SOCIAL STRATIFICATION AND POLITICAL POWER*

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Contemporary studies of political power have often been based on the belief that the major determinants in the struggle for power may be ascertained by analyzing the social stratification of a society. This belief is supported by the following series of more or less tacit assumptions: The ideas and actions of men are conditioned by their social and economic position in society. When large number of individuals occupy a comparable social position, they may be expected to think and act alike. They are likely to share social and economic interests which are promoted—in competition or conflict with other social groups—through political organization and interest-representation. Hence, a study of politics should be concerned with the social composition of the members and leaders of different political organizations; this kind of knowledge will provide a clue to the power which such organizations can exert and to the political goals which their leaders are likely to pursue.

I wish to examine the relation between stratification and politics in four respects:

(1) How did Marx deal with the problem of social stratification and political power?

(2) What insight into the relation between stratification and politics can be gained from retrospective investigations?

(3) Does a knowledge of social stratification enable us to understand the development of totalitarian movements and their conquest of power?

(4) Does our understanding of these movements improve if this knowedge of stratification is supplemented by an analysis of the radical elite and of the underlying psychological predisposition of the members?

I. THE MARXIAN APPROACH

On the basis of his analysis of capitalism, Marx predicted a series of political events: that the bourgeoisie would resort to increasingly repressive laws in order to safeguard its economic position; that the workers would eventually create a class-conscious labor movement; and that the contradictions inherent in the capitalist economy would lead ultimately to a proletarian revolution. These political events were to occur toward the end of the capitalist era.

Marx based his predictions on a comprehensive theory of history. He believed that the relations among men in society result from the prevailing organization of the economy in each historical period. In each case the touchstone of this organization was the relation of the different classes to the ownership of the

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means of production, and this led to the oppression of one class by another. The struggle which resulted led in each period from the initial progressiveness of the ruling class to a growing contradiction between the available forces of production and the willingness and the ability of the old ruling class to utilize them fully. In line with this general theory, Marx predicted that the class struggle of the capitalist system would lead to the proletarian revolution. But he did not imply that capitalism would *automatically* produce a proletariat which would fulfill its historic role.

Though Marx left his analysis of social class incomplete, it is possible to summarize his views on this subject. In his analysis of *The Eighteenth Brumaire of Louis Bonaparte* Marx offered this definition of a social class, which he applied to the French peasants:

> In so far as millions of families live under economic conditions of existence that divide their mode of life, their interests and their culture from those of other classes, and put them in hostile contrast to the latter, they form a class. In so far as there is merely a local inter-connection among these small peasants, and the identity of their interests begets no unity, no national union and no political organization, they do not form a class.[1]

Marx applied the same analysis, but somewhat more ambiguously, to the role of the industrial worker in a capitalist economy. Workers shared the fate of having nothing but their labor power to sell. This common fate put them in hostile contrast to the capitalist, partly because they were exploited by him, and partly because modern machine production reduced them to human fragments, not allowed to exercise their rational faculties. And yet this common condition of the industrial workers would not automatically result in the formation of a labor movement. Such a movement would result only if groups of workers throughout a country communicated with each other, if they developed nationwide interests and made them effective through a political organization.[2] Whether or not the hostile division between "millions of worker-families" and the capitalists would lead to a nationwide political movement was to Marx a question of practical politics.

Still, Marx believed that he could predict the outcome of this political struggle. He believed that an overwhelming majority of the people would come to share (or to sympathize with) the life-experience, and hence the ideas, of the industrial proletariat. To be sure, the working class in Marx' sense would emerge only after regional, local, ethnic, and many other antagonisms had disappeared. Only then could a politically organized labor movement develop; for it to be effective, such a political organization would have to represent a "national union" rather than just another interest group. Hence Marx identified the politically organized labor movements of the world with the masses of mankind.[3] And believing that the development of capitalism necessitated a polarization of society into two classes, he minimized the importance both of the existing

[1] *The Eighteenth Brumaire of Louis Bonaparte* (New York, n.d.), p. 109.

[2] *The Communist Manifesto* (New York, 1932), pp. 17–19.

