

## *Comment*

# **Discovery of Independence: South Asia at 63\***

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Long years ago we made a tryst with destiny, and now time comes when we will redeem our pledge, not wholly or in full measure, but substantially. At the stroke of midnight hour, when the world sleeps, India will awake to life and freedom.... We end today a period of ill fortune, and India discovers itself again.

These are the famous words of Jawaharlal Nehru, the first prime minister of India, which he spoke 63 years ago on the eve of India's Independence. The 'period of ill fortune', the end of which he could see, was the long spell of British imperial rule over the South Asian subcontinent. Among the upper class leaders of the mainstream parties that had led India to independence, Nehru was perhaps the most socially conscious politician. He was also a keen student of India's history and sociology. During his frequent imprisonments for opposing the British rule in India, he sat up long hours in the 'A class' wards of colonial jails reflecting upon the type of society India was, writing down his thoughts mostly in the form of letters to daughter Indra. This was his way of 'discovering' India – an exercise he found necessary in order to form a proper vision of India's independence.

### **The Indian society and Nehru's socialism**

In his portrayal of the Indian Society Nehru noted in particular that India was:

- (1) A pluralist society, consisting of very many diverse linguistic and cultural groups.

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- (2) A class society, divided into many layers of hereditary statuses and gross material disparities.
- (3) A society exploited by almost two centuries of British capitalism and imperial domination giving rise to serious distortions in its culture, and social structure.
- (4) A society with its ethos pervaded with magic and religion as opposed to science and reason.
- (5) and most importantly, a society synonymous with poverty stricken peasantry and labouring classes.<sup>1</sup>

While one may not find anything extraordinary in these observations, it is significant to note that in trying to figure out the defining features of the Indian society Nehru's aim was to find a path that would lead to a genuine independence of the people of India, not only from British colonial rule, but also from all those internal societal conditions which were keeping them in bondage. In his view it was important to do away with imperialism but that was only part of the struggle for freedom. 'We have got into an extraordinary habit of thinking of freedom in terms of paper constitutions. Nothing could be more absurd than this lawyer's mentality which ignores life and vital economic issues...' he wrote.<sup>2</sup>

In the final analysis Nehru found socio-economic inequality to be at the root of all other problems that afflicted India and its people. Taking a longer historical perspective, he observed that in its evolution as a society India had 'failed in a vital particular, and because she failed in this, she fell and remains fallen. No solution was found for the problem of inequality. India deliberately ignored this and built up its social structure on inequality...'<sup>3</sup>

In 1929 when he was first elected president of the Indian National Congress in the Lahore session of the party, he frankly told the largely well-healed but *khadi*<sup>4</sup>-clad assembly of party delegates that 'I am a socialist and a republican, and am no believer in kings and princes, or in the order that produces the modern kings of industry, who have greater power over the lives and fortunes of men than even the kings of the old, and whose methods are as predatory as those of the old feudal aristocracy'.<sup>5</sup>

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<sup>1</sup> Jawaharlal Nehru, *India's Freedom*, London, Unwin Books, 1965, p.15

<sup>2</sup> *Ibid.*, p.31.

<sup>3</sup> 'Presidential Address,' *ibid.*, p.9.

<sup>4</sup> *Khadi*, the coarse hand loom woven cloth, was worn as a symbol of Gandhian style of nationalism.

<sup>5</sup> *Ibid.*, p.14.

Fifteen years later in 1936 when re-elected head of the National Congress in its Lucknow session, Nehru reiterated in his presidential address that 'I am convinced that *the only key* to the solution of the world's problems and India's problems lies in socialism, and when I use this word I do so not in a vague humanitarian way, but in the scientific, economic sense.... I see no way of ending the poverty, the vast unemployment, the degradation and subjection of the Indian people except through socialism. That involves vast and revolutionary changes in our political and social structure. ... In short, it means a new civilization, radically different from the present capitalist order (emphasis mine)'.<sup>6</sup>

Nehru continued to express such views until the day of independence arrived in 1947 and he became the first prime minister of India. The Indian subcontinent was partitioned geographically into the two dominions of India and Pakistan with some of us left on the Pakistani side others on the Indian, and millions rendered homeless refugees. On the political canvas the print media was still portraying the leaders of mainstream sub-continental parties, Gandhi, Nehru, Jinnah and others. With youthful idealism, our eyes were still fixed on India's Nehru who, we thought, was going to make a complete break with imperialism and capitalism in preparation for lifting the masses of India out of poverty and powerlessness.

