

Preface

It would be a really heroic feat to show that the experience of 20 years of neoliberalization has left India in a better situation than when she was made to adopt the structural adjustment programme as both the short and long-term way out of the imbroglio she was caught in. It has to be noted that this unwelcome situation is largely a making of the policies and forces that came to rule the roost in the preceding few decades. In fact, such a top-down and external forces inspired, if not imposed, policy shifts can hardly address the challenges facing the masses at the bottom of the Indian socio-economic pyramid. Instead their predicament has become even more acute and a way out is improbable unless there is a dramatic departure from existing policies in really pro-people directions.

At least some reasons for the situation can easily be surmised. The forces and processes ranged against the interests and rights of the masses have scaled unprecedented heights of prosperity along with the capacity to both manage the state actions and manipulate popular perception of these processes, and thus making a really purposeful and appropriately targeted transformation, a Herculean task. As things stand presently, notwithstanding many movements and their partial successes, the agencies to undertake transformation are too weak, and disorganized and find it difficult to pierce the veil covering the reality even to protect their existing turf from constant erosion is a massive challenge. Thus the power of the ruling political and economic combine, operating as

crony capitalism, though engaged in fierce battles against each other as manifested in wild inter-corporate feuds with active participation of the political and other public sphere personnel, is used unitedly as a solid rock against the pro-people, really inclusive policies. These are among the factors that have led to the nearly universally acknowledged deepening and widening of cronyism as a structural feature of the Indian brand of capitalism in its neoliberal phase paired with the growing social exclusion of the masses.

Hence one can see many successes scored by the top echelons of the Indian corporate sector in managing the political-administrative processes to their unilateral advantage. These processes and structures gave them command over wealth of gigantic magnitudes (in 1960 the number of *crorepatris* including the ex-rulers of the native states, according to the data regarding wealth tax returns, numbered no more than 44. Today, in any South Delhi posh colony or in the areas around Antillia in Mumbai, the number of persons of comparable net worth would be many times larger than the 1960 all India figure!). While this is praised sky high by the ideologues of neoliberalism, many would not hesitate to consider it contrary to any canons of fairness. Thus it seems that the political economy processes continue to marginalize the masses, bring about exponential growth of the wealth of top sections commanding the neoliberal capital accumulation merged with financialization and reminiscent of the ruth-

lessness of primitive accumulation, and cover up its true characterization in dense clouds of disinformation added and abated by divisive political diversions. Grotesque consumerism and its vulgar public display distort the personal value system and preferences not only of the middle income strata but also lead to a frustrating rat race among the poor fired by the hope, like that of a lottery addict, that someday their day would also come. Thanks to the globalization *zindabad* mind sets, one need not mention that for the top sections of the super powerful tiny minority, there is little relevance of the distinction between domestic and foreign capital in either political or in the economic spheres.

Despite turns and twists to the phenomenon of the neoliberal 'reforms by stealth,' one cannot fail to notice a slowly but surely rising tide of powerful intellectual critiques of the neoliberal economic policies and a wave of small, scattered but determined protests against the neoliberal state, its policies and their specific manifestations. Some of the acts of neoliberal dispensation to accelerate capital accumulation impinging adversely on the basic rights and livelihoods, have lately had to face a large number of sporadic and dispersed acts of general mobilization and resistance. These have thwarted some glaringly anti-people neoliberal measures by the state and corporate capital, including those undertaken at the behest of global and local power centres. Thus while dispelling the myth that the neoliberal chariot is unstoppable, these stray acts of successful resistance also underline the gravity of the threats to popular interests that remain either unidentified or are able to persist.

One thing is clear. The extent of success that is attained in serving the agenda of inter-linked cronies in the market and politico-administrative spheres (with inevitable linkages in every other sphere) far outweighs the minor, discretionary and highly publicized high-sounding measures directed towards social inclusion and people's empowerment.

