the interpretation of the constitutional

'right to life', have attracted a great deal of attention. But there are some problems and limitations to this approach:

- (a) If the delivery structure for implementing some of these rights remains as weak and corrupt as it is now, mere promulgation of rights will remain hollow and will, after a point, generate a great deal of cynicism.
- (b) In many countries, big changes in social provisioning of mass education or health care have been implemented in the context of large social movements interacting with an energised state. In contrast, in India (particularly north India) the last decade's implementation of these rights has been largely foisted from above upon an unmotivated and unreformed public administration (particularly by the initiative of a well-meaning, now extinct, National Advisory Council). Until recently, there have remained mainly centrally sponsored schemes with little 'ownership' by the states in most (though not all) cases. The current regime is trying to transfer funds and responsibilities on these matters to the state governments.
- (c) As for public litigation, the Indian public arena is already littered with hundreds of unenforced or spasmodically enforced court injunctions, and there is some danger of the proliferating judicial activism in ending up, for all its good intentions, in undermining the credibility and legitimacy of the judiciary itself.
- (d) The domain of rights and the metric of their implementation need to be better-defined. Take the example of the already enacted right to education. The Right to Education Act does very little for the incentive and accountability problems behind the poor quality of education services actually provided in government schools (that drives children to private schools even though teachers there are on an average less qualified and less well-paid) or about the negligence with which the new poor students foisted on the private schools are likely to be treated, without a proper *ex post* quality evaluation of schools in place, or the remedial education that the poor-performing children (at private or government schools) and the school dropouts desperately need.

Finally, in connection with the discussion on universal welfare programmes it may be important to keep in mind some political lessons

from the last (2014) national election. It is indeed remarkable that after ten years of the previous regime, during which poverty reduction and growth of rural real wages were substantial along with an unprecedented expansion of rights-based welfare measures, yet the ruling coalition was rendered a crushing defeat.⁶ The same thing happened earlier in the elections, say, in the state of Rajasthan, where welfare schemes worked reasonably well. No matter how one feels about the new regime, one should pay serious attention to some putative messages from the electorate that are relevant to our discussion, or to some slogans that, rightly or wrongly, are perceived to have resonated with the electorate:

- (a) Let's move from 'doles' to 'opportunities.' The winning party seems to have succeeded in focusing young people's aspirations towards jobs and away from welfare programmes. With the ongoing large demographic change in favour of working-age groups and more urbanisation, this may become an increasingly vocal aspirational sign. This suggests the prime need for labour intensive industrialisation, in which Indian economic growth (including in the supposedly 'model' State of Gujarat) has been particularly deficient. It also possibly gives some scope for directing attention politically towards some goals of equality of opportunity, particularly with respect to education and skill formation.
- (b) Let's go beyond the National Rural Employment Guarantee Act. As the young population in upwardly mobile families, even in rural areas, gets more educated or at least semi-educated, they want good formal-sector jobs, not manual work such as breaking stones or with *ad hoc* government relief projects. But there is a big gulf between aspiration and reality. In 2011–12, regular formal-sector jobs were 7.5 per cent of all employment. More than 90 per cent of jobs are casual, informal, or characterised by stark livelihood uncertainties. (These insecurities and vulnerabilities, apart from the dislocations and frictions of markets and urbanisation, and the need for self-assertion by upwardly mobile groups, sometimes drive even young people to seek anchor in religious movements and cults, or be susceptible to

6. It is possible that, even when voters initially welcome an anti-poverty programme, they ultimately get disappointed with the initiating political party, as their expectations grow and as the various deficiencies in the implementation of the programme loom large in their eyes.

cultural-nationalist demagoguery that provides at least temporary uplift.)

- (c) Let's move from clientelism or selective patronage for BPL households to more broad based programmes, particularly to provision of public goods (like electricity, water and roads which the Gujarat Government is reported to have succeeded in providing to the majority of people in the state).
- (d) Similarly, let's move from targeted to universal programmes. This gives scope for moving away from providing subsidised foodgrains for a target population through an enormously wasteful and corrupt public procurement, warehousing, and distribution programme or away from ensuring job security for a small number of organised workers (which the trade unions usually agitate for), to expanding job and income opportunities for everyone, and to universal 'citizen rights' (such as health, education, and housing) applicable not just to the formal sector workers but also to the vast numbers in the informal sector, and sufficiently portable for the large migrant population. The time may be ripe for pushing universal programmes like universal unemployment insurance (at least in the urban sector, to start with), universal (preferably single-payer) health care, pensions for all old people including informal workers, rainfall insurance for all farmers in the agricultural sector, etc. Such universal programmes may enlist the support of a broader alliance of the poor and large numbers of the not-so-poor.

In view of the new aspirations expressed in electoral verdicts, the time has come to rethink and redesign a whole set of welfare policies. Overall, fostering even a minimum of social-democratic and inclusive development in India is no doubt an uphill task, but it remains within the realm of possibilities, with appropriate policies and institutions, accountability mechanisms, influenced and monitored by social movements with mass democratic participation, while taking care to avoid easy populist solutions that harm long term, pro-poor investments.



Courtesy of the Labour Movement Archives and Library, Sweden

Informal sector labourers are crucial in rethinking social democratic development. *Above:* domestic workers march in Stockholm the 1930s, demanding that regulations regarding eight-hour workdays should apply to them, too.

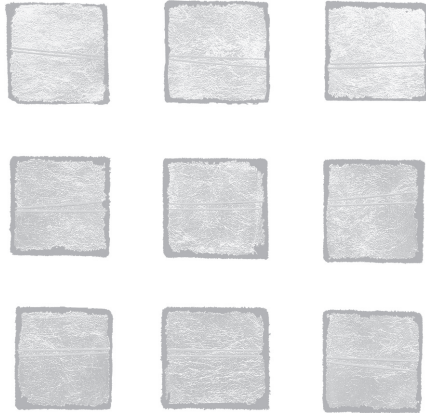
Below: the Kerala State Minister of Finance and initiator of the People's Planning Campaign, Dr T.M. Thomas Isaac, is shown with the leaders of a factory run by women for women.



Courtesy of Dr T.M. Thomas Isaac

PART SEVEN

CONCLUSIONS





Screenshot from the documentary *Palme*, part 1, Swedish Television, 2012

Sweden's then-minister of education, Olof Palme, joins North Vietnamese diplomats in a demonstration against the American war in Vietnam. The march took place in Stockholm on 21 February 1968, during the Tet offensive. As a result, the United States withdrew its Ambassador to Sweden.

Implications for Scandinavian Social Democracy and International Cooperation

By Olle Törnquist

In this chapter, we return from India and the Global South to Scandinavia, and examine current thinking about how Scandinavian social democracy itself is affected by uneven development in the context of globalisation. Such questions are of course of great importance for Scandinavians, but Indian and other scholars and activists who are part of the same global arena may also like to consider the northern dynamics where social democracy retains some strength, and especially their implications for international cooperation between like-minded partners. So, have Scandinavian benefits from globalisation enabled it to avoid the problems of countries such as India and build 'social democracy in one country'? Or, does rapid and uneven development in the South present severe challenges for social democratic development in Scandinavia too, thus, perhaps calling for North-South cooperation beyond altruistic solidarity and focused rather on genuine development in both arenas? In addressing these issues, we focus attention on the four dimensions of such development identified in Chapter One. It appears that the main strategy has been to manage global challenges by trying to retain the Scandinavian model, and to contribute support for the needy while benefitting from the expansion of the market in the context of uneven development in the South. However, while this roadmap has been quite successful in Norway, there are also problems, especially in Sweden; these in turn have given rise to ideas of mutually beneficial cooperation between social democrats in the North and the South.

Times are changing

The original Scandinavian model¹ had two international pillars. One was the capacity to implement nationally independent policies towards democratic and inclusive development, which called for the broadest possible international support. Most famously, during the Cold War, this included engagement in favour of all countries' (including the colonies') rights to national independence and to develop radical reforms. Not being part of the North Atlantic Treaty Organization (NATO), Sweden was in the forefront, governed by Social Democrats like Olof Palme, but similar positions were widespread in Norway as well. The second pillar was successful export industries. Theoretically, export promotion did not undermine the first principle of genuine national independence – given that the independent countries could develop their own social and economic policies and thus withstand negative business interests. Besides, Scandinavian export industries were rarely involved in the developing countries where progressive development was at stake. And where they were, as in South Africa, Scandinavian Social Democrats were among those who took a clear stand in support of the first pillar, including by way of boycotts and concerted support of partners and leaders like Nelson Mandela.

But times are changing. Many of the leaders of countries in the South whose rights Scandinavia supported did not manage to combine democratisation and inclusive development. By implication, social democrats around the globe were put on the defensive and two counterarguments gained ground. One was that primacy has to be given to the establishment of liberal democracy ahead of improved structural conditions, rather than as part of fostering them; the second that it is necessary to embrace market-driven globalisation of production and finance.

From the late seventies, Scandinavia too had to consider globalisation. Free international trade of ready-made products was nothing new and problematic. However, the mobility of capital was deregulated, which caused a series of crises. By now, international agreements concern not only trade, but also investment and other freedoms for business, which severely reduces the scope for meaning-

1. The frequent notion of a 'Nordic model,' as well as a 'Norwegian' and 'Swedish model,' in the discussion analysed in this chapter has been adjusted to the standard formulation in this book: the Scandinavian model.

ful democratic politics about, for example, employment conditions, welfare policies, and development priorities (cf. Gustavsson and Lindberg 2015). Similarly, relocation of production in low-wage sectors such as textiles, garments and even 'old' mechanical industries like shipbuilding to other countries could often be compensated by structural reforms that urge a country's economy towards better paid jobs in more advanced industries and by social safety nets that protect displaced citizens in the interim, at least as long as there was sufficient demand for machines and technical solutions from the factories and shipyards that were relocated to low-wage countries. But this demand has by now fallen, and it has become more difficult to compensate for the effects of global commodity chains. These effects come with the technological revolution of electronic communication and transport that enabled outsourcing of parts of production and services in previously unified factories and other businesses to sites where the bargaining power of labour is weak, concern for and marketisation of environmental destruction is low, and governments and citizens alike have low expectations regarding government responsibility – not to mention capability – to provide social benefits. It is certainly true that new jobs are created in countries like India, but, as this book has discussed at length, development is uneven. In addition, it is difficult to deal with the mobility of labourers who are paid well below collective agreements in Scandinavian host countries.

Social democrats riding the bull

So what has been the reaction of Scandinavian social democrats to these challenges? Generally, globalisation in terms of freedoms has been welcomed even as it has generated concern regarding the reduced room of manoeuvre for democratic national politics, the weakening bargaining power of labour, the loss of jobs in industrial sectors, and the high profits from financial speculation. The reason for the support in spite of all the problems is that rejection of globalisation of production and finance has not been an option, given Scandinavia's fundamental dependence on exporting. Rather, the argument has been that if structural adjustment is handled by efficient social democratic governance, globalisation can be made favourable to everyone. But to what extent has this been possible?

Norway in the saddle

Norway has done well. Growth has been substantial, wages have increased, and unemployment is low (NOU 2015: 56; St.meld. nr. 12 2012–2013: 7). How has this been possible? The country has imported increasingly cheap garments and the like, protected its agrarian sector and the privileged fishing waters, and successfully exported oil and other products. For example, in 2005 alone, on average, each Norwegian gained 2,826 kroner from the favourable terms of trade.² This has facilitated restructuring of the economy and moving up on the ‘value added ladder.’ Much of the oil revenue has been set aside in a separate fund for investments outside Norway, to avoid the ‘Dutch disease.’³ Yet, there have also been sufficient resources to provide additional jobs, thanks to public investments, including in the public sector itself. The latter delivers increasingly extensive welfare and social services, which are sufficiently well run to withstand calls for extensive privatisation. In addition, comparatively effective public regulation has made financial speculation less problematic than elsewhere. However, most importantly – although predictably overlooked in *The Economist’s* celebratory review of the Nordics (*The Economist* 2013) – these successes are mainly due to the legacy of social democratic governance (Mehlum *et al.* 2012; Dølvik *et al.* 2014; Baldersheim 2015) which, compared to Sweden, has remained intact.⁴ Norway signed up to the European Economic Agreement (EEA) on freedom of trade, capital, and labour, but it has retained more of its political room of manoeuvre by remaining outside the European Union (EU). Private capital remains weaker than in Sweden. The state is in control of natural resource management – even if normal business considerations apply – and has retained some ability to regulate the financial sector. Priorities have shifted between bourgeois and Social Democrat-led governments, but even the neoliberal nationalist, right-wing party often advocates for better public services, at least for ‘proper

-
2. The distribution of these gains is of course another matter. Calculations based on the terms of trade in 1980 (Steindal 2006).
 3. The negative effects of sharp inflow of foreign currency (in this case based on oil reserves) that increases the value of the currency and reduces the competitiveness of other export products.
 4. Stein Reegård, chief economist of the Norwegian Confederation of Trade Unions, personal communication (Oslo, 27 October 2015).

national citizens', however defined. Most importantly, crucial interests remain represented in governance and can be negotiated through the system of social corporatism. Thus, the ability to negotiate wages in the context of national economic performance and interests also remains intact (cf. Brandal and Bratberg 2015).

However, one implication of this success is national self-importance and, as leading Social Democrats acknowledge, limited interest in reforming the uneven development in the Global South.⁵ Even the Social Democrat-commissioned project on the future of the Scandinavian model (NorMod) paid remarkably little attention to the implications of uneven development in countries like India (Dølvik *et al.* 2014). The recent Social Democrat-led governments were certainly happy to communicate ideas drawn from their model to progressive governments such as in Brazil at the time; and support for human rights, as well as the strengthening of popular organisations, continues to be publicly financed through Norwegian trade unions and civil society organisations. But the main focus of the Norwegian governments, irrespective of the ruling party, has been to subordinate the priorities of development cooperation to the leadership of the Ministry of Foreign Affairs and to promote good international relations, such as through high profile peace negotiations, so as to foster favourable trade and investments – including those made by Norway's huge petroleum fund (cf. Stokke 2012). These policies are primarily considering and adjusting to the uneven development in the most dynamic parts of the Global South, such as China, India, Indonesia, and countries opening up for 'good business' like Burma. Moreover, prime attention is given to (supposedly) stable states through cooperation with 'enlightened' rulers – not to supporting efforts at social democratic reforms, as even the soft spoken Aung San Suu Kyi has pointed out (Norwegian Burma Committee 2015). Quests for change have been limited to improved rule of law and related human rights, and to anti-corruption measures to foster stability, business, and peaceful industrial relations. In addition, efforts were made by the recent

5. Stein Reegård, chief economist of the Norwegian Confederation of Trade Unions, and Jan-Erik Støstad, former state secretary to the Norwegian Minister of Labour and Social Inclusion; Secretary General SAMAK, Joint Committee of the Nordic Social Democratic Labour Movement; personal communication (Oslo, 29 October 2015).

red-green governments to improve the codes of conduct for Norwegian companies and their local partners, as well as to foster decent work conditions in cooperation with the International Labour Organization (ILO) (Government of Norway 2009). This has also been in the interest of companies catering to the Norwegian market, as customers are increasingly supportive of 'fair trade' and reasonable conditions for the workers involved. Similar principles apply to the environment and climate. The essence is to reduce Norwegian footprints by stipulating codes of conduct for Norwegian companies and their partners, and by paying local governments for abstaining from environmentally destructive activities. However, this is while Norway itself has become rich from providing fossil fuel. And, despite its proclaimed interest in, for example, protecting rainforests, the Norwegian government has paid little attention to structural measures that would enhance the prospects of furthering these interests. Hence, it is perhaps not surprising that the idea of using parts of the huge Norwegian oil fund⁶ to foster inclusive development in the Global South remains a non-starter. According to Kalle Moene: 'Norway didn't pass the test when I made this proposal several years ago, and I don't think priorities have changed.'⁷ The main problems related to globalisation, for Norway, seem rather to be financial volatility, shrinking markets in Southern Europe, and the free entry into Norway of low paid labourers in the context of the EEA treaty that undermines hard-won collective agreements and employment relations (Freeman 2013; Dølvik *et al.* 2014; LO Norge 2015).⁸ One attempt to counter workers' reduced bargaining power is the government-supported engagement of the trade unions to foster tripartite cooperation towards better work conditions and unionisation among Eastern European workers (Norway Grants 2015). As indicated by Jonas Gahr Støre (2012), who has served both as Norway's minister of foreign affairs and as Social Democratic Party leader, such elements in the Scandinavian model could certainly

6. This fund currently is valued at more than US\$850 billion. See <https://www.nbim.no/>.

7. Kalle Moene, Professor of Economics; Director, Centre for the Study of Equality, Social Organization and Performance; University of Oslo; personal communication (Oslo, 4 November 2015).

8. Stein Reegård, chief economist of the Norwegian Confederation of Trade Unions, personal communication (Oslo, 27 October 2015).

be fostered in other contexts, too. But remarkably, almost nothing of this wider context was considered in the declaration of The Nordic Workers' Congress in 2014 on 'political challenges and possibilities in the Nordic countries towards 2030' (SAMAK 2014). Vital interest in social democracy beyond Norway itself seems to require that, for example, production of environmentally-friendly technologies for ordinary people in the Global South becomes more profitable than overseas investments in the context of uneven development and oil exploration at home. It remains to be seen if reduced profitability of the latter can alter priorities.

Sweden thrown from the saddle

Having explained under what extraordinary conditions 'social democracy in one country' may be feasible, as in Norway, we turn to Sweden, which is more typical of countries in the Global North. Sweden is short of oil revenues, it has primarily relied on export-oriented manufacturing industry, it is a member of the conservative and neoliberal-oriented European Union, and its private capital is stronger – not just economically, but also politically and ideologically. Moreover, the recent summary of the global trends and issues at stake in Sweden until 2025, by an internal think tank with the Ministry for Foreign Affairs, argues that the relocation of industry to the Global South, as well as rapid technological development there, remain likely to exacerbate existing Swedish challenges: rising unemployment, problems of structural adjustment, increasing class differences, and pressure on the public welfare system. This in turn may foster xenophobia and extremism, both of which demand reinvention of the social contract between state and citizens (Kansliet för strategisk analys 2014: 51). To complicate the issue still further, the challenges of climate change are understood to be increasingly rooted in the uneven development in the Global South, and the same applies to the massive number of refugees traveling to Sweden because of unresolved conflicts in their home countries.

Ironically, however, there has been a tendency among mainstream Social Democrats to play down the troublesome effects in order to stand up against the employers, bourgeois parties, and rightist Social Democrats who argue that there is yet further need to reduce taxes and wages for less qualified jobs, to downgrade public spending and services (opening up instead for private initiatives), and to deregulate business and employment conditions. Against this, mainstream and

leftist Social Democrats have argued that the best way of adjusting to *and* reforming globalisation is to improve on the Scandinavian model and to try to expand such thinking within the European Union. Thereby it would be possible to manage structural adjustment to globalisation in more socially responsible ways, by fostering competitiveness based on efficient and innovative production and services, as well as education and decent protection and relocation of labour. However, these ideas in turn have faced many challenges, and it is important to understand the nature of these challenges, by recalling the ways in which Swedish Social Democrats have been thrown from the saddle.

In the early 1970s, shocks related to international financial deregulation combined with increasing oil prices and competition from low-wage countries could be met only temporarily by Keynesian politics and devaluation. Stimulation of demand through jobs and decent wages and public spending by both Social Democrat and bourgeois governments generated high inflation, but not growth. To promote private investment, the radical unions suggested wage earners' funds, which however backfired. Given that the concept was deemed a threat against private property and the owners' right to manage their companies, the proposal deepened conflicts between labour and capital, divided the social democratic movement, and unified the hitherto fragmented bourgeois parties. The rightist Social Democrats added to the problems by deregulating the credit market with insufficient safety nets, thus paving the way for the expansion of credit, speculation, increased private debt, and the breakdown of coordinated wage negotiations. In the late 1980s, the Social Democratic government could not but try to stall inflation of both prices and wages. But soon the financial system collapsed, the currency had to be floated, and the subsequent governments (irrespective of ruling party) adjusted to the mainstream policies of the European Union: financial deregulation and combating inflation by holding down wages and accepting unemployment. Likewise, in the early 1990s, the employers' organisations abandoned the social corporatist system of interest representation, placing the unions on the defensive. By 1994, the system of negotiations and compromises between capital and labour had been undermined, global competition had worsened, and the state coffers were empty. The immediate and controversial focus of the Social Democratic government was to reduce public spending and invest-

ments – including by decreasing social welfare, applying the principles of new public management, and endorsing privatisation. The following ten years of ideologically innovative bourgeois governments reinvented the Scandinavian model to their own liking (and exported it to the conservatives in Norway and Britain and even launched it in Davos).⁹ This bourgeois model retains basic labour market regulations and those social services that foster individual freedoms, but adds further austerity measures, combined with privatisation and tax reductions for the two-thirds of the active population with decent jobs or successful businesses. Also, as these citizens benefitted from generous loans to buy flats and houses, initially at favourable prices, financial speculation became normal practice. Meanwhile, the European Union was dominated by interests vested in the mobility of capital and labour, on the one hand, and by those who espoused increasingly national-conservative policies, on the other. So while the Swedish balance of trade was positive and most companies and people with good jobs did well, and while many economists who had been close to social democracy could argue that these positive outcomes were due to liberal adjustment policies (e.g. Eklund 2011), the remaining sections of the population did not fare well. Those were the ones in low-wage sectors, typically exposed to competition from low paid foreign workers, as well as the increasing number of youths and immigrants who were unemployed or in temporary jobs.¹⁰

Separately, the previous leftist interest in the Global South has petered out. Gone are the days when solidarity with progressives, such as in Vietnam, South Africa or Chile, was based both on critique of the imperialist system and on common interests in building better societies. Today it is not even clear what forceful alternative projects might be supported. Hence, many of the purposes of official development aid have become irrelevant. Government-sponsored civil society organisations typically focus on relief, poverty alleviation, and abstract liberal democratic institutions – without connecting them closely to processes and actors that could reform uneven development. The Socialist

9. In coloured brochures like Wallenberg and Persson 2011.

10. For an overview, see e.g. Berglund and Esser 2014; and Jonsson and Lindberg 2014; additional inputs by Sandro Scocco, Chief economist at Arena, a Swedish social democratic-oriented think tank, via personal communication (Stockholm, 11 November 2015) are particularly appreciated.

International, moreover, has deteriorated dishonourably and the new Progressive Alliance initiated by Sweden among others has yet to prove its capacity.¹¹ Meanwhile, bourgeois governments have brought Swedish companies, but not trade unions, into international development co-operation. Unions are regarded as merely another type of civil society organisation, even though Scandinavia's own history suggests that they should be crucial partners in fostering development.¹² In addition, unions and civil society organisations are short of public resources to support partners that fight growing inequalities, impoverishment, and uneven development in countries in the South whose politics and development are crucial to social democratic development in Sweden, too.¹³ Previous governments had simply reserved, instead, much of their development cooperation budgets for the poorest-of-the-poor countries.

