
Special Section

Has the wheel turned full circle?

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Lurching from explanation to explanation for the singularity of underdevelopment; and endlessly searching for the magic key that can crack the riddle of development, development theory has certainly had a chequered biography. The path traversed by the theory in the last 60 years or more is littered with abandoned or drastically reworked concepts. The late 1980s were to catapult a significant concept onto the agenda of development, however: civil society. Fresh from the political crucible of the ‘velvet revolutions’ of Eastern Europe, civil society rapidly acquired the status of a mantra, simply because it was hailed as an alternative to the non-performing and power hungry state. Yet the state continues to loom large in political imaginations, all the more so in the face of the current economic crisis. Is it the time, then, to place the concept of civil society on the intellectual dust heap of development theory? Is the state once again the flavour of the season? Let us see.

Continued investment in the state is ironic, because by the end of the 1970s in much of the postcolonial world, all hopes that the state would deliver had been sadly betrayed. Nowhere was this recognition of perfidy expressed more strongly than in the postcolonial novel, in Gabriel García Márquez’s *Love in the Time of Cholera*, for instance. The literary critic Jean Franco suggests that Márquez – who had already begun to pillorize and parody the nation-state in his other writings – makes the ‘private’ the centre of his writing in this novel. Even as the ‘apocalyptic landscape of decay and cadavers bear the scars of modernisation’, the ‘protagonists enacting their anachronistic love story can no longer represent anything beyond their own moral passions’ (Franco, 1989). More generally, during the freedom struggle novelists had constituted the nation and the modern state in and for political imaginations. They now set for themselves the task of marginalizing the nation and the state. Political analysts and policy makers were not far behind.

Of course, disenchantment with the ‘overreach’ of the state was not unwarranted. The revolution ‘from above’ or the interventionist state – whether Keynesian, welfare, developmental or socialist – had lapsed. The revolution ‘from below’ had trailed off into inertia. Given the victory of the civil society argument in actually existing socialist societies in 1989, it came to be widely believed that civil society agents, particularly the non-governmental sector, could safeguard the environment, deliver social goods, empower citizens, protect human rights, raise issues of public concern, and in short, deliver on development, more effectively than traditional agents of political society such as political parties and the state.

The civil society argument has now been around for more than 25 years. The problems of the world remain as intractable, even as the numbers of agents who seek to negotiate the

ills of the human condition have expanded exponentially. It is clear that there are certain problems that only the state can resolve, and should be resolving. At least, this is what an All India survey conducted for a project on 'Globalisation and the State in India' that I recently directed shows us.¹ The questionnaire asked respondents to express a preference between three choices: direct provision of social goods by the government, provision of these goods by private agencies, and cash transfers so that the respondent can choose where to send her child, or which hospital she wishes to go to in times of need. We live in times of globalization, and globalization represents the apogee of the logic of the market: commodity transactions. But astonishingly respondents rejected cash transfers. Although they admitted that private providers deliver better services than the government, respondents continue to see the government responsible for either providing social goods, or overseeing and subsidizing delivery of goods by private agents. Evidently the political expectation that it is the responsibility of the state to provide for basic needs is much *stronger* than the idea that the institution should establish a system that would allow people to meet their needs, provide a legal framework for 'free' market transactions for instance.

Yet the problem of deciphering the riddle of development is not so easily resolved, especially in a contemporary epoch where globalization has transformed political equations between nations and within nations, between groups and within groups, reworked the pact between capital and labour, altered the way people perceive and interpret events and developments via the informational revolution, impacted the manner in which people are connected to each other across the globe, offered new opportunities to sections of the working people, rendered others irrelevant and raised new political issues even as older ones are put by the wayside. The process might have been given a human face, but it still sets off a number of reverberations that impact everyday lives. In particular, globalization has narrowed down policy options. Policies on financial and commodity transactions, infrastructure, technology, legal codes and governance are increasingly targeted towards the noble purpose of attracting foreign direct investment (FDI). Postcolonial states are keenly interested in acquiring a competitive edge over other countries in exports, competing for a greater share in the global market, and promoting and establishing systems, rules and standards in accordance with global norms of economic and financial practices. Domestic policy making in the field of agriculture has to be framed within the ambit of the rules and the regulations mandated by the World Trade Organization (WTO). No longer is a state constrained by factors strictly external to it such as capital, foreign policy, alliances and dependence on the West for technology. External factors now *constitute* state policy. This is what contemporary globalization is about.