### **Pakistan succumbs**

It did not take long for Pakistan to succumb to the re-emerging imperial order in its post-World War II configuration and its economic and political dictates. Soon after independence the country's political and military elite found security in joining the US sponsored global network of defence pacts against the Soviet Union. These alliances had a twofold effect on the internal politics of Pakistan. Firstly, the state of Pakistan was thoroughly militarized and bureaucratized with serious consequences for the establishment of democracy in the country. Secondly, the propensity of the state to use physical force to suppress movements for social justice and ethno-national rights was greatly enhanced. In the absence of a functional democracy and tolerance for political dissent Pakistan simply moved from the trap of colonialism to that of neo-colonialism. The ruling class since the 1950s has continued to align the country behind the imperialist interests of the United States and its NATO partners for which the people have paid dearly. Pakistan today is counted among the top ten failed states which is neither able to provide

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<sup>6</sup> *Ibid.*, p.35.

its people with basic public services nor protection from incessant violence, death and disappearance.<sup>7</sup>

One might say that genuine freedom eluded Pakistan because its democracy got scuttled very early in its history and its survival as a state became linked to serving the imperial interests of the United States but what about India, a much larger and resourceful state which began its post-independence career under the a prime minister with strong socialist convictions? Why did Nehru's India fail to take a decisive step towards socialism in 1947 and eventually gave way to imperialism in its post-World War II configuration?

### **The myth of India's socialism**

There is a myth widely circulated about post-colonial India that socialism was tried after independence under Nehru but failed. To quote an advocate of free market economy, 'India became the poster child for post-World War II socialism in the Third World'.<sup>8</sup> One of India's own top bureaucrat-turned-politician and Nehru's latest biographer asserts that Nehru created 'a Statist socialist system which meant that India spent the decades after his rule as well regulating stagnation and distributing poverty, with bureaucrats rather than businessmen in the commanding heights of the economy'.<sup>9</sup>

As a matter of fact socialism, in any sense of the word, was never tried in India, despite Nehru's strong convictions. The Indian National Congress that inherited power from the outgoing colonial regime was by its very class composition not the party willing or able to transform India into an independent socialist state. Nehru himself was acutely aware of this. As far back as the Lucknow session of the party he had pleaded in his address to the delegates that, '(m)ost of you know my views on social and economic matters for I have often given expression to them. Yet you chose me as president. I do not take that choice to mean an endorsement by you all or by a majority, of those views, but I take it that those views are spreading in India and most of you will be so indulgent as to at least consider them'.<sup>10</sup>

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<sup>7</sup> *Foreign Policy*, 26 August 2010.

<sup>8</sup> Samuel Staley, 'The Rise and Fall of Indian Socialism: Why India embraced economic reforms', reason.com (on line magazine), June 2006.

<sup>9</sup> Shashi Tharoor, 'Nehru: The Invention of India', speech to the Carnegie Council, New York, 13 November 2003. See also his book by the same name, published by Arcade Publishing, New York, 2004.

<sup>10</sup> Nehru, *op.cit.*, p.35.

Nor was Mahatma Gandhi, the 'patron saint' of the National Congress, too worried about India's mass poverty. If anything, he considered it a sign of the superiority of Indian civilization compared to what in his perception was a crass materialism of the dominant Western civilization. As a matter of fact Gandhi was quite uneasy with Nehru's radical socialism which was getting popular with the country's intellectual youth. That Gandhi used his influence to promote Nehru to the presidency of the Indian National Congress over the head of some of his seniors in 1929 is said to be a shrewd move to draw India's youth, gravitating towards left causes, into the mainstream of the Congress party, hoping at the same time, that added responsibility of the high office will have a moderating influence on Nehru's political views.

