Professions of faith: Hindu nationalism, television and the avatars of capital.

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Occidental Despotism or Oriental Wisdom?

India is a nation breaking loose from the self-imposed shackles of socialism but doing so without rejecting the richness of its rich and diverse culture.¹

The analysis of religious nationalism within India needs to be situated not as an example of an “anti-systemic” movement, but as an operative moment in the functioning system of transnational capitalism determining itself through development, as in a prior dispensation through imperialism.²

The significant shifts in the field of television in India, particularly since early 1990, were part of a momentous process of change in the general social, economic and political climate of the country. Of these, probably the most visible was the liberalization of the Indian economy, in particular the announcement of the New Economic Policy (NEP), in co-operation with the International Monetary Fund (IMF), its lending agency the World Bank (WB), and other transnational financial institutions. The clearest indication of liberalization in the sphere of everyday life (with particular relevance for major urban areas) was the boom in the availability of consumer goods. The lion’s share of investment was aimed at what The Economist terms “basic goods” such as colour televisions, refrigerators and motorbikes in a country where 40% of the population remain too poor to afford an adequate diet.³

The impact of liberalization was felt in many quarters which will be elaborated on later in this chapter. What remains unquestionable is that the “invasion from the skies”, characterized by global satellite television broadcasting was coincident with a massive influx of multinational and national consumer good availability in the hitherto fairly sequestered Indian domestic market. As indicated in the introduction, the analysis of television in this project is aimed at its institutional, structural and programming aspects, and hence these need to be situated in some relation to the broader structural and institutional shifts in the Indian economy. Part of the burden of my argument is to resituate television outside its purely textual, culturalist frame (as a conglomeration of moving images and texts on the small screen) in order to draw attention to its control, financing and social function aspects. It needs no emphasizing that these aspects bear an important relation to broader national/international economic shifts. It is precisely for this reason that a consideration of the shifts in the Indian economy, and the way these have been characterized in contemporary cultural and political debates, is vital for understanding the material and discursive construction of modern religious nationalism.

The vexed relationship between cultural analysis and economic relations have been

³ Accessed from CIA Information Handbook on India: online @gopher_root:_[eb_]_world93.txt.
the subject of much debate spanning many schools of political and intellectual thought. Even in the contemporary intellectual context where this relationship has been all but sundered (with specific reference to postmodernist social theory), one of the main reference points, whether of admiration or dismissal, has been Marxist cultural theory. What remains most compelling of this highly heterogeneous field of thought is its insistence on grasping in however tentative form, some understanding of the relationship between economic and cultural relations. This particular political and theoretical problematic is being signaled here for at least two reasons. Within contemporary cultural and media studies, the debates between the structuralism and culturalism of TV studies continues, roughly divided along institutional, economic analyses on the one hand, and more audience-oriented, ethnographic studies on the other. Whatever the arguments between this (admittedly problematic) binarism, the question of power relations, social/individual agency and cultural practices has been foregrounded. They thus bear, to differing degrees of proximity, some relation to the concerns of Marxist cultural analysis. Secondly, with specific reference to this project, as alluded to above, the institutional, structural and ownership aspects of the field of television form the main bulk of analysis. The importance of political economy analyses of these concerns, as most explicitly articulated first by the Leicester school, are indebted in quite some degree to Marxist understandings of the role of cultural production in the reproduction of social relations under capitalism. While this approach is not without its problems, it does remain crucial in order to adequately map out the role of highly-capitalized media networks like TV in the financialization of the globe.

The specific relationship between economic liberalization, the shifts in the field of television, and the discourse of cultural nationalism in India against western TV programming is worth addressing for a number of reasons. As already indicated above, the rough coincidence between private, global commercial TV broadcasting and the “integration” of the Indian economy into global capitalism has a clearly symbiotic relationship. The success of the particular imperatives of contemporary liberal capitalist ideology and its execution through market forces (particularly the marketing of consumer goods to the suppressed middle-class consumption potential in India) is closely related to the marketing and advertising function of global television, in terms of both goods and services and a general ideology of consumerist life-styles and “upward mobility.”

Secondly, the particular geo-political contours of globalization entail an engagement with the discourse of east/west and centre/periphery in the realms of economic, political and particularly for this project, cultural practices. Specifically, the ongoing debates, particularly with regard to Hindu Right organizations often involves the slogan “cultural nationalism, not economic nationalism”. While the opposition this rhetoric implies is hardly substantiated in any sustained fashion (witness the flexible adoption of the rhetoric of swadeshi by the Hindu Right at particular conjunctures, and the enthusiastic wooing of multinational capital at others), what it does foreground is the inextricable link between economic and cultural politics in the context of economic globalization and its articulation to cultural nationalist politics. Any analysis of Hindu religious nationalism must thus engage with its contemporary “frontier” discourse in

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5 “Integration” functions here as a euphemism for the national and global power imbalance which precipitated the 1991 economic crisis.
the field of economics and culture. It cannot ignore the particular parameters of what constitutes the “economic” without risking an idealist, and ultimately unsituated understanding of how the discourse of Hindutva is practically constructed within the duality of the East/West frontier discourse.

The above relationship between cultural nationalism and globalization gains a particular saliency that for reasons of brevity can be telegraphically indicated thus. The Indian middle-class comprising approximately 400 million potential consumers is the largest national middle-class in the world. The success of economic liberalization in India depends on tapping this huge market. Multinational media corporations (MNMCs) such as Rupert Murdoch’s NewsCorp, Inc. (which owns STAR TV) are vital for reaching this consumer pool as indicated above. Yet, if TV is framed in its institutional aspects, with particular reference to its social function in a “developing” country (in terms of education, information and entertainment), the sudden presence of western programming needs to be framed keeping this dimension in mind, in opposition to the focus on “cultural contamination” of “Indian(Hindu) culture”, as articulated by the Hindu Right. In other words, the erasure of TV’s social function in much Hindu Right rhetoric bears an important relationship to both economic globalization and television’s role in this process.