Sitting uncomfortably with strong pro-monopoly measures, these token and discretionary palliatives are, in effect, just window-dressing flower-pot schemes. They serve many different interests of the dominant players of the neoliberal game but do precious little to give real, rights-based participation to the socially excluded people. Such a co-prevalence of contrary outcomes, such as tremendous accretion to the power and prosperity of a tiny section of society along with increasing deprivation suffered by the major part of the population, force the dominant sections to devise some strategies and game plans to manipulate the discourse on socio-economic change and policy processes to persist with the single-minded pursuit of their self-seeking exclusionary agenda. It is no surprise that the wider social interests and agenda of the masses become the victims of these social processes, including in the intellectual spheres, particularly in the mass media that has established so many open and hidden linkages with politics, business and mafias, including its own corporatization and intermixing with crony capitalism as its powerful, multi-purpose instrument.

In the following pages we intend to show how the real character of neoliberalism (as embodied in its choice of agencies, processes, instruments, institutions, values and ideology and socio-economic indicators) is sought to be camouflaged and sold to the credulous masses as something for the good of the masses — the *aam aadmi*. The fact of the matter is that the neoliberal economic mechanism and neoliberal state with the help of neoliberal ideology really serve the narrow interests of the corporate business houses, dynastic politics of the political classes, better described as political entrepreneurial families presiding over corporatized political outfits as supremos or high commands under the shadow of and growing mutuality, between the elements of the international power structure. The fact is that these global powers seek to bail out themselves by relying on the huge markets and their neoliberal

high growth. These changes are also relied upon by the domestic power structure to project among the masses a false and chauvinistic dream of India as an emerging or already emerged global power. It is a pity that the relatively better off middle income groups too fall easy prey to such falsehood and diversionary slogans.

Thus in retrospect, it is becoming increasingly clear that the very concept, design, theoretical justification and the process of implementation of neoliberalism in India lacked not only general democratic legitimacy but is also seriously flawed in several critical theoretical, logical and civilizational dimensions. Moreover, as mentioned above, the actual experience of living with these neoliberal policy moves for nearly two decades is substantially different from the rosy promises held out by the sponsors of neoliberal measures and the needs/concerns of the concerned countries. Actually for India, the embedded liberalism of the 1950-1990 era (falsely portrayed as either a socialist pattern or a development state working towards growth with justice and so on, that is the predecessors of inclusive growth rhetoric) led to its own undoing and has been counter-productive in both the economic and social spheres. An examination of these experiences should have shown that the need was not to do more of the same but to mount a search for new directions answering the specifics of the Indian situation. It is clear that neoliberalism lost its credibility outside its own partisan constituency owing to its outcomes. This is reflected in the intensification of poverty, inequalities and livelihood crises, worsened additionally by the deprivation and perverse redistribution caused by the onslaught of a long period of hyper inflation during 2008-10. Thus its own acts of commission and omission became apparent not only in India but globally as well and burst out in the open in the form of the global Great recession of 2007 that refuses to depart even after some non-neoliberal surgeries and profuse blood transfusion.

This should not come as a surprise. As a matter of fact, highly orchestrated glorification of the theoretical foundations of the neoliberal policy package, in terms of the virtues of the free market processes and its capability to deliver wider socio-economic goals combined with associated choices of the agencies, have no theoretical or empirical legs to stand on. Moreover the neoliberal state too was assumed to be a state based on rule of law and its role was assumed to be that of a facilitator and an umpire mediating between conflicting interests of the market players guaranteeing a level playing field. Just as the perfectly competitive markets are not to be found in any real life economy, such a state is also a rarity. Both the markets and the state are dominated by huge family-controlled corporate entities who operate in highly oligopolistic markets and inequalities-ridden societies in which the economic super stars dominate the economy and penetrate the state processes and personnel by myriad opaque or underhand devices. As a result neither the state nor the markets remain level playing fields with transparent and fair deals for everyone. Little wonder consequently accountability and above board performance become a casualty. The stock markets that are virtual casinos dominated by a handful of financial market speculators or the public agencies operating the company law are ill-equipped, lack the capability to and are least interested in enforcing accountability. On the contrary, they become an instrument that furthers the short and long term ends of the market dominating corporate entities. Their own goals like shareholder value maximization make the corporate organizations least interested and capable of giving outcomes the neoliberal theory makes one expect from them. The market processes, with tremendous informational handicaps, motivational diversity/perversity different from the assumed economic calculus based rationality, structural obesity at the top and anaemia at the bottom, and absence of any enforcement agencies inde-