[3] The philosophical significance of this identification is explored in Herbert Marcuse, *Reason and Revolution* (New York, 1941), pp. 287–295.

divisions among workers in capitalist society and of the ideas and political actions to which they gave rise.[4]

The history of the last hundred years since the publication of the *Communist Manifesto* in 1848 has taught us that these sweeping generalizations were mistaken. To be sure, a radical movement which obliterates local, regional, and even many national antagonisms *is* developing today, but it is *not* the labor movement of the industrialized countries as Marx envisaged it. It is rather an international protest movement against the countries of western civilization in which industrialization has bestowed major benefits on the working masses. All countries outside this civilization continue to struggle with the problem of transforming their peasant masses into an industrial work-force. The masses themselves are caught in the dilemma of not being able to survive either in cities that are not industrialized enough to absorb them or in villages that are too overcrowded and poor to yield them a subsistence. Confronted, in addition, with a steadily increasing availability of diverse commodities which they cannot buy, they experience an intensification of the poverty which they cannot escape. For these reasons, peasant uprisings, the organization of hitherto inert masses under communist leadership, and the effective transformation of discontent into a militant nationalist movement are likely to occur in the countries of comparative disadvantage with regard to industrialization. The ruling groups within each of these underdeveloped areas will strain every effort in order to transform a discontent which is often directed against them, into a unified nationalist movement which is directed instead against the "imperialists" of the West. Hence, the major determinants of the struggle for power in these areas cannot be ascertained by an analysis of their social stratification, but rather by emphasizing that class differences have come to be subordinated to the much more decisive conflict between the underdeveloped areas and the industrialized West.[5]

[4] I should add that Marx made a keen analysis of the relation betwen social stratification and politics in *The Eighteenth Brumaire of Louis Bonaparte*, especially with reference to the urban groups supporting the *coup d'état*. He also gave a completely misleading interpretation of the Paris Commune, which he identified as a model of the coming proletarian revolution. The contrast between these two discussions illustrates Marx's genius as well as his propagandistic dogmatism. Cf. the recent analysis of the Commune by Melvin Kransberg, *The Siege of Paris, 1870–1871* (Ithaca, 1950), esp. pp. 179–183, where the author shows convincingly that the social radicalism of the Parisian workers was in large part the result of a patriotism which had been intensely frustrated by the Prussian siege of the capital and by the indecision of the middle class and the authorities in the face of this threat.

[5] A striking analysis of the background factors in India, Southeast Asia, and China is contained in J. D. Boeke, *The Interests of the Voiceless Far East* (Leyden, 1948). The conflict between Marxian class theory and the facts of social stratification has been analyzed with great acumen by David Mitrany in *Marx Against the Peasant* (Chapel Hill, 1951.) See especially the following summary comment of the author: "The startling fact is that Communism has only come to power where by all Marxist tenets it might have been least expected that it could. In every instance, from 1917 in Russia to 1949 in China, Communism has ridden to victory on the back of disaffected peasantries; in no instance has it come near to victory in industrialized 'proletarian' countries. So far it has always been a 'proletarian' revolution without a proletariat; a matter of Communist

The basic contentions of Marx do not fare better when we apply them to the actual development of capitalism. In the countries of advanced industrialization Marx's theory does not fit the situation because industrialization has been accompanied by an increasing peacefulness of industrial relations. Broadly speaking, labor movements have arisen primarily in the industrialized countries of the world, in which the working masses have begun to enjoy the rising standard of living that goes with industrialization. The result has actually been a growing identification of interests between capitalists and workers. This working harmony is often marred by intense suspicion and by ideological radicalism; and the struggle over the distribution of the national product certainly continues unabated. Nonetheless, where the economic interests of the nation are concerned, capitalists and workers suffer or benefit alike, and they have on the whole acted accordingly. Neither the polarization of classes nor an intensification of the class struggle has accompanied the development of capitalism;[6] instead, the predictions of Marx have been reversed, or altered in their significance, to an extent that the theory behind them, attributing long-run political changes to the class struggle, must be rejected.