The myth that socialism was tried in India's post-independence economy is built around what is known as the Nehru-Mahalanobis model of development adopted during the Second Five Year Plan (1956-61). This model was primarily aimed at transforming India from an agricultural economy to a self-sustained industrial economy. For this purpose certain key industries and infrastructural projects which were either out of the reach of private sector or considered too risky for private investors were started in the public sector. To call this socialism with state occupying the 'Commanding heights of economy' is simply incredible. It was not very different from the commonly employed strategy of socializing risks and privatizing profits which is typically more of a capitalist game.

All the three five year plans formulated by the Nehru's government left a large field open to private domestic and foreign corporate sectors. The Indian capitalist class, resurgent since the Second World War, continued to invest heavily in the post-independence economy by itself or in partnership with foreign firms.<sup>11</sup> The share of the foreign investment increased from 29 per cent of the corporate sector in 1948-53 to 32 per cent in 1960-61.<sup>12</sup>

The magnitude of investment from government's own sources to boost the heavy industrial sector was no doubt aimed by Nehru's planners to build an independent and self-reliant economy, as free as possible from subservience to advanced capitalist countries. This attempt

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<sup>11</sup> Amiya Kumar Badchi, 'Foreign Capital and Economic Development in India: A Schematic View', *Imperialism and Revolution in South Asia*, Kathleen Gough and Hari P. Sharma, (eds.) (New York: Monthly Review Press, 1973).

<sup>12</sup> S.L. Kapur, Industry Passing Through Phase of Transition, *The Tribune*, 50<sup>th</sup> Anniversary Issue, August 15, 1997.

of the Nehru-Mahalanobis model has been criticised endlessly by neo-conservative economists for all sorts of flaws, from slow and stigmatic 'Hindu' growth rate to 'creeping socialism'. What is overlooked in these critiques is that this goal of self-reliance, at best a form of economic nationalism, was already being abandoned as a component of the Second Five Year Plan during Nehru's lifetime.

The plan launched in 1956 at the projected cost of six billion pounds in the public and private sectors had soon run into financing difficulties.<sup>13</sup> And the decision to overcome these difficulties through outside loans had opened the door for advice and technical assistance from the keepers of the global capitalist system based in the United States, with their own ideological agendas.

From 1958 the Aid to India Consortium began to meet annually under the auspices of the World Bank to determine the amount of financial assistance to be extended to the country and conditions to be attached to such assistance. Washington was also more inclined to court India as a regional ally over its rival Pakistan with the change of administration from Eisenhower to John F. Kennedy's presidency in 1960. In addition the 1962 Sino-Indian border clash weakened Nehru's resolve to resist US-UK offers to purchase large quantities of their armaments. By the time Nehru died in 1964 the World Bank was providing as much as \$1.5 billion in annual financial assistance to India while promoting its own economic concepts which 'represented a fundamental departure from basic principles of planning laid down by Nehru'.<sup>14</sup> In 1966 a reluctant government of India was forced under American and World Bank pressure to devalue its currency by almost 58 per cent.

### **Independence via neo-liberal economics**

In the 1970s and 1980s under the governments of Indira Gandhi and Rajiv Gandhi the liberalization thrust of the World Bank and International Monetary Fund (IMF) economic policies began to make significant inroads into India and the country became a favourite recipient of loans from these and other external sources. Such loans, received in just one decade of 1980s, quadrupled India's debt and brought it to the brink of default on repayments in early 1991. As a result the country's credit ratings were downgraded accompanied by a squeeze

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<sup>13</sup> Percival Spear, *A History of India*, Vol.2 (New York: Penguin Books, 1970), p.250.