To illustrate: “Social justice” provided one of the main justifications for the adoption of a “mixed economy” approach after Indian independence in 1947. Television’s role in this deeply-flawed strategy, straddling both capitalist development and social justice, was primarily educational and informative. With the collapse of the promises of Nehruvian socialism, the pursuance of social justice through the role of state planning has been discredited by most influential elites and the market, which was earlier regarded as a hindrance to social inequality, became the guarantor of that which it was earlier seen a threat to. This ideological somersault is refracted in the sphere of TV, where market-driven, commercial broadcasting, buttressed by the populist rhetoric of audience ratings rewrites the social function of television in very different terms. Given this shift, how does the Hindu Right rhetoric directed at western television address its social function in the context of an intensification of inequality under economic liberalization? In other words, how does the reframing of TV as a medium of cultural contamination articulate itself to TV’s shifting social function under liberalization? This is a crucial question, which from one angle, constitutes the central problematic that the project addresses.

A brief word on the ontological/epistemological presumptions of theorizing and historicizing socioeconomic and cultural processes might be in order here. Following Bertell Ollman, reality in this project is apprehended as a “philosophy of internal relations”, which implies that each part of capitalism internalizes, as part of what it is, its relations with the conglomeration of the other aspects of capitalism. As Noel Castree paraphrases this argument “[T]he parts therefore cannot be isolated in the manner of analytical thought precisely because their relations with other parts are so important to what they are.” Epistemologically, this relational apprehension of the “real” is not reflectionist (such as the “base-superstructure” model). Rather, theoretical labour

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7 Noel Castree, *Invisible Leviathan: Speculations on Marx, Spivak, and the Question of Value, Rethinking Marxism*, Volume 9, Number 2 (Summer 1996/7), 45-78. P51. This essay provides the most recent and certainly the most astute interrogation of the theoretical and political implications of conceptualizing social totality within a modern/postmodern framework.
mediates the real. In Roy Bhaskar's influential formulation of "critical realism", critical thought (the real's "transitive dimension") is capable of generating real insights into "worldly" processes ("intransitive dimension"), while being both partial and contro-vertible, and always non-identical with the world. Hence, my argument for thinking relationally about economics, politics and culture under contemporary conditions of global capitalism, insists on some mapping of the social whole since it cannot be studied through isolation of specific aspects. This theorizing is not predicated on a reflectionist paradigm where shifts in one sphere (e.g. economics) are identically mirrored in cultural practices or political developments. Further, the vantage point from which this study draws connections, constructs relationships and elicits conclusions is not external to the object of study, but situated within it, thus being both partial (i.e. not comprehensive) and most importantly, not identical to its object of study. The study of Indian economic history that follows below, disclaims not just comprehensiveness, but also implies that what follows should not be equated with the actual complex span of Indian economic history.

READING THE ARCHIVE

The numerous studies of colonial and postcolonial Indian economic history span a variety of approaches and emphases. The issues they broach are both substantive (directly related to state and non-state economic programmes) and historiographical in that they imply methodological questions around what constitutes reliable evidence, how effects are measured and policies framed. For the purpose of this project, the latter, while relevant, are not central to the questions being approached. Rather, certain specific themes within the enormous accumulation of theory and research on Indian economic history will be identified and elaborated which are particularly pertinent for the project as it has been articulated above.

Chief among these is the particular aims that guided the formulation of Indian economic policy after independence, the particular forms that their implementation took and how these are being articulated after 1991. These issues are especially relevant with regard to the Indian state's proclaimed aim of promoting social justice through planned redistribution of revenue in the direction of the less-advantaged. As indicated above, this focus has a direct bearing on the perceived social functions of television as well as the emancipatory rhetoric of Hindu nationalism. Secondly, the above need to be framed within the broader geo-political dimensions which necessarily follow from processes such as globalization and the deregulation of the Indian economy and its intensified integration into transnational economic processes. That is to say, the economic and cultural debates post-1991 throw into sharp relief discussions about autonomy, sovereignty and protection along the contours of the familiar discourses of East/West and centre/periphery. Keeping this in mind, questions around India’s supposed “non-alignment”, Nehruvian socialism and “mixed economy” need to be situ-

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10 Global capitalism has existed since at least the end of the Middle Ages, and following Baldev Raj Nayar, the term “intensified” here signals the particular contours and magnitude of penetration of this globalizing process. See his “Globalisation, Nationalism and Economic Policy Reform”, Economic and Political Weekly, Vol. xxxii, No. 30, July 26 - August 1, 1997, pp: PE93-104
ated within the actual policy-making and implementation of economic processes, in order to investigate if the discourses of both economic commentators and cultural nationalists) in the sphere of economics and culture in relation to India's position vis-à-vis the West are warranted.

The first Indian government after 1947, headed by prime minister Jawaharlal Nehru adopted the policy of a “mixed economy”, aimed at encouraging the growth of the domestic industrial and agrarian capitalist class, and the participation of the state in efforts to alleviate the massive inequality between rich and poor which threatened the economic and political stability of the country. This characterization does not imply that the state had no part to play in the development of the “free market”: in fact, its support, through massive financing of infrastructure projects such as in the heavy industries (chemicals, iron, steel, power generation) was essential for domestic capitalism, which was either unwilling or incapable of investing in such high-input areas with no promise of immediate gains. The state thus provided an essential support structure and protective mechanism for domestic capitalist interests, both in terms of internal financial and infrastructural support, and through a series of barriers (tariffs and non-tariff mechanisms) to protect local capital from foreign, primarily western capital encroachment. This recognition forces a reconsideration of the present rhetoric that “socialism” guided economic policy prior to the intensive globalization of the economy in 1991. As many commentators have remarked, state capitalism more adequately explains the role of the state vis-à-vis capitalist development.

In terms of the state’s policy of deliberate planning in the interests of the less-advantaged, it was not so much that this aim was misguided as much as the fact that allocation of revenue for these purposes could not be implemented given the coincident pressure on supporting capitalist interests. This pressure took many forms, from outright resistance on the part of Indian capitalists to such revenue transfers (since they meant a drain on the resource pool available to them), corruption and inefficiency in the implementation of these plans (itself a function of the various elite fractions that comprised the state and the bureaucracy) and the pressures of “vote banks” on whom relied the political fortunes of the state’s functionaries. For example, land reform was crucial to reducing inequality in the agricultural sector, but the enormous financial and bargaining power of the rural bourgeoisie forbade any significant changes in this sector. The consequence was a meagre demand from an impoverished rural sector for industrially-produced goods, depressing consumption, employment and investment, and generally failing to improve the living conditions of the rural poor and impacting on the urban employment sector indirectly. The irreducible contradiction of a state with limited revenues, attempting to promote both private capital and social welfare, was thus a structural limitation on any long-term plans for economic development. To translate this scenario into that of a state-directed socialist economic policy that fails dramatically, is precisely what apologists for liberalisation within and outside the country have successfully undertaken so that the “errors” of India’s “socialist” past are offered solutions through intensified capitalist liberalization. The latter, as will be argued below further exacerbates existing inequality, serves to undermine the gains made since independence and enriches the classes who have traditionally been better-off anyway.11