It is insufficient, however, to indicate the reasons why the Marxian theory should be discarded. The question before us is not primarily whether Marx's predictions were correct, but rather whether predictions of *major* political events based on an analysis of the economy and its corresponding class structure are feasible at all. We can, for example, describe the development of the class structure under capitalism more accurately than Marx did. And on this description we can base a generalized theory which is similar to his in the sense that it also shows the effects of changes in the technology and in the system of production on the occupational structure and the changing relations between the classes. But while this is possible, it is important to realize that it does not lead further for our purposes.

We have fairly accurate knowledge of the occupational trends which have accompanied the development of capitalism. Colin Clark has shown in considerable detail that, with the rise of industry, the proportion of people in agriculture declines along with an increase of the proportion of people employed in the "tertiary" branch of production (trade, transportation, communication; domestic, personal and professional service).[7] It is possible to attribute to

management of peasant discontent. But while this shows that in the countries where this has happened the peasants were ripe for revolt, it does not show that they inclined to Communism. As regards eastern Europe at any rate, the evidence is all the other way" (pp. 205–206).

[6] Cf. the papers on class conflict by T. H. Marshall, Lionel Robbins and Maurice Dobb in T. H. Marshall (ed.), *Class Conflict and Social Stratification* (London, 1938).

[7] *The Conditions of Economic Progress* (2nd ed., London, 1950). The recent critique of Clark's work by P. T. Bauer and B. S. Yancy, "Economic Progress and Occupational Distribution," *Economic Journal*, Vol. 61, pp. 741–755 (Dec., 1951), contains some useful reservations concerning Clark's tripartite division of the occupational structure, but it does not invalidate Clark's contribution as the authors believe. A more striking critique of this work is contained in John Jewkes, "The Growth of World Industry," *Oxford Economic Papers*, Vol. 3, pp. 1–15 (Feb. 1951).

these occupational changes certain general political tendencies, such as the willingness of broad masses of people, especially in the "middle class," to give political support to an economic system in which their economic security and their personal self-respect are frequently threatened.[8] The growing proportion of salaried people engaged in trade and professional service, as well as the organization of workers in trade unions, has also given a pervasive influence to certain middle-class standards of aspiration, which in turn have had an important influence on the changing role of the government in economic life. This occupational trend has thus helped to end the era of the laissez-faire doctrine and to foster the emergence of a doctrine of social rights (e.g., the right to a job, the demand for pensions, old-age insurance, health insurance).[9] On the basis of the available evidence it is even possible to predict with some assurance that, as other countries industrialize, similar changes in the occupational structure and similar political trends are likely to occur. But the fact that industrial societies have tended to become increasingly middle class, and that certain political tendencies have accompanied this development, is a far cry from the assertion that changes in the organization of the capitalist economy and, therefore, in the class structure will determine the ultimate political outcome of the struggle between the classes.

By bringing Marxian theory in line with historic facts, however, we tend to lose sight of the major thesis which made that theory interesting. Marx studied the organization of production under capitalism because he believed that this enabled him to predict the hostile contrasts between the classes, as well as the broad development of parties or movements which would utilize these antagonisms in order to exercise power. Even if we now discard Marx' specific answers and dismiss altogether the possibility of a long-range prediction of political trends, this problem is still basic. It is basic in the sense that the antagonisms existing in a society *are* the source of *gradual* political change.

II. SOCIAL STRATIFICATION IN HISTORICAL PERSPECTIVE

Because of its claim to predict the development of capitalist society, Marxism has long asserted the ability to distinguish between the present and the eventual class interest and political alignment of any social group. The *present* expression of interests by a social group has thus been judged in terms of its supposedly "real" interests in the future; this has meant that if the present interests of a group ran counter to the interests of the "progressive" or revolutionary labor movement, as Marxists appraise them, then the group would not be analyzed as such, but would be denounced as "petty bourgeois," reactionary, or what not. It is apparent that this distinction between "present" and "real" interests

[8] In a recent study of public opinion, 76 per cent of the national sample indicated their belief that the good effects of big business outweighed the bad. Breakdowns of the sample revealed no significant differences between various occupational groups. See the report of the Survey Research Center, University of Michigan, *Big Business from the Viewpoint of the Public* (Ann Arbor, 1951), p. 179.