Hence, *The Economist's* (2013) jubilant review of the Nordics did not just overlook the legacy of Social Democratic governance; it also described a new social-liberal version of the original model. Labels aside, whatever is left of the original model, the political room of manoeuvre and the ambitions to foster progressive priorities within the EU are insufficient to handle the structural transformation of the economy by moving up the value added ladder in accordance with social democratic principles. Basically, the old reasons for employers in the export sectors and 'their' workers' to support and seek alliances with low paid workers in central level negotiations no longer hold. The rationale was that a compressed wage structure (containing high wages in sectors that can simply increase the prices of their products for other companies and ordinary people) boosts competitiveness and profits in modern sectors, and thus the incentives for further investments. These mechanisms became realistic by centrally negotiating better wages for low paid workers in return for their political support. Hence, an additional outcome

-
11. Lisa Pelling, head of research, Arena, Swedish social-democratic-oriented think tank; personal communication (Stockholm, 12 November 2015).
 12. Leif Isaksson, ombudsman, Swedish LO's International Unit; personal communication (Stockholm, 11 November 2015).
 13. Jens Orback, secretary general, Olof Palme International Centre, personal communication (Stockholm, 11 November 2015); and Magnus Nilsson, head of communication, Olof Palme International Centre, personal communication (Stockholm, 11 November 2015).

was that higher wages for the low paid workers in turn stimulated productivity-focused investment in these sectors, too.

In the present, however, most low paid labourers are in public services and in private companies contracted by national and municipal governments; in these sectors, increased productivity is difficult and higher wages have to be paid for by the treasury. Several unions want more public investment for more jobs and better wages, but the industrial and metal workers' unions, whose sectors are most exposed internationally and whose agreements on wages with the employers set the standard for the others, are afraid that costs of production in the export sectors will increase and that jobs will be lost. And most party leaders deem substantial tax increases politically impossible. This is because the better off do not want to pay, of course, but also because those who would be expected to support higher taxes – low paid people, the unemployed, and others in need of support are not politically unified. Hence, it is more and more difficult for workers and employees to coordinate wage negotiations according to the classical model of combining growth and increase wages in low paid sectors; and some of the low paid sections of labour focus instead on campaigns to increase people's willingness to pay taxes for good services. Equally important, employers have abandoned the system of interest based representation and are reluctant to negotiate, especially with the government.

Finally, it is difficult to increase productive investments and create more jobs when there are insufficient political means to reduce huge profit margins in the financial sector and when even ordinary middle class people and well paid workers get involved in the rent-seeking carousel, having taken substantial loans (typically for housing) and become dependent on the current tax reductions. Many economists now agree that if wages and investments do not increase, Sweden will have difficulty paying for socially acceptable structural adjustment and to provide new jobs rather than sharing the existing ones, as in Germany, and thus abstaining from increasing demand (e.g. Zettergren 2015). Currently, the growing number of migrants and refugees supply another reason for public economic and social investments, in this case to facilitate integration that might enable Sweden to avoid social and political crises. But these challenges, as well as the need to address the root causes for why people find it necessary to leave their homes for Europe

and Scandinavia, do not yet seem to be central issues in the discussions about the global challenges.¹⁴

To get a better understanding of how serious these structural challenges and political trends are for Scandinavian Social Democrats, and their greenish allies and leftist supporters, it is useful to refer to the four dimensions of social democratic development set out in Chapter One of this book. First, Sweden faces increasing difficulties in organising democratic political collectivities on the basis of broadly unifying popular interests and ideas. Second, the number of vital issues that can be handled democratically has been reduced and the democratic linkages between state and civil society have been weakened. Third, there are serious problems in financing and otherwise sustaining the universal public welfare system, and rights based on work, so as to manage the difficulties of restructuring the economy, including unemployment and mounting inequalities. Fourth, several of the conditions for the social pact between capital and labour are undermined, for three reasons: (i) because its basis within industry has been severely reduced; (ii) because the major task is no longer to handle shortage of labour but unemployment; and (iii) because several of the components of the Rehn-Meidner growth strategy¹⁵ can no longer be controlled due to the international

-
14. Inputs from Sandro Scocco, Chief economist at Arena; Håkan Bengtsson, managing director, Arena Group, Swedish a social-democratic-oriented think tank, personal communication (Stockholm, 11 November 2015); Katinka Hort, secretary of the Swedish minister of strategic development's working group on the future of labour, personal communication (Stockholm, 13 November 2015); Daniel Mathisen, freelance journalist, former chairman of the social democratic youth league in Stockholm, personal communication (Stockholm, 10 November 2015); Kristina Persson, Swedish minister for strategic development and Nordic cooperation, personal communication via telephone (4 November 2015) and mail (5 November 2015); and Irene Wennemo, state secretary to the Swedish minister of employment, previous head LO's research unit, personal communication (Stockholm, 13 November 2015) are particularly appreciated. The conclusions remain those of the author.
 15. To quote from Chapter Ten by Kalle Moene (page 255), the main argument by Gösta Rehn and Rudolf Meidner was 'that equalising wages across Swedish firms and industries would promote economic development by forcing wages up in low-productivity firms or industries and keeping wages down in high-productivity firms or industries. By reducing profits in low-productivity firms and increasing profits in high-productivity firms, labour and capital would be induced (or

mobility of capital and labour.¹⁶ Unsurprisingly, therefore, Swedish Social Democracy was and perhaps still is in crisis – partly reflected in toothless policy development, internal conflicts, and reduced membership. Most seriously, the support decreases among those affected by structural adjustment (who often link up instead with the right wing nationalist party) and among intellectuals and youth.¹⁷ Even youth without a fortunate background tend to lose interest and trust in politics (cf. Bergström 2015).

Globalising the model

In trying to regain direction and strength, the Social Democrats opted in 2012 for their first labour leader, Stefan Löfven, a welder and trade unionist. He called for the reinvention of basic pillars in the old model, in particular democratic interest representation and tripartite cooperation. Löfven was not just any trade union leader. He was the chair of the national federation of industry and metal workers, IF-Metall, from the hard core of the original Scandinavian model that had suffered most from deindustrialisation. Also, he had been the metal workers' international secretary. Hence, Löfven's priorities come as no surprise: the reinvention of the Scandinavian model called for a global perspective, with work relations and the ILO's conventions at the centre. Löfven was not alone. The party was supportive¹⁸ and other top level Social Democrats with long experience from the United Nations (UN), the EU and from work on human rights, as well as in civil society and development cooperation, could now gain new ground for their ideas in association with Löfven's own labour-driven vision of a so-called Global

coerced) to move from low productive to high productive activities, increasing aggregate efficiency as well as improving equality.'

16. Which Meidner himself pointed out in communication with Håkan Bengtsson, who relayed the information to me on 11 November 2015.
17. Inputs from Bengtsson, managing director, Arena Group; Mårten Löfberg, deputy international secretary, Swedish Social Democratic Party, personal communication (Stockholm, 13 November 2015); Daniel Mathisen, former chairman of the social democratic youth league in Stockholm; and Lisa Pelling, head of research at Arena are particularly appreciated. The conclusions remain those of the author.
18. Andrine Winther, international secretary, Swedish Social Democratic Party, personal communication via mail (30 November 2015).

Deal. This was framed, in the context of the Scandinavian model and of ILO principles, as an international ‘handshake’ between labour, employers, and governments ‘so that the benefits of the global market can be shared by everyone’ (Anna Lindh Seminar 2012 and 2014). The same ‘handshake’ has subsequently been projected as the major means to the fulfilment of the UN’s 2030 agenda and particularly its eighth goal: to ‘promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all’ (United Nations 2015, Analysgruppen Global samverkan 2016). Certainly, the vision of a Global Deal remains to be specified, and one does not even know for how long Löfven will remain in power and be able to insist in the idea. But as in the case of the uncertain progress of the new Common People’s Party (AAP) in Delhi and the prospects for a social democratic alliance in India, analysed in Chapter Five, the new Scandinavian ideas and policies reflect a potential worthy of critical analysis.

On a general level, beginning in 2014, Sweden’s minister for foreign affairs, Margot Wallström, has boldly attempted to foster a broad and feminist oriented definition of democracy and human rights as well as the Agenda 2030, bilaterally and within international organisations and the UN system. This is part of the platform for Sweden’s candidacy for the Security Council. Some of these policies have met with immediate resistance, in particular from Israel and a number of regents in the Arab world, but Wallström has stood tall. However, Swedish businesses and unions with interests in the arms trade with regimes such as Saudi Arabia are also sceptical. While appreciating democracy and human rights, they prefer codes of conducts for the concerned companies only, in return for freedom to trade and invest in all countries that are not affected by international boycotts. In this vein, the current Social Democratic-led Ministry for Enterprise and Innovation has (like the previous red-green Norwegian government) agreed with business and unions to combine, on the one hand, a major campaign to foster exports to rapidly but unevenly developing countries in the Global South¹⁹

19. Among the countries are Algeria, Angola, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Malaysia, Nigeria, the Philippines, Saudi Arabia, South Africa, and Thailand. After the reorganisation of the Swedish cabinet in May 2016, the implementation of the export strategy will be entrusted a special Minister for EU matters and international trade.

(Kärrman 2015) with, on the other, regulations that require businesses to respect broadly defined human rights (Näringsdepartementet 2015; Damberg and Thorwaldsson 2015). It is certainly an improvement that corporate social responsibilities are also to be overseen by the unions and not just by the companies themselves.²⁰ But in the case of arms industry, they agree on giving priority to ‘Swedish interests’ (Dagens Industri 2015). Also, even when the codes are well-implemented, they apply only to individual Swedish companies and do not consider the need for collective action in favour of rights in a region or a country.

Separately, though, a special minister, Kristina Persson, was appointed to lead strategic development and global challenges in a more comprehensive perspective, with prime emphasis on the idea of a Global Deal and Swedish contribution to the implementation of the UN Agenda 2030. She appointed experts from unions, business, think tanks, and the like to three advisory groups that were tasked to suggest ideas, respectively, about working life, the environment, and global co-operation.²¹ The latter group suggested primarily that the engagement in human rights via international conventions should focus more than hitherto on social and economic rights and that the vision of a Global Deal should be based on cooperation between top-level actors such as the ILO, the Organisation for Economic Cooperation and Development (OECD) and committed governments (Ljung 2015; The study group... 2015a and b). However, the groups consisted of volunteers in the special minister’s network and did not follow the practice of the public commissions that are equivalents within public governance of the celebrated tripartite negotiations in working life.²² This saved time and money, but

20. Susanne Lindberg-Elmgren, researcher Swedish LO’s international unit, personal communication (Stockholm, 10 November 2015).

21. The author has benefitted in particular from conversations with Kristina Persson, Swedish minister for strategic development and Nordic cooperation; Katinka Hort Secretary of the working group on the future of labour; and Sofia Östmark, secretary of the Swedish minister of strategic development’s working group on global cooperation, personal communication via mail (10 October 2015) and telephone (20 November 2015), but the conclusions remain those of his own. See also the recently published final report *Analysgruppen Global samverkan* (2016)

22. As indicated in Chapter Two, such commissions typically suggest how politically specified issues and intentions should be handled and implemented. To this end, they map previous insights and experiences within a designated problem area and

the groups were not inclusive of all relevant parties and expertise,²³ there were no reviews of the state of knowledge, and the joint concluding report (Analysgruppen Global samverkan 2016) did not contain a comprehensive analysis and proposal. Hence, the outcome was only a list of ideas to be followed up rather than a well-anchored and knowledge-based platform for the coordination and implementation of the Prime Minister's visions. So when the special minister was discharged in May 2016, and as the proposals from the study groups have been sent to various ministries and groups for their perusal, it is hard to get an answer to the question how the necessary in-depth studies, political coordination and implementation will be handled. In short, the ministers and their analysts were not able to consider the weaknesses of the Scandinavian model in managing global challenges, how a Global Deal can be part of its reinvention, and how the deal can be applied in the Global South, beyond international agreements. These issues remain to be addressed.

Separately, however, Persson also drew attention to the need for Sweden to benefit from expansion of the world market.²⁴ This is also the mother tongue of the Prime Minister and the forceful point of departure in Claes-Michael Jonsson's and Ingemar Lindberg's pioneering report for the trade union confederation LO on how to generate full employment (Jonsson and Lindberg 2014). To this end they suggest increased wages and investments, in contrast to the currently dominant austerity measures and efforts to compete in export markets by neglecting work conditions. Their analysis focuses on Sweden and how it is dependent on European policies, but the authors agree that the argument could and should be expanded to the Global South as well.²⁵ It is true that

try to consider all relevant issues and interests involved before putting forward recommendations.

23. And a so called 'Council on the Future' including Löfven, Persson, and a number of other ministers to discuss the proposals (SVT 2015), did not include, for example, the ministers of Employment, International Development Cooperation and Foreign Affairs.
24. Kristina Persson, Swedish minister for strategic development and Nordic cooperation, personal communication (4 November 2015).
25. Claes-Mikael Jonsson, Swedish LO-lawyer and researcher, personal communication (Stockholm, 10 November 2015); Ingemar Lindberg, independent researcher, retired Swedish LO-researcher, personal communication via e-mail (3 and 5 November 2015).

the LO's leaders, who thereafter negotiated a general report to push the government to adopt more progressive policies to foster more jobs and equality (Bergström *et al.* 2015), felt that their focus had to be on Sweden and that the international contexts were 'too far away.'²⁶ But beyond demonstrating an embarrassing provincialism, the fact remains that Swedish industry is international and that the demand for its export products must also be considered beyond Europe and North America. In these contexts, Sweden has so far produced: (i) the machines and services for mining and drilling companies, and for factories relocated to the South which, thanks to impoverished labour and destruction of nature, send cheap products to Sweden; and (ii) luxury Volvo cars and other 'necessities' for the rich and upper middle classes alone.

Even if many of these products are now provided locally in the context of the uneven development, there may still be demand for inputs from Sweden, which is what Norway and Sweden continue to benefit from. But as we know, from this book among others, uneven development implies not only negative effects for the people on the ground but also for countries like Sweden. One of these effects is the more environmental destruction, instability, and crises, which yields global effects both in terms of climate and forced migration; another is the growing inequalities that reduce the long term potential of increasing demand. So if Sweden is to benefit from internationalisation, the market must expand not just in the 'old world' but in countries like India too. Moreover, for the markets to expand in the Global South there is a need to boost demand beyond the extractive industries and the rich and upper middle classes (that Sweden has catered to so far). In other words, expansion of the market calls for inclusive development with ambitions to also reduce inequalities and involving more people – thus stimulating demand for additional products, and increasing a democratic influence that may contain environmentally destructive patterns. Hence, the best alternative for countries like Sweden (which are especially dependent on an expanding world market) is to take steps to increase the demand for products in the Global South that are related to social democratic development, such as more environmentally friendly means of transportation than luxurious Volvo cars.

26. Jonsson, *Ibid.*

One challenge is that this calls for the expansion of Swedish demand and imports, too. Sweden cannot just expect others to be the locomotives. So far this has not been appreciated, even though Jonsson and Lindberg (2014) argue convincingly that countries like Sweden have sufficiently positive terms of trade to pave the way and could also make favourable use of public pension funds. Similarly, there is a need to fight those parts of the international trade and investment agreements like the Transatlantic Trade and Investment Partnership (TTIP) that foster uneven development in the South and reduce the room of manoeuvre for democratic politics to foster alternatives (Gustavsson and Lindberg 2015). If not, like-minded partners in the Global South would have even less chance to foster social democratic development in their countries, and they would have good reason to sustain the suspicion that their apparent well-wishers in the Global North are primarily protecting their own short term interests. Actually there may be something to the latter argument, given the Swedish hesitation, but Persson's study group on global cooperation argues at least for clauses about decent rights for the affected workers themselves (Brynjulfsdottir *et al.* 2015).

Even more importantly, expansion of markets by means of more inclusive development in the South calls also for altered power relations and effective representation of the groups and interests that may be in favour of such changes. From this point of view, one may ask how the positive vision of greater emphasis on social and economic rights, more support for the ILO, and the initiation of a Global Deal through the OECD, the UN, other international organisations, and like-minded countries (Ljung 2015; The study group... 2015a and b) is to be implemented on the ground. After all, the OECD is only partially relevant in the Global South, several countries neglect ILO conventions, and – in contrast to international agreements on trade and investment – the ILO cannot enforce its codes or take violators to court. It is true that, even when the conventions are not implemented by member countries, the agreements can still facilitate support for unions and CSOs that try to enforce implementation of treaties.²⁷ But the strength of the drivers of change remains crucial.

27. Lennart Båge, Former ambassador; Chairman of the Swedish think tank Global Challenge; member of the minister of strategic development's working group on global cooperation; personal communication Stockholm 13 November 2015.

One strategy, therefore, is to enhance the capacity of the unions and like-minded popular organisations, as is already given priority by the social democratic international centre (named after Olof Palme). Yet these organisations remain short of public funds that can be used to support progressive actors in countries that are most deeply involved in the globalisation of production and finance are yet to be made available. The unions themselves are also trying to strengthen the bargaining power of workers in the Global South, by way of international framework agreements. One recent example, which affects some 1.6 million workers, is between IF-Metall, the IndustriALL Global Industrial Union, and the retail-clothing company H&M. The workers in subcontracted H&M units have been granted the freedom to organise independent trade unions and to negotiate collective labour agreements. They also have the right to minimum wages and to a maximum of 48-hour work week with at least one day free; further, no form of child work is allowed (IF Metall 2015). It remains to be seen, however, the extent to which this agreement will affect informal labourers who are not contracted by H&M's main partners.

A parallel initiative might increase the incentives for others to organise and enable ordinary people to improve their lives by way of new democratic institutions. The Swedish Ministry of Employment and the agency for development cooperation now support the ILO in trying out measures towards tripartite negotiations between unions, employers and government in the case of Bangladesh.²⁸ While the initiative recalls the Norwegian project in Eastern Europe referred to earlier (see page 288), this pilot case is not related to the problems of labour migration to Scandinavia; rather, it attempts to foster less uneven development in the South. The aim is to reduce conflict in the labour market and increase productivity by also improving workers' rights through dialogues between the parties in the textile and garment industries on the national and local level, according to the principles set out by the ILO. This is to illustrate what the Global Deal can mean on the ground. (Cooperation Agreement ... 2015).²⁹ Yet, stumbling blocks merit close attention. One

28. Sweden contributes some 45 million SEK or 70 per cent of the project budget for 2015-2020.

29. Olof Sandkull, First Secretary, Swedish Embassy to Bangladesh, personal communication via mail 28-29.10.15, 01.11.15, 23.11.15.

is the character of the unions and the regime, possibly even more important in other countries such as China. Another is the extent to which it will be possible to strengthen notoriously weak unions, promote democratic principles, and enrol workers from informal sectors.

Finally, these and other efforts to foster a Global Deal are now to be incorporated in the new Swedish priorities for international development corporation.³⁰ Indeed, the draft policy proposal (Remiss... 2016), which was released as this book was going to press, includes an extended list of themes, including the green party minister's special concern for environmental issues, the foreign minister's feminism, and the social democratic focus on decent employment, work conditions, and even unions. However, these factors and actors are not deemed crucial parts of other central themes, not even human rights and democratisation. Rather, the policy document is an extended agenda of issues to be considered. But it is short of a comprehensive analysis of the dynamics of uneven development and elitist democratisation. There is no understanding of what dynamics and actors might foster change. And there are no conclusions how poor people and actors of change may best be supported – irrespective of whether they are in the poorest of the poor countries or in middle income countries like India. Hence, there is also no discussion of whether and how international development cooperation might be an important and engaging part of the government's priority to strengthen the Scandinavian model. In short, the policy is more about targeted bilateral and multilateral aid to the poor in poorest countries than international cooperation towards social democratic and sustainable development.

Significant but needs to be facilitated

In spite of 'mumbly' communication, there are thus significant initiatives towards a Global Deal.³¹ The two major hurdles, however, are the poor coordination of these initiatives within the main concept of the red-green coalition government to upgrade the Scandinavian model, and, most seriously, the not-yet-learnt lesson from the Global South:

30. Inputs from Ulrika Modéer, State secretary to the Swedish Minister of International development cooperation, personal communication via telephone 20 November 2015, are particularly appreciated; the conclusions remain those of the author.

31. Irene Wennemo, state secretary to the Swedish minister of employment, personal communication (Stockholm, 13 November 2015).

that the character of uneven development undermines the chances of negotiating something similar to the Scandinavian social pacts. As shown in this book, the crucial pillars are simply not yet in place in these contexts. Active citizenship, democratic interest based representation, and state capacity are poorly developed. And the result of informalisation of employment conditions (even in modern sectors) is lack of organisation among the majority of labourers who live in the perpetual insecurity of temporary employment, those who are in the informal sectors, and the middle classes of the precariat. These hindrances are most relentless in countries like India, but also are a major challenge in others such as China and South Africa. Actually, the employers, too, are often poorly organised and refuse to negotiate. Rather they tend to rely on superior market bargaining power or on being backed up by authoritarian rulers (Anner 2015).³² This does not mean that the ideas of tripartite negotiations towards social pacts have no value, but rather that negotiations intended to lead to pacts need to be facilitated. Just as insufficient conditions for democracy in the Global South should not make us support 'stable regimes', but rather lead us to focus on gradual democratisation that improves the conditions (Stokke and Törnquist 2013), the priority with regard to currently unrealistic social pacts should be on the transformative politics that can enable them.

Before discussing what this might call for in the Global South, Scandinavians in particular may wish to recall that their original social pacts also presupposed increased bargaining power on part of the lower classes and their organisations. First, by the 1920s, the unions had grown strong enough to stand up against the employers. Second, in the late 1920s and early 1930s, the Social Democrats opted for wider alliances beyond their own organisations in order to reach out to people in the rural areas. Among the unifying issues were demands for public investments, decent payment in public works programmes, other efforts to fight unemployment, and protection of agriculture. Third, Social Democrats decided to work more through the state and a system of interest based representation in public governance rather than by means of self-help measures. Such priorities to improve the bargaining power

32. Knut Kjeldstadli, Professor of History, University of Oslo; Project leader 'Globalization and the Possibility of Transnational Actors'; personal communication Oslo, 30 October 2015.

of what Polanyi (1944) later labelled countermovements paved the way for social pacts, but they have not been mentioned as sources of inspiration in the work to foster a Global Deal.

So how, then, could preconditions for social pacts come about in countries like India? And what are the lessons for Scandinavia and international cooperation? It is certainly vital to stand up, as Gustavsson and Lindberg (2015) argue, against the new agreements on trade and investments in the same vein as previous struggles (spearheaded by leaders like Jawaharlal Nehru and Olof Palme) for meaningful national sovereignty. But even more basically, democratic collective action must become stronger and more extensive. We shall return to the details in Chapter Thirteen, but the general conclusion is that three tendencies may foster sufficient collective action to enable social pacts: first, the amplification of social unionism, which is expanding unions' role to include the growing numbers of informal labourers (or foster their separate organisation) and a number of issues beyond the formalised relations between employers and employees; second, the growing demands for social rights and public welfare reforms; and third, the widespread efforts to establish impartial and responsive governance. Most importantly, these trends may converge in the context of struggles for citizen and labour rights and welfare agendas, as well as for democratic decision-making and the implementation of these rights and schemes. By comparison with the Scandinavian history of social growth pacts between well organised representatives of capital and labour, which generated capacity and interest (even among employers) in welfare reforms that also fostered economic development, the possible scenario in countries like India is, in a sense, upside down: struggles for rights, welfare, and impartial implementation may pave the way for growth pacts.