The impact of globalization on collective lives forms the subject matter of voluminous intellectual, often anguished, torrents and irate polemics. Yet I think that the question is not quite as interesting as another related question: *why has globalization not impacted all countries in the South in the same manner?* China and India seem to have benefited from globalization. But countries belonging to the Sub-Saharan African region appear to have lost out completely. Even within India, which has undoubtedly benefited from globalization in terms of higher economic growth and economic transformations, some regions have profited from globalization and others lag far behind. Evidently, some countries, and some regions within countries, have been able to take advantages of the opportunities offered by globalization. These countries and regions have also been able to negotiate the constraints that are embedded in the process with some skill. Others

have just not been able to do so. The relevant question can be summed up in one word: why? Some findings from the research project mentioned above might help us to answer this question.

Briefly, it is well nigh impossible to trace a direct or a causal relationship between the processes of globalization and state policy. Rigid opponents of globalization are not going to like this, but the relationship between globalization and the 'third world' state is much more complex, nuanced, contradictory and ambiguous than appears at first glance. The politics of globalization and the state is, like all politics, contingent, uncertain, even chancy. And it is politics that determines development, or the lack thereof. In short, the capacity of a country to negotiate the processes of globalization appears to be *path-specific*. In comparison to the rest of the developing world, particularly Sub-Saharan Africa, India has been able to manage globalization from a relatively stronger plane. This is because of relatively high rates of savings, availability of a pool of professional talent, built infrastructure and the ability to shift from a classic import substitution model of development, to one that is based on the service sector particularly information technology and manufacturing. Obviously histories of political choices made and not made, roads taken and not taken, play a large role in determining a country's future in development.

Moreover, the idea that in times of globalization the state either withdraws from social provisioning for its citizens, or is reduced to being a facilitator of transactions by other agents, just does not hold. Common sense revolts against such simple-minded conclusions. Even in times of globalization, democratic states can hardly follow the mandates of the market and give up on human development, irrespective of (a) political coalitions within civil society, (b) of their own responsibility to the poorer sections of society, and above all (c) of the paramount need to garner legitimacy and secure favourable electoral outcomes. Democratic states have to constantly produce and reproduce the conditions of their own legitimacy. Marx told us long ago that it is the task of the capitalist state to save capitalism from capitalists who seek short-term gains, by protecting the victims. We need to remember this lesson.

But even within this generalized recognition, some states perform better at balancing globalization with human development. Why? The project on 'Globalisation and the State in India' addressed this question by looking at the social policy performances of seven state governments in India.² It notably found that there was no systematic correlation between high human development indicators – or even high incomes – and the levels of globalization. Some governments have managed to maintain their commitment to well-being *even though* they are highly globalized, such as Tamil Nadu. Other state governments are simply not committed to securing the well-being of their citizens *even though* they are not globalized, such as Bihar. Kerala is a reluctant globalizer but performs best on literacy and infant mortality indicators. Punjab continues to rank highly on economic development, but the government withdrew from the social sector since the eruption of militancy in the state in the 1980s. Gujarat has done well economically under globalization, but its performance in the social sectors is not impressive. Andhra Pradesh has benefited economically from globalization but it has been unable to secure livelihoods for its rural poor. The record of Karnataka is the about the same as Andhra Pradesh.