[9] The development from "civil rights" to "social rights" has been traced by T. H. Marshall in *Citizenship and Social Class* (Cambridge [Eng.], 1950), pp. 1–85.

depends largely on the possibility of predicting that there will be only two divisions of society, the bourgeoisie and the proletariat.[10] In his preoccupation with long-run tendencies, Marx either ignored the appraisal of day-to-day politics or analyzed the shifting alliances between conflicting social groups only in order to discover the economic forces which—if properly understood—would reveal the decisive, rather than the ephemeral, determinants of the class struggle.

Yet if we abandon this attempt to predict the ultimate outcome of the class struggle, we should not also abandon the genuine insight which makes the Marxian theory attractive: that the many antagonisms created in a society, and especially the conflicts inherent in its economic structure, may, but need not, give rise to collective action and that it is the task of the analyst to discover the circumstances under which collective action does or does not arise. I believe that Marx forfeited his genuine insight into the indeterminacy of the relationship between class situation and class action by his prophetic fervor, which prompted him to forecast the capitalist development with a certainty often belied by his own historical sense.[11] Once we abandon this presumption of certainty, we must necessarily accept a wider range of possible developments than Marxian theory permits, even though we continue to recognize the fundamental importance of the economic structure for an understanding of social stratification and class conflict. However, we must also accept the corollary that our understanding of the relations between the economy, social stratification, and the struggle for power are necessarily retrospective.[12] We can summarize these conclusions as follows:

1. Marxism identifies major elements of the struggle for power.
2. We cannot predict the exercise of power from a knowledge of these ele-

[10] Of course, the belief in this possibility of prediction has had major historic significance as an effective ideology, quite apart from any appraisal of its validity.

[11] These contradictions have been explored by Harold Rosenberg in "The Pathos of the Proletariat," *Kenyon Review*, Vol. 11, pp. 595–629 (1949).

[12] There is one interpretation of the relations between economic interests, social stratification and political power which is *not* retrospective. Through their analyses of "pressure groups," political scientists have made us well aware of the plethora of organizations whose economic and political interests are explicitly formulated and pressed upon legislatures and the general public with all available means. I suggest that in these cases the problem examined in this paper does not arise. *Once* the economy and its corresponding social structure have given rise to an articulation of interests and to an implementation of these interests through organizations, the problem has become one for political analysis proper. The question of the political sociologist is which of the existing antagonisms in society will give rise to organizations that participate in the struggle for power, and it is obviously answered once these organizations exist. The question which then remains for him is the pertinent one as to how stable any given articulation of interests (with their organizational implementation) is. It is, of course, precisely the fact that any present articulation of interests is unstable, and that the tendency to think and act alike among commonly situated men may in the future give rise to a new articulation of interests (and find expression in new organizational action), which is of major interest to the political sociologist. It was the merit of Marxian analysis, as I have suggested, to have focussed attention on this instability of the social structure.

ments *because* we cannot determine how, when, or whether the political factors can or will utilize these elements.

3. *Therefore*, we can understand the exercise of power only retrospectively; after the fact we know whether or not the elements (of the struggle for power) remained latent or were effectively used in producing change.

General theories of social stratification in industrial society do not throw much light on the forces that determine the exercise of power, because they do not grasp the indeterminate relationship between class situation and class action. This is probably one reason why in recent years most inquiries into the relation between stratification and politics have consisted of particular case studies, whose illumination of details has been obtained at the price of abandoning the developmental theories which have been discussed. The theory which seems to have governed these case studies holds that affiliation with, or membership in, a social group engenders a certain homogeneity of belief and action which *may* lead to collective political action. Thus studies of social stratification are undertaken in the belief that the interests which unite the members of a social group and simultaneously divide them from other groups, are to the exercise of power what fuel is to fire.