The lessons for Scandinavia and international cooperation are, then, that these new openings may primarily be supported in two ways. First, by extending the idea of democratic interest representation to broader policy areas than tripartite cooperation in the organised labour market. This would enable wider sections of the people to employ democratic means both to improve their own standard of living and to reinvigorate increasingly ineffective liberal-democratic institutions. In addition to human rights, the prime focus for Sweden's extensive democracy promotion should be on supporting local efforts at building democrati-

cally oriented interest representation – not just in tripartite dialogues in working life but also (as for example in Scandinavia itself!) through negotiations, commissions, and councils in many other policy areas.³³ Wherever possible, this would be more meaningful than the current preoccupation with liberal democratic institutions as such, which are important but can only be improved by stronger progressive actors. And second, by combining this strategy for transformative democratisation with efforts at broader alliances for citizen and labour rights, welfare agendas, and impartial implementation.

So far, there have been few if any studies of these openings in the discussion of a Global Deal.³⁴ The fundamental next step is therefore to facilitate such visions by considering insights about how interest based representation and broader alliances can be established. We need to ask what kind of organisation and what demands for deliberative governance, social citizen rights, and rights based on work may be feasible. We need to learn how ‘the perhaps most essential task of all can be managed: combining workers’ and middle classes’ ambitions to improve their own standards of living with environmentally sustainable production and transportation.’³⁵ And we need to study how it would be possible to relate these measures with efforts at establishing less corrupt policy implementation and service provisioning. Answers to such questions call for much more contextual knowledge.

In short, the current discussion about a Global Deal, which focuses on international treaties and organisations and like-minded governments, needs to be supplemented with extensive involvement of concerned scholars and activists with insights about the prerequisites on the

33. This position is supported by the fact that a similar recommendation has recently grown out of three rounds of national assessments of the problems of options in rapidly but unevenly developing Indonesia, the second largest elitist democracy (after India) in the Global South. See Savirani *et al.* (2015).

34. And the Swedish sponsored flagship report by UNRISD (2010) on how best to combat poverty by considering progressive efforts in the Global South and historical lessons in Scandinavia must have been lost on the shelves during the period of the bourgeois governments. The positive news, however, is that nothing in the discussions about the Global Deal prevents improvements in these directions.

35. Staffan Laestadius, professor emeritus of industrial dynamics, member of the Swedish minister of strategic development’s working group on green transformation, personal communication (Stockholm, 10 November 2015).

ground, in the South. So in the vein of the historical experiences that stimulated the idea of a Global Deal, it might be useful and appropriate to consider setting up a standing commission with fact-finding resources and international representation, hearings, forums, and conferences.

Beyond social democracy in one country

In brief summary, the old international pillars of Scandinavian social democracy have been severely weakened by the globalisation of finance and production. Norway has in spite of this gained from its nourishing of helpful international contacts, favourable terms of trade, and good governance of oil revenues. But this policy of social democracy in one country has only been possible under exceptional conditions; in view of the shrinking oil prices, it remains to be seen how long Norway will enjoy *all* these favourable conditions. In Sweden, by contrast, the possibilities for the Scandinavian model to handle structural adjustment of its economy have been undermined both by the reduced room for manoeuvre politically and by deindustrialisation, which makes adjustment and welfare policies more dependent on tax increases that the well-to-do majority of the population is reluctant to accept. Moreover, in order to expand and benefit from the world markets, there is a need to go beyond promotion of exports to countries with uneven development and for support to unions and partners that may reduce competition based on low wages and environmental destruction. In other words, it is also necessary to support social democratic development in the Global South.

This calls for four major priorities. First, to expand the room of manoeuvre for democratic governance by resisting privatisation, judicialisation, and international agreements on production and investments. Second, to facilitate social pacts by extending the idea of democratic interest representation beyond tripartite cooperation in the organised labour market. Third, to favour broader alliances that increase the bargaining power of progressive actors. In short the new initiatives in Sweden to combine socially responsible adjustment at home with the needs of altering the globalisation of capital and production, and the uneven development in the South, are important steps in the right direction, but critical preconditions are not attended to. Scandinavia needs to learn from the Global South about these conditions. As argued by

Olof Palme (in a critique of the great powers' tendency to export their solutions), cooperation with like-minded partners in the South must be based on an understanding of the conditions at their end.

Author's note

Special thanks to the scholars and reflective activists mentioned in the list of references, to Maria Seippel Bineau for efficient research assistance and to Øivind Bratberg and John Harriss for inputs and comments. Remaining mistakes are certainly my responsibility.

What Are the Prospects Now for Social Democratic Development?

By Olle Törnquist and John Harriss

The task we set ourselves, and aimed to tackle by means of a comparative analysis of Scandinavian and Indian experiences of social democracy – with some reference to experiences elsewhere in the world, especially those of Brazil, Indonesia and South Africa – was to assess whether there are possibilities for the reinvention of social democratic development in the present economic and political context, dominated as it is by neoliberalism. What we mean by social democracy is a politics based on political equality and that strives to realize social justice, by democratic means and in such a way that the realization of social justice and democratic deepening serve each other. The prospects for such politics seem bleak. There are convincing arguments that the social and political forces that created favourable conditions for the combination of growth and welfare policies in northern Europe in the later 19th and earlier 20th centuries were a product of a pattern of industrial development and of governance reforms that are most unlikely to be replicated in the current circumstances of uneven development. This is the burden, for example, of Göran Therborn's analyses of class relations in the 20th century (Therborn 2012 and 2014).

European social democracy, in Scandinavia especially but elsewhere too, was built up around a powerful political movement that developed in the context of robust central and local governments, and of the structural transformation of economies and the big changes in the social division of labour that were brought about with industrialisation. Now, even in the Scandinavian heartland of social democracy, the labour movement that played a vital role in social democratic politics is weakened, especially in Sweden, given the segmentation of the labour force that has taken place under the impact of neoliberal economic globalisation.

India – where less than ten per cent of the labour force is formally employed – is probably one of the more extreme examples of the general circumstances that Fukuyama describes as those in which there is ‘a large, amorphous group of urbanised poor who eke out livings in the informal sector’, and where there is ‘no clear path ... to true growth- and job-generating industrialisation’ (2014: 531). In these circumstances, how might a viable social democratic countermovement come about? This was the question that we addressed.

We applied the method of contrasting similar efforts at social democratic late-development in the dissimilar contexts of India and Scandinavia – narrowed down to Norway and Sweden. The generally similar politics of social democratic development are explained in Chapter One of this book in terms of what we consider to be four universal dimensions. First, broad popular interests and ideas translating into the formation and organisation of democratic political collectivities; second, efforts at building strong democratic linkages between state and society; third, struggle on the basis of common popular interests and ideas for universal civil, political and social rights, and related welfare policies, as well as rights based on work; and fourth, attempts at the development of growth coalitions (social pacts) between sections of capital and labour in the widest sense of the terms, as well as between labour and agrarian producers. What are the prospects for politics and reforms along these dimensions?

Indian challenges in view of Scandinavian experiences

It is hard not to be impressed by the strengths of what of can reasonably be seen as favourable conditions in Scandinavia for the establishment of social democracy. Scandinavian societies (as drawn attention to in Chapters Two, Four, and Seven) were characterised by relative equality and small families that needed to cooperate; religious uniformity and the dominance of Protestantism,¹ with churches that had little independent wealth and were subordinated to the state; early advanced literacy; and pre-democratic citizenship and robust local self-government at the parish level (from the mid-19th century at that of municipalities), in combination with increasingly efficient states. By the turn of the century, there was also a tradition of corporatist representation of the upper and

1. Which recent comparative analysis suggests may be especially conducive to democratisation (Woodberry 2012).

middle strata in public governance. These were important conditions first for liberal, and then for social democratic politics and reforms in the context of rapid, relatively labour-intensive industrialisation. But they were far from sufficient conditions. The rise of powerful organisations among workers and women, along with conflict over labour issues, and civil, political and social rights, against strong conservative forces (especially in Sweden), characterised the region until the world economic crisis in the late 1920s. Neither the employers nor the leftists and mainstream parties offered viable measures or reforms to handle poverty and unemployment.

The crucial turning point came with the Social Democrat-led governments, which rose to power by accepting (for the foreseeable future) private ownership of capital and by focusing less on working class demands than on broad, popularly generated agendas to fight unemployment and foster welfare for all, in alliance with farmers' parties. Moreover, as analysed in Chapter Seven, the Social Democrats' reforms would be implemented through the state and local governments and apply to all (rather than to the members of the labour movement alone). Yet, the Social Democrats would develop and implement their policies in cooperation with critical interest organisations (especially unions and employers associations). Early Keynesian stimulation of consumption through decently paid public works was important, but the government also sought to promote new private investment and more jobs. As Kalle Moene explains in Chapter Ten, this was achieved by collective wage agreements on more equal wages for all. These agreements were enforced by employers and trade unions in the export industries, in alliance with unions in low wage sectors, and made investments in efficiency and thus competitive production more profitable. Once these policies were applied, comprehensive welfare state policies evolved, both facilitating modernisation and protecting people in formal as well as informal sectors against the harm that accompanies adjustment with capitalist systems (see Chapter Nine).

How very different conditions were in India – and in spite of considerable variation, in much of the rest of Asia as well as in Latin America. India (see Chapters Two, Five, Six and Eight) had, and to an important extent still has, primarily an agrarian economy; the distribution of land-holdings remains highly unequal in spite of agrarian reforms and the

fragmentation of holdings that have taken place since Independence.² Landlordism was still deeply entrenched at the time of Independence, and landed power remains significant in rural society.³ Inequality is still legitimated by a culture of hierarchy that is specifically opposed to the idea of equality among people; it is at least partly because of this culture that literacy remains limited (even now, with high levels of enrolment in education, given the very poor quality of public education). The commitment of upper caste elites to the cause of 'education for all' has historically been very weak (Weiner 1991).

Over the last half-century India has experienced what may be described as a 'tortuous' or 'lop-sided' transition. The structural transformation of the economy and the change in the division of labour, in spite of years of high rates of economic growth, has not proceeded very far – and India's 'transition to an enlarged and dominating sphere of capital in the economy' (Bardhan 2009: 31) is correspondingly problematic. Informal employment relations are all-pervasive, even in many 'formal sector' units. These circumstances are a long way from those of Scandinavia where, in the first half of the 20th century, late industrialisation and efficient states had enabled the development of relatively unified groups of actors that – thanks to the social democratic reformist policies that were pursued from the early 1930s – laid the foundations for the Scandinavian model. Neither Nehru's Congress Party nor the Left Front governments in Kerala and West Bengal were successful in this respect (see Chapter Three).

Rather than having robust local self-government and interest representation, like that of the parishes (later municipalities) and social-corporatist system of Scandinavia (on which, see Chapter Four), India has been and very largely remains characterised by political intermediation. Indian democracy is undoubtedly vigorous – especially in regard to elections – but deeply flawed. Clientelism thrives in the circumstances

2. Agriculture, of course, now contributes only about 15 per cent of India's GDP, but the sector still accounts for 50 per cent of the labour force. More than 30 per cent of rural households own no land at all; another 30 per cent own less than 0.4 hectares. About 70 per cent of landholdings are unlikely to be capable of 'providing enough work or income to be the main livelihood of the household' (Hazell *et al.*, quoted in Corbridge *et al.* 2013: 83).
3. See, example, Jeffrey *et al.* (2008) on the power of the Jats of western Uttar Pradesh.

of India's tortuous transition. 'Big men' mobilise the masses through clientelistic relations and/or populist appeals. Rather than struggling for universal rights people engage in politics for selective benefits.

Many civil servants are deeply involved in these partisan politics. And as Saxena argues in Chapter Six, 'a model in which politicians continue to be casteist, corrupt, and harbourers of criminals, whereas civil servants would be honest, responsive, and change-agents is not viable.' As he shows, there is now a vicious spiral: the way Indian politics works corrupts the bureaucracy, but then – as he says – 'Non-performing administration leaves little choice to the politicians but to resort to populist rhetoric and sectarian strategies.' The malfunctioning of the Indian bureaucracy – which means that government is not at all responsive to people's needs, and but rather 'generates and reinforces poverty and subverts efforts to reduce it' – is intimately linked with the way politics works (see page 149; see also A. Gupta 2012). Governance reform, in these circumstances, is acutely difficult; it surely requires sweeping reform rather than administrative tinkering, but sweeping reforms are hard to envisage in India now.

The construction of social democratic politics, as it appears from our comparative studies of Scandinavia and of India, requires more or less the reverse of what the Department of Administrative Reforms argues is the current state of Indian democracy. Both in Scandinavia and Kerala, rather than competition between groups for benefits provided by the state, broad based coalitions of different groups and interests came together for decades in the pursuit of universal rights. During the formative years of social democracy in Kerala, leftist political parties built upon these coalitions and political integration took place from below. For long periods, the left was able to provide political leadership and so to advance the interests of an existing coalition, rather than having to build a support base from above.

In this regard, the experience of the Indian state of West Bengal, by comparison with that of Kerala, is instructive. Whereas the left party in Kerala developed in the context of a broad based social coalition, the CPI-M in West Bengal lacked such a foundation, and at first built support only amongst the unionised working class, largely confined to Calcutta. It was only after the party developed a rural base that it won office. The party then remained in power for 34 years, relying largely on

the strength of rural support, which it retained mainly through patronage rather than policies that might have facilitated social democratic development. Ultimately, the experiment in West Bengal collapsed because of its reliance on top-down party patronage and the lack of links with independent civil society organisations: it failed to implement a lasting transformation of agricultural production, efforts to foster employment-intensive industrialisation were thwarted, needs of informal labourers were neglected, and thus the government alienated a large part of the social base that, if unified, might have negotiated a viable social democratic pact with big/international capital.

In Kerala, too, the mobilisation of support among particular interest groups by individual political leaders and parties, often in competition with each other by means of clientelistic relations, gradually weakened the politics of social democracy. The attempt at renewal through the Peoples Planning Campaign at the end of the 20th century – intended to rebuild independent popular organising, state-society relations, with welfare and sustainable economic development managed at the local level– was ultimately unsuccessful. It failed adequately to include the middle classes, it relied too much on local units to make for the building of a wide growth coalition, and it was undermined by political ‘big men’ and their particular interest groups. From the 1990s, it has rather been the dynamics of global neoliberalism that have dominated in Kerala, generating high growth but also inequalities, environmental destruction and the undermining of the welfare state. The Left lacks a new roadmap.

Challenges for Scandinavian social democracy opens up for global engagement?

Meanwhile in Scandinavia, social democracy managed to add a third pact by including in the 1950s and 1960s middle class and feminist concerns in public welfare and rights based policies (see Chapters Two and Nine). But from the late 1970s major changes occurred which were largely rooted in the globalisation of finance and production. As concluded in Chapter Twelve, Scandinavian social democrats have appreciated globalisation when it has meant more extensive freedoms and widened markets – but they have become increasingly worried about the reduced room of manoeuvre for democratic politics, weakened bargaining power of labour, the loss of jobs in industrial sectors, and

the high profits from financial speculation. Given, however, the need to expand in foreign markets, especially in the context of uneven Asian development, there has been no politically viable alternative but that of trying to manage structural adjustment by means of social democratic governance, more recently including an expansion of the social mandate to include sustainable development. In Norway this has so far proved possible by nourishing international contacts, favourable terms of trade, and good governance of huge oil revenues. The result is good jobs and welfare at home, along with stable profits from investments elsewhere of most of the petroleum revenues, often in the context of rapid uneven development. In short, 'social democracy in one country' (that is, not having to foster social democracy elsewhere) has been a viable project thanks to exceptional conditions, which in turn have made it possible to sustain and benefit from the fundamentals of the Scandinavian model. It remains to be seen if the recently reduced oil revenues will alter this.

Sweden, which represents the more typical case, has had greater difficulty in using the same social democratic model as a foundation for managing structural adjustment. The political room of manoeuvre for regulations and reforms has been reduced and deindustrialisation has undermined the basis for the social pacts on growth, welfare, and deliberative governance. Moreover, there is increasing awareness among Social Democrats and their allies that, to benefit from expanding world markets (as well as to reduce the huge inflow of migrants and refugees from crisis ridden regions), there is a need to go beyond short term promotion of exports to countries with uneven development and targeted support to unions and other partners that may have the capacity to limit competition based on poor work conditions and global climate change. In short, Northern social democrats must also support long-term social democratic development in the Global South. But the question is how.

Significantly, since 2012, the Swedish Social Democrats have tried to promote a 'Global Deal' on the basis of International Labour Organization (ILO) conventions and the Scandinavian model. Yet while the efforts remains to be integrated part in the governments concept of upgrading the Swedish model, the main problem is that in view of the findings of this book, such deals are potentially important but are as of now unrealistic in the Global South. This is because social democratic development requires more than political room of manoeuvre and deals

between currently organised workers and employers; their organisations are too weak, and they do not represent most labourers and middle classes that also need to be involved in viable processes of change.

Countermovement?

In short, the experiences so far point to severe challenges for a politics of social democratic development, along all the four dimensions of democratic organisation based on broad popular interests, democratic linkages between state and society, universal citizen rights, and welfare policies as well as coalitions combining equity and growth. In many ways, however, the earlier experiences of Scandinavia and of Kerala discussed above seem to bear out Karl Polanyi's arguments about the counter-movement that he saw as springing up in response to the 19th century pursuit of economic liberalism, and the attempt to make a reality of the idea of the self-regulating market (Polanyi 1944). The countermovement involved resistance on the parts of a much broader set of social groups and interests than those of workers alone, even in the circumstances of labour intensive industrialisation when there were – by comparison with the present – massive battalions of more or less well-organised workers in a burgeoning proletariat. As Polanyi saw it, not only workers but also peasants and landed elites and fractions of the middle classes came together in defence of society and in favour of public policies against the destructive effects of economic liberalism. It is true that Polanyi's idea that different social groups, in responding to the implications of the liberal market economy for themselves effectively come together in the defence of society is problematic, but his emphasis on the importance of building a broad based coalition among key actors in support of social justice – which means bringing about economic growth in such a way as to make for socially fair outcomes – is surely valid. Are there any prospects for the development of such broad based coalitions and public policies, with a social democratic orientation, in the present?

Openings in India today?

A most important question in regard to India is that of whether the recent passage, during the decade in office of the Congress-led United Progressive Alliance (UPA) government in 2004–2014, of a remark-

able raft of social legislation regarding education, employment, food security, various social insurance schemes, and the rights of forest dwellers, reflects the development of social democratic politics. Certainly, under pressure from middle-class-led civil society organisations, and individual policy entrepreneurs (Jenkins 2013), together with the left parties, the UPA government made efforts to combine liberal economic policies with more extensive social provisioning. These important legislative moves did not reflect popular organising or a broad based social movement. They were rather the outcome of lobbying, drawing on the informal networks of particular policy entrepreneurs, combined with judicial activism. No 'broad based coalition' was involved, nor has one emerged. We are not surprised; we have argued that the policies that have been pursued in India are directed at providing welfare supports for the excluded majority of the population, rather than growth-supporting social development. This is shown quite clearly in the neglect of public education and health care.

Another recent development that might be held to represent a social democratic impulse is the emergence of the Aam Aadmi Party (AAP), formed late in 2012, which first took office in Delhi in 2013 and then won a landslide victory in 2015. These achievements were based on the success of the Party in forging an alliance between fractions of the middle classes and the working poor of the city. The Party was set up with the intention of transforming Indian politics, by rebuilding democracy and encouraging the active participation of citizens in decision-making. And it made notable efforts to build democratic structures and to practise democratic politics in its own workings. Unfortunately, within weeks of its remarkable 2015 victory, the Party's capacity to mobilise a movement and win votes stood in sharp contrast to its own weak organisation. AAP seems to have shown the possibilities, at least in urban India, for constructing a social democratic alliance, but it has not demonstrated the capacity to channel political power based on this alliance into concrete policies that foster social democratic development.

Problems and options in wider perspective

Our comparative analyses point to four major challenges that confront social democratic development in countries like India: (i) weak collective action that could foster pacts between capital and labour on growth- and employment-generating compression of wages and sup-

portive welfare policies; (ii) the challenge of combining investments in modernisation and generation of more jobs, in the context of extensive exclusion of labour in the process of uneven development; (iii) the problem of gaining support of the middle classes for tax based public welfare systems; (iv) the weak-citizenship-based participation of the majority of the population, the near absence of democratic interest representation in public governance, and poor state capacity. Are these challenges, as well as the difficulties now faced in Scandinavia, unsurmountable, or do any alternative opportunities appear if these experiences are read against promising tendencies in other contexts? Three such tendencies stand out: (i) social unionism; (ii) struggle for economic and social rights; and (iii) citizen action for impartial governance and fair public services.

Social unionism: a counter-movement to neoliberalism?

There is no doubt that the era of neoliberal inspired economic globalisation has increased inequality over much of the world, or that the lives and livelihoods of a very large number of people have become more precarious. The informalisation of employment relations now extends well into middle class occupations (forming, as Guy Standing 2011 has it, a 'precariat'). Polanyi would argue that 'society' is clearly under threat from the renewed pursuit of the utopia of the self-regulating market economy, and would look for a countermovement in its defence.

The essential problem here – what crucially constrains development of a countermovement – is the lack of broad common interests and collectivities among that key actors and the lack of policies and state-society institutions to foster such collectivities. Employers in different economic sectors have different priorities. Employees from the middle classes are employed in diverse sectors and (as long as these sectors are doing well) tend to find private solutions to precarious situations and to their social security, education and health needs, rather than opting for public systems. Workers are also in different sectors with different priorities.

There are, however, some optimistic signs in social movement trade unionism. Highly skilled workers tend to lose bargaining power if increasing numbers of them lose permanent employment and employers refuse to negotiate. Some of these workers have turned to the state and to politics in order to bring about positive changes. Political parties listen to those who can claim to deliver votes. Hence, high wage employees

seek common cause and broader alliances with contract employees and with informal sector workers. To win their support, the skilled workers have to ask for other things, too, such as higher minimum wages and universal welfare; contract employees and informal sector workers begin to organise, too. This has at times happened in Brazil, South Africa, Indonesia, and even in Nigeria – but aside from some organisation among informal workers not, so far, to any great extent in India.⁴ Still, the conditions are there in India too, as the CPI-M led Centre of Indian Trade Unions has recognised and as informal labour begins to organise on its own (as reported in Chapter Five).

But how consistent is the interest of formal labour unions in broader alliances? Competing priorities on the parts of some unions and of agricultural and informal labourers in Brazil, South Africa and Indonesia seem difficult to overcome when the unions are the strongest party to the cooperation and little is done to fight unemployment. In these cases, as in India, it has been particularly difficult to combine the interests of strong unions in the formal sectors and the interests of huge numbers of people outside them. South Africa's apparent indifference to its massive unemployment problem is another tragic case in point (Seekings 2015); much like the CPI-M in West Bengal, the African National Congress (ANC) has enjoyed an unhealthy hegemony. In Indonesia, moreover, where social and economic structures are becoming increasingly similar to India, a majority of the leaders of the best organised union (metal-workers) supported the forging of broader alliances in 2009–14, in order to win greater political clout. But on occasions when they believed that particular politicians and mainstream parties could provide better benefits for 'them only', they chose that route.