11 There is a vast literature on the problems involved in India’s adoption of a “mixed economy.” The more recent reviews include Achin Vanaik, Painful Transition: Bourgeois Democracy in India, London: Verso 1990, especially pp: 11-66; an excellent survey of economic development in India, post-independence. A. Mukherjee and M. Mukherjee, “Imperialism and the growth of Indian Capitalism in the Twentieth
A number of conclusions need to be re-emphasized from the above. Firstly, the state's involvement in the economy was not directed to the sole ownership of the means of production in the interests of the people, but involved the selective support of domestic capitalist interests and attempts at simultaneously implementing social welfare reforms. Hence, while state involvement to a high degree was involved, its support for capitalist interests disallows any characterization of it as "socialist". Further, the failure of state planning and the mixed economy resulted not from misguided or wrong-headed socialist policies but the impossible attempt of supporting capitalist development and aiming at redistributive justice within the same mixed economy system. Hence, the notion that capitalist liberalization is the answer for decades of socialist planning must be rejected.

A brief theoretical and historical point is worth making at this juncture regarding the Indian capitalist class in two respects. The first involves its relationship to imperial, or metropolitan capital. Unlike the influential global schematic pronouncements of Frantz Fanon, the Indian capitalist class after independence cannot be characterized as a "comprador" class completely dependent on capital from the former mother country. As Bipan Chandra has argued convincingly, its position with regard to western capital was ambiguous at best. It had developed relatively independently of British capital, often having to face concerted attempts at destabilization by the latter. It was not intrinsically integrated into the exploitative colonial relationship prior to independence. Hence, it cannot be argued that its interests were coincident with that of metropolitan capital after independence and further points to its particular political imperatives. The Indian capitalist class exerted pressure on the Congress prior to independence to marginalize its left-wing (such as the Marxist-influenced leaders like J. Nehru, M.N. Roy and others) so that the national leaders at the helm of the newly-independent country were open to supporting the big industrial houses and resistant to threatening their position through significant land reforms or high investment in the small-scale sector. The link between capitalist interests and the political elite must be highlighted to avoid any misrecognition of Nehruvian socialism as genuinely "people-oriented." Most importantly, the part contradiction between local and metropolitan capital at the time of independence highlights that the sequestering of the Indian economy (exemplified in the "mixed economy" approach) was aimed at protecting precisely the former, and not a blanket redirection of the economy after independence towards socialism. In this regard, it also needs pointing out that the temptation (evidenced particularly by the Hindu Right) to characterize India's post-independence economic policy as subservient to western capital needs to be modulated by a recognition of the part opposition between the interests of domestic and international capital, as indicated above.

It is worth signaling here, particularly in the interests of unravelling the East/West geo-political discourse which undergirds much economic and cultural nationalism, that the "Three Worlds theory" (most clearly articulated at Bandung in 1955) within which the concept of both political non-alignment (from the two rival power blocs)

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and "mixed" economic development, was based on complex strategic calculations on the part of Nehru. Their internal dimensions had much to do with wooing the moderate left in India and engaging with the rising electoral power of the communist party (hence a refusal to forge closer formal links with the U.S), while appeasing the right-wing of the Congress by nevertheless explicitly refusing the communist politico-economic route. Externally, Nehru's caution about the Soviet Union at that conjuncture was partly conditioned by his wish for closer cooperation with the U.S., while his stated refusal to take the Indian state into western military or economic alliances served to placate any fears that might arise in the Soviet Union. The policy of non-alignment, with specific reference to India, clearly illustrates then that "Nehruvian socialism" cannot be framed within a clearly thought-out, principled commitment to any genuine socialist path, but was conditioned by a balancing act of wooing both power-blocs externally and strategically strengthening the Congress' internal political position. Post-liberalization critiques of socialism, communism and "non-alignment" prior to 1991 must thus be understood as an interested misreading of the precise internal and external contours of the East/West divide, that was most influentially constructed through the discourse of "non-alignment."  

The political import of the path of "moderation" employed during the nationalist movement is instructive of how the struggle for independence was consistently robbed of any radical questioning of existing social and political institutions. It is only after 1918, when the independence movement took on a strongly mass-based character under the influence of Gandhi, did the capitalist class get financially involved in a significant way. As Chandra argues "once the nationalist movement became a powerful mass movement, the bourgeoisie could not afford to have it turn against itself by continuing to pursue the earlier policy of apathy and neglect towards it...the extension of the social base of the movement to the capitalist class was as important and new a feature of the movement in its Gandhian phase as its extension to the workers and peasants." This capitalist support for Gandhi's mode of politics ensured its lack of genuine militancy- "The fact was that Gandhian forms of struggle could only exert pressure on the authorities up to a point. They could not lead to positive revolutionary action...and did not create alternative organs for social management or power or even elementary appurtenances of an alternative regime which, and not violence, are the essence of a revolution." A similar point is made by Partha Chatterjee who argues that the singular achievement of Gandhian mass-based politics was its execution of a "passive revolution", that according to Antonio Gramsci, does not threaten the existing regimes of capitalist socio-economic organisation, but merely shifts the incumbents of existing positions of power and maintains the same institutional relationships.  

The significance of relating the social base of this important phase of the freedom struggle (the Indian bourgeoisie) to its form of politics (Gandhian mass-based non-violent struggle) is two-fold. Firstly, it points to the close relationship between the accumulated political, economic and national reputation of the big industrial houses prior to independence, and the path of selective support for domestic capital by the

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16 Ibid. p.134.

Indian state. Secondly, of most importance for cultural nationalists (pre- and post 1947), a link was perceived between the stated secular goals of the Indian state and the particular class base (urban and rural bourgeoisie) which supported and was supported by it. This relationship between state, secularism and class base will be a recurring theme in the following two chapters, given that the traditional support of the Hindu nationalists derived from the petit-bourgeoisie, which had an ambiguous at best (if not outright oppositional) stance toward the predominant forms of the nationalist struggle, Gandhi being an interesting case in point.