<sup>14</sup> Francine R. Frankel, *India's Political Economy, 1947-1977: Gradual Revolution* (Princeton: Princeton, University Press, 1978), p.271.

on further lending. The World Bank/IMF took this situation as an opportunity to step in with emergency financing mixed with a further dose of neo-liberal medicine packaged as ‘structural adjustment reforms’.

The then prime minister, P.V. Narasimha Rao, and his finance minister Manmohan Singh readily accepted the reforms package and India formally graduated to the status of a free market economy within the global liberal order. Financial assistance began to flow in freely once again and foreign investment increased from a mere \$133 million in 1991-92 to \$6 billion in 1996-97.

This shift in India’s political economy was welcomed as its final embrace of capitalism in its neo-liberal mode with such celebratory tones by the mainstream Western media, think tanks and government leaders as if the last bastion of socialism was conquered after the collapse of USSR. ‘Nehru had it wrong’ declared *The Economist* in its lead article on India in its 50<sup>th</sup> anniversary issue on South Asia’s independence from direct colonial rule. The article went on to assert that the economy of India is now in the hands of a new breed of ‘bright young official more likely to have an MBA from Stanford or Chicago than a PhD on Marx’s theory of value from London School of Economics’.<sup>15</sup> Madeleine Albright, the Secretary of State in US President Clinton’s administration stated euphorically that ‘we will encourage U. S. trade and investment with India as it continues to carry out path-breaking economic reforms’.<sup>16</sup>

It was however left to Atal Bihari Vajpayee, elected for a full term as prime minister of India in 1998, to implement the neo-liberal model of development in its entirety. Vajpayee, the leader of the Hindu supremacist Bharatiya Janata Party (BJP) found neo-liberalism quite congenial to his party’s exclusionist ideology. His government set out to implement the entire liberalization reform package eagerly over the next 5 years of its tenure. Tariff barriers were removed, ‘licence raj’ smashed, government ‘downsized,’ state assets privatized and all remaining hindrances to free trade and free inflow of foreign investment capital removed.

Among other good things dear to the Western neo-liberal economists and their global apprentices, the Vajpayee reforms boosted India’s annual growth rate of the GDP from its stigmatic low of 3-5 per cent per year to a high of 8 percent. But the rise to prominence of an

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<sup>15</sup> *The Economist*, 16 August 1997.

<sup>16</sup> Madeleine Albright, Statement before the House International Relations Committee, USA, 11 February 1997. <http://gos.sbc.edu/a/Albright.html>.

affluent 'middle class' of some 5 per cent of India's one billion inhabitants, depending on who was doing the defining, was played up to be the greatest achievement. This class has since been greeted as the world's largest, with a buying power which would not only be the future driving force behind India's economic growth but that of the entire capitalist world economy.

Elated by all this, Atal Bihari Vajpayee led his party into the 2004 elections with the watchword, 'India Shinning', a slogan coined by a New York based advertising company to refer to the success of the BJP government's liberalization reforms. Political pundits at home and abroad were also impressed by what they termed India's 'economic boom' under Vajpayee and predicted a landslide victory for him. But the results of the election came as a surprise. Masses of poor and marginalized rural and urban voters who remained excluded from benefits of the so-called reforms, or even suffered because of them, turned out in large numbers to trounce the Vajpayee government.

Since the defeat of the Vajpayee government in the May 2004 elections, Manmohan Singh has been the prime minister leading the Indian National Congress coalition ministries. He is certainly not going to abandon his predecessor's path of development because he was the one who as finance minister of India from 1991 to 1996 had laid the foundations of the free market reforms which produced the developments labelled 'India Shining'.