Struggles for economic and social rights

Despite these challenges, we see a few possibilities for broad based mobilisation that may complement social movement unionism. One is in the dynamics around securing universal social rights. An optimistic experience is from Indonesia. In 2010–12, social movement trade unionism was combined with forceful political leadership (by progressive politicians and campaigners) in favour of social security legislation. The priorities embedded in the emerging laws reflected widely shared

4. See Bull (2013) and Chapter One.

interests in social rights, and a collective leadership was in place. The remaining problem in Jakarta was organisational and ideological. The demand for the legislation, which had brought many organisations and movements together, was seen as the first part of a long-term strategy of efficient, more comprehensive and transformative welfare policies (Törnquist 2014; Djani et al. 2016). In India, too, it is a striking feature of the present that quite contrary to neoliberal theory, which holds that it is the responsibility of individuals to look after their own welfare (Harvey 2005), many major states are intervening more and more in the provision of basic social security. During the last decade in India, social rights – to employment, education, food, and living spaces for forest dwellers – that had been relegated to the non-justiciable Directive Principles of the Indian Constitution have at last become legally established. They are now justiciable rights. In India and elsewhere, the politics of such moves for the provision of basic social security by the state (in China and Indonesia especially through the renewal of the public health care system, and in South Africa, Mexico, and Brazil through various cash transfer programmes) are far from clear. In India – as we argued earlier – they have not been driven by broad based social movements. Rather, they have followed from lobbying by middle-class-led campaigns and by the interventions of influential individual policy entrepreneurs, combined with judicial activism, rather than having been driven by social movements. One explanation is that the state has, with some reluctance, given in to pressure groups in civil society, out of a fear of the possible actions of the mass of the working poor, who might become like ‘les classes dangereuses’ of 19th century Europe. This is the suggestion of Partha Chatterjee (2008). Another view, put by M. Vijayabaskar (2011), is that these interventions have the effect of removing responsibility for the reproduction of labour from capital. They are altogether supportive, therefore, of the neoliberal capitalist agenda. Politicians may primarily (as they have in Tamil Nadu) provide basic social security to labourers who are required by investors in low wage sectors, as well as to those who have been marginalised, while at the same time helping with elite training for the modern sectors that must compete on the basis of high productivity/value added.

The two views are neither in opposition with each other nor incompatible with Walton’s (2011) view that ‘A rights-based approach has

some intuitive attractions as an alternative to a discretionary government system that would seem to be much more prone to patronage'. The struggle to secure the basic rights of people as citizens, rather than class politics, can be a way ahead, much as Polanyi argued was the case in the 19th and early 20th centuries. This is not the end of unions and organised interests, but they need to link up with the working poor of the cities and the mass of middle classes, and even the mass of rural working people – so many of whom shift between town and country – and thus find common cause as citizens and in making programmatic rather than selective demands upon the state exert pressures towards democratic development. It is true that the prospects for social democracy in India depend quite substantially on whether or not more employers are convinced of the importance of investment in citizen rights and various welfare policies as a critically important means of improving productivity, flexibility, and the quality of labour, which is desperately wanting in the country at present. India is reasonably considered a 'labour surplus' country, yet many enterprises report shortages of employable labour. Basic welfare and meaningful public works for the poor may however foster their political capacity, generate more consumption, and reduce resistance against necessary modernisation of the economy. As pointed to in Chapter Ten, public welfare for relatively privileged workers, too, is a precondition for more equal wages and (if there is decent public unemployment insurance) reduces the need for rigid employment conditions, which in turn tends to increase investments that generate more jobs. Similarly, publicly financed education for skilled labourers and, for example, engineers, is another route to more equal wages and more investment. Equally important, it makes middle classes interested in welfare policies.

As described earlier, such policies recall the late 1920s and early 1930s in Scandinavia, when social democrats opted for welfare measures for people in general through the state and local governments (Chapter Nine), combined with democratic corporatist participation by interest based movements, paving the way for broad alliances and trustworthy public administration (Chapter Seven). In this regard, it is important that there are indications now, in at least some Indian states, that programmatic appeals to voters, as opposed to clientelistic mobilisation, are becoming more significant (Manor 2013; Wyatt 2013).

Pranab Bardhan, however, has pointed to additional challenges for the Indian rights-based approaches. So long as the public delivery structure for their implementation remains as weak and corrupt as it is now, the promulgation of rights will remain hollow and may eventually give rise to cynicism. Building a wide social movement that demands effective provision of such rights will require a very clear move away from selective patronage for households that succeed in securing the label of being 'BPL' (below the poverty line) to broad based programmes that provide public goods, and away from targeted to universal programmes (which are much more likely to command the vitally important political support of the middle classes). This will make it possible, Bardhan suggests (in Chapter Eleven) to move away 'from providing subsidised food grains for a target population through an enormously wasteful and corrupt public . . . programme, or away from ensuring job security for a small number of organised workers . . . to universal "citizen rights" (for, say, health, education, and housing) applicable not just to the formal sector workers, but also the vast numbers in the informal sector'. A basket of policies to provide for such citizen rights could be funded, Bardhan argues, partly by slashing the large subsidies (both explicit and implicit) that currently go to the better off (amounting, according to some estimates, to about nine per cent of GDP) and through tax reforms (some of them long-awaited). And there is a much greater chance that employers will agree to these sorts of productive social policies than to selectively implemented 'hand-outs.'

Citizen action for impartial governance and fair public services

The mechanisms for securing transparency and accountability built into the recent Indian social rights legislation establish means of representation and of political participation outside those of electoral politics. This is another vitally important condition for the development of social democratic politics. In fact, it is the potential links to the third promising tendency that we want to draw attention to: actions for impartial governance and better public services.

The first link relates to 'governance reforms'. There is a definite tension, in the Indian case, between the assertion of rights by or on behalf of citizens, on the one hand, and the language of 'beneficiaries', 'clients', and 'users' that government often prefers (which, of course, implies the selective allocation of benefits). There is still a case to be made, however,

for the view that the new rights agenda constitutes, at least in part, what Merilee Grindle (2000) refers to as 'audacious reforms' – reforms that 'change how public issues are framed and resolved, alter the methods by which political actors calculate cost-benefit trade-offs, and reconfigure relationships between various social groups and political life'. The most audacious aspect of India's new rights agenda is the 'governance reform' that it entails, through the mechanisms provided for in the legislation that are designed to ensure accountability, transparency, and government responsiveness. This is the particular significance of the Right to Information Act of 2005 and of the transparency clauses in other parts of the new legislation: they encourage the mobilisation of people to hold the state to account and to claim their rights as citizens, through such means as the instrument of a *jan sunwai* (public hearing).⁵ Politicians and officials are certainly resisting the demands that legislation places upon them in regard to transparency and accountability, but there is no doubt that it promises to change the relationships of individuals and of social groups with the state, and to bring the promise of universal citizenship contained in India's Constitution closer to reality. Whether or not this promise will be realized of course remains to be seen, but there are here important points of political leverage.

The second link between the struggles for social rights and better governance is that the realization of social rights demands the existence of decent public services, which calls for considerable improvement in state capacity. Two rather different arguments and movements address this problem: one points to the importance of administrative reforms; the other stresses the role of democratic action from below. The achievement of successful social democracy in Scandinavia in the 20th century was partly based upon governance reforms in the mid to late 19th century, ahead of liberal democracy and the reign of social democracy. Bo Rothstein (2011) has argued that the Swedish state, which at the central level had been characterised by high levels of corruption and incompetence, was radically transformed through a 'big bang' of

5. The institution of the *jan sunwai* is discussed in: Jenkins and Goetz (1999). Just how threatening a *jan sunwai* can be to politicians and officials is shown up in two reports of events in Rajasthan: 'Violence and threats bring a government to its knees', *The Hindu*, 16 December 2009; and 'The system strikes back', *The Hindu*, 17 December 2009.

administrative and educational reforms: a large number of measures carried out more or less simultaneously. In Chapter Seven, however, while Torsten Svensson notes the importance of the implementation of several administrative and educational reforms at the same time, he arrives at a different conclusion about what made them and the emerging trust in public governance possible. Actually, the reforms were incremental, and had deep roots in pre-democratic local self-government and active citizenship among the better off classes, including the farmers. With rapid industrialisation and urbanisation (as also shown by Hilde Sandvik in Chapter Four) there was a need to scale up local governance and social security arrangements through various self-help movements in the expanding public sphere, and at regional and national levels of the state in consultation with the powerful interest groups. These challenges were not effectively handled, however, until the Social Democrats gained power and fostered the additional representation in public governance of workers and others who previously had been marginalised. In short, there was a combination of reforms from above and engagement from below.

Similarly, recent Indian experience shows that there is some reason to be optimistic about democratically inspired governance reform. N. C. Saxena argues in Chapter Six that 'the rise of the middle class, along with a free press, judicial activism and civil society action, has emerged as a big corrective factor on the arbitrary use of executive power'. But Saxena also thinks that these democratic pressures for governance reform are most effective at the central level in India (whence has come India's remarkable social rights legislation) and that they are not so strong in the States, where they are needed much more. He argues, therefore, that there is a constant need for external pressure on the States from the central government. The central government has recently implemented administrative reforms that are intended to check the huge problem of frequent bureaucratic transfers and limited tenures that have played havoc with public organisations in India. The States have resisted these reforms. Most of the States have also stood in the way of the strengthening of local government – which Saxena adds, should be more involved in the social sector and have the right to levy taxes. The States also resist the implementation of the sort of outward accountability that is allowed for through, for example, the institution of the *jan sunwai*, discussed

above. In regard to these vitally important reforms, and others, there is a need for a government at the centre that is willing to exert pressure on the States, in response to democratically driven citizen action.

With regard to democratically inspired governance reforms, it is important to remember the prerequisites for Scandinavia's anti-corruption reforms and for the state-society cooperation, through democratic corporatist interest representation, that helped to build trust in public governance. These included not only administrative reforms from above, but also broad democratic organisation of interests that the state could cooperate with. And there are significant examples of quite similar democratically-driven citizen action in India, not only on the part of the working poor – including poor peasants and tribals, as well as harassed squatters and vendors, and millions of slum dwellers – but also from the mass middle classes, and even from business people who have interests in orderly and predictable public institutions. In India, these demands have been articulated latterly by the Aam Aadmi Party (AAP). In Indonesia, the second largest democracy in the Global South, they lay behind the popular drive that eventually made Joko 'Jokowi' Widodo the president of the country in 2014 (Törnquist 2014; Djani *et al.* 2016).⁶ A cluster of better-known cases includes participatory budgeting in Brazil and efforts in both South Africa and Kerala at building popular involvement in decentralised governance.

There are also challenges of social democratic politics of impartial governance and fair public services. In India, AAP has focused exclusively on problems of governance and the need for popular participation, avoiding issues of socio-economic inequalities, the linkages between corruption and primitive accumulation of capital, and even the building of democratic party structures. As in the case of participatory budgeting in Brazil, there is an obvious risk that the emphasis on issues of governance and participation is overtaken by actors and movements with agendas quite different from those of social democracy (Melgar 2014). Another common problem seems to be coordination and the scaling up of lo-

6. Jokowi stood not only for a critique of centralist strong-man policies, but also for local negotiations in increasingly chaotic and ungovernable urban areas between, on the one hand, business and middle classes who wanted plots for commercial ventures and space for cleaner cities, and, on the other, subordinated classes who were threatened with being dispossessed of land, housing and livelihood.

cal institutions of 'good governance' and participation to regional and national levels. As clearly illustrated in contemporary Brazil, it has rarely been possible to apply participatory practices in fighting corruption, fostering better representation, and negotiating social and economic priorities in larger contexts. They have rather been turned into populist governance policies and toothless consultations with selected civil society leaders⁷. The new Indonesian president, Jokowi, and the popular movements behind him, soon came up against exactly the same or even more serious problems, given their lack of political organisation (Djani *et al.* 2016). In Kerala, a major problem was that of how to combine mainstream liberal democratic institutions of elections, public administration and lobbying with new channels for more direct participation of various interest organisations, neighbourhood and beneficiary groups (as we discuss in Chapter Three). In many cases, the dominance of one party has eventually become a severe hindrance, as in South Africa and West Bengal (Heller 2013).

These critical problems concern organisation, ideology, and policy development. This makes discussions about various ways of promoting and designing linkages between state and civil society increasingly relevant. The Scandinavian experiences are primarily about cooperation, on the one hand, between local, regional, and central level government, which became increasingly necessary with the industrial revolution and urbanisation (Chapters Four and Seven), and on the other between central and local governments and interest organisations (Chapter Seven). The institutionalised forms of state-civil society cooperation have also included important minorities and important employers and experts and others who would otherwise have lost out in the context of liberal majoritarian democracy, and might then have tried to pervert it. These institutional forms may provide some inspiration in the Indian discussion about democratic governance reforms and active citizenship.

Towards a conclusion: an upside-down scenario

As we argued at the beginning of this chapter, uneven economic development combined with flawed democratisation and governance stand in the way of the politics of social democratic development. This means

7. Cf. Baiocchi *et al.* (2013), Braathen and Kasahara (2014).

that there are few immediate openings for the kind of social pacts over productivity, welfare, and deliberative governance that evolved in the heartlands of social democracy. Unified organisation among labourers and employers is lacking and it is difficult to generate enough new jobs by investments in modernisation alone. Middle classes often prefer private instead of public welfare arrangements. And active citizenship, democratic interest based representation and state capacity are all poorly developed. Yet, there may be alternative openings and sequences.

Tentative as it may be, the most interesting general conclusion from our studies is that the three tendencies (of social unionism, actions for rights, and demands for impartial governance) might be brought together by way alliances that are broader than those of union-based actions on the one hand or of governance campaigns on the other. The convergence may evolve in the context of struggles for citizen and labour rights and welfare agendas, as well as for democratic decision-making and the implementation of these rights and schemes.

Compared with Scandinavia, this is an upside-down scenario. In Scandinavia, the state was reasonably efficient; both capital and labour were sufficiently unified and well enough organised to negotiate pacts on wage compression, fostering investments and new jobs; favourable export markets helped generate the jobs sufficiently quickly; and, once more equal wages began enabling more profitable investment in modernisation, broad backing for supportive welfare policies became politically feasible. In countries like India, by contrast, with weak collective actors and governance, the sequencing may be almost the opposite. *The entry point may rather be broad alliances for social- and work-related rights in addition to impartial governance.* Most of the fragmented actors are interested in such rights, which suggests a potential for the emergence of broad alliances. The majority of informally employed labour as well as the increasingly numerous new middle classes experiencing precarity need their basic social rights to be realized. If they are successful in this basic political effort, then they will become less likely to resist the demands of economic modernisation; in response, well-to-do workers (benefitting from universal social rights) are more likely to reduce their claims for the highest possible wages and rigid employment protection that hold back job-generating investments. Similarly, aspiring middle classes and their employers need public support for advanced training

and education in particular to make a better living and to abstain from privileged wages (which hamper social democratic growth), ask for more and better public welfare, and seek environmentally friendly ways of increasing their standard of living.

Such broad alliances are not entirely new and unique. In several respects the idea rather brings to mind the broad alliances that Polanyi pointed to and which evolved both in the late 1920s and early 1930s in Scandinavia and in the early 1930s in Kerala – irrespective of different levels of industrial development and quality of public institutions. In the current context of globalisation, however, *broad alliances and efforts to foster social democratic development in countries like India call also for international cooperation between like-minded parties*. Even though the previous room of manoeuvre for adherents of non-alignment in the circumstances of rivalry between superpowers are no longer at hand, there is a possible opening. This is based on the fact that (as shown in Chapter Twelve) it has only been possible to sustain social democracy in one country under perhaps temporary exceptional conditions of high oil revenues in Norway – not in the more typical case of Sweden. The major lesson from this Scandinavian case, then, is that to benefit from expanding world markets (and avoid huge inflows of immigrants and refugees) it may be necessary to support social democratic development in the Global South.

Bibliography

- Acemoglu, D. and J. A. Robinson (2012) *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. London: Profile Books.
- Agarwala, R. (2013) *Informal Labor, Formal Politics, and Dignified Discontent in India*. Cambridge: Cambridge University Press.
- Agell, J. and K. E. Lommerud (1993) 'Egalitarianism and growth', *Scandinavian Journal of Economics*, 95(4): 559–79.
- Agrawal, S. K. and Anupama (2013) 'Social Protection Policies for the Urban Informal Sector: The Indian Perspective', in Neera Chandhoke and Sanjay Kumar Agrawal (eds), *Social Protection Policies in South Asia*. London: Routledge.
- Aiyar, Y. (2014) 'Re-framing the MGNREGA debate', *The Hindu*, November 8.
- Aiyar, Y. and M. Walton (2014) 'Rights, Accountability and Citizenship: Examining India's Emerging Welfare State', Accountability Initiative, Working Paper Series. Delhi: Centre for Policy Research.
- Alam, J. (2004) *Who Wants Democracy?* Delhi: Orient Longman.
- Analysgruppen Global samverkan (2016) *Implementering av Agenda 2030 i Sverige och globalt. 5 kritiska områden och 40 förslag till svenskt agerande. Sammanfattande rapport*. Stockholm: Regeringskansliet.
- Andersson, J. (2004) 'A Productive Social Citizenship? Reflections on the Concept of Productive Social Policies in the European Tradition', in L. Magnusson and B. Stråth (eds), *A European Social Citizenship? Preconditions for Future Policies from a Historical Perspective*. Brussels: PIE-Peter Lang.
- Andrae, G. and B. Beckman (2011) 'Lagos Tailors, Trade Unions, and Organisations in the Informal Economy', paper for workshop on 'Reintegrating African Informal Economies'. London School of Economics and Political Science, December 12–13.
- Anna Lindh Seminar (2012) *A New Global Deal Between Capital and Labour*, seminar report <http://www.socialdemokraterna.se/upload/>

- Internationellt/2012/Anna_Lindh_Seminar_Report_2012.pdf. Last accessed 19 May 2016.
- (2014) *A New Global Deal: Strengthened Partnership for a Better Society*, seminar report <http://www.socialdemokraterna.se/upload/Internationellt/2014/Final%20Anna%20Lindh%20Seminar%20Report-ver2%5B1%5D.pdf>. Last accessed 19 May 2016.
- Anner, M. (2015) 'Labor control and worker resistance in global supply chains', *Labor History*, 56 (3): 292–307.
- Arnold, D., R. Jeffrey, and J. Manor (1976) 'Caste Associations in South India: A Comparative Analysis', *The Indian Economic and Social History Review*, 13 (3): 353–73.
- ASER Centre (2015) *ASER 2104: Annual Status of Education Report*. New Delhi: Pratham <http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202014/National%20PPTs/aser2014indiaenglish.pdf>. Last accessed 19 May 2016.
- Asian Development Bank (2013) *Empowerment and Public Service Delivery in Developing Asia and the Pacific*. Manila: Asian Development Bank.
- Avdagic, S. (2010) 'When are Concerted Reforms Feasible? Explaining the Emergence of Social Pacts in Western Europe', *Comparative Political Studies*, 43: 628–57.
- Avritzer, L. (2002) *Democracy and the Public Space in Latin America*. Princeton, NJ: Princeton University Press.
- Baiocchi, G. and P. Heller (2009) 'Representation by Design? Variations on Participatory Reforms in Brazilian Municipios', in O. Törnquist, N. Webster, and K. Stokke (eds), *Rethinking Popular Representation*. New York: Palgrave Macmillan.
- Baiocchi, G., E. Braathen, and A.C. Teixeira (2013) 'Transformation Institutionalized? Making Sense of Participatory Democracy in the Lula Era', in K. Stokke and O. Törnquist (eds), *Democratization in the Global South: The Importance of Transformative Politics*. Basingstoke: Palgrave Macmillan.
- Baland, J. M., K. O. Moene and J.A. Robinson (2010) 'Governance and Development', *Handbook of Development Economics*, 5: 4597–656.
- Balarajan, Y., S. Selvaraj and S.V. Subramanian (2011) 'Health Care and Equity in India', *The Lancet*, 377 (9764): 505–15.
- Baldersheim, H. (2015) 'Small state, huge assets: the problem of fiscal discipline in an oil-rich country – the case of Norway', in H. Baldersheim and M. Keating (eds), *Small States in the Modern World: Vulnerabilities and*

- Opportunities*. Cheltenham and Northampton: Edward Elgar Publishing.
- Banerjee, A. and E. Duflo (2009) 'Improving Health Care Delivery', paper for Angus Deaton Festschrift, Princeton University <http://economics.mit.edu/files/5172>. Last accessed 19 May 2016.
- Banerjee, A., D. Kenniston, E. Duflo, R. Glennerster, and R. Banerji (2007) 'Can Information Campaigns Raise Awareness and Local Participation in Primary Education?', *Economic and Political Weekly* (hereinafter *EPW*), 42 (15): 1365–72.
- Banerjee, S. (2011) 'Anna Hazare, Civil Society and the State', *EPW*, 46 (36): 12–14.
- Bardhan, P. (1998 [1984]) *The Political Economy of Development in India*. Delhi: Oxford University Press.
- (2005) *Scarcity, Conflicts and Cooperation: Essays in the Political and Institutional Economics of Development*. Cambridge, MA: MIT Press.
- (2009) 'Notes on the Political Economy of India's Tortuous Transition', *EPW*, 44 (49): 31–6.
- (2011) 'Challenges for a Minimum Social Democracy in India', *EPW*, 46 (10): 39–43.
- (2011) 'The Avoidable Tragedy of the Left in India – II', *EPW*, 46 (24): 10–13.
- Bardhan, P., S. Mitra, D. Mookherjee and A. Nath (2014) 'Changing Voting Patterns in Rural West Bengal: Role of Clientelism and Local Public Goods', *EPW*, 49 (11): 54–62.
- Bardhan, P., S. Mitra, D. Mookherjee and A. Sarkar (2011) 'Political Participation, Clientelism and Targeting of Local Government Programs: Analysis of Survey Results from Rural West Bengal, India', working paper. Boston, MA: Boston University www.people.bu.edu/dilipm/wkpa. Last accessed 10 March 2014.
- (2009) 'Local Democracy and Clientelism: Implications for Political Stability in Rural West Bengal', *EPW*, 44 (9): 46–58.
- Barry, J., E. Duflo, S. Mukerji, and M. Shotland, (2014) *Improving Learning Outcomes through the Government School System in India*. Delhi: Pratham.
- Barth, E. and K.O. Moene (2015) 'The Equality Multiplier: How Wage Compression and Welfare Empowerment Interact', *Journal of the European Economic Association*. Preprint 20 August 2015
- Barth, E., H. Finseraas and K.O. Moene (2015) 'Political Reinforcement: How Rising Inequality Curbs Manifested Welfare Generosity', *American Journal*