Thus, to the extent that a frontier discourse obtains in characterizing the above socio-economic power relations, the East/West dichotomy cannot be understood either in terms of a socialist/capitalist separation or a “pro-people”/exploitative relationship. Indeed, the notion of “the people” which suffused pre-independence nationalist politics and continued after in various guises functions as an enabling misnomer for unequal power-relations that universalize specific class, caste, gender and other elements within the liberal doctrine adopted by the modern Indian state in the form of social contract theory between citizens and the state.

How this notion of “the people” is further discursively fragmented, keeping in mind the above discussion of the relationship between economics and social welfare, is most clearly visible in contemporary Hindu nationalism.

POST-NEHRU ERA

If political economy is taken seriously, the relationship between political system (in this case bourgeois democracy) and economic regime (mixed economy) is mutually conditioning. The relative stability of the Nehruvian era, despite shifts in planning priorities were a function, as Sunil Khilnani argues, in the latter’s belief in (however uncomfortably) holding development and democracy as ideals. This was practically

18 The most definitive critique of the universalist humanism of liberal theory, with particular relevance for political economy remains Marx’s numerous attacks on the enabling discourse of market exchange between free individuals for underwriting socio-economic exploitation. See K. Marx, Capital, Volume 1; “On the Jewish Question”, in Karl Marx: Early Writings, trans. Rodney Livingstone and Gregor Benton, London: Vintage 1975, pp. 211-242; Karl Marx, The Eighteenth Brumaire of Louis Bonaparte, New York: International Publishers, 1963; Karl Marx and Frederick Engels, The German Ideology. New York: International Publishers 1995 (1970). His journalistic piece in the Rheinische Zeitung on the Paris Réforme most succinctly lays bare the use of “the people” as a discursive tool in the mobilization of mass support for specific class interests during political struggle – Karl Marx, “The Paris Réforme on the Situation in France”, in Marx and Engels, Articles from the Neue Rheinische Zeitung, Moscow: Progress 1972. When a ruling class is on the threshold of seizing power “its interest really is as yet mostly connected with the common interest of all other non-ruling classes, because under the pressure of the hitherto existing conditions its interest has not yet been able to develop as the particular interest of a particular class. Its victory, therefore, benefits also many individuals of other classes which are not winning a dominant position.” This passage is in important ways useful in theorizing bourgeois nationalist struggles, in that specific class interests coincide in some ways to broader ones, and that other sections of the population benefit from this struggle. These interests coincide with “many individuals” though, not all. This qualification is important, for in the Indian nationalist movement to take one example, in many cases the nationalist bourgeoisie collaborated with the colonial authorities in suppressing indigenous peasant rebellion against the British. See, Ranajit Guha and Gayatri Chakravorty Spivak, eds., Selected Subaltern Studies, New Delhi: Oxford University Press 1998. For a contemporary defense of liberal social theory, see John Rawls, A Theory of Justice Cambridge, MA: Harvard University Press 1971. The question of gender relations, which acquires a particular saliency in the discussion of the Hindu right and globalization is theoretically broached in G. C. Spivak, Outside in the Teaching Machine, London: Routledge 1994 and Nicole Fermon, “Woman on the Global Market: Irigaray and the Democratic State”, Diacritics 28.1 Spring 1998, pp. 120-137, among a growing body of literature on the subject.
possible through the formidable power and political sequestration of the Planning Commission formed by Nehru. As the contradictions inherent in the mixed economy intensified, this precarious balance between commitment to political participation in decision-making and economic priorities set by an intellectual elite began unravelling. The various failures of the five year plans in successfully implementing flawed policies were situated within a broad shift from emphasis on structural change of institutions and land ownership to reliance on technological remedies for low productivity, particularly in the agricultural sector exemplified by the infamous Green Revolution. This shift enriched certain rural and commercial, mainly farming, constituencies who formed powerful power blocs that threatened the power of the Congress, now led by Nehru's daughter, Indira Gandhi.

Nehru's attempts at balancing fiscal stringency in the realm of government expenditure and funding social welfare programmes which threatened the former were followed by Gandhi with a whole range of populist-oriented social welfare campaigns such as the "Garibi hatao" campaigns, the Panchayati Raj system of devolving economic decision-making to lower-levels of state and local bodies (itself a strategy to shift blame for failures away from the ruling central government) and open wooing of "vote banks" at the expense of long-term goals of economic viability. All these marks of her political acumen, while incorporating the rising threat from the above mentioned power blocs, wreaked serous havoc on the Indian economy's autonomy. As Khilnani argues, the generally positive response of the Left intelligentsia to her social welfare programmes ignored her unwillingness and inability to undertake crucial restructuring of land ownership or enhance the state's productive capacity in the public sector, and led to serious balance of payment crises in the 1970s, a depletion of the state exchequer and a significant rise in the power of international aid agencies such as the IMF and the WB in dictating economic policy changes as conditions for bailing out the deepening revenue crunch. This shift in the bargaining power of metropolitan capital is crucial to signal, since it preceded the 1991 NEP, and set the definitive path of India's integration into the circuits of global capital. As indicated above, the reasons for this shift involved the pressures of realpolitik on the Gandhi Congress, particularly the appeasement of emerging power blocs whose support base included crucial caste, regional and religious elements and which would come more significantly to the fore in the following years. The "forward-looking" rhetoric of Gandhi's son, Rajiv Gandhi, who held the reins of power in the mid-1980s, and its economic implementation led to a dramatic increase in the trade deficit. This was effected primarily through the liberalization of imports on capital goods and components for the production of luxury goods, and the albeit numerically large middle-class was nevertheless going to prove an enormous liability to the health of the country, given that its consumption patterns exacerbated the existing inequalities in the country, particularly through inflation and falling state revenues due to the skewed trade balance.

Further, the inflationary implications of social welfare programmes, which led to deficit financing and the subsequent willingness of the state to agree to IMF demands for the devaluation of the Indian rupee came to hurt precisely those sections of the poor these programmes were aimed at, and came to provide a powerful raison d'être for the expansion of the class support for the Hindu Right beyond its traditional petit-bourgeois constituency. The misleading rhetoric of socialism which characterized the Nehru and Gandhi eras, when coupled with their failure to deliver on the promise of

social justice, provided the Hindu Right with a convenient strategy of discrediting socialism as a failed western ideology while promising social and economic emancipation through aggressive calls for the retreat of the state from the economy and demands for greater freedom for market forces, which would inevitably benefit the merchant and trading classes. Under the specious logic of this argument, the turn to western capital could be framed as the inevitable outcome of moribund western socialist aspirations and the combined force of the rhetoric of indigeneity and the “philosophical” underpinnings of “Hinduism” would slowly come to exert a significant force on the Indian body politic.