Manmohan Singh, a technocrat, who has never been elected to India's lower house of parliament (Lok Sabha), has no real interest in the issues of social justice. The issue of socio-economic equality is something that only receives mention in his passionlessly delivered public speeches on special occasions. For example, in his last year's Independence Day speech he declared from the parapet of Delhi's historic Red Fort that: 'It will be our effort to ensure that every citizen of India is prosperous and secure', and in this regard he even named Pundit Jawahir Lal Nehru, among other 'great leaders', as having shown him the path. He went on to add that: 'We know that India's progress can be real only when every citizen of our country benefits from it. Every Indian has a right over our national resources. The policies and the schemes of our Government in the last 5 years have been based on this paradigm'.<sup>17</sup>

One would not find these words of assurance coming from Prime Minister Manmohan Singh so ironic but for the reputation that he enjoys for being an honest man. The neo-liberal paradigm that he has been hard at work to implement has nothing to do with promoting the prosperity of

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<sup>17</sup> [www.ummid.com/news/august/16.08.2000/pm-speech-to-the-nation.html](http://www.ummid.com/news/august/16.08.2000/pm-speech-to-the-nation.html).

‘every citizen of India’ or of any other country for that matter. In fact this paradigm, being followed around the world for last three decades under the pressure of ‘Washington Consensus’ and the World Bank/IMF economists, has intensified socio-economic inequalities, making the rich richer and the poor poorer. These inequalities engendered by the neo-liberal paradigm have nowhere become as acute as in India, which on the one hand ranks fifth globally in the number of US dollar billionaires and on the other hand leads the world in the number of the absolute poor. According to the United Nation’s *World Development Report 2010*, more of world’s poor live in India than the entire sub-Saharan Africa.

### **The poor as security threat**

In the speech cited above, the prime minister once again mentioned the ‘Naxalite menace’ which he has repeatedly termed ‘the greatest internal security threat to our country.’<sup>18</sup> He is no doubt aware that the six core states from which the ‘Naxalite menace’ emanates – West Bengal, Jharkhand, Orissa, Andhra Pradesh, Bihar, and Chhattisgarh – are also home to the poorest people of India. This forested part of central India, also known as the red corridor, has become the ‘security threat’ because the lower caste *adivasis* and other tribal people who have lived there for centuries refuse to relinquish their ancestral lands to powerful national and international mining and manufacturing corporations with ties to the coercive apparatuses of the Indian state. The Tata conglomerate is acquiring land in Chhattisgarh to build a steel manufacturing complex, the UK based Vedanta Resources is taking possession of southern hilly districts of Orissa to mine Bauxite and other minerals, The Uranium Corporation of India Ltd (UCIL) is taking over more and more land in northern Jharkhand for Uranium mining and disposal of deadly tailings in local ponds.

These are only a few instances in the long story of massive land grabs and displacement of millions of people from some 600 districts of the above named and adjacent states. Government officials involved in acquisition of land for their powerful corporate clients and for the establishment of Special Economic Zones (SEZs) commissioned by foreign off-shore processing companies have used all kinds of tactics ranging from unmitigated coercion and arrests to promises of cash, jobs and better future. But faced with what they perceive to be the danger to their very survival the people of the region have arisen to fight for the protection of their land, life and livelihood with organizational and

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<sup>18</sup> *The Hindu*, 11 October 2009.

tactical help coming from the Communist Party of India (Maoist), banned as a terrorist organization since June 2009.

It is this ongoing armed resistance of the poorest people of India pitted against the country's most powerful corporate interests that is being termed the 'Naxalite menace', after a similar uprising that took place in the West Bengal village of Naxalbari back in 1967. Although Prime Minister Manmohan Singh is often heard paying lip service to addressing the problem of rampant poverty and neglect of the people of the so-called red corridor, main purpose of his government is to crush the popular resistance in the region through militarized means.