- of *Political Science*, 59 (3): 556–77.
- Barth, E., K.O. Moene and F. Willumsen (2014) ‘The Scandinavian Model – An Interpretation’, *Journal of Public Economics*, 117 (Sept): 60–72.
- Basu, S. and A. Majumdar (2013) ‘Dilemmas of Parliamentary Communism: The Rise and Fall of the Left in West Bengal’, *Critical Asian Studies*, 45 (2): 167–200.
- Battacharyya, D. (2010) ‘Left in the Lurch: The Demise of the World’s Longest Elected Regime?’, *EPW*, 45 (3): 51–9.
- Baxi, U. (1985) *The Crisis of the Indian Legal System*. Delhi: Vikas.
- Beg, K. (2011) ‘Red Bengal’s Rise and Fall’, *New Left Review*, 70: 69–98.
- Bennell, P. (2004) *Teacher Motivation and Incentives in Sub-saharan Africa and Asia*. Brighton: Knowledge and Skills for Development <http://www.eldis.org/fulltext/dfidtea.pdf>.
- Berg, E., S. Bhattacharyya, R. Durgam and M. Ramachandra (2012) ‘Can Rural Public Works Affect Agricultural Wages? Evidence from India’, CSAE Working Paper. Oxford: University of Oxford, Centre for the Study of African Economies <http://www.csae.ox.ac.uk/workingpapers/pdfs/csae-wps-2012-05.pdf>. Last accessed 19 May 2016.
- Berge, Ø. and C. Hyggen (2011) *Privatskoler i Norden: Omfang, utvikling og den politiske debatten*. Oslo: Fafo-notat http://www.fafo.no/~fafo/media/com_netsukii/10122.pdf. Last accessed 19 May 2016.
- Berglund, T. and I. Esser (2014) *Modell i förändring. Landrapport om Sverige: NordMod 2030*. Oslo: Fafo.
- Bergström, Y. (2015) *Unga och Politik. Utbildning, plats, klass och kön*. Stockholm: Premiss.
- Bergström, Å-P J., C-M Jonsson, and S. de Toro, with proposals by the central board of LO (2015) *Vägen till full sysselsättning och rättvisare löner*. Stockholm: LO [https://www.lo.se/home/lo/res.nsf/vRes/global_1433146093888_kongressrapport_2016_pdf/\\$File/Kongressrapport_2016.pdf](https://www.lo.se/home/lo/res.nsf/vRes/global_1433146093888_kongressrapport_2016_pdf/$File/Kongressrapport_2016.pdf). Last accessed 19 May 2016.
- Berman, S. (1998) *The Social Democratic Movement: Ideas and Politics in the Making of Interwar Europe*. Cambridge, MA and London: Harvard University Press.
- (2006) *The Primacy of Politics: Social Democracy and the Making of Europe’s Twentieth Century*. New York: Cambridge University Press.
- (2007) ‘Lessons from Europe’, *Journal of Democracy*, 18 (1): 28–41.
- Bernstein, E. (1961 [1907]) *Evolutionary Socialism: A Criticism and*

- Affirmation. New York: Random House, 1961.
- Berven, N. and P. Selle (2001) *Svekket kvinnemakt? De frivillige organisasjonene og velferdsstaten*. Oslo: Gyldendal Akademisk.
- Besley, T., R. Burgess, and B. Esteve-Volart (2007) 'The Policy Origins of Poverty and Growth in India', in T. Besley and L. Cord (eds), *Delivering on the Promise of Pro-Poor Growth*. Washington, DC: The World Bank and Palgrave Macmillan.
- Bhattacharyya, S., M. Mini Jos, S. Kapoor Mehta and R. Murgai (2015) 'From Policy to Practice: How Should Social Pensions Be Scaled Up?', *EPW*, 50 (14): 60–7.
- Bidwai, P (2015) *The Phoenix Movement. Challenges Confronting the Indian Left*. Noida: HarperCollins.
- Bose, S. (2013) *Transforming India: Challenges in the World's Largest Democracy*. Cambridge, MA and London: Harvard University Press.
- Brandal, N. and Ø. Bratberg (2015) 'Small-state Scandinavia: social investment or social democracy?', in H. Baldersheim and M. Keating (eds), *Small States in the Modern World: Vulnerabilities and Opportunities*. Cheltenham and Northampton: Edward Elgar Publishing.
- Brautigam, D., O-H. Fjeldstad, and M. Moore (eds), (2008) *Taxation and State-Building in Developing Countries: capacity and consent*. Cambridge and New York: Cambridge University Press.
- Brynjulfsdottir, L., T. Hammarberg, A. Ryott, M. Karlsson and L. Pelling (2015) 'Debatt: Så kan globaliseringens fördelar komma fler till del', *ETC*, October 8. <http://www.etc.se/debatt/sa-kan-globaliseringens-fordelar-komma-fler-till-del>. Last accessed 19 May 2016.
- Braathen, E. and Y. Kasahara (2014) 'Brazil, Land of the Future? Conservative Development Strategy and the Urban Challenge', in A. Hansen and U. Wethal (eds), *Emerging Economies and Challenges to Sustainability: Theories, Strategies, Local Realities*. Routledge: Milton Park.
- Bull, B. (2013) 'Social Movements and the "Pink Tide" Governments in Latin America: Transformation, Inclusion and Rejection', in K. Stokke and O. Törnquist (eds), *Democratization in the Global South: The Importance of Transformative Politics*. Basingstoke: Palgrave Macmillan.
- Burawoy, M. (2010) 'From Polanyi to Pollyanna: The False Optimism of Global Labor Studies', *Journal of Global Labor Studies*, 1: 301–13.
- Butalia, U. (1997) 'The Women's Movement in India: Action and Reflection', *Communique*, 42–3 <http://www.twn.my/title/india1-cn.htm>. Last accessed 19 May 2016.

Bibliography

- Carothers, T. (2004) *Critical Mission: Essays on Democracy Promotion*. Washington, DC: Carnegie Endowment for International Peace.
- (2007) 'How Democracies Emerge: The "Sequencing" Fallacy', *Journal of Democracy*, 18 (1): 12–27.
- (2007) 'Misunderstanding Gradualism', *Journal of Democracy*, 18 (3): 18–22.
- Castells, M. (1983) *City and the Grassroots: A Cross-Cultural Theory of Urban Social Movements*. Berkeley: University of California Press.
- Chandhoke, N. (2011) 'Civil Society in India', in M. Edwards (ed.), *The Oxford Handbook of Civil Society*. Oxford: Oxford University Press.
- (2012) 'Why People Should Not Be Poor', *EPW*, 47 (14): 41–50.
- (2013) 'Globalization and Democracy: the Equivocality of a Relationship', in K. Stokke and O. Törnquist (eds), *Democratization in the Global South: The Importance of Transformative Politics*. Basingstoke and New York: Palgrave Macmillan.
- Chandhoke, N. and S. K. Agrawal (2013) 'Urban Informal Sector in South Asia: An Introduction', in Neera Chandhoke and Sanjay Kumar Agrawal (eds), *Social Protection Policies in South Asia*. London: Routledge.
- Chandra, K. (2004) *Why Ethnic Parties Succeed: Patronage and Ethnic Head Counts in India*. New York: Cambridge University Press.
- Chathukulam, J., and M. S. John. (2002) 'Five Years of Participatory Planning in Kerala: Rhetoric and Reality', *EPW*, 37 (49): 4917–26.
- Chatterjee, P. (2004) *The Politics of the Governed: Reflections on Popular Politics in Most of the World*. New York: Columbia University Press.
- (2008) 'Democracy and Economic Transformation in India', *EPW*, 43 (16): 53–62.
- (2009) 'The Coming Crisis in West Bengal', *EPW*, 44 (9): 42–5.
- Chattopadhyay, A. (2005) 'Distributive Impact of Agricultural Growth in Rural West Bengal', *EPW*, 40 (53): 5601–10.
- Chaudhuri, S. and P. Heller (2003) 'The Plasticity of Participation: Evidence from a Participatory Governance Experiment', ISERP working paper. New York: Columbia University.
- Chibber, V. (2003) *Locked in Place: State-Building and Late Industrialisation in India*. Princeton, NJ: Princeton University Press.
- 'Co-operation Agreement between the Government of the People's Republic of Bangladesh, the Government of Sweden, and The International Labour Organization' (2015) 26 September, New York.

- Coleman, J. (1990) *Foundations of Social Theory*. Cambridge, MA: Harvard University Press.
- Corbridge, S. and J. Harriss (2000) *Reinventing India: Economic Liberalization, Hindu Nationalism and Popular Democracy*. Cambridge: Polity Press.
- Corbridge, S., J. Harriss and C. Jeffrey (2013) *India Today: Economy, Politics and Society*. Cambridge: Polity Press.
- Crook, R. and A. Sverrisson (2003) 'Does Decentralization Contribute to Poverty Reduction? Surveying the Evidence', in P. Houtzager and M. Moore (eds), *Changing Paths: International Development and the New Politics of Exclusion*. Ann Arbor: University of Michigan Press.
- Dagens Industri (2015) 'Stålbädd följden av demokratikrav,' 8 November. <http://www.di.se/di/artiklar/2015/11/9/stalbad-foljden-av-demokratikrav/>.
- Damberg, M. and K.P. Thorwaldsson (2015) 'Svensk handels ska vara fri och rättvis', *Aftonbladet*, February 20. <http://www.aftonbladet.se/debatt/debattamnen/varlden/article20350102.ab>. Last accessed 20 May 2016 .
- Datta, P.K. (2015) 'The obvious and not-so-obvious reasons for AAP victory', *The Hindu*, 10 February.
- De, A., R. Khera, M. Samson and A.K. Shiva Kumar (2011) *PROBE Revisited: A Report on Elementary Education in India*. Delhi: Oxford University Press.
- Delhey, J. and K. Newton (2005) 'Predicting Cross-National Levels of Social Trust: Global Pattern or Nordic Exceptionalism?', *European Sociological Review*, 21 (4): 311–327.
- Desai, M (2001) 'Party Formation, Political Power, and the Capacity for Reform: Comparing Left Parties in Kerala and West Bengal, India', *Social Forces*, 80 (1): 37–60.
- Deshpande, S. (2003) *Contemporary India: A Sociological View*. Delhi: Penguin Books.
- Di John, J. and J. Putzel (2009) *Political Settlements: Issues Paper*. University of Birmingham: Governance and Social Development Research Centre.
- Di Lorenzo, F. (2013) *International Property Rights Index: 2013 Report*. Washington, DC: Property Rights Alliance <http://www.international-propertyrightsindex.org/>.
- Dimond, J. (2012) 'What Makes Countries Rich or Poor? A review of Acemoglu and Robinson "Why Nations Fail: The Origins of Power, Prosperity, and Poverty"', *New York Review of Books*, 7 June .
- Djani, L. and O. Törnquist, with O. Tanjung, and S. Tjandra, (2016) *Populist*

Bibliography

- Transactionalism. What are the prospects now for popular politics in Indonesia?* Working Paper. Jakarta: Institute for Strategic Initiatives.
- Drèze, J. (2014) 'Learning from NREGA', *The Hindu*, 23 August.
- (2015) 'Food Insecurity and Statistical Fog', *The Hindu*, February 25.
- Drèze, J. and A. Sen (1989) *Hunger and Public Action*. Oxford: Clarendon Press.
- (2013) *An Uncertain Glory: India and Its Contradictions*. London: Allen Lane.
- Dutta, P., R. Murgai, M. Ravallion, and D. van de Walle (2014) *The Right to Work? Assessing India's Employment Guarantee Scheme in Bihar*. Washington D.C.: The World Bank.
- Dølvik, J. E. (2007) 'The Nordic regimes of labour market governance: From crisis to success story?', Fafo-paper 2007:07. Oslo: Fafo http://www.fafo.no/media/com_netsukii/10027.pdf. Last accessed 19 May 2016.
- Dølvik, J. E., T. Fløtten, J.M. Hippe, and B. Jordfald (2014) *Sluttrapport: Den nordiske modellen mot 2030: Et nytt kapittel?* Oslo: Fafo.
- The Economist* (2013) 'The Next Supermodel', February 2 <http://www.economist.com/news/leaders/21571136-politicians-both-right-and-left-could-learn-nordic-countries-next-supermodel>. Last accessed 19 May 2016.
- Eklund, K. (2011) 'Nordic Capitalism: Lessons Learned,' in J. Wallenberg and K. Persson (eds.), *The Nordic Way: Shared Norms for the New Reality*, World Economic Forum Davos 2011. Stockholm: Global Utmaning <http://www.globalutmaning.se/wp-content/uploads/2011/01/Davos-The-nordic-way-final.pdf>. Last accessed 11 June 2014.
- Election Commission of India (2014) <http://eciresults.nic.in/>. Last accessed 19 May 2016.
- Engelstad, F. (2012) 'Limits to State Intervention into the Private Sector Economy: Aspects of Property Rights in Social Democratic States', *Comparative Social Research*, 29: 235–65.
- Engelstad, F. and J. Harriss (2015) 'Experiences of Democratic Development: Indian Challenges and Scandinavian Histories', paper for workshop on 'Reinventing Social Democratic Development: Insights from India and Scandinavia', University of Oslo, 10–11 March.
- Englander, D. (2013) *Poverty and Poor Law Reform in Nineteenth-Century Britain, 1834–1914*. New York: Routledge.
- Esping-Andersen, G. (1985) *Politics against Markets: The Social Democratic Road to Power*. Princeton, NJ: Princeton University Press.

- (1990) *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.
- Fernandes, L. and P. Heller (2006) 'Hegemonic Aspirations: New Middle Class Politics and India's Democracy in Comparative Perspective', *Critical Asian Studies*, 38 (4): 495–522.
- Franke, R. W. (1992) 'Land Reforms versus Inequality in Nadur Village, Kerala', *Journal of Anthropological Research*, 48 (2): 81–116.
- Franke, R. W. and T. Isaac (2000) *Local Democracy and Development: The Kerala People's Campaign for Decentralized Planning*. Delhi: Left Word Books.
- Frankel, F. and M.S.A. Rao (eds), (1990) *Dominance and State Power in Modern India: Decline of a Social Order, Volume II*. Delhi: Oxford University Press.
- Freeman, R. B. (2013) *Sub-report 3: Little Engines that Could: Can the Nordic economies maintain their renewed success?* Oslo: Fafo.
- Fuglum, P. (1978) *Norge i støpeskjeen*. Oslo: J.W. Cappelens Forlag.
- Fukuyama, F. (2011) *The Origins of Political Order: From Prehuman Times to the French Revolution*. London: Profile Books.
- (2014) *Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy*. London: Profile Books.
- Gandhi, A. and M. Walton (2012) 'Where Do India's Billionaires Get Their Wealth?', *EPW*, 47 (40): 10–14.
- Gandhi, A., C. Kumar, P. Saha, B. K. Sahoo, and A. Sharma (2011) *India Human Development Report 2011: Towards Social Inclusion*. Planning Commission, Government of India and Institute of Applied Manpower Research. Delhi: Oxford University Press http://www.iamrindia.gov.in/ihdr_book.pdf. Last accessed 19 May 2016.
- George, K. K. (1993) *Limits to Kerala Model of Development: An Analysis of Fiscal Crisis and its Implications*. Thiruvananthapuram: Centre for Development Studies.
- (2011a) 'Kerala Economy: Growth, Structure, Strength and Weakness', Working Paper No. 25. Kerala: Centre for Socio-Economic and Environmental Studies.
- (2011b) 'Underpinnings of Human Development: A Study of the Evolution and Growth of Kerala Economy', in *Introduction to Kerala Studies*. Newark, NJ: International Institute for Scientific and Academic Collaboration (IISAC) www.bookonkerala.com. Last accessed 19 May 2016.

Bibliography

- Gerschenkron, A. (1962) *Economic Backwardness in Historical Perspective*. Cambridge, MA: Harvard University Press.
- Ghertner, D. A. (2011) 'Gentrifying the State, Gentrifying Participation: Elite Governance Programs in Delhi', *International Journal of Urban and Regional Research*, 35 (3): 504–32.
- (2015) *Rule by Aesthetics: World-Class City Making in Delhi*. Oxford and New York: Oxford University Press.
- Ghosh, A. (2005) 'Public-Private or a Private Public? Promised Partnership of the Bangalore Agenda Task Force', *EPW*, 40 (47): 4914–22.
- Gill, K. (2009) *A Primary Evaluation of Service Delivery under the National Rural Health Mission (NRHM): Findings from a Study in Andhra Pradesh, Uttar Pradesh, Bihar, and Rajasthan*. Delhi: Government of India, Planning Commission http://planningcommission.gov.in/reports/wrkpapers/wrkp_1_09.pdf. Last accessed 19 May 2016.
- Government of India (2000) *Mid Term Appraisal of the Ninth Five Year Plan (1997–2002)*. Delhi: Planning Commission.
- (2001) *Mid-term Appraisal of the 9th Plan*. New Delhi: Planning Commission.
- (2005) *Performance Evaluation of Targeted Public Distribution System (TPDS)*. Delhi: Planning Commission.
- (2006), National Family Health Survey (NFHS-3). Delhi, Ministry of Health and Family Welfare. <http://dhsprogram.com/pubs/pdf/FRIND3/FRIND3-Vol1andVol2.pdf>. Last accessed 19 May 2016.
- (2008) *Refurbishing of Personnel Administration: Scaling new heights*. Second Administrative Reforms Commission. http://arc.gov.in/10th/ARC_10thReport_preface_contents.pdf. Last accessed 19 May 2016.
- (2008) *Impact Assessment Of Nirmal Gram Puraskar Awarded Panchayats*. Delhi: Department of Drinking Water and Sanitation.
- (2009) Panel discussion and theme papers, Civil Service Day. Delhi: Department of Administrative Reforms.
- (2010) *Evaluation Report on Sarva Shiksha Abhiyan*. Delhi: Planning Commission http://planningcommission.nic.in/reports/peoreport/peo-evalu/peo_ssa2106.pdf. Last accessed 19 May 2016.
- (2011a) *National Social Assistance Programme (NSAP)*. Delhi: Ministry of Rural Development <http://nsap.nic.in/nsap/NSAP-%20About%20us.pdf>. Last accessed 19 May 2016.
- (2011b), *Revised IAS Rules*, vol. 2, 31 October, pp. 43–92. <http://>

- persmin.gov.in/DOPT/Acts_Rules/AIS_Rules/Revised_AIS_Rules_Vol_II_Updated_Upto_31Oct2011/Revised_AIS_Rule_Vol_II_IAS_Rule_02.pdf. Last accessed 2 May 2016 .
- (2013a) *National Food Security Bill, 2011: Twenty Seventh Report*. Delhi: Ministry of Consumer Affairs, Food and Public Distribution <http://www.indiaenvironmentportal.org.in/files/file/Final-Report-on-NFSB.pdf>. Last accessed 19 May 2016.
- (2013b) *Report of the Comptroller and Auditor General of India on Performance Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme*. Delhi: Ministry of Rural Development http://saiindia.gov.in/english/home/our_products/audit_report/Government_Wise/union_audit/recent_reports/union_performance/2013/Civil/Report_6/6of2013.pdf. Last accessed 22 April 2014.
- (2013c) *Twelfth Five Year Plan, 2012–2015: Faster, More Inclusive and Sustainable Growth*. Delhi: Planning Commission.
- Government of India (2015) *Economic Survey 2014–2015*. Delhi: Ministry of Finance.
- (2015) *Statistical Yearbook: India 2015*. Delhi: Central Statistics Office, Ministry of Statistics and Programme Implementation http://mospi.nic.in/Mospi_New/upload/SYB2015/. Last accessed 19 May 2016.
- Govinda Rao, M. (2010): 'The 13th Finance Commission's Report: Conundrum in Conditionalities', *EPW*, 45 (48): 46–55.
- Grindle, M. (2000) *Audacious Reforms: Institutional Invention and Democracy in Latin America*. Baltimore: Johns Hopkins University Press.
- Guha, R. (2007) 'Adivasis, Naxalites and Indian Democracy', *EPW*, 42 (32): 3305–12.
- Gupta, A. (2012) *Red Tape: Bureaucracy, Structural Violence and Poverty in India*. Durham, NC: Duke University Press.
- Gupta, D. (2009) *The Caged Phoenix: Can India Fly?* Washington D.C.: Woodrow Wilson Center Press.
- Gurukkal, R. (1987) 'Communal Harmony in Early Medieval Kerala: An Outline of Its Material Milieu', *Religion and Society*, 34 (1).
- Gustavsson, S. and I. Lindberg (2015) *Marknadens makt och demokratins möjligheter*. Stockholm: Premiss.
- Hagelund, A. and A.W. Pedersen (2015) 'To Reform or Not to Reform? Explaining the Coexistence of Successful Pension Reform and Sick Pay Inertia in Norway', in F. Engelstad and A. Hagelund (eds), *Cooperation and Conflict the Nordic Way*. London: De Gruyter .

Bibliography

- Haggard, S. and R.R. Kaufman (2008) *Development, Democracy and Welfare States: Latin America, East Asia, and Eastern Europe*. Princeton, NJ: Princeton University Press.
- Hajnal, J. (1982) 'Two Kinds of Preindustrial Household Formation System,' *Population and Development Review*, 8 (3): 449–94.
- Hardin, R. (2002) *Trust and Trustworthiness*. New York: Russell Sage Foundation.
- Harilal, K. N. (2014) 'Confronting Bureaucratic Capture. Rethinking Participatory Planning Methodology in Kerala, *EPW*, 48 (36): 52–60.
- Harriss-White, B. (2008) *Rural Commercial Capital: Agricultural Markets in West Bengal*. Delhi: Oxford University Press.
- Harriss, J. (1993) 'What is happening in rural West Bengal? Agrarian Reform, Growth and Redistribution,' *EPW*, 28 (24): 1237–47.
- (2007) 'Antinomies of Empowerment: Observations on Civil Society, Politics and Urban Governance in India,' *EPW*, 42 (26): 2716–24.
- (2013) 'Audacious Reforms? India's New Rights Agenda: An Introduction,' *Pacific Affairs*, 86 (3): 561–68.
- (2014) 'Youth and "Refo-lution"? Protest Politics in India and the Global Context,' *Simons Working Paper No.34*. Vancouver: Simon Fraser University, School for International Studies.
- Harriss, J., K. Stokke, and O. Törnquist (eds), (2004) *Politicising Democracy: The New Local Politics of Democratisation*. Basingstoke: Palgrave Macmillan.
- Harvey, D. (2005) *A Brief History of Neoliberalism*. Oxford: Oxford University Press.
- Heller, P. (2005) 'Reinventing Public Power in the Age of Globalization: The Transformation of Movement Politics in Kerala,' in R. Ray and M. Katzenstein (eds), *Social Movements in India: Poverty, Power and Politics*. New York: Rowman and Littlefield Publishers, Inc.
- (2013) 'Participation and Democratic Transformation: Building Effective Citizenship in Brazil, India and South Africa,' in K. Stokke and O. Törnquist (eds), *Democratization in the Global South: The Importance of Transformative Politics*. Basingstoke: Palgrave Macmillan.
- Heller, P., K. N. Harilal, and S. Chaudhuri (2007) 'Building Local Democracy: Evaluating the Impact of Decentralization in Kerala, India,' *World Development*, 35 (4): 626–48.
- Hennock, E.P. (2007) *The Origin of the Welfare State in England and Germany, 1850–1914: Social Policies Compare*. Cambridge: Cambridge University

Press.