Another theory (and its relation to the first is by no means clear) holds that the existence of common interests will lead to collective action only when a particular organization and its leaders succeed in utilizing this potentiality for the political struggle. Studies governed by this theory have analyzed the social composition of the members and leaders of a given organization in the belief that such data provide a major explanation for its political success or failure. Restricted to historical reconstructions, these studies cannot predict whether the social and ideological homogeneity of a given group will lead to collective political action. Collective political action as the outcome of social homogeneity and effective political organization can be explained fully only in the light of subsequent events.[13]

It may be useful to cite some examples of retrospective studies, in order to illustrate the type of proposition which may be derived from them. Research has revealed that a significant proportion of the leaders of different socialist parties in Western Europe have come from a middle-class background, but that there are characteristic cultural and national differences among these groups of leaders. In Italy a significant number of the earlier socialist leaders were aristocrats or well-to-do bourgeois, who dedicated their lives and fortunes to the movement. Michels reports that 28 of the 33 parliamentary representatives of the Italian Social-Democratic party in 1903 were intellectuals of bourgeois or aristocratic origin. This compared with 13 of the 81, or 16 per cent, of intellectuals with a middle-class background among the parliamentary representa-

[13] Yet, historical studies often imply a contrary view; they lend themselves to a retrospective determinism, which regards the outcome of all political action as predetermined because in looking back we can understand the reasons for this and no other outcome. The danger of *ex post facto* explanations is obviously that they make every political action appear as if no alternative actions had been possible.

tives of the German Social-Democratic party in the same year.[14] Intellectuals, but especially Jewish intellectuals, have played an important role among the leaders of the socialist movements in Germany, Russia and other Eastern European countries. Intellectuals, but not Jews, have been of importance in the French socialist movement, and Irishmen, self-educated craftsmen as well as certain sectarian Tories, were among the significant leaders of the Chartist movement in England.[15] Clearly it is possible to say that the leaders of the socialist movements have been primarily members of the middle class; this statement covers all of the cases mentioned, but it does not explain the significant differences between the socialist leaders of different countries. We might also say that those members of the middle class who are refused social recognition tend to identify themselves with labor's cause. But while this is a useful proposition to account for the role of the Jews and the Irish, it cannot adequately explain the Italian case, for example. Another important variable is the degree to which intellectuals have played a role in the socialist movements. They participated prominently in Germany, Italy, France, and Russia, but less prominently in England and least perhaps in the United States. A more detailed investigation might reveal a number of sociological factors which account for these differences in the social composition of socialist leaders in the various countries, though it is not safe to assume that a knowledge of such factors would be sufficient. At any rate, these examples may suffice to illustrate the type of retrospective proposition which a comparative study of leadership would seek to establish.

Other retrospective studies of the relation between social stratification and politics deal with the masses rather than their leaders. A case in point is Rudolf Heberle's analysis of party affiliations and their regional differences in the province of Schleswig-Holstein during the period of the Weimar Republic.[16] In the areas of large landed estates the landowners belonged to the conservative parties, while their tenants, the farm laborers, along with the lower middle-class groups of the town and country, belonged to the parties of the Left. In the areas of small, independent farm holdings, however, a majority of the farmers belonged to democratic parties, which advocated a policy of free competition; neither the social democrats nor the communists could make much headway among these independent farmers. It should be noted, however, that in areas of small holdings and backward production methods the French Communists have been successful in their appeals to the peasants, where their German colleagues were not. Moreover, some of the communist slogans are strikingly

[14] Robert Michels, "Proletariat und Bourgeoisie in der sozialistischen Bewegung Italiens," *Archiv fuer Sozialwissenschaft*, Vol. 21, pp. 379–380 (1905).

[15] Cf. the comments on this question in M. Beer, *Fifty Years of International Socialism* (London, 1937), pp. 103–107. Also Robert Michels, *Political Parties* (Glencoe, 1949), pp. 235–267. The contemporary significance of this problem is clearly stated by Morris Watnick, "The Appeal of Communism to the People of Underdeveloped Areas," *Economic Development and Cultural Change*, Vol. 1, pp. 22–36 (March, 1952).

[16] Rudof Heberle, *From Democracy to Nazism* (Baton Rouge, 1945), esp. pp. 90–120.

similar to those used by the Nazis.[17] It appears advisable, therefore, to consider this type of evidence on a comparative basis. The point is not that certain types of farmers in relatively industrialized countries are potential fascists *or* communists, but that they have a certain propensity to radicalization under conditions of acute distress. When such radicalization will eventuate and which way it will turn, the analyst of social stratification is not in a position to predict. His knowledge does enable him to estimate the relative chances for such a development, but only in the sense that certain types of farmers are more likely to be affected than others. Obviously, local conditions, historical antecedents, the acuteness of the crisis, and the intensity of the organizational drive on the part of a totalitarian movement will play a role and can be judged only in specific cases.