Despite these underlying problems the Indian economy was marked by relatively low inflation and a further diversification of its industrial base. This revenue, however was not raised through an increasingly productive private sector; rather, it was based on indirect taxation (the burden of which falls hardest on the poor) and protectionist tariffs and duties, which were imposed less for spurring development as much as for sustaining the state. The final crunch on the worsening situation came through a combination of the unrealistic economic policies of the Indian state (which could be described as hiding its head in the sand in the face of looming crisis) and international pressures, primarily an increase in international loan lending rates by aid agencies.

GLOBALIZATION AND CRISIS

The language of crisis and the surrender of economic autonomy, particularly in the post 1991 period must be framed within the influential discourse of globalization. While the latter has many dimensions, for the present purpose, it is the economic dimensions of this process that are most pertinent. Further, the process of economic globalization necessarily entails some acknowledgment of the desire for national sovereignty and indigenous development for decolonized countries like India. Given these concerns, Nayar argues

“Economic globalization... refers to the integration of economic processes across political borders so that the behaviour of economic agents is oriented to the global market rather than particular national markets; in short, it calls attention to the laws of motion of the global market. However, economic globalization represents only one part of the equation. Equally necessary to the understanding of economic policy reform is the opposing social force in the form of economic nationalism. While diverse meanings go with the term, economic nationalism's core is constituted by the paramountcy of the national economic interest against the claims of other nations.”

A number of points are worth exploring briefly in light of the above characterization. Firstly, while the economic agents of globalization immediately bring to mind multinational corporations, the importance of non-resident capitalist interests (in the present case, non-resident Indians or NRIs), the Indian state's need for expanding its global market for goods and services, and the global expansion necessary for domestic private capitalist interests must be calibrated into the category. These inclusions into the category of “economic agents” has particular relevance not just for the economic

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20 Khilnani, p. 94.
21 Nayar, PE-93.
changes post-1991 but for control, investment and programming on TV as well. Secondly, the "opposition" that Nayar argues exists between global and national economic interests must be modulated (admittedly his later arguments do this) to historically situate what precise relationship obtains between the two. As argued above, the era of Nehruvian state planning was marked by a certain opposition between these two interests; however, with serious internal crises in the Indian economy, turning to international lending agencies and the consequent demands of global capital significantly dilute this opposition, given that the solvency of the state exchequer and the health of domestic capital is linked to the interests of global capital. This argument for rescuing historicity in national/global interests is highly relevant, given the repeated opposition posited between the East/West, not just in terms of economic, but also cultural sovereignty, and which has subtended religious nationalist arguments to great effect. Lastly, what constitutes "the paramountcy of the national economic interest" is a deeply socio-political issue, and any temptation to flatten out the often contradictory interests of "the nation (state)" would lead to a misrecognition of the political economy of India's development efforts, and the various class interests which determined economic policy initiatives "in the national interest", as already seen in the discussion of economic development in the Nehru/Gandhi eras. This recognition of the internal heterogeneity of "the nation" enables linking broader economic issues with the emancipatory solutions that the Hindu Right has employed in both the economic and cultural/religious spheres.

A word on the term "globalization" is in order here, particularly as it will come to reverberate in the field of cultural politics and continues to resonate across the spectrum of politics, economy and religious sentiment. The economic integration of the globe across political boundaries is manifestly not the granting of Western benevolence to the "developing" world in the field of economic relations. The vigorous championing of the free-market, its post-Second world war institutionalization through the Bretton Woods and GATT systems and its continuance through the WTO etc. are driven by an economic logic which necessitates a global expansion of markets, raw materials, technology and various kinds of labour. In other words, it is the internal logic (the profit motive) of capitalism that necessitates its global expansion. The "end of geography" marks precisely this imperative which began since the end of the Middle Ages. The celebratory rhetoric of the postmodern global worker must be situated within this contradictory juggernaut of enrichment and immiseration, whose first delineaments were noticed in the latter half of the 19th century. The discovery of the manuscript what was to be the seventh chapter of Capital, Vol. 1 in 1933 in Russia described in detail the effects of the necessity of intensified surplus-accumulation in the sphere of socio-economic relations. The idée fixe that science is the result of capitalist development rather than social forces imposed by the latter is demythologized by Marx's analysis that advances in technology, the search for new markets through territorial expansion under colonialism and complex geo-political agglomerations of labour are necessary consequences of the forces of production, and his argument acquires an added relevance in the highly-abstracted, technology-driven arguments that characterize contemporary discourses of the "postmodern society", "post-Fordist global economy" and the like. Marx's notion of the "global worker" (Gesamtarbeiter) links the expansion of capitalist processes to scientific developments, accelerated surplus-extraction and in the present context, "globalizes" the concept to include transnational economic processes under contemporary conditions.
CHAPTER 2

Transforming the discourse of "development", "aid" and "rescue packages" into the conditions of necessity for metropolitan capitalist interests enables a recognition of certain crucial points for this project. Not only must the former be critiqued as ideological justifications for exploiting the "developing world", but critiques of globalization (in this case by the Hindu Right) cannot be entertained seriously along the above-mentioned "pro-people"/exploitation dichotomy as long as the economic interests of the latter are resolutely capitalist themselves. In other words, any critique, including socio-cultural ones articulated to economic discourse, which do not offer alternative regimes of thought, economic and political practice to those being imposed by capitalist globalization necessitate a thorough-going interrogation of their discourses of social emancipation along the lines of either economic, religious, social or cultural solutions. The economic crisis of 1991 which propelled the Indian state towards the IMF and the WB must thus be framed keeping both its preceding history and the developing contradictions therein, the fraught political pressures on economic policy-making and the developing geo-political context within which it developed.