- Hensman, R. (2010) 'Labour and Globalization: Union Responses in India', in P. Bowles and J. Harriss (eds), *Globalization and Labour in China and India*. Basingstoke: Palgrave Macmillan.
- Herring, R. (1989) 'Dilemmas of Agrarian Communism: Peasant Differentiation, Sectoral and Village Politics', *Third World Quarterly*, 11 (1): 89–115.
- The Hindu* (2013) 'Editorial: Food as a right', 3 April.
- The Hindustan Times* (2015) 'Payment delays dent India's flagship health schemes', 4 March.
- Hopkin, J. and A. Rodriguez-Pose (2007) "Grabbing Hand" or "Helping Hand"?: Corruption and the Economic Role of the State', *Governance: An International Journal of Policy, Administration, and Institutions*, 20 (2): 187–208.
- Houland, C. (2014) 'Nigerian Trade Unions Navigating in the Political Economy of Oil', unpublished paper, Department of International Development Studies, Norwegian University of Life Sciences.
- Houtzager, P. P. and A. G. Lavalle (2009) 'The Paradox of Civil Society Representation: Constructing New Forms of Democratic Legitimacy in Brazil', in O. Törnquist, N. Webster, and K. Stokke (eds), *Rethinking Popular Representation*. New York: Palgrave Macmillan.
- Hsieh, C.T. and P.J. Klenow (2009) 'Misallocation and Manufacturing TFP in China and India', *Quarterly Journal of Economics*, 124 (4): 1403–48 .
- Huber, E. and J. D. Stephens (2012) *Democracy and the Left: Social Policy and Inequality in Latin America*. Chicago: University of Chicago Press.
- Human Rights Law Network (2009) *Right to Food*, fourth ed. Delhi: Socio Legal Information Centre.
- Huntington, S. P. (1965) 'Political Development and Political Decay', *World Politics*, 17 (3): 386–430.
- IF Metall (2015) 'IndustriALL Global Union och H&M tecknar globalt ramavtal', November 3 http://www.ifmetall.se/forbundet/aktuellt/pressmeddelanden/industriall_global_union_och_h_amp_m_tecknar_globalt_ramavtal.
- International Labour Organization (2015) 'Promoting Social Dialogue and Harmonious Industrial Relations in Bangladesh Ready-Made Garment Industry', project document with annexes accessed via Sida and the Swedish Embassy to Bangladesh.

Bibliography

- Jayal, N. G. (2013) *Citizenship and Its Discontents: An Indian History*. Cambridge, MA: Harvard University Press.
- Jeffrey, C. and J. Harriss (2014) *Keywords for Modern India*. Oxford: Oxford University Press.
- Jeffrey, C., P. Jeffery and R. Jeffery (2008) *Degrees Without Freedom? Education, Masculinities and Unemployment in North India*. Stanford, CA: Stanford University Press.
- Jeffrey, R. (1976) *The Decline of Nayar Dominance: Society and Politics in Travancore 1847–1908*. Delhi: Vikas.
- (1991) 'Jawaharlal Nehru and the Smoking Gun: Who Pulled the Trigger on Kerala's Communist Government in 1959?', *Journal of Commonwealth and Comparative Politics*, 29 (1): 72–85.
- Jenkins, M. (2014) 'Anna Hazare, Liberalisation and the Careers of Corruption in Modern India: 1974–2011', *EPW*, 49 (33): 41–9.
- Jenkins, R. (2013) 'Land, Rights and Reform in India', *Pacific Affairs* 86 (3): 591–612.
- Jenkins, R. and A-M Goetz (1999) 'Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India', *Third World Quarterly*, 20 (3): 603–22.
- Jepperson, R. (2002) 'Political Modernities: Disentangling Two Underlying Dimensions of Institutional Differentiation', *Sociological Theory*, 20 (1): 61–85.
- Jonsson, C.M. and I. Lindberg (2014) *Modellen som klev ut genom ett fönster: Om globaliseringen och den svenska modellens framtid*. Stockholm: LO [Some of the points are available in English in I. Lindberg (2014) 'Unions and Trade: What kind of solidarity?', in A. Bieler, B. Ciccaglione, J. Hilary and I. Lindberg (eds), *Free Trade and Transnational Labour*. London and New York: Routledge].
- Kangas, O. and J. Palme (2005) *Social Policy and Economic Development in the Nordic Countries*. Basingstoke: Palgrave Macmillan/UNRISD.
- (2009) 'Making Social Policy Work for Economic Development: The Nordic Experience', *International Journal of Social Welfare*, 18: S62–S72.
- Kansliet för strategisk analys (2014) *Strategiska trender i globalt perspektiv 2025: en helt annan värld?* Stockholm: Utrikesdepartementet.
- Kar, S. and K. Sen (forthcoming) *The Political Economy of Deals and the Indian Growth Story*. London: Palgrave MacMillan.
- Kathuria, K. and A. Subramanian (2012) 'Growth and Social Outcomes', I

- and II, *Business Standard*, July 25 and July 26 (along with further details in 'Technical Notes' available at http://www.cgdev.org/doc/Initiatives/technical_note_income_growth_social_BS_op_ed_July_2012.pdf. Last accessed 19 May 2016.
- Kattumuri, R. (2011) 'Food Security and the Targeted Public Distribution System in India', Working Paper 38. London: London School of Economics and Political Science, Asia Research Centre http://www.lse.ac.uk/asiaResearchCentre/_files/ARCWP38-Kattumuri.pdf. Last accessed 19 May 2016.
- Kautto, M. (2010) 'The Nordic Countries', in F. Castles, S. Leibfried, J. Lewis, H. Obinger, and C. Pierson (eds), *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press.
- Kaviraj, S. (2013) 'Indian Social Democracy and Questions of Culture', in S. Khilnani and M. Malhoutra (eds), *An Indian Social Democracy: Integrating Markets, Democracy and Social Justice* (Volume Two). New Delhi: Academic Foundation.
- Kay, T. (2015) 'New challenges, new alliances: union politicization in the post-NAFTA era', *Labor History*, 56 (3): 246–69.
- Keefer, P. and S. Khemani (2003a) *Democracy, Public Expenditures, and the Poor*. Washington, DC: World Bank http://siteresources.worldbank.org/INTINVTCLI/Resources/WBRO_democracypublicexpandthepoor.pdf. Last accessed 19 May 2016.
- (2003b) *The Political Economy of Public Expenditures*. Washington, DC: World Bank http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2003/10/20/000160016_20031020180320/Rendered/PDF/269530The1Political1Economy.pdf. Last accessed 19 May 2016.
- Khera, R. (2011) 'Revival of the Public Distribution System: Evidence and Explanations', *EPW*, 46 (44–5): 36–50.
- Khilnani, S. and M. Malhoutra (eds), (2013) *An Indian Social Democracy: Integrating Markets, Democracy and Social Justice*, Vol. I and II. Delhi: Academic Foundation.
- Khosla, M. (2010) 'Making Social Rights Conditional: Lessons from India', *International Journal of Constitutional Law*, 8 (4): 739–65.
- Kjeldstadli, K. (2015) 'The Norwegian Model', unpublished paper. Oslo: Oslo University.
- Kohli, A. (1987) *The State and Poverty in India: The Politics of Reform*. Cambridge: Cambridge University Press.

- (2012) *Poverty Amid Plenty in the New India*. Cambridge: Cambridge University Press.
- Koht, H. (1975 [1926]) *Norsk bondereising: fyrebuing til bondepolitikken*. Oslo: Pax Forlag.
- Korpi, W. and J. Palme (1998) 'The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries', *American Sociological Review*, 63 (5): 661–87.
- Krishna, A. (2003) 'Partnership between Local Governments and Community-Based Organisations: Exploring the Scope for Energy', *Public Administration and Development*, 23: 361–71.
- (2013 [2010]) *One Illness Away: Why People Become Poor and How They Escape Poverty*. Oxford and New York: Oxford University Press.
- Krishna, V. R. and R. Shashidhar (2013) 'Eradication of Poverty, Social Welfare Policies in India: Initiatives and Policy Implications', *OIDA International Journal of Sustainable Development*, 6 (8): 79–85.
- Kuhnle, S. (2011) 'Towards a Nordic-East Asian welfare dialogue?', *Journal of Asian Public Policy*, 4 (3): 254–62.
- Kumar, K. (2014) 'Confronting Extractive Capital: Social and Environmental Movements in Odisha', *EPW*, 49 (14): 66–73.
- Kumar, K. and J. M. Kerr (2012) 'Democratic Assertions: The Making of India's Forest Rights Act', *Development and Change*, 43 (3): 751–71.
- Kumar, R. and H.D. Sharma (eds), (1995) *Selected Works of Motilal Nehru*, Vol. VI. Published under the auspices of the Nehru Memorial Museum and Library. Delhi: Vikas .
- Kumlin, S. and B. Rothstein (2005) 'Making and Breaking Social Capital: The Impact of Welfare-State Institutions', *Comparative Political Studies*, May (38): 339–65.
- Kwon, H.-j. (2009) 'The Reform of the Developmental Welfare State in East Asia', *International Journal of Social Welfare*, 18: S12–S21.
- Kwon, H.-j., T. Mkandawire and J. Palme (2009) 'Introduction: social policy and economic development in late industrializers', *International Journal of Social Welfare*, 18:1–11.
- Kärrman, J. (2015) 'Svensk exportsatsning till diktaturer', *Dagens Nyheter*, July 2. <http://www.dn.se/nyheter/sverige/svensk-exportsatsning-till-diktaturer/>. Last accessed 19 May 2016.
- Ladstein, T. and T. Skoglund (2008) 'Utviklingen i norsk jordbruk 1950–2005', in *Norsk økonomi: Artikler med utgangspunkt i nasjonalregnskapet*,

- Statistiske analyser 98. Oslo: Statistics Norway.
- Lambert, R. and M. Gillan (2013) 'Labour Movements and the Age of Crisis: Scale, Form and Repertoires of Action in India and Beyond', *South Asia*, 36 (2): 180–98.
- Levien, M. (2012) 'The Land Question: Special Economic Zones and the Political Economy of Dispossession in India', *Journal of Peasant Studies*, 39 (3–4): 933–69.
- Lewin, L. (1992) *Samhället och de organiserade intressena*. Stockholm: Norstedts juridik.
- Lindert, P.H. (2004) *Growing Public: Social Spending and Economic Growth Since the Eighteenth Century*. Cambridge: Cambridge University Press.
- Liu, Y. and C. B. Barrett (2013) 'Heterogenous Pro-Poor Targeting in the National Rural Employment Guarantee Scheme', *EPW*, 48 (10): 46–53.
- Ljung, D. (2015) 'Global Deal: From grand vision to real-world results', informal briefing paper to the study group on global co-operation appointed by Kristina Persson. Stockholm: Regeringskansliet.
- LO Norge (2015) *Samfunnsnotat nr 8/15: Kort om noen viktige sider ved internasjonalisering og globalisering*. Oslo: Landsorganisasjonen i Norge.
- LO Sverige (2014) *LO-modell för internationella ramavtal för mänskliga rättigheter och villkor i arbetslivet*. Stockholm: Landsorganisationen i Sverige.
- Mamdani, M. (1996) *Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism*. Princeton, NJ: Princeton University Press.
- Mani, M. (ed.), (2014) *Greening India's Growth: Costs, Valuations and Trade-offs*. New York: Routledge.
- Mannathukkaren, N. (2010) 'The "Poverty" of Political Society: Partha Chatterjee and the People's Plan Campaign in Kerala, India', *Third World Quarterly*, 31(2): 295–314.
- Manor, J. (2011) 'Did the Central Government's Poverty Initiatives Help to Re-elect It?', in L. Saez and G. Singh (eds) *New Directions in the Politics of India: The United Progressive Alliance in Power*. London and New Delhi: Routledge.
- Manor, J. (2013) 'Post-Clientelist Initiatives', in K. Stokke and O. Törnquist (eds), *Democratization in the Global South: The Importance of Transformative Politics*. Basingstoke and New York: Palgrave Macmillan.
- Mansfield, E. D. and J. Snyder (2007) 'The Sequencing "Fallacy"', *Journal of Democracy*, 18 (3): 12–27.
- Marshall, T. H. (1950) *Citizenship and Social Class, and Other Essays*.

- Cambridge: Cambridge University Press.
- (1964) *Class, Citizenship and Social Development: Essays*. New York: Doubleday.
- McAdam, D., J. D. McCarthy and M. N. Zald (eds), (1996) *Comparative Perspectives on Social Movements: Political Opportunities, Mobilizing Structures and Cultural Framing*. Cambridge: Cambridge University Press.
- Mehlum, H., K. Moene, and R. Torvik (2012) 'Mineral Rents and Social Development in Norway', in K. Hujo (ed.), *Mineral Rents and the Financing of Social Policy: Opportunities and Challenges*. Basingstoke: Palgrave Macmillan.
- Melgar, T. (2014) 'A Time of Closure? Participatory Budgeting in Porto Alegre, Brazil, After the Workers' Party Era', *Journal of Latin American Studies*, 46 (1): 121–49.
- Menon, N. (2004) *Recovering Subversion: Feminist Politics Beyond the Law*. Delhi: Kali for Women.
- Migdal, J. S., A. Kohli and V. Shue (eds), (1994) *State Power and Social Forces: Domination and Transformation in the Third World*. Cambridge: Cambridge University Press.
- Moene, K. O. and M. Wallerstein (1997) 'Pay inequality', *Journal of Labor Economics*, 15 (3): 403–30.
- (2001) 'Inequality, Social Insurance, and Redistribution', *American Political Science Review*, 95 (4): 859–74.
- (2003) 'Earnings Inequality and Welfare Spending: A Disaggregated Analysis', *World Politics*, 55 (4): 485–516.
- (2006) 'Social Democracy as a Development Strategy', in P. Bardhan, S. Bowles, and M. Wallerstein (eds), *Globalisation and Egalitarian Redistribution*. Princeton, NJ: Princeton University Press.
- Mohanty, M. (2011) "'Peoples" Movements and the Anna Upsurge', *EPW*, 46 (38): 16–19.
- Mouzelis, N. P. (1986) *Politics in the Semi-periphery*. Houndmills: Macmillan.
- Mundle, S., P. Chakraborty, S. Chowdhury, and S. Sikdar (2012) 'The Quality of Governance: How Have Indian States Performed?', *EPW*, 47 (49): 41–52.
- Muttreja, P., E. Ganguly, Fr. Joe, H. Jaitli, B. Patnaik, A. Behar, and others (2015) 'Open Letter To The Prime Minister', *Outlook*, May 6 <http://www.outlookindia.com/article/open-letter-to-the-prime-minister/294238>. Last accessed 19 May 2016.

- Nag, M. (1983) 'Impact of Social and Economic Development on Mortality: Comparative Study of Kerala and West Bengal', *EPW*, 18 (19/21): 877–900.
- (1989) 'Political Awareness as a Factor in Accessibility of Health Services: A Case Study of Rural Kerala and West Bengal', *EPW*, 24 (8): 417–426.
- Nagavarapu, S. and S. Sekhri (2014) 'Plugging PDS Pilferage: A Study of an SMS-based Monitoring Project', *EPW*, 49 (13): 61–65.
- Narayan, K. and J. Mooij (2010) 'Solutions to Teacher Absenteeism in Rural Government Primary Schools in India: A Comparison of Management Approaches', *Open Education Journal*, 3 (1): 63–71.
- Narayanan, M.G.S. (1972). *Cultural Symbiosis in Kerala*. Trivandrum: Kerala Historical Society.
- NAV (2015), 'Preliminary figures for the proportion of people with reduced working percentage of population' This and many other documents can be found at <https://www.nav.no/no/NAV+og+samfunn/Statistikk/AAP+nedsatt+arbeidsevne+og+uforetrygd+-+statistikk/Nedsatt+arbeidsevne>. Last accessed 4 May 2016.
- Neelakantapillai, V. (2011) 'Right to Property under the Indian Constitution', Lawyers Club India <http://www.lawyersclubindia.com/articles/Right-to-Property-under-the-Indian-Constitution-3515.asp#.U8Z6F0Y4XIU>. Last accessed 19 May 2016.
- Nicolaisen, H. and S. Trygstad (2015) 'Preventing Dualization the Hard Way: Regulating the Norwegian Labour Market', in F. Engelstad and A. Hagelund (eds), *Cooperation and Conflict the Nordic Way*. London: De Gruyter .
- Nigam, A. (2015) 'AAP Victory and the Challenges of New Politics', *Kafila*, 15 February. <http://kafila.org/2015/02/15/aap-victory-and-the-challenges-of-a-new-politics/>. Last accessed 19 May 2016.
- Nilsen, A. G. (2012) 'Adivasi Mobilisations in Contemporary India: Democratizing the Local State?', *Critical Sociology*, 39 (4): 615–33.
- Nilsson, T. (2000) 'Ämbetsmannen i själva verket – rekrytering och avansement I moderniserad stat 1809-1880', Score rapportserie 2000:5, Stockholms Universitet.
- Norway Grants (2015) 'Global Fund for Decent Work and Tripartite Dialogue' <http://eeagrants.org/What-we-do/Programme-areas/Decent-work-and-tripartite-dialogue/Global-fund-for-decent-work-and-tripartite-dialogue>. Last accessed 19 May 2016.

- Norwegian Burma Committee (2015) 'Aung San Suu Kyi med sterk kritikk av Norge', September 11 <http://www.burma.no/Artikler/6719.html>. Last accessed 19 May 2016.
- Nossiter, T.J. (1982) *Communism in Kerala: A Study in Political Adaptation*. Delhi: Oxford University Press.
- NOU 2015: 1 (2015) *Produktivitetskomisjonens første rapport*. Oslo: Finansdepartementet.
- Näringsdepartementet (2015) *Handlingsplan för företagande och mänskliga rättigheter*. Stockholm: Regeringskansliet. <http://www.regeringen.se/contentassets/1012abb0e5a84defa089a77eb6a5ee21/handlingsplan-for-foretagande-och-manskliga-rattigheter.pdf>. Last accessed 19 May 2016.
- Öberg, P. O. (1994) *Särintresse och allmänintresse: korporatismens ansikten*. Uppsala: Acta Universitatis Upsaliensis.
- Öberg, P. O., S. Oskarsson and T. Svensson (2011) 'Similarity vs. Homogeneity: Contextual Effects in Explaining Trust', *European Political Science Review*, 3 (3): 345–69.
- Öberg, P. O. and T. Svensson (2010) 'Does Power Drive Out Trust? Relations between Labour Market Actors in Sweden', *Political Studies*, 58 (1): 143–66.
- Öberg, P. O., T. Svensson, P.M. Christiansen, A.S. Nørgaard, H. Rommetvedt, and G. Thesen (2011) 'Disrupted Exchange and Declining Corporatism: Government Authority and Interest Group Capability in Scandinavia', *Government and Opposition*, 46 (4): 365–91.
- Oommen, M.A. (2014) 'Growth, Inequality and Wellbeing: Revisiting Fifty Years of Kerala's Development Trajectory', *Journal of South Asian Development*, 9 (2): 173–205.
- Oommen, T.K. (2010) *Social Movements*, Vol. I. Delhi: Oxford University Press.
- Oskarsson, S., P. O. Öberg and T. Svensson (2009a) 'Making Capitalism Work: Fair Institutions and Trust', *Economic and Industrial Democracy*, 30 (2): 294–320.
- (2009b) 'Power, Trust and Institutional Constraints', *Rationality and Society*, 21 (2): 171–95.
- Österberg, E. and S. B. Sogner (eds), (2000) *People meet the Law: Control and Conflict – Handling in the Courts*. Oslo: Universitetsforlaget.
- Østerud, Ø. (ed.), (2005) 'Special Issue on Norway: The Transformation of a Political System', *West European Politics*, 28 (4).

- Østerud, Ø., F. Engelstad and P. Selle (2003) *Makten og demokratiet: En slutt-bok fra Makt- og demokratiutredningen (1998–2003)*. Oslo: Gyldendal Norsk Forlag.
- Ostrom, E. (1998) 'A Behavioral Approach to the Rational Choice Theory of Collective Action', *American Political Science Review*, 92 (1): 1–22.
- Palshikar, S. (2013) 'Of Radical Democracy and Anti-Partyism', *EPW*, 48 (10): 10–13.
- Pandey, P., S. Goyal, and V. Sundararaman (2008) 'Public Participation, Teacher Accountability, and School Outcomes: Findings from Baseline Surveys in Three Indian States', Policy Research Working Paper £4777. Washington, DC: World Bank <https://openknowledge.worldbank.org/bitstream/handle/10986/6346/WPS4777.pdf?sequence=1&isAllowed=y>. Last accessed 19 May 2016.
- (2011) 'Does Information Improve School Accountability? Results of a Large Randomized Trial', South Asia Development Unit Report #49. Washington, DC: World Bank <https://openknowledge.worldbank.org/bitstream/handle/10986/18012/660990NWP0P0990ort0490for0Imagebank.pdf?sequence=1&isAllowed=y>. Last accessed 19 May 2016.
- Persson, A., B. Rothstein and J. Teorell (2013) 'Why Anticorruption Reforms Fail: Systemic Corruption as Collective Action Problem', *Governance*, 26 (3): 449–71.
- Pitkin, H. F. (1967) *The Concept of Representation*. Berkeley: University of California Press.
- Polanyi, K. (1944) *The Great Transformation: Social and Economic Origins of Our Times*. Boston, MA: The Beacon Press.
- Political and Economic Risk Consultancy (2013) 'Asian Intelligence: An Independent Fortnightly Report on Asian Business and Politics' <http://www.asiarisk.com/library7.pdf>. Last accessed 19 May 2016.
- Pritchett, L. (2009) 'Is India a Flailing State? Detours on the Four Lane Highway to Modernization', Working Paper RWP09-013. Cambridge, MA: Harvard University, John F. Kennedy School of Government.
- Putnam, R. (1993) *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press.
- Radhakrishna, M. (2015) 'Idealism and Collectivism Are Alive: A report on Swaraj Samvad', *EPW*, Web Exclusive <http://www.epw.in/reports-states/idealism-and-collectivism-are-alive.html>. Last accessed 10 March 2014.
- Raj, K. N and Tharakan, P.K.M. (1983) 'Agrarian Reforms in Kerala and Its Impact On The Rural Economy: A Preliminary Assessment', in A. K.