It may be useful to give another example of a political judgment which is based on knowledge of social stratification. It has often been observed that the absence of a political labor movement in the United States is the result of social mobility. Closer examination of this assertion indicates that it must be amplified in a number of respects. First, social mobility has been coexistent with striking differences in wealth and social status. Second, it has consisted of such different types of mobility as mobility between jobs, geographic mobility and high turnover in small-scale enterprises, as well as of the proverbial "rags to riches" mobility within the same or between different generations. Third, social mobility in America has occurred on top of a substratum of underprivileged ethnic and racial minorities, which have filled and continue to fill the jobs that rank lowest in terms of social and economic desirability.[18] Social mobility in conjunction with this underprivileged substratum has brought about both the relative absence of class-consciousness and class-conscious political action, on the one hand, and the transmutation of class-consciousness (among the minority groups) into race-consciousness and race-conscious political action, on the other.

All of these examples illustrate the kind of proposition which may be derived from a study of the relation between social stratification and political action. Such studies are retrospective in the sense that they are plausible interpretations after the fact. They permit of tentative generalizations, but only in the sense that the recurrence of similar facts of social stratification would make the recurrence of similar political responses highly probable. That is to say, we would expect the leaders of radical political movements in industrialized societies to come in the first instance from the ranks of the middle class, and we would also expect that they would be prompted to join these movements because of their status as members of an ethnic minority or of the intelligentsia

[17] Cf. Henry Ehrmann, "The French Peasant and Communism," AMERICAN POLITICAL SCIENCE REVIEW, Vol. 46, pp. 19–43 (March, 1952).

[18] Though large-scale immigration has ceased since the 1920's, the migration of Negroes to the northern cities, as well as the more or less temporary seasonal immigration of Mexican and Puerto-Rican farm laborers, has played a similar role. A more detailed, though summary discussion of social mobility in the United States is contained in Reinhard Bendix and S. M. Lipset, "Power and the Elites in American Society," to be published.

(or of both). We would similarly expect large-scale farmers to be more frequently conservative, and small-scale independent farmers more frequently liberal or radical in their political orientation. Or again, we would expect a continued absence of political radicalism in American society as long as the labor force continues to be mobile and continues to be subdivided into ethnic or racial groups.

Although these generalizations are of limited scope, they are not negligible on that account. In particular, they go beyond the purely descriptive and historical. They call attention to certain abstract variables of the social structure which may have general significance: the discrepancy between high economic and low social status; the relative vulnerability of the marginal enterpriser to radical appeals in a capitalist society; the effectiveness with which social mobility provides a vent for grievances, especially when it occurs on top of a substratum of underprivileged minorities. A knowledge of these variables of the social structure is relevant to an understanding of the relations between stratification and power in many different historical contexts.

Generalized knowledge of such variables is applicable in retrospective studies as well as in the appraisal of the contemporary relations between stratification and the exercise of power. But since its usefulness is premised on the persistence of the given pattern of social stratification, its scope is limited to the analysis of social statics. However, the many antagonisms which have accompanied industrialization have at times been superseded—not by mass proletarization, but by a momentary unity of revolutionary action organized by a totalitarian movement. It seems to me that the nature of this nationwide unity of interests among social groups which have traditionally been in conflict with one another, constitutes today one of the basic problems for the political sociologist. To be sure, the unification of interests among conflicting social groups is a temporary one. It is superseded by a coercive totalitarian levelling of all groups under the leadership of a successful movement, which then becomes the supreme arbiter over the three branches of government—formally retained—and over all private associations as well. It is also true that the same hostile divisions among social groups are sure to recur, in the event that the movement fails.[19] But none of this alters the fact that the success or failure of totalitarian movements lies outside the frame of reference of the student of social stratification. This limitation is perhaps the most serious defect in the "social class" interpretation of political movements.[20]