The internal crisis in economic terms, which marked the 1991 reforms cannot be disarticulated from other political changes within the country. What will be focussed on now though, is a brief survey of the contours of the crisis. The country's internal and external economic debt, and an unmanageable government budget deficit were the two main factors which marked the phase of the Indian economy's intensive globalization. As already seen above, the spiraling government expenditure, partly through short-term populist measures, inefficient implementation, political corruption and the vested power of numerous elite groups led to this financial crunch. The US-led Iraq Gulf war proved the straw that broke the back of the Indian economy with a sharp rise in oil prices, withdrawal of foreign currency deposits and a fall in inflow from Indian employees in the Middle East. By March 1991, reserves fell to $2.2 billion and reached an all-time low of $1.1 billion at June-end. Default on foreign interest and loan payments loomed, the country's credit rating on the international lending market plummeted and inflation had risen to severe levels. The short-term rescue-packages from the IMF, WB and donor governments needed for the immediate tiding over of the crisis came with a list of demands for changes in the economic management of the country, particularly focussed, as international lending agencies tend to be, on the "economic management" strategy of fiscal responsibility in improving the balance of payments position. That is to say, the technocratic imperative of boosting the state's solvency acquired a priority over concerns of economic management for development of all sectors and populations, particularly those programmes aimed at social justice. Obviously, the technocratic and strictly fiscal issue of tackling the balance of payment crisis is not just that, but involves a series of profound repercussions in the spheres of economics, politics and culture.

22 Besides the collapse of the Soviet bloc in the political sphere(with important consequences for India's relationship with western capitalist interests), the directly economic shift was the increase in the bargaining power of donor governments and international lending agencies exemplified in the attachment of stringent conditions on aid packages following the massive debt/interest payment defaults in Latin America in the 1970s.

23 For just one discussion, among an enormous body of writing, of the relationship between social destabilization and economic liberalization, see Michel Chossudovsky, "Economic Reforms and Social Unrest in Developing Countries". Economic and Political Weekly of India, Vol xxxiii, no. 29, July 19, 1997, pp. 1786-89.

Interestingly, the triumphalism of global capitalist discourse and its simultaneous support for authoritarian regimes to stifle popular opposition against liberalization is made visible by the London Economist which boldly suggests that "anybody who hopes that East-Asian style intervention will help an economy should also hope that the government is not a democracy."25 The notorious suppression of basic democratic rights by the now-faltering “Asian tigers” is openly lauded as a guarantor for the unpopular and exploitative measures necessary to intensify multinational capitalist expansion, which in India is mainly targeted at the middle class. As Francine Frankel observes, "The challenge of all elected governments, at the Centre and in the States, will be to juggle the implementation of the next stage of economic reforms with the political compulsions of building a consensus that can carry educated public opinion as well as provide some improvement in social welfare for the 40 per cent or so of the population who remain poor and destitute, but are increasingly aware of their clout at the polls."26 The onset of economic reforms must thus be framed within an ongoing discourse around questions of social justice, exploitation and democracy (as both resource and limitation) by both apologists of liberalization and its opponents.27

These social repercussions were inevitable precisely because the conditions attached to India's financial bail-out demanded wide-ranging structural reforms of the economy in the spheres of foreign trade and investment, fiscal policy, deregulation of bureaucratic controls (regarding trade, technology and capital inflows), the financial sector (such as banking), agriculture and infrastructure. A detailed investigation of the proposals and their evolving implementation are beyond the scope of this project, though certain important features require elaboration. Firstly, the geo-political shift in economic power that marks the intensified globalization of the Indian economy needs to be called attention to, particularly in terms of the discourse of national sovereignty and its cultural re-articulation by the Hindu Right. Secondly, the crucial question of social justice which marked Indian economic planning since its inception needs to be re-asked in the context of promises of “development” through economic liberalization.

In the area of fiscal policy, a sizeable disinvestment in the public sector which constituted the state's central presence within the economy was proposed, whose implementation, while not thorough-going, implies sizeable retrenchment in the work force, a greater presence of private (and given the high volume of capital investment required) multinational capital and the consequent intensification of the profit-motive at the expense of other social obligations. This is clearly seen in recent sales of public sector undertakings at below-the-market prices, thus benefiting private investors and reducing the expected revenue to the state on which much social welfare programmes hinge. Cuts in food and fertilizer subsidies have hurt the poor, and the recent state elections, in late 1998, rebounded on the ruling Hindu Right coalition, with the skyrocketing prices of onions turning not just the poor, but even the middle-classes against the government’s handling of basic food prices.

Further, the influx of consumer goods, often with substantial multinational pres-

26 The Hindu, Nov. 3, 1995
27 "Foreign investments may take a pause", The Hindu, Washington, Nov. 3, 1995. This juggling act is recognized in the following comment – "Over the next five years, it seems likely that foreign investors will have to learn to live with a weak centre, and perhaps with some coalition governments, with a variety of party governments, some more and some less expansive about welcoming multinationals and with a continuing debate on how to strike the best balance between national economic interests and those of transnational corporations."
ence, has led to dramatic visibility of "modernization" and "westernisation" in the metropolitan areas. Some of the multi-national entrants include Daimler-Benz, Peugeot and Daewoo car-makers, television manufacturers Sony and Sanyo, Kellogg's breakfast cereals, Scotch whisky, American chewing gum and potato chips, Ray Ban sunglasses, Lotto shoes and Benetton fashions. These sectors of consumer durables and food products do not require long gestation periods for realization of profit and are proving massive earners for the companies involved while triggering sharp price rises. The country is lacking badly in basic infrastructure such as roads, electricity, drinking water supply and power generation, but IMF pressure to open the market to consumer good giants has led to a relative ignoring of the infra-structural needs of the country. Responding to this boom in consumer goods for the middle-classes, one critic observes "The rich are getting richer and the poor poorer...Cheap food, low inflation, employment generation, these are the things that matter for the poor, Coca Cola and McDonald's don't."28

The "license raj" system of bureaucratic controls in trade, industry and technology/capital inflows was the prime target for restructuring in the June 1991 aid package. While its implementation has been patchy at best, it has emphasized the bargaining position of multinational capital in demanding lifting of restrictions in trade, investment and technology. In this respect, it is worth remarking that the "free trade" rhetoric of multinational capital masks the crucial role of the state in protecting and promoting transnational capital in the West itself, such as U.S. protection of its domestic markets from foreign investment and the state's guarantee to bear the risk of investment failures by U.S. companies abroad. The flexibility of "free trade" talk and its selective deployment is one instance where the ideology of "borderless worlds" under global capital and its equation with the common good of all humanity in the interests of freedom, democracy and openness unravels on closer inspection.