Bibliography

- Ghose (ed.), *Agrarian Reforms In Contemporary Developing Countries: A Study Prepared for the International Labour Office within the Framework of the World Employment Programme*. London: Croom Helm and New York: St. Martin's Press.
- Rajesh, K. (2013) *Institutions and Practices: A Study of the People's Planning Campaign and the Kerala Development Programme*, PhD Thesis. Bangalore: University of Mysore, Institute for Social and Economic Change.
- Ramani, S. (2013a) 'For a Minimum Living Wage: Workers' March To Parliament', *EPW*, 48 (52): 12–14.
- (2013b) 'The Aam Aadmi Party's Win in Delhi: Dissecting It Through Geographical Information Systems', *EPW*, Web Exclusive <http://www.epw.in/journal/2013/52/web-exclusives/aam-aadmi-partys-win-delhi-dissecting-it-through-geographical>. Last accessed 19 May 2016.
- Ravi, C. and S. M. Dev (2007) 'Poverty and Inequality: All-India and States, 1983–2005', *EPW*, 42 (6): 509–21.
- Rawls, J. (2001) *Justice as Fairness: A Restatement*. Cambridge, MA: Harvard University Press.
- Ray, R. and M. Katzenstein (eds), (2005) *Social Movements in India: Poverty, Power and Politics*. Delhi: Oxford University Press.
- Rehn, G. (1952) 'The Problem of Stability: An Analysis of Some Policy Proposals', in R. Turvey (ed.), *Wage Policy Under Full Employment*. London: William Hodge and Company.
- Remiss av regeringens skrivelse Policyramverk för det svenska utvecklingssamarbetet och inbjudan till remissmöte*. 2016.05.20. (2016) Stockholm: Regeringskansliet-Utrikesdepartementet.
- Rose-Ackermann, S. (2001) 'Trust, Honesty and Corruption: Reflection on the State-Building Process', *European Journal of Sociology*, 42 (3): 526–70.
- Rothstein, B. (2003) *Social fällor och tillitens problem*. Stockholm: SNS Förlag.
- (2011) 'Anti-corruption: the indirect "big-bang" approach', *Review of International Political Economy*, 18 (2): 228–50.
- Rothstein, B. and E. M. Uslaner (2005) 'All for All: Equality, Corruption and Social Trust', *World Politics*, 58 (1): 41–72.
- Rothstein, B. and J. Teorell (2008) 'What is Quality of Government?: A Theory of Impartial Government Institutions', *Governance*, 21 (2): 165–90.
- (2015) 'Getting to Sweden, Part II: Breaking with Corruption in the Nineteenth Century', *Scandinavian Political Studies*, 38 (3): 238–54.
- Rothstein, B. and L. Trägårdh (2007) 'The State and Civil Society in a

- Historical Perspective: The Swedish Case', in L. Trägårdh (ed.), *State and Civil Society in Northern Europe*. New York: Berghahn Books.
- Roy, S. (2014) 'Being the Change: the Aam Aadmi Party and the Politics of the Extraordinary in Indian Democracy', *EPW*, 49 (15): 45–54.
- RoyChowdhury, S. (2010) "Class" in Industrial Disputes: Case Studies from Bangalore', in P. Bowles and J. Harriss (eds), *Globalization and Labour in China and India*. Basingstoke: Palgrave Macmillan [original in *EPW*, Review of Labour, 43 (22), 2008].
- (2014) 'Bringing Class Back In: Informality in Bangalore', *Socialist Register 2015: Transforming Classes*, 51: 73–92.
- Rudolph, S. H. and L. I. Rudolph (2008) 'New Dimensions of Indian Democracy' and 'Redoing the Constitutional Design: From an Interventionist to a Regulatory State' in *The Realm of Institutions: State Formation and Institutional Change*, Vol. II of *Explaining India's Democracy: A Fifty Year Perspective, 1956–2006*. Delhi: Oxford University Press.
- Rudra, N. (2007) 'Welfare States in Developing Countries: Unique or Universal?', *The Journal of Politics*, 69 (2): 378–96.
- (2008) *Globalization and the Race to the Bottom in Developing Countries*. Cambridge: Cambridge University Press.
- Ruparelia, S. (2013) 'India's New Rights Agenda: Genesis, Promises, Risks', *Pacific Affairs*, 86 (3): 569–90.
- (2015) "Minimum government, maximum governance": the restructuring of power in Modi's India', *South Asia: Journal of South Asian Studies* 38 (4).
- Ruud, A. (1994) 'Land and Power: The Marxist Conquest of Rural Bengal', *Modern Asian Studies*, 28 (2): 357–80.
- SAMAK (2014) 'The Sørmarka Declaration: We Build the Nordics', Nordic Workers' Congress, November 11–12.
- Sampath, G. (2015) 'The Modi War on Welfare', *The Hindu*, May 16.
- Sandbrook, R. (2014) *Reinventing the Left in the Global South: The Politics of the Possible*. Cambridge: Cambridge University Press.
- Sandbrook, R., M. Edelman, P. Heller and J. Teichman (2007) *Social Democracy in the Global Periphery: Origins, Challenges, Prospects*. Cambridge: Cambridge University Press.
- Sangvai, S. (2007) 'The New People's Movements', *EPW*, 42 (50): 111–17.
- Sarkar, S. (2001) 'Indian democracy: the historical inheritance', in A. Kohli (ed.), *The Success of India's Democracy*. Cambridge: Cambridge University Press.

Bibliography

- Savirani, L. and O. Törnquist (eds), (2015) *Reclaiming the State: Overcoming Problems of Democracy in Post-Soeharto Indonesia*. Jogjakarta: PolGov and PCD.
- Savirani, L., E. Hiariej, H. Hanif, O. Törnquist and W.P. Samadhi (2015) 'Recommendations', in L. Savirani and O. Törnquist (eds), *Reclaiming the State: Overcoming Problems of Democracy in Post-Soeharto Indonesia*. Jogjakarta: PolGov and PCD.
- Saxena, N.C. (2011) *Singapore Public Service and National Development*. Singapore: Ministry of Foreign Affairs http://www.mfa.gov.sg/content/dam/mfa/images/media_center/MFA_CSC_UNDP_book/Virtuous_Cycles.pdf. Last accessed 19 May 2016.
- (2013) *Public Service Reforms: Trends, Challenges and Opportunities*. United Nations Development Programme. <http://www.undp.org/content/undp/en/home/librarypage/capacity-building/global-centre-for-public-service-excellence/public-service-reforms--trends--challenges-and-opportunities/>. Last accessed 19 May 2016.
- Schartum, D. W. (1985) *Codex, calculations and computers: an investigation of some administrative consequences of the introduction of new calculation principles in the Norwegian National Insurance Act of 1966*. Oslo: Universitetsforlaget.
- (1987) *The introduction of computers in the Norwegian local insurance offices: corepoints and context*. Oslo: Universitetsforlaget.
- Schiavo-Campo, S., G. de Tommaso, and A. Mukherjee (1997) *Government Employment and Pay in Global Perspective: A Selective Synthesis of International Facts, Policies and Experience*. Washington, DC: World Bank
- Schmid, H. (2010) 'Staten, samhället och vägen till det allmänna', in K. Jacobsson (ed.), *Känslan för det allmänna*. Umeå: Borea.
- Schumpeter, J. (1942) *Capitalism, Socialism and Democracy*. New York: Harper & Brothers.
- Seekings, J. (2008) 'Welfare Regimes and Redistribution in the South', in I. Shapiro, P.A. Swenson and D. Donno (eds), *Divide and Deal: The Politics of Distribution in Democracies*. New York: New York University Press.
- (2013a) 'Is the South "Brazilian"? The Public Realm in Urban Brazil through a Comparative Lens', *Policy and Politics*, 43 (3): 351–70.
- (2013b) 'Welfare Regimes and Distribution Across the Global South: Theory and Evidence in the Construction of Typologies', unpublished paper, University of Cape Town.
- Seekings, J. (2015) 'The "Developmental" and "Welfare" State in South Africa: Lessons from the South African Region', paper for CROP workshop on

- 'The Democratic Developmental State: Southern African and Nordic experiences', Cape Town, February 9–11.
- Sehgal, R. (2005) 'Gurgaon, July 25: Police Brutality Not an Aberration', *EPW*, 40 (35): 3796–97.
- . (2012) "'Manesar Workers Are the Villains": Truth or Prejudice?', *EPW*, 47 (31). <http://www.epw.in/journal/2012/31/web-exclusives/manesar-workers-are-villains-truth-or-prejudice.html>: Web Exclusive. Last accessed 19 May 2016.
- Seidman, G. (1994) *Manufacturing Militance: Workers' Movements in Brazil and South Africa, 1970–1985*. Berkeley, CA: University of California Press.
- Seip, A-L. (1984) *Sosialhjelpstaten blir til*. Oslo: Universitetsforlaget.
- . (1994) *Veiene til velferdsstaten: Norsk sosialpolitikk 1920–75*. Oslo: Gyldendal
- Seip, A-L. H. Ibsen: Morsøkonomi, familieøkonomi og samfunnsøkonomi. *Historisk Tidsskrift* 4:1989, 412–33.
- Sejersted, F. (2011) *The Age of Social Democracy: Norway and Sweden in the Twentieth Century*. Princeton, NJ: Princeton University Press.
- Sen, A. (1985) *Commodities and Capabilities*. Amsterdam: North-Holland.
- Sen, A. and J. Drèze (2013) *An Uncertain Glory: India and Its Contradictions*. Princeton: Princeton University Press.
- Sen, R. (2015) 'House Matters: the BJP, Modi and Parliament', *South Asia: Journal of South Asian Studies* 38 (4).
- Shankar, S. (2009) *Scaling Justice: India's Supreme Court, Anti-Terror Laws and Social Rights*. Delhi, Oxford University Press.
- Sheth, D. L. (2004) 'Globalisation and the New Politics of Micro-Movements', *EPW*, 39 (1): 45–58.
- Shukla, S. (2013) 'Myopia, Distortions and Blind Spots in the Vision Document of AAP', *EPW*, 48 (7): 16–18.
- Shyam Sundar, K.R. (2015) 'Industrial Conflict in India in the Post-Reform Period: Who Said All Is Quiet On The Industrial Front?', *EPW*, 50 (3): 43–53.
- Singh, P. (2011) 'We-ness and Welfare: A Longitudinal Analysis of Social Development in Kerala, India', *World Development*, 39 (2): 282–93.
- . (2015) *How Solidarity Works for Welfare. Subnationalism and Social Democratic Development in India*. New York: Cambridge University Press.
- Singh, R. (2013) *New 'Citizens' Activism in India: Moments, Movements and Mobilisation*. Delhi: Heinrich Böll Foundation.

- Sircar, Ashok Kumar (2012): 'The Right-to-Public-Services Laws,' *EPW*, 47 (18).
- Sitapati, V. (2011) 'What Anna Hazare's Movement and India's New Middle Classes Say About Each Other,' *EPW* 46 (30): 39–44.
- Skocpol, T. and M. Somers (1980) 'The Uses of Comparative History in Macrosocial Inquiry,' *Comparative Studies in Sociology and History*, 22 (2): 174–97.
- Srinivasan, K. and S. Raka (2006) 'Organization of Indian Health bureaucracy and its Delivery System,' MPRA Paper No. 7077 <http://mpra.ub.uni-muenchen.de/7077/>. Last accessed 19 May 2016.
- Srivastava, M. (2011) 'Why India is Rethinking Its Labor Laws?', *Bloomberg Businessweek*, January 13 http://www.businessweek.com/magazine/content/11_04/b4212013616117.htm. Last accessed 19 May 2016.
- Srivastava, R. S. (2002) *Anti-poverty Programmes in Uttar Pradesh: An Evaluation*. Delhi: Government of India, Planning Commission http://planningcommission.nic.in/reports/sereport/ser/stdy_pvtup.pdf. Last accessed 19 May 2016.
- St.meld. nr. 10 (2008–2009) *Næringslivets samfunnsansvar i en global økonomi*. Oslo: Utenriksdepartement.
- (2013) St.meld. nr. 12 (2012–2013) *Perspektivmeldingen 2013*. Oslo: Finansdepartementet.
- Standing, G. (2011) *The Precariat: The New Dangerous Class*. London: Bloomsbury Academic.
- Statistics Norway (2015) Sysselsetting, registerbasert, 2014, 4. Kvartal. <https://www.ssb.no/regsys/>. Last accessed 19 May 2016.
- Steindal, E. (2006) *I-hjelpen 2006: Om de fattiges bistand til de rike*. Oslo: Framtiden i våre hender <http://www.framtiden.no/rapporter/rapporter-2006/51-i-hjelpen-2006-4-06/file.html>. Last accessed 19 May 2016.
- Stokke, K. (2012) 'Peace-building as Small State Foreign Policy: Norway's Peace Engagement in a Changing International Context,' *International Studies*, 49 (3–4): 207–31.
- (2013) 'Conceptualising the Politics of Citizenship,' forthcoming, *PCD Journal*.
- Stokke, K. and O. Törnquist (2013) 'The Relevance of the Scandinavian Experience,' in K. Stokke and O. Törnquist (eds), *Democratisation in the Global South: The Importance of Transformative Politics*. Basingstoke: Palgrave Macmillan.

- (eds), (2013) *Democratisation in the Global South: The Importance of Transformative Politics*. Basingstoke: Palgrave Macmillan.
- The study group on global co-operation (2015a) *Förslag till Framtidsrådet, 23 Juni 2015: Global Deal: Partssamverkan för anständiga arbeten och inkluderande tillväxt*. Stockholm: Regeringskanslitet.
- (2015b) *Förslag till Framtidsrådet: Ekonomiska- och sociala rättigheter. Ett mer aktivt svenskt agerande*. Stockholm: Regeringskanslitet.
- Støre, J.G. (2012) 'The financial crisis, the Nordic model and the decent work agenda', Norwegian Ministry of Foreign Affairs, May 18 https://www.regjeringen.no/no/aktuelt/nordisk_modell/id682629/. Last accessed 19 May 2016.
- Sud, I. (2009) 'Governance for a Modern Society', in H. Kohli and A. Sood (eds), *India 2039: An Affluent Society in One Generation*. Delhi: Centennial Group.
- Sundell, A. (2014) 'Understanding Informal Payments in the Public Sector: Theory and Evidence from Nineteenth-century Sweden', *Scandinavian Political Studies*, 37 (2): 95–122.
- Svalund, J. (2013) 'Labour Market Institutions, Mobility, and Dualization in the Nordic Countries', *Nordic Journal of Working Life Studies*, 3: 123–44.
- Svensson, T. (1994) *Socialdemokratins dominans*. Uppsala: Acta Universitatis Upsaliensis.
- SVT (2015) 'Regeringen tillsätter framtidsråd', March 7, <http://www.svt.se/nyheter/inrikes/regeringen-tillsatter-framtidsrad>. Last accessed 19 May 2016.
- Swenson, P. A. (2002) *Capitalists against Markets: The Making of Labor Markets and Welfare States in the United States and Sweden*. New York: Oxford University Press.
- Sztompka, P. (1998) 'Trust, Distrust and Two Paradoxes of Democracy', *European Journal of Social Theory*, 1 (1): 19–32.
- Tanzi, V. (1998) 'Corruption Around the World: Causes, Consequences, Scope, and Cures', *IMF Staff Papers*, 45 (4): 559–94.
- Tarrow, S. (1994) *Power in Movement: Social Movements, Collective Action, and Politics*. Cambridge: Cambridge University Press.
- Teigen, M. (1999) 'Documenting Discrimination: A Study of Recruitment Cases Brought to the Norwegian Gender Equality Ombud', *Gender, Work, and Society*, 6 (2): 91–105.
- Teitelbaum, E. (2006) 'Was the Indian Labor Movement Ever Co-opted? Evaluating Standard Accounts', *Critical Asian Studies*, 38 (4): 389–417.

- (2011) *Mobilizing Restraint: Democracy and Industrial Conflict in Post-Reform South Asia*. Ithaca, NY and London: Cornell University Press.
- Tendler, J. (1997) *Good Government in the Tropics*. Baltimore and London: Johns Hopkins University Press.
- Teorell, J. and B. Rothstein (2015) 'Getting to Sweden, Part I: War and Malfeasance, 1720–1850', *Scandinavian Political Studies*, 38 (3): 217–37.
- Tharakan, P. K. M. (1998) 'Socio-Religious Reform Movements, the Process of Democratization and Human Development: The Case of Kerala, South-west India', in L. Rudebeck, O. Törnquist, and V. Rojas (eds), *Democratization in the Third World: Concrete Cases in Comparative and Theoretical Perspective*. London: Palgrave Macmillan.
- (1984) 'Socio-economic Factors in Educational Development: Case of Nineteenth Century Travancore', *EPW*, 19 (46): 1959–67.
- (2004) 'Historical Hurdles in the Course of the People's Planning Campaign in Kerala', in J. Harriss, K. Stokke and O. Törnquist (eds), *Politicising Democracy: The New Local Politics of Democratisation*. Basingstoke: Palgrave Macmillan.
- (2006) *When the Kerala Model of Development is Historicised: A Chronological Perspective*. Bangalore: Institute for Social and Economic Change.
- (2011) *Social Exclusion and Inclusion in the History of Keralam: A Perspective*, Working Paper Series Vol 1, No 3. Cochin, Kerala: Cochin University of Science and Technology, Centre for the Study of Social Exclusion and Inclusive Policy.
- Thelen, K. (2014) *Varieties of Liberalization and the New Politics of Social Solidarity*. Cambridge: Cambridge University Press.
- Therborn, G. (2012) 'Class in the 21st Century', *New Left Review*, 78: 5–29.
- Therborn, G. (2014) 'New Masses?', *New Left Review*, 85: 7–16.
- Tilak, J.B.G. (2014) 'Private Higher Education in India', *EPW*, 49 (40): 32–8.
- Tilly, C. (ed.), (1975) *The Formation of the National States in Western Europe*. Princeton, NJ: Princeton University Press.
- The Times of India* (2014), '68% of IAS officers have average tenures of 18 months or less'. 1 January. <http://timesofindia.indiatimes.com/india/68-of-IAS-officers-have-average-tenures-of-18-months-or-less/article-show/28203370.cms>. Last accessed 2 May 2016.
- Trägårdh, L. (2007) 'Democratic Governance and the Creation of Social Capital: The Discreet Charm of Governmental Commissions', in L. Trägårdh (ed.),

- State and Civil Society in Northern Europe: The Swedish Model Reconsidered*. Oxford and New York: Berghahn Books.
- Tveit, K. (1991) 'The Development of Popular Literacy in the Nordic Countries: A Comparative Historical Study', *Scandinavian Journal of Educational Research*, 35 (4): 241–52.
- Törnquist, O. (1989) *What's Wrong with Marxism: On Peasants and Workers in India and Indonesia*. Delhi: Manohar Publications.
- (1991) 'Communists and Democracy: Two Indian Cases and One Debate', *Bulletin of Concerned Asian Scholars*, 23 (2): 63–76.
- (2004) 'The Political Deficit of Substantial Democratisation', in J. Harriss, K. Stokke, and O. Törnquist (eds), *Politicizing Democracy: The New Local Politics of Democratisation*. Basingstoke: Palgrave Macmillan.
- (2009) 'Introduction: The Problem is Representation! Towards an Analytical Approach', in O. Törnquist, N. Webster and K. Stokke (eds), *Rethinking Popular Representation*. New York: Palgrave Macmillan.
- (2013) *Assessing the Dynamics of Democratisation: Transformative Politics, New Institutions, and the Case of Indonesia*. New York: Palgrave Macmillan.
- (2014a) 'From stagnation to democratic transformation: towards a roadmap', in P. Santoso, A. Savirani, O. Törnquist, E. Hiariej, H. Hanif, W. P. Samadhi, D. Prabawati, and W. Hapsari M, 'Executive Summary: Democracy Baseline Survey', Power Welfare And Democracy, Universitas Gadjah Mada and University of Oslo.
- (2014b) 'Stagnation or Transformation in Indonesia', *EPW*, 49 (50): 23–7.
- Törnquist, O., with P.K.M. Tharakan (1995) *The Next Left? Democratisation and Attempts to Renew the Radical Political Development Project: The Case of Kerala*. Copenhagen: Nordic Institute of Asian Studies.
- Törnquist, O., N. Webster, and K. Stokke (eds), (2009) *Rethinking Popular Representation*. New York: Palgrave Macmillan.
- Törnquist, O., P.K.M. Tharakan (with J. Chathukulam), and N. Quimpo (2009) 'Popular Politics of Representation: New Lessons from the Pioneering Projects in Indonesia, Kerala, and the Philippines', in O. Törnquist, N. Webster and K. Stokke (eds), *Rethinking Popular Representation*. New York: Palgrave Macmillan.
- United Nations (2015) 'Transforming our world: The 2030 agenda for sustainable development', A/Res/70/1, September 25. New York: UN <https://sustainabledevelopment.un.org/post2015/transformingourworld>. Last accessed 19 May 2016.

Bibliography

- United Nations Human Rights Council (2014) <http://www.ohchr.org/HRC>. Last accessed 19 May 2016.
- United Nations International Telecommunication Union (2014), *Measuring the Information Society Report*. Geneva: International Telecommunication Union.
- UNRISD (2010) *Combating Poverty and Inequality: Structural Change, Social Policy and Politics*. Geneva: UNRISD.
- Uslaner, E.M. (2002) *The Moral Foundations of Trust*. Cambridge: Cambridge University Press.
- (2005) 'The Bulging Pocket and the Rule of Law: Corruption, Inequality, and Trust', paper for conference on 'The Quality of Government: What It Is, How to Get It, Why It Matters', Gothenburg University, November 17–19.
- (2011) 'Corruption and Inequality', *CESifo DICE Report*, 9 (2): 20–4.
- Vijayabaskar, M. (2011) 'Global Crises, Welfare Provision and Coping Strategies of Labour in Tiruppur', *EPW*, 45 (22): 38–46.
- Vijayabaskar, M., P. Swaminathan, S. Anandhi, and G. Balagopal (2004) 'Human Development in Tamil Nadu', *EPW*, 39 (8): 797–802.
- Wallenberg, J. and K. Persson (eds.), *The Nordic Way: Shared Norms for the New Reality*, World Economic Forum Davos 2011. Stockholm: Global Utmaning.
- Walton, M. (2011) 'Can a Social Democratic Resolution Tackle Inequality and Support Growth for India?' http://www.michaelwalton.info/wp-content/uploads/2011/08/Walton_Social-democracy-and-inequality_July2011.pdf. Last accessed 19 May 2016.
- (2013) 'Can a Social Democratic Resolution Resolve Issues of Inequality and Growth in India?' in S. Khilnani and M. Malhoutra (eds), *An Indian Social Democracy: Integrating Markets, Democracy and Social Justice* (Volume Two). New Delhi: Academic Foundation.
- Walton, M. and A. Gandhi (2012) 'Where do India's billionaires get their wealth?', *EPW*, 47 (40): 10–14.
- Weiner, M. (1991) *The Child and the State in India*. Princeton, NJ: Princeton University Press.
- Wellman, C. (2000) 'Solidarity, the Individual, and Human Rights', *Human Rights Quarterly*, 22 (3): 639–57.
- Wennemo, I. (2013) *Det gemensamma: Om den svenska välfärdsmodellen*. Falun: Premiss förlag.

- (2014) *Det Gemensamma: Om den Svenska Välfärdsmodellen*. Stockholm: Premiss.
- World Health Organisation (2015a) *India: WHO Statistical Profile* <http://www.who.int/gho/countries/ind.pdf?ua=1>. Last accessed 19 May 2016.
- (2015b) 'Countries' www.who.int/countries/en. Last accessed 19 May 2016.
- WHO/UNICEF (2014) Joint Monitoring Programme (JMP) for Water Supply and Sanitation <http://www.wssinfo.org/documents/>.
- Wilson, K. (1996) 'Co-option or Confrontation? New Challenges for Indian Trade Unions', *EPW*, 31 (1): 16–18.
- Witsoe, J. (2013) *Democracy Against Development: Lower Caste Politics and Political Modernity in Postcolonial India*. Chicago: University of Chicago Press.
- World Bank (2004) *World Development Report 2004: Making Services Work for Poor People*. Washington, DC: World Bank and Oxford University Press
- (2014a) 'World Development Indicators: Education efficiency' <http://wdi.worldbank.org/table/2.12>. Last accessed 4 May 2016.
- (2014b) 'Government expenditure per student, tertiary (% of GDP per capita)' <http://data.worldbank.org/indicator/SE.XPD.TERT.PC.ZS/countries/IN-8S-XN?display=default>. Last accessed 19 May 2016.
- Wyatt, A. (2013) 'Combining Clientelist and Programmatic Politics in Tamil Nadu, South India', *Journal of Commonwealth & Comparative Politics*, 51: 27–55.
- Zettergren, G. (2015) 'Därför ska vi inte kopiera den tyska modellen', *TCO*, December 7 <http://www.tco.se/Aktuellt/Debatt/2015/darfor-ska-vi-inte-kopiera-den-tyska-modellen/>. Last accessed 19 May 2016.

Index

Note: Due to their frequent appearance, Social Democracy and Social Democratic Development are abbreviated as SD and SDD, respectively.