### **Operation Green Hunt**

Operation Green Hunt is the name given to the coordinated paramilitary offensive led by various levels of government against the Maoist rebels.<sup>19</sup> Arundhati Roy, the renowned Indian writer and social justice advocate who has had the rare opportunity to visit the resistance fighters in their jungle hideouts, tells us who is really being targeted by the Operation Green Hunt. According to her the 'Maoist guerrilla army is made up almost entirely of desperately poor tribal people living in conditions of such chronic hunger that it verges on famine of the kind only associated with sub-Saharan Africa. They are the people who, even after 60 years of India's so-called independence, have not had access to education, healthcare or legal redress. They are the people mercilessly exploited for decades.... Their journey back to a semblance of dignity is due in large part to the Maoist cadres who have lived and worked and fought by their side for decades'.<sup>20</sup>

Roy adds that these people 'do not believe when the government says that it wants to develop their region'. The roads in the forest are not being built for them to 'walk their children to school'. Her description of conditions in the conflict zone of central India makes one marvel at their similarity with what is happening in neighbouring Pakistan's territorially biggest province of Balochistan. In this geographically largest province of Pakistan too live some of the poorest tribal people who are being subjected to brutal military action all in the name of development. They are also suffering the fate of their tribal counterparts of the Indian forests because under their arid hills and valleys are found buried vast deposits of minerals and natural gas. They too react with disbelief when told that the government wants to bring them the fruits of development.

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<sup>19</sup> *The Times of India*, 2 November 2009.

<sup>20</sup> Arundhati Roy, 'The heat of India is under attack,' *Guardian.co.uk*, 30 October 2009.

### **Farmer suicides**

The spate of farmer suicides over the last decade is another sad commentary on where India has ended up in pursuit of its post-independence development goals. It is officially estimated that 200,000 farmers have committed suicide from 1997 to the beginning of 2010.<sup>21</sup> These grim statistics are attributed by Indian analysts to the policies of trade liberalization and corporate globalization embodied in Prime Minister Manmohan Singh's paradigm of development. By 1998 his government opened up even the country's seed supply to global agribusiness corporations such as Monsanto, Cargill and Syngenta in compliance with the World Bank's structural adjustment policies.

These global agribusiness corporations, using high pressure sales techniques have succeeded in enticing thousands of small farmers into buying their genetically modified (GM) seeds claimed to produce increased yields and resist disease. These seeds not only replace farm saved seeds, a free resource, they cannot be saved for re-plantation because they are genetically engineered with non-renewable traits or because corporate patents and intellectual property rights prohibit their saving and reuse.

Thus, once farmers switch to the use of corporate seeds they are trapped to continue buying them every planting season. The problem is that these seeds are not necessarily what they are claimed to be. Their yield begins to decline over time and their successful plantation requires a complicated and costly regime of plentiful watering, crop rotation, refuge strategies (to insulate GM crops from other plants), and application of chemicals, sold in the form of fertilizers, pesticides and insecticides, on a continuous basis. The end result for most small farmers who become dependent on these products is failed harvests and heavy indebtedness. Faced with the prospect of losing their lands and other assets to the debtors many of them have been committing suicide by drinking the pesticides sold to them. Such deaths in common parlance have acquired the name of 'Monsanto suicides', after the name of the major marketer of GM seeds and pesticide. It is interesting to note that while Prime Minister Manmohan Singh is always very vocal in condemning the Naxalite menace, he maintains a stony silence in regard to the tragedy of farmer suicides. Over the last decade the farmers unions have taken out massive protest rallies and used other forms of peaceful protests demanding a ban on the sale of GM seeds and against the opening up the agricultural markets under WTO agreements, but all these demands have fallen on deaf ears.

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<sup>21</sup> [http://news.bbc.co.uk/2/hi/south\\_asia/7442327.stm](http://news.bbc.co.uk/2/hi/south_asia/7442327.stm).

### **The middle class prosperity**

The same system of corporate globalization and free trade which has manifested in the 'Naxalite menace' in the forests of India and has driven to suicide many small and marginal farmers, who cultivate about 85 % of Indian farmland, is also the system credited with producing a prosperous and expanding urban middle class. It is the rise of this class that is being painted as the success story of independent India.