[19] In postwar Germany, for example, in the field of industrial relations the trade unions and the employers' associations seem to have resumed where they had left off in 1933. Witness the request from the unions to the Military Government authorities to allow the reorganization of the employers, a request which was based presumably on the desire to have somebody with whom to bargain. It was obviously difficult for the German trade unionists to adopt another pattern of collective bargaining and benefit from the temporary absence of employers' organizations. Cf. Clark Kerr, "Collective Bargaining in Postwar Germany," *Industrial and Labor Relations Review*, Vol. 5, pp. 323–342 (April, 1952). In other respects, major changes in the German class structure *have* taken place. Some of these are described in Leopold von Wiese, "Soziale Sicherheit und Sozialer

III. SOCIAL STRATIFICATION AND TOTALITARIAN MOVEMENTS

In this section I shall refer to the relation between stratification and politics in the countries of relatively advanced industrialization. For this reason I shall confine myself to the evidence on the rise of fascism, since so far communist movements have been successful only in predominantly agrarian countries. There is a resemblance between the rise of fascism and the rise of communism: both are made possible by the existence of a relatively small, tightly-knit, and well-disciplined organization and both depend for their success on the widespread support of large masses of people who flock to the movement suddenly during a period of acute crisis. The differences are, however, more striking, especially for a student of social stratification. In the countries of advanced industrialization we have a large middle class which initially resists the revolutionary attempts from the Right and the Left, only to join the fascist movement when it is about to attain power. In the predominantly agrarian countries, where the communist movement has been successful so far, no such middle class exists; hence success must necessarily depend upon the support of other social groups, especially the peasants.[21]

Propositions concerning the conquest of power by a totalitarian movement have suffered repeatedly from a failure to distinguish the several elements of a successful totalitarian movement. One important distinction should be made between the description of a movement before its conquest of power and afterwards. A second distinction should emphasize the difference between the nucleus of leaders, their immediate entourage (subleaders), the party members, and the supporting or acquiescent masses. And a third distinction probably should refer to the reasons for the increasing weakness of established institutions rather than to the reasons for the strength of the totalitarian threat. Any analysis of a totalitarian movement should leave no doubt as to which aspect of the problem it is concerned with.

For illustrative purposes, I shall discuss the mass-support of the Nazi movement prior to its conquest of power. To begin with, it is superficially plausible to suggest that fascist movements are of middle-class origin. Since the thesis is generally familiar, I merely add the point that it fits in well with the growing importance of the middle class in industrial society, discussed

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Aufstieg als Probleme Unserer Zeit," *Soziale Welt*, Vol. I, pp. 3–13 (April, 1950).

[20] We speak of movements as distinct from parties and interest organizations in order to designate their revolutionary, extra-legal characteristics.

[21] What a successful communist revolution would be like in a country of advanced industrialization we are as yet unable to say. Although this statement is apparently contradicted by the case of Czechoslovakia, I would suggest that in this instance the population was so united in its opposition to the Germans that it momentarily greeted the Russians as liberators. The problems involved certainly illustrate the decided limitation of a study of political power which would base itself exclusively on an analysis of social stratification. While it is possible that peasant discontent is a major factor which explains communist success in agrarian countries, it is probable that a more or less disguised Russian intervention, rather than the internal social structure of the country, would account for such a development in an industrialized country.

above. According to this reasoning, fascism can be explained as a mass-response to the frustrations suffered by members of the middle class during a period of acute economic distress. The new as well as the old middle class experience a sudden loss of economic security and social status. This sudden loss makes them despair of regaining security and status through the traditional legal, political, and economic means, while the totalitarian movement inspires them with the hope that both may be regained by "direct action."[22] Such a theory is certainly plausible in a broad sense; but it has a number of implications which need to be analyzed separately.

The middle-class origin theory refers to the large masses of people who rallied suddenly to the cause of the Nazi Party; but it does not refer to the leaders, the subleaders, or the regular party members—or at any rate it should not refer to them, if it seeks to explain the mass-support of the party rather than the behavior of its leaders and members. Furthermore, it is necessary to bear in mind the suddenness with which the Nazi Party changed from an unimportant splinter-group to that of the major contestant for power among the numerous political parties of Weimar Germany. In the elections of 1928 the Party obtained 810,127 votes and 12 seats in the Reichstag; in the elections of 1930 it secured 6,379,672 votes and 107 seats in the Reichstag. And in the following election, 1932, the Party again more than doubled its votes and seats (13,765,-781 votes and 230 seats).[23]