I want to briefly focus here on why Tamil Nadu has managed to balance out globalization and human development. The factors responsible for the state's success are partly historical but wholly political. Tamil Nadu has the advantage of being a well-administered state manned by an efficient bureaucracy. The political leadership is well

known for honouring promises made to the poor at election time. Populism is no longer a bad word, not if it secures benefits for the poor. The state leads the country in nutrition schemes for school children, and in institutionalizing protective social security. A dynamic entrepreneurial class has been historically enabled to invest in industry. Considerable attention given to infrastructure has boosted economic growth. Tamil Nadu as one of the most highly industrialized states in the country accounts for 11 per cent of the country's industrial output. The state has made considerable progress in higher education, and leads the country in technical education. For these reasons, the state is the third most important destination in India for FDI. Above all a powerful backward-caste movement has ensured socially inclusive policies, and the consequent participation of the 'lower castes' in the multiple transactions of society. From the Tamil Nadu case it becomes clear that (a) the state stands squarely at the centre of development, (b) the compulsions of electoral democracy pose significant constraints on state actions, and (c) civil society interventions, shape the nature of the state.

But even as we acknowledge the important role played by civil society agents such as non-governmental organizations (NGOs) in foregrounding social and economic rights; and thereby deepening democracy, the one question that confronts us at this juncture is the following: how much can the NGO sector achieve? For one, civil society agents are just not in a position to summon up the kind of resources that are required to emancipate citizens from poverty and deprivation. It is only the state that can do so through widening the tax net, and by monitoring the collection of revenues. Secondly, NGOs can hardly implement schemes of redistributive justice that involve a transfer of resources from the better to the worse off sections of society. Thirdly, the non-governmental sector cannot establish and strengthen institutions that will implement social policy. These tasks plainly lie outside the pale of civil society activism. NGOs can lobby for, and mobilize people to demand social and economic rights. But ultimately the realization of these rights depends largely upon structures of governance outside the control of civil society agents.

This might conceivably give us cause for reflection. Across dominant streams of thought and policy prescriptions, the general consensus seems to be that the state is the problem. Instead of trying to make the state deliver what it has promised through constitutions, laws and rhetorical flourishes, policy makers and advocates of civil society organizations would rather establish parallel systems that can substitute for the state in areas of service delivery. But civil society agents are neither in the business of making policy, nor in the business of implementing these policies. Civil society agents are in the business of creating, fostering, nurturing and reproducing informed public opinion, which can be brought to bear upon the making and the administration of policy. Correspondingly civil society has to keep watch on the implementation of policy. In 1790, the eminent Irish orator, wit, legal luminary, and Member of the British Parliament, John Curran (1750–1817) had suggested insightfully that 'the condition on which God hath given liberty to man is eternal vigilance'. It is this very task that politics entrusts to civil society. Yet if the crucial determinants of development are interventions from civil society, the main factor in human development is the democratic state.

Does this mean that we are back to the days when the state was seen as the 'be all' and the 'end all' of things, or in other words, that the wheel has turned full circle? Perhaps not; there is a difference between the past and the present. For one, development can no longer be conceptualized as the binary opposite of democracy as in the 1960s and 1970s, when country after country in Sub-Saharan Africa gave up on democracy in the name of development. Today citizens are much more conscious that the democratic state takes

decisions in our names, it imposes these decisions on us, and it legitimizes these decisions in our name. As citizens, we have a right to ask why the state practices injustice, the right to challenge the policies of the state and the right to compel the institution to reverse wrongs. It is only a vibrant civil society that can prevent the political elite from lapsing on its commitments and responsibilities. Yet what ever be the virtues of civil society, civil society is *but* the political and the politicized context for the state. In this sense, it can be said that the wheel *has* perhaps turned full circle.

Notes

1. The findings of this project, funded by Ford Foundation, are available as a printed report.
2. These states were categorized and ranked according to a specially created globalization index. The index was constructed on the basis of three indices: state-wise per capita exports (value) 2002–2003; state-wise per capita FDI approved value between 2000 and 2005, and state-wise per capita migration (emigration clearances granted between 1993 and 2001).

Reference

Franco, J. (1989) The Nation as Imagined Community. In: H. Aram Veesser (ed.) *The New Historicism*. New York: Routledge, pp. 207–208.