The financial sector has been targeted for the significant presence of the state whose dilution is executed primarily through greater private (and foreign) equity participation in banks and reduction in the proportion of deposits which banks are required by law to keep with the Reserve Bank (the bank of the State). The reduction in state controls, the promotion of greater competition in the financial sector and the consequent efficient use of credit were policies and goals which have hardly materialized. Even if efficiency as an objective implies swift and short-term profits from trading in the stock and share markets, the infamous scams have brought this dubious aim itself to crisis. Investment and lending to promote the selective improvement of particular sectors needed for overall and equitable development of the economy can hardly be effected through the over-riding concern with profit maximization that the deregulating financial sector is marked by.

Besides the trading and middle-classes, who stand the most to gain by this (albeit chaotic and rumour-driven) liberalizing market, a glance at foreign investment patterns is instructive in framing how western capital will supposedly "partner" the development process with domestic economic agents. The bulk of direct foreign investment has been concentrated in the stock and share market, where quick profit realization and repatriation for foreign investors enables quick, effective foreign incursions into the Indian economy, and the glaring absence of long-term commitment to infra-structural development, whose poor state was one of the central stated reasons by the IMF

for pressuring the sequestered economy’s fuller global integration.

Reforms in the agricultural sector include dilution of state subsidies for fertilizers and pesticides and greater emphasis on profitable investment compared to earlier concerns for self-sufficiency in food production. The former, while having a detrimental effect on the rural bourgeoisie with large handholdings, has a much greater impact on poorer farmers. This impact is two-fold. Not only are these inputs more expensive to obtain, but the very strategy of high external-input agriculture has not been questioned. Thus foreign involvement in terms of high-technology investment in agriculture is intensified under liberalization, and ecologically-sound and sustainable agriculture through indigenous improvements in productive techniques is threatened. This has already triggered impassioned, and often violent, protest against multinationals, such as the attacks on the Kargill corporation by farmers in Karnataka. The politics of genetically-altered seed manufacture and intellectual property rights have also occasioned nationwide debate, with small farmers and the rural sub-proletariat being on the receiving end of these developments. The clear contradictions in the IMF’s aims of improving the balance of payments position and facilitating multinational capital expansion is indicated here, in the fact that the inflationary pressure, partly through reduced state support and intensified marketing of consumer goods, drastically depresses consumption, wages, savings and investment potential in the rural (predominantly agricultural) sector.

Not only do the above reforms exacerbate inequality (directly in the rural sector, and indirectly through falling employment in the urban industrial sector), but the emphasis on profit in agricultural investment allocations leads to less emphasis on food production and greater emphasis on cash-cropping, aimed to a much greater extent on export. The social dimension of this tendency is evident; while the trade imbalance through agricultural exports is softened, food availability (and consequently nutritional levels) is detrimentally affected, and the inflationary pressure triggered by food scarcity hurts the poor the hardest.

Besides the already mentioned impact on employment in the public sector (through retrenchment of workers), in the private sector the same tendency continues. The Indian National Trade Union Congress (INTUC) signed an agreement in April 1992 with TELCO which “recognizes the right of the management to do anything, including redeployment and retraining, to increase productivity provided there is no retrenchment.” K.K. Modi, President, Godfrey Phillips India Limited, exemplifies the strong management position against labour – “Workers have changed their stance because now they realize that they cannot cripple any organization by going on strike”, since sub-contracting and augmenting production at other plants has become common practice. The employment situation must be framed within a recognition that following the NEP, soaring salaries are limited to a few select sectors including telecommunications, retail banking, entertainment, aviation, tourism and public relations. All this is happening in the fastest growing sector-services. In an economy which employs 65 per cent of its population for agriculture, 13 per cent for mining and manufacture, the boom in jobs has been confined to the organized private sector which accounts for barely 3 per cent of the total market.

Glancing at a particular case of globalization reveals useful insights into the gap between the stated goals of the IMF and the state on deregulation and actual practice.

30 Ibid.
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In a sweeping investor profile of India for U.S. MNCs, Trade Compass singles out the partnership between Godrej and Boyce (Pvt.) Ltd. and GE Appliances, the core business of the General Electric Corporation (GEC). With the deregulation of the license regulation system, the two manufacturers entered into a 60:40 equity partnership respectively, for the initial manufacture of refrigerators targeting the middle class. In their first year Godrej/GE was the first company in India to cross the 6000 unit mark, yet its production strategy was not based on increasing indigenous manufacturing capacity. Rather, following the now-praised strategy of “out-sourcing”, it did not build a single plant but merely accessed other manufacturers whose capacity it utilized through partial buy-outs. As the profile emphasizes “While GE is number one for room air conditioners, the firm has not manufactured a single unit in the last five years. Combining marketing skills with existing production capacity is the key to success. GE is in India to build markets, not factories.”

The supposed trickle-down effect of liberalization which was to lead to greater production and therefore employment does not materialize while a multinational gets access to a huge market. Further, the partnership benefits an Indian company which produces consumer durables like refrigerators, washing machines and air conditioners which by no stretch of the imagination can be termed basic goods. If increased employment remains not just absent but an unacceptable liability for such globalizing corporations and as long as such goods remain a luxury to most Indians, the “developmental” logic of globalization renders visible both the emptiness of trickle-down economic theory and the quick profit strategies of Indian and western MNCs with no ensuing broad social repercussions in terms of increased employment, development of core sectors or a general improvement in the standard of living. It is telling in this regard, that it is the consumer durables sector that is singled out as the most profitable “key to success” for global corporations. Further, the importance of global media are continually stressed in profiling the profitability for MNCs in entering India. As Trade Compass puts it, “The arrival of Rupert Murdoch’s STAR TV satellite broadcasting meant that high income consumers with television sets and cable connections could see a variety of desirable goods and advertising messages.”

The impact on women can be briefly signaled in many respects, which acquire a particular piquancy given the Hindu Right’s cultural nationalism is predicated often on western media images on the “globalization of women.” Malini Bhattacharya has commented that “the actual non-availability of essential items, the squeeze on the purchasing power of the great majority of the people and the devaluation of women’s position in a ‘globalized’ economy are all glossed over by the ubiquity of the image of the woman as consumer.” The replacement of traditional crops for subsistence with cash-cropping has been one of the foremost “reforms” of the agricultural sector under globalization, resulting in an intensified immiseration of working women. Framing the above developments within firstly, the relationship of the Indian economy to global capital, and secondly, in relation to programmes for social justice, it is fairly clear that liberalization tends to enhance the position of private and global capitalist interests at the expense of the poor, workers and the environment.