However, much confusion surrounds the definition of the so called middle class India and the sweeping statements made about its power of consumption, innovation and entrepreneurial qualities which are believed to be the engine of future economic growth in the globalized capitalist economy. Estimates of the size of this class range from 30 million to 300 million. The Asian Development Bank (ADB) has in a recent study defined India's middle class as all those earning \$2 to \$20 per capita per day (in 2005 purchasing power parity (ppp) dollars), with a reminder that this class is vulnerable to economic shocks and 75 per cent of its members earn only \$2 to \$4 per capita per day.<sup>22</sup>

Thus, notwithstanding the myth making of the neo-liberal economics, all one can say is that India, after some six decades of independence, has ended up with a highly polarized structure made up of a class of well-off and not so well-off Indians below which there is a huge underclass of people relegated to poverty. The class of well-off Indians living above today's poverty line of \$2 a day, call it middle class if you will, did not spring up overnight. A younger and intellectually more astute Jawaharlal Nehru gives an insider's glimpse of this class as it was evolving before independence in these words:

The present for me like many others like me, was an odd mixture of medievalism appalling poverty and misery, and somewhat superficial modernism of the middle classes. I was not an admirer of my class or kind. And yet inevitably I looked to it for leadership and struggle for India's salvation. That middle class felt caged and circumscribed and wanted to grow and develop itself. Unable to do so in the framework of British rule, a spirit of revolt grew against this rule, and yet this spirit was not directed against the structure that crushed us. It sought to retain it and control it by displacing the British.<sup>23</sup>

Nehru's reference to 'the structure that crushed us' was obviously directed at the age-old pre-capitalist forms of inequality going

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<sup>22</sup> <http://www.adb.org/Article/13308-asia-key-indicators/>.

<sup>23</sup> Jawaharlal Nehru, *The Discovery of India* (New York: Anchor Books, 1960), p.26.

back to the Vedic times, buttressed by colonial rule. The neo-liberal model of capitalist development so assiduously followed by Nehru's successors has not only retained and strengthened that structure of inequality, it has provided opportunities to the 'middle class' of Nehru's youth to grow and expand itself. Some in the upper layer of this class have also increased their fortunes phenomenally, at the same time as the class below continues to sink into deeper 'poverty and misery'. This side by side reproduction of extreme poverty and riches only adds to the insecurity of the 'middle class' and drives it to hug the Structure that has 'crushed' India ever more tightly.

### **The national security state**

What is more significant is that the inequalities generated by the system are not going to diminish so long as the economic wisdoms of the present prime minister of India and his paradigm of development remain frozen in the Thatcher-Reagan era. The Cambridge educated Manmohan Singh cannot see neo-liberalism as an ideological framework that has devastated the working classes around the world with its economic propositions such as free market, deregulation, dismantling of the welfare state, wage compression and competitive austerity. The welfare state which in the past moderated the predatory character of capitalism is now replaced by the 'national security state' which has been designed as a political counterpart of neo-liberalism's economic agenda. Under the logic of this state any popular protest against poverty and inequality generated by corporate globalization is simply a security threat which needs to be suppressed by use of force. It is in this sense that Manmohan Singh speaks of 'the greatest security threat to our country'.

To conclude, it must be said that a decolonized India as the largest and most resourceful state in South Asia could have guided the entire region on the path of independence which is something that still remains to be discovered by half of the world's poor who live there. In fact there was a time after 1947 when India's leadership was moving in that direction. The Bandung conference in 1955 leading to the creation of Nonaligned Movement, *Panchsheel*, the 5 principles of mutual cooperation among developing countries enunciated by Jawaharlal Nehru, the emphasis on peaceful coexistence, were all fundamental steps to ensure that the ex-colonies of South Asia individually and collectively will have full control over their political and economic destinies. That India was unable to stay on that course of leadership is evident but needs to be investigated and explained more thoroughly.

Curiously enough it is the small Island state of Sri Lanka that leads the South Asian region in being able to pursue a people-oriented

plan of development. On the United Nation's Human Development index (HDI) it is consistently rated much higher than India and most other South Asian countries, despite the fact that it has been afflicted with a prolonged civil war. It is significant to note that Sri Lanka is also the state which has maintained a more independent economic policy compared to its larger and more 'powerful' neighbours to the north.