- AAP (Aam Aadmi Party), 84
Delhi elections, 122–5
fluctuating popularity, 107–8
formation, 121, 316
in-fighting, 125–6
inclusion of Dalits, 126
vision, 121–2, 124, 127, 324
SD linkages, 12
SD struggles, 12
see also Kejriwal, anti-corruption movement, social democratic development
- Ådalen demonstration, 2
- adivasis*
corruption within programmes, 162, 230
historically oppressed, 36
in Kerala, 53, 61, 66
Ministry of Tribal Affairs, 137, 201
poverty within, 196
rights recognised, 107, 189, 219, 274
social movements of, 53, 66, 113, 114, 115, 116, 324
- Agarwala, Rina, 77–8, 111–13, 127; *see also* informal labour
- Alam, Javeed, ‘politics of din’, 35, 120
- anti-corruption movements
in Brazil, 325
in Burma, 287–8
in Delhi, 13, 20, 107–8, 118–21; *see also* AAP
and direct democracy, 121
in Kerala, 67
and neoliberalism, 120
in Nigeria, 24
see also Hazare, corruption
- Bhattacharyya, Dwaipayan, ix, 76–7, 78
- BJP (Bharatiya Janata Party)
2014 General Election, 117–18, 132, 190, 200
anti-corruption campaign, 200
civil society relations, 203, 205, 209, 211; cold relations with NGOs, 208–10
entitlement vs opportunity, 202
in Kerala, 66
social welfare, 190, 201, 202–3, 205, 210
- Bratberg, Øivind, ix, 307
- Brazil
aspects of SDD, including: consultative institutions, 122; decentralised government, 63n3; moments of protest, 118; social movement unionism, 110, 318
comparison with India, 127–8
competitive elections, 24
minimum wages, 18, 253, 318
participatory budgeting, 16, 324–5
as a progressive role model, 287
social welfare policies, 23, 256, 257, 319
- Burdwan district, West Bengal, xiv
CPI-M patronage politics in, 76
see also West Bengal
- capitalism
creative destruction, 246–8
crisis of, 8, 9
development of, 22, 212–13
governance of, 273–4
SDD within, 7–8

- wage inequality under, 251–2, 254, 262
- welfare policies under, 16–17, 47–8, 204, 212–13, 256–8, 259–61
- Chatterjee, Partha, 33, 51, 76, 319
- Centrally Sponsored Schemes, *see* CSSs
- China
 - corporate social responsibility, 295–6
 - human rights, 206–6
 - informal labour in, 303
 - labour unions, potential of, 301–2
 - non-SDD priorities, 19, 131, 287
 - social welfare, 319
 - state administrative capacity, 4
 - total factor productivity, 249–51
- CITU (Centre of Indian Trade Unions), 110, 112; *see also* social democratic development, growth coalitions
- climate change, 3, 289, 314
- Cochin, xiv, 54–58
 - alliance of farmers and princes, 70, 81
 - see also* Kerala
- Common Man Party, *see* AAP
- Communist Party of India, *see* CPI
- Communist Party of India-Marxist, *see* CPI-M
- Confederation of Trade Unions, *see* LO
- Congress Party
 - coalition governments, 60, 189
 - corruption within, 67
 - decline of, 140, 200
 - early post-independence, 34, 58
 - economic policies, 36–7, 81–2
 - pre-independence, 32–3, 191, 194
 - scandals, 118–9
 - in West Bengal, 71, 72, 73, 74
 - see also* UPA
- Congress Socialist Party, 33, 56, 71
- Constitution of India, 188
 - Centre-state relations, 137, 269
 - citizen right to supreme court access, 191
 - Directive Principles, 34, 124, 189, 193–4, 319
 - draft constitution, *see* Motilal Nehru Committee Report
 - Fundamental Rights (including
 - employment, education, and nourishment), 124, 189, 191n3, 193–5, 217, 276–7, 319
 - labour union rights, 221
 - minority group protections, 18, 36
 - social democratic components, 4n2, 87
 - universal citizenship, 322
- corporatism, 47, 63, 182, 183, 184, 186, 287
 - definition, 182, 184
 - in Scandinavia, 47, 183
 - social corporatism, 183, 287; ~ limited relevance to Kerala, 63
 - and trust, 183
- corruption
 - accountability issues, 133, *see also* gram panchayats, IAS
 - anti-corruption movement, *see* Anti-corruption movement, Hazare
 - big bang vs incrementalism, 172–8
 - in business, 120, 123
 - as a collective action problem, 171–2
 - in the Congress party, 67
 - in the court system, 269, 270
 - in the Government of India, 137, 148, 232
 - in Indian states, 149, 150
 - institutional responses, 15, 24; ~ eg decentralisation, 20, 63, 121, 156, 158 (*see also* Gram Panchayats, PRIs; ~ eg enhancing professionalism, 123, 167; ~ eg monitoring, 154, 166; ~ eg prosecution, 165
 - in Left parties, 68
 - and the middle classes, 66
 - and neoliberalism, 120, 324
 - principal-agent explanations, 170–2, 176
 - SD control mechanisms of, 123
 - and state capacity, 5, 272–3
 - Sweden's experience, 168–86, 322, 324
 - and trust, 179–82
- CPI (Communist Party of India)
 - coalition governments, 60
 - in Kerala, 53, 56, 69, 71–2, 106
 - pre-independence, 33
 - revolutionary tactics, 34, 53, 58

- trade unions, 36
- in Bombay, xiv, 58
- in West Bengal, 69, 71–3
- relatively uncorrupt, 68, *see also* corruption
- see also* Kerala, West Bengal
- CPI-M (Communist Party of India-Marxist)
 - formation, 60
 - in Kerala, 72, 197, 280
 - in West Bengal, ~ one-party hegemony, 16, 72, 73–5, 81, 312–13, ~ patronage politics 76–8; *see also* Kerala, West Bengal
- CSP (Congress Socialist Party), 33–4, 56, 71; *see also* social democratic development
- CSSs (Centrally Sponsored Schemes)
 - centralisation, 141–2
 - funding, 137–8, 140, 142–3
 - proliferation of, 139
- Dalits
 - inclusion in AAP, 126
 - in Kerala, 53
 - poverty within, 66,
 - political exclusion, 76, 196
 - rights guaranteed, 63, 233
 - social movements of, 117n15, 119
- Datta, P.K., 124–5, 127
- Delhi (National Capital Territory of Delhi), xiv; *see also* AAP
- Denmark, xiv
 - 17th-century suppression of popular political movements, 92–3
 - bureaucratic professionalism, 42
 - child labour law, 94
 - education policy, 103
 - employee rights, 221
 - military ambitions, 41–2, 90, 177, 178
 - ‘thick’ innovations, 248
- EEA (European Economic Agreement), 286, 288
- Erlander, Tage, 28, 31
- Esping-Andersen, Gøsta, 21, 213–14, 216n1
- Ezhava* (caste in Kerala), 57
- EU (European Union), 48, 104, 246, 286, 289, 290–1, 292
- Fukuyama, Francis, 5, 309
- Gandhi, Indira, 59, 74, 113, 198
- Gandhi, Mohandas K., 32–3, 36, 121–2
- Gerhardsen, Einar, 30, 31
- George, K.K, x, 23
- globalization, 20, 108, 241, 256, 283–85, 288, 290, 306, 308, 317, 327
 - challenges to SDD, 50, 88, 273, 288, 290, 306, 308, 313, 317
 - enhanced potential for SDD, 241, 256, 284–5
 - social welfare demands increased under, 20, 107n2, 108–9, 313, 327
- Global Deal: social democracy in a globalized world, 295–98, 301–6
- Global South
 - comparisons with Global North, 5–7, 9, 21–2, 24, 289
 - democratisation, 4–6, 9, 11–12, 22–25, 87–8, 303
 - potential for SDD, 7–8, 11–12; *see also* social democratic development
 - trade unions, 301–2
 - uneven development, 3–6, 11, 22–23, 25, 283, 287–89, 301–2, 303
 - welfare state models, 18–19, 184–5
 - see also specific countries*
- gram panchayat, 130, 154
 - authority to tax, 155
 - potential as civil service watchdog, 156, 161
 - see also* PRIs
- Hansson, Per Albin, 17
- Hazare, Anna, 118–21; *see also* anti-corruption movements
- Heller, Patrick, 16, 58, 64, 83, 87, 91, 95, 104
- IAC (India Against Corruption movement), 118–21; *see also* AAP, anti-

- corruption movements, corruption, Hazare
- IAS (Indian Administrative Service)
 - absenteeism, 150, 158–61
 - inverted pyramid, 145–7
 - leading administrative role, 131
 - lack of accountability, 132–7, 153–7, 276
 - lack of professionalism, 134, 144, 149, 276
 - legal remedies, 163–5
 - and panchayati raj institutions, 154–8
 - redundant posts, 144–5
 - reform possibilities, 132, 135–6, 150–65
 - reward and punishment, 149
 - short tenure, 136–7, 150–2
 - see also* corruption, CSSs
- ILO (International Labour Organization), 288
 - global challenges, 300–1
 - globalisation of Scandinavian model, 295–6, 297, 300, 301, 314
 - see also* Global Deal
- INC (Indian National Congress), *see* Congress Party
- India, xiv
 - civil service, 131–67, 312
 - civil society, 33, 51, 60, 106–7, 189, 190, 197–8, 200, 203–10, 319
 - Constitution of, *see* Constitution of India
 - economic growth, 38, 39, 131, 270–2, 310–11
 - education, 158–61, 208, 217–18, 224–6, 236–7, 271, 311
 - electoral participation, 35, 268
 - foundations of social democratic development, 7
 - Gram Sabhas, 155–6, 158; *see also* PRIs
 - health care, 158–9, 218, 236–7, 271
 - information technology, 248
 - labour movement, 37, 108–13, 126, 204, 220, 231–4
 - late development, 7–8, 9
 - Planning Commission, 137n7, 138, 139, 142, 160, 229–30
 - poverty, 8–39, 40, 162–3, 203, 229
 - productivity, 249–51
 - protests, 118
 - social movements, 40–1, 113–17
 - socio-economic inequality, 33, 34–5, 311
 - state assemblies, 132–3
 - Supreme Court, 189, 198–9, 208–9, 217
 - welfare state, 213–16, 234–5, 274–9
 - see also specific states and political parties*
 - India Against Corruption movement, *see* IAC
 - Indian Administrative Service, *see* IAS
- Indonesia
 - extractive development, 5
 - growth coalitions, 24, 69, 318
 - international social democratic linkages, 296n19, 305n33
 - Jokowi, 12, 324, 325
 - SD movements in, 12, 13, 318, 324, 325
 - state-society linkages, 23, 287
 - social welfare, 19, 20, 66, 319
- informal labour, 215, 280
 - alliances with organised labour, 24, 37, 109, 110, 111, 112n10, 302, 304, 318
 - in Brazil, 18, 318
 - in China, 303
 - large and growing, 23–4, 317
 - Left Front neglect of, 77–9, 81
 - neoliberal causes of, 54, 109, 215, 303, 309
 - and the People's Planning Campaign, 63
 - the 'precariat', 22, 109, 303, 317
 - challenge to SDD vision, 20, 214, 220, 237, 301, 313
 - included in SDD vision, 17, 25, 111, 242, 264–5, 273–4, 302, 317–8
 - and the Self Employed Women's Association, 66
 - social welfare for, 23, 60, 111, 279, 326
 - and wage compression, 242, 264–5
 - working conditions, 66, 311
- IF-Metall*, 295, 301
- International Labour Organisation, *see* ILO

- Isaac, T.M.Thomas, 83, 280; *see also* CPI-M
- Jayal, Niraja, Gopal, ix, 33, 34, 36, 38n6
- Jeffrey, Robin. x, 56, 70, 83
- Jokowi (Joko) Widodo
SD linkages, 12
SD struggles, 324, 325
see also Indonesia
- Jonsson, Claes-Mikael, 298, 300
- Kejriwal, Arvind, 84, 121, 123, 125, *see also* AAP
- Kerala, xiv
anti-growth pressures, 60, 66–7, 68, 81
caste effects, 55, 56–7, 70–1, 72, 80
Christian influence, 55, 59, 71, 80
civil society and SDD, 55, 56–7, 61, 62, 63, 65, 67, 71, 80, 197
Congress Party, 58, 62, 65, 67, 71
Congress Socialist Party, 56, 71
CPI, 60, 61, 71, 72, 106
CPI-M, 60, 61, 64, 67, 72
corruption, 60–1, 67–68
decentralisation, 62, 63–4, 67, 82
economic investment, 61, 79
education and literacy, 59, 61, 62, 65, 81, 195
employer organisations, 63, 66
growth coalitions, 55, 57–8, 59, 63, 65–6; ~ limits of, 80–81, 82, 313, 327
high political awareness, 60, 116–17
the Kerala Model, 197, 314
labour unions, 61, 63, 66
land reform, 57–8, 59, 61
Left Front, 62, 64–5, 67, 68, 80, 81
literacy, 54, 55, 238
Mother and Child health centres, 60, 195
Pan-religious movements, 55–7
PPC (People's Planning Campaign), 62–5, 87–88, 280, 313;
president's Rule, 59
remittances from Gulf countries, 61, 65, 82
SDD in, 68–9, 79–83, 195–7, 272, 312–13
social reform movements in, 55, 56, 57–8, 67, 71, 80, 106, 116–17
social rights, 195, 197, 312
socialism and communism in, 56, 57–8, 65, 71, 80
social welfare in, 60, 63, 65, 196–7
Keynesian policies, 3, 45, 263, 290, 310
Khera, Reetika. ix, 230
Kohli, Atul, 39n8, 54–5, 70n5, 70n6, 73, 74–5, 78
KSSP (Kerala Sastra Sahitya Parishad), 62, 67, 197
Kumar, Kundan, 115, 116
- Latin America
Pink Tide, 8, 16, 23–4
welfare policies, 18
see also Brazil
- Left Front
in Kerala, 62, 64–5, 197
in West Bengal, 74–9, 80–2
- Lindberg, Ingemar, 298, 300, 304
- Literacy, 225, 238
becomes a fundamental right, 195
in Kerala, 54, 55
in Scandinavia, 41, 91, 225
and SDD, 62, 165, 197, 309, 311
- LO (Confederation of Trade Unions, Swedish and Norwegian), 95, 101n5, 263, 286n4, 287n5, 288n8, 292n12, 294n14, 297n20, 298, 298n25
- Löfven, Stefan, 295–6
- Malabar, xiv
anti-feudal struggle, 55, 56, 57
- Marshall, T.H., 16, 216, 220
- Marx, Karl, 212–13, 246
- Mehta, Pratap, 120–1, 126
- MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), *see* NREGA
- Modi, Narendra, 39–40, 117, 200–2, 209; *see also* BJP
- Motilal Nehru Committee Report, 190–3
Declaration of Fundamental Rights, 191

- economic rights, 33, ~ as fundamental rights, 189, 191–2
- Human rights, 33
- public response, 192–3
- Social rights, 33; ~ as fundamental rights, 189, 191–2, 193
- and socialism, 193
- Muslims, in Kerala, 55, 57, 67
- NAF (Norwegian Employers' Association), 95, 101n5
- Nag, Moni, 60, 71, 77
- Namboodiripad, E.M.S, 2, 30, 56–7, 62; *see also* Kerala
- National Food Security Act, *see* NFSA
- National Rural Employment Guarantee Act), *see* NREGA
- National Social Assistance Programme, 229
- NATO (North Atlantic Treaty Organization), 48, 284
- Nehru, Jawaharlal, 28
 - and India's constitution, 34, 39, 50, 193
 - political vision, 7–9, 31
 - limited commitment to social democracy, 31n1, 36–9, 50, 53
 - president's rule, 59
- Nehru, Motilal, 33, 189, 191–3; *see also* Motilal Nehru Committee Report
- New Trade Union Initiative, 112, 113n10
- NFSA (National Food Security Act), 199, 201–2, 230
- NGOs (non-governmental organisations), 114, 153–4, 204–5, 207, 209, 274
- Nilsen, Alf Gunvald, 116, 127
- Norway, xiv
 - citizenship formation, 11
 - economic growth, 286
 - foreign policy, 286–9, 306, 314
 - foundations of social democratic development, 6, 7
 - industrialisation, 11, 93–4
 - labour laws, 96–7
 - preindustrial history, 42–3, 89–93
 - productivity, 249–51
 - social rights, 217, 219
 - welfare reforms, 97–100, 101–4
- NREGA (National Rural Employment Guarantee Act)
 - criticism of, as inefficient, 141, 202; ~ insufficient, 278
 - effect on social equality and wage compression, 200, 202, 211n7, 264
 - widely distributed benefits, 200, 232
- NSAP (National Social Assistance Programme), 229
- NTUI (New Trade Union Initiative), 112, 113n10
- OECD (Organisation for Economic Cooperation and Development), 226, 297, 300
- Odisha (Orissa), xiv, ~ and environmental movements, 115–6, 136
- Østerud, Øyvind, ix, xi, 14, 15n5
- Ostrom, E., 172, 180, 182, 184, 185
- Other Backward Classes (OBCs)
 - constitutionally protected, 36, 219
 - democratic rights movement, 119
 - social welfare for, 230
- Padmanabhan, A.K., 110, 111, 112
- Palme, Olof, 282, 284, 304, 307
- Panchiyati raj institutions, *see* gram panchayat, PRIs
- Parish, 11, 47, 64, 86, 104, 108, 180–182, 186, 309, 311
- PDS (Public Distribution System), 195, 229–30
- People's Planning Campaign, *see* PPC
- Persson, Kristina, 297–8, 300
- Polanyi, Karl, 212–13, 315, 317, 320, 327
- precariat, 22, 109, 303, 317; *see also* informal labour
- PPC (People's Planning Campaign), 62–5, 87, 88, 313; *see also* Kerala
- PRIs (panchayati raj institutions): three-tiered local government system, 75,

- 130, 154–8, 161
 constitutional amendment, 154
 developmental effectiveness, 75
 gram panchayats, 154–61; *see also*
 gram panchayats
 and information technology, 157
 limited role in practice, 269
 potential for capture, 78, 154, 159n19
 potential for furthering SDD, 155–61
 social audits, 156
 Public Distribution System, 195, 229–30
- Rothstein, Bo
 ‘big bang’ in Scandinavia, 167, 172–4;
 ~ criticism of 174–6; ~ by
 Rothstein himself, 176–7
 government ‘quality’ (corruption) and
 development, 168–72, 177–8, 181,
 182, 186, 322–3
- RoyChowdhury, Supriya, 112–13
- Rudra, Nita, 213–15, 234–5, 236
- Ruud, Arild, 73, 76
- Scandinavia, xiv
 civil society, 15, 51
 corruption, 168–86, 322, 324
 education, 225, 226
 health care, 226–7, 228
 labour movement, 20–1, 43–6, 49, 96,
 245, 262–64, 303–4, 308
 late development, 7–8, 9, 21–2, 41,
 265–7, 309–10
 pensions, 231, 233
 political collectivities, 13–14
 preindustrial economy, 90–1
 Protestantism, 91, 309
 social rights, 218–21
ting assemblies, 89–90
 wage coordination, 252–4, 255
 welfare state, 47–9, 87–8, 104, 213, 216,
 233–4, 235–6, 257–8, 259, 261
see also Social Democratic parties and
 specific countries
- Scheduled Castes, *see* Dalits
- Scheduled Tribes *see* Adivasis
- Schumpeter, Joseph, 246
- Seekings, Jeremy, x, 18n 6, 122n23,
 social democracy, definition of, 3, 53, 87
 social democratic development, *passim*
 dimensions of, 10; ~ interests and
 ideas, 10–14; ~ linkages, 14–16,
 67; ~ struggles, 12, 16–20 (*see also*
 Marshall); ~ growth coalitions,
 20–5
 institutions, *see* NFSA, NREGA,
 NSAP, PDS, PRIs,
 as a response to uneven development,
 4
 potential in Global South, 4–5, 12
- Social Democratic (Labour) parties, 7,
 24, 240
 foreign policy, 284, 287, 295–8, 314
 origins, 95, 303, 310, 323
 in Norway, 44, 95, 100, 101, 263,
 286–7
 private ownership, 44–5
 in Sweden, 101, 263, 289–95
- South Africa
 challenges to SDD approaches, 18, 20,
 205, 209, 264, 303
 international SDD linkages, 284, 291
 one-party dominance, 16, 325 16
 SDD-oriented coalitions, 12, 24, 207,
 318, 324
 SDD-oriented social welfare, 18, 209,
 256, 319
- South Korea, 19,
 non-SDD approach, 19, 110n6
 ‘productive’ welfare state, 213–15, 235
 wage compression, 252–3,
- Sportler, 173–5
- Standing, Guy, 22, 109n5, 317
- Stokke, Kristian, ix, 87
- Sundar, Shyam, 109, 112
- Sweden, xiv
 citizenship formation, 11
 civil service reforms, 173–6, 177
 civil society, 204
 corporatism, 183–4, 186
 corruption, 173–4, 175, 178, 181
 economic challenges, 289–95, 306
 foundations of social democratic
 development, 6, 7

- foreign policy, 295–302, 304–5, 314
- information technology, 248
- industrialisation, 11, 93–4, 178, 182
- labour laws, 96–7
- preindustrial history, 41–2, 89–93, 169, 177, 178, 179–82
- welfare reforms, 97–100, 101–4, 181, 183
- Tamil Nadu, xiv
 - development, 195–6, 272
 - labour rights, 111–12
 - populists, 61, 111
 - social welfare, 20
- Targeted Public Distribution System, 195, 229–30
- Telangana, xiv
 - revolt, 34, 58
 - roots of CPI, 58
- Teorell, J, 175, 177, 181
- Tharakan, P.K. Michael, ix, 55, 83
- Ting*, 89, 90, 92
- TPDS (Targeted Public Distribution System), 195, 229–30
- Travancore, xiv, 54–58
 - alliance of farmers and princes, 70, 81
 - see also* Kerala
- Tribes, *see Adivasis*
- UF (United Front)
 - Left-led governments in Kerala, 60
 - Left-led governments in West Bengal, 73–4
- UN (United Nations), 48
 - UN Agenda 2030, 297
 - Global Deal, 300; *see also* Global Deal
 - UNDP (United Nations Development Programme), 271–2
 - UN Human Rights Council, 205–6
 - UNRISD (United Nations Research Institute for Social Development), 4, 23, 305n34
 - United States, 216, 226, 227–8, 250–1, 253, 254, 265
 - UPA (United Progressive Alliance, the Congress-led central government, 2004–14)
 - and AAP, 121, 316
 - NGOs, limited influence of, 207–8
 - social rights legislation, 189, 202, 210, 315–16; role of National Advisory Council in attaining ~, 205
 - support of NREGA, 200, *see also* NREGA
 - Vijayabaskar, M., 111, 113, 319
 - wage compression, 21, 47, 52, 106, 242–8, 252–61, 326
 - Walton, Michael, 39n8, 51–2, 127n30, 319
 - Wennemo, Irene, ix, 88, 180, 294n14, 302n31
 - West Bengal, xiv
 - agrarian reforms, 75, 81
 - aspect of social democratic development in,
 - caste system, 70–1, 76
 - decentralisation, 74–5
 - development, 54, 78–9, 80–2, 272
 - Left Front, 74–9, 80–2
 - Maoism, current, 107, 115, 204
 - Naxalbari revolt, 73–4
 - see also* Congress, CPI, CPI-M, social democratic development
 - Widodo, Joko, *see* Jokowi
 - Yadav, Yogendra, ix, 121, 125; *see also* AAP