33 Ibid. Emphasis added.
34 Ibid.
36 Government directives to file details of pollution control have been mocked as mere exercises on paper since the pollution control boards are not expected to...
The relationship of domestic capitalist interests to the evolving East/West geo-political divide further complicates the solidity ascribed to the latter dichotomy. Besides the complicity between the urban/rural bourgeoisie and the state's stated commitment to a "mixed economy" (and its implications for social justice), as indicated above, there are other relationships whose recognition undoes the equation of already dubious binarisms between East/West, "social welfare"/exploitation and the like that permeate popular economic and cultural discourses. Firstly, the turn to the IMF was not initiated in 1991 but was only intensified then in substance and scope. A decade earlier, the IMF and the Indian government (under Indira Gandhi) had come to a loan agreement according to the former's conditionalities for state fiscal responsibility. Although the state's execution of this responsibility was a failure, the cache that attached to India's international creditworthiness from the IMF loan agreement spurred its attractiveness for overseas commercial banks. Hence, the link between India's relationship with the IMF and the significance of multinational capitalist interests can be instantiated prior to the 1991 liberalization. Talk of an absolute break since 1991, a sharp U-turn from "socialism" to capitalism is thus wrong-headed particularly for this geo-political framing of global capital. Further, as already argued above, the role of the state in protecting domestic capital implies that multinational financial rescue packages indirectly bolstered the position of the indigenous bourgeoisie. This link undoes the opposition posited between national and global capitalist interests, whose precise relationship at particular conjunctures spans a range of positions. Further, the traditional role of the state in supporting the bourgeoisie, the petit-bourgeois interests of the then marginal Hindu right organizations and the gathering economic crises unravelled any static conception which ascribes class interest to state power in the context of economic profit-maximization. The deepening crisis of the state's resource pool reduced its ability to support the bourgeoisie, whose earlier opposition to multinational capital (seen as rivals) was consequently modulated towards cautious acceptance, given the limited room to manoeuvre in terms of financial support. This willingness to accept foreign capital and the consequent implications of greater consumption and marketing of products (primarily aimed at a petit-bourgeois constituency) thus moved the interests of the bourgeoisie towards greater coincidence with that of the merchant and trading classes (the support base of the Hindu Right). One of the most powerful backers of the predominantly secular state (the bourgeoisie and the Congress party respectively) did not, and need not, anymore be posited as a possible antagonist to the interests of the Hindu right.

Eminent Indian economist, Amartya Sen found himself in a controversy recently that condensed the politics of Hindu nationalism into the political economy of development in telling ways. Awarded the 1998 Nobel Prize for economics, the international expert on welfare economics criticized the BJP government's liberalization policy for being insensitive to the needs of the country's poor. "The objectives [of liberalization] have to be more people related rather than commodity related, and economic policies will have to particularly focus on those who are worst off in society," he argued. His critique of liberalization was immediately framed within the rhetoric of Hinduism, when Ashok Singhal, head of the VHP accused the awarding of the Nobel...
prize to him as part of a Christian conspiracy to wipe out Hinduism.\textsuperscript{39} His statement further indicates the link between domestic politics and international developments, given that the same period saw escalating violence against Christians in the state of Gujarat by the VHP.

Thinking relationally about the complex ways in which economic change, religious and cultural constituencies and political manoeuvering impinge on each other and dissipate the rigidity of East/West binarisms thus undercuts not just their "cultural" manifestations, but poses the following question. How can social emancipation be effected by the Hindu Right, given that domestic capitalist interests provide not just the social base of cultural nationalists, but are themselves thoroughly implicated in global capitalist interests, despite the undergirding of their nationalist rhetoric through the fabricated opposition between east and west? A critique of their economic interests (i.e. capitalist intensification) and rendering visible their global multinational symbiotic relationship thus seriously interrogates the discourse of both economic and cultural nationalism.\textsuperscript{40}

\textbf{TAKING STOCK OF HISTORY}

In delineating the economic history of India, prior to and following 1991, along the twin lines of its East/West geo-political dimension and the concern for social justice in a recently-decolonized country, no claims are being made for its comprehensiveness or "impartiality." The "situatedness" of knowledge-production must admit at the outset its location, and in so doing what has been argued is that reading economic developments within the twin lenses indicated above, enable a particular relationship between economic change and cultural nationalism articulated against satellite television to be rendered visible.\textsuperscript{41}

Firstly, reading this heterogeneous archive enables the evolving relationship between concerns for national autonomy on the one hand, and the necessity of some sort of engagement with western multinational capital on other, to be traced in its complexity and contradictoriness. Both prior to and after 1991, the relationship between India and West has been one of complicity and opposition. No temporal break can be argued for, where suddenly there is a complete about-turn in the relationship between the two. This point has a direct relation to the economic discourse of nationalism articulated by the Hindu right, and indirectly impacts on its cultural rhetoric against western TV to the extent that the latter is framed as the cultural signifier of India's loss of autonomy to the West in the early 1990s.

Secondly, by tracing the relationship between economic policies and its impact on social justice, what becomes apparent is the hindrances the bourgeoisie and the petit-bourgeoisie set up against any substantial or long-term redirection of wealth and its

\textsuperscript{39} Quoted in "BJP distance itself from VHP stance on Nobel Prize for Sen", PTI, December 12, 1998.
\textsuperscript{40} The latter will be illustrated through concrete examples in the third chapter on the Hindu Right.
use towards reducing the enormous gap between rich and poor. This tendency (which is linked to its structural position in terms of class) can be located, as argued above, both in terms of domestic capitalist complicity and opposition to metropolitan capital. Hence, only if the capitalist nature of “development” is ignored, and as seen above, the overlapping interests of the West and India erased, can any equation between national economic autonomy (as opposed to “western interests”) and social justice be argued. The burden of this reading of the economic archive has been precisely to render visible these twin erasures and articulate them in relation to the frontier discourse of India/West which permeates the economic and cultural rhetoric of the Hindu Right. It is precisely in reading the history of television in India within these two frames that the socio-economic functions of mass media are rendered invisible by the culturalist rhetoric of Hindutva.
Lyubov Popova, *Space-Force Construction*, circa 1920–21