pendent of the power and influence of the corporate sector (the factors that contribute to the emergence of crony capitalism, get intensified owing to the perverted political processes in the framework of a procedural democracy and non-democratic party system with a highly concentrated economic and market framework, added by the present phase of iniquitous globalization) are simply inconsistent with the legally correct, morally right and socially responsive performance. Thus the tall claims and reliance on the market processes and rule of law based political power with the agency of entrenched corporate conglomerates are largely a fiction or an unrealized dream. What is decried as bureaucratic and political rent-seeking and corruption are the staple diet of the neoliberals in both the public and the private sectors who are treated as the main agents and supporters of growth. The wealthy corporate entities mount extensive lobbying, some of them presented as worthy academic exercises, in order to prevent the public exchequer from allocating sums large enough for non-discretionary, universal, solidarity-fostering and efficiency enhancing and people-empowering projects for supplying public goods and services and an assured livelihood with social security. Thus we find that in real life situation the supposed agency, processes, instruments, and institutions, including the state are either not present or do not behave and produce outcomes as visualized by the neoliberal orthodoxy. Many scholars, including a galaxy of mainstream economists, too have joined the front ranks of the critics who show considerable openness and catholicity mixed with a high degree of sensitivity towards genuine democratic values and every one's right to life and development and disapproval of huge and ever expanding inequalities that militate against the norms of a decent society. It is on account of the factors, processes and practices of the kind mentioned in the foregoing paragraphs that it is becoming increasingly important to undertake various exercises, including thorough going pro-people

studies and grassroots level mobilization to protect and promote the interests of the people in general and the socially excluded in particular.

We, a group of concerned citizens and social activists from various walks of life have been as a collective, group exercise bringing out a series of such studies in order to highlight the imperatives for people-centric development and the nature of neoliberal fundamentalism as it is operating in India since the early 1990s. So far we have published sixteen *Alternative Economic Surveys*, along with some books on similar issues and some in Hindi also. In fact, for the last two years the Hindi *Alternative Survey* under the title *Vaikalpik Aarthik Varshiki* has been brought out as a collection of chapters written in Hindi and has evoked a very satisfying response. This year's *Alternative Economic Survey* is also based on the realization that the mist of disinformation and falsehood over various aspects of neoliberalism as applied to the Indian policy processes and their ground level content, its implementation and outcomes in India need to be systematically examined and presented to a wider audience in as simple, direct and straightforward a style as possible. A really scientific and people-centric appraisal of what all is happening in our midst, and at the cost of what all that should have been happening but is not allowed to happen, are essential ingredients for carrying forward the process of a people-centric development. An attempt to present for wider sharing, the truth as seen at the ground level and amply visible in a great deal of official statistics, notwithstanding their limitations, is a somewhat complex task. The present volume is an outcome of such efforts and it is indeed a pleasure to share it with you, the readers who have given us reasons to have a sense of satisfaction. We are deeply aware of the nature of the challenge and our limitations to be able to do justice to such a stupendous task. Many more such efforts are clearly called for and by people from different walks of life. Hence this modest exercise is presented with a sense of humility

and a sense of satisfaction that we have done a small token effort in a direction in which millions of such efforts are required to reach and serve over 120 crore

Indians. As usual your feedback is valuable to us and would surely enlighten and guide us to do a little better next time.

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