How are we to explain the suddenness with which large masses of people became identified with the Nazi Party? Apparently, people of middle-class origin were willing to support an attack on law and order and private property, though ordinarily they are strong supporters of the status quo. A glance at the election statistics during the crucial years reveals why a study of the fascist movment should not be based primarily on an analysis of social stratification. The first major success of the Nazis occurred during the period 1928–1930, when the total votes cast in their favor increased by 5,569,545, i.e., an eightfold increase in two years. During the same two-year period the Communist Party gained 1,325,367 votes. The combined increase in votes for the National Socialist and Communist parties constitutes a radicalization of the electorate by 6,894,912 votes. It occurred at a time when 2,444,990 persons decided to vote who had not voted in the previous election and when an additional 1,758,234 young people became eligible and voted for the first time.[24] The only

[22] See for example, the theory of fascism as a populist, middle-class movement in D. J. Saposs, "The Role of the Middle Class in Social Development," in *Economic Essays in Honor of Wesley C. Mitchell* (New York, 1935), pp. 393–424. The same thesis is discussed, albeit with psychoanalytic adumbrations, by H. D. Lasswell, "The Psychology of Hitlerism as a Response of the Lower Middle Class to Continuing Insecurity," in his *The Analysis of Political Behavior* (London, 1949), pp. 235–245.

[23] All election statistics are based on Wilhelm Dittman, *Das Politische Deutschland vor Hitler* (Zurich, 1945).

[24] Arthur Dix estimates the number of newly eligible voters in 1930 as approximately 2.5 million, though he does not indicate his source. He also remarks that 1.5 million of the older voters died during 1928–1930, and that the loss of conservative votes may be attributed to this fact in part. My own figure of 1,758,234 new voters is derived by sub-

other parties which together gained over 1 million votes in 1930 as compared with 1928 were the small middle-class parties and the Catholic Center Party. All other parties lost votes, ranging from a loss of 270,000 by the Democratic Party to a loss of almost 2 million by the German Nationalist Party. The most plausible interpretation of this evidence is to suggest that the increase in Nazi votes resulted from a radicalization of members in the nationalist parties of the Right and from the sudden participation of about 4,200,000 nonvoters and young people.[25] No evidence on the social composition of previous nonvoters and of the newly eligible young people is available, but there is no reason to believe that they were all, or even predominantly, members of the middle class.[26] Political apathy occurs in all strata of a population, but it occurs less frequently among members of the middle class than among workers. It seems safest simply to offer the hypothesis that it was the radicalization of people who had not participated actively in party politics and who had been too young to vote which gave a major impetus to the rise of fascism.[27]

The subsequent elections of 1932 *do* indicate the growing support of the Nazi Party among middle-class voters. The small middle-class parties polled only 1,126,991 votes in 1932, a drop of over 3,740,000 in two years. This, together with a further loss of the nationalist parties of 1.5 million votes and the addition of another 2 million previous nonvoters and newly eligible voters, gave the National-Socialists a gain of over 7,300,000 votes. And although in the second election of 1932 (November) the nonvoters increased again, it is interesting that in March, 1933, over 3.5 million previous nonvoters decided to participate, once more.

The importance of the newly eligible voters and of the politically apathetic

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tracting the total number of eligible voters in 1928 from the corresponding figure for 1930. It is clear, however, that this is a minimal figure which would be increased if the number of voters who had died during this period could be deducted as Dix suggests. See Arthur Dix, *Die Deutschen Reichstagswahlen, 1870–1930, und die Wandlungen der Volksgliederung* (Tübingen, 1930), pp. 36.

[25] Presumably, the gain of the small middle-class parties and the Catholic Center accrued from both the Right and the Left, from those nationalists who feared the radicalism of the Nazis and the Communists and those liberals and socialists who wanted to bolster the middle-of-the-road parties during this crisis. The gain of the Communists probably resulted more from the increase of young voters than from a radicalization of liberals or socialists.

[26] That the new voters in 1930 were predominantly of middle-class origin has been suggested frequently, though no evidence is given to support this contention. See, for example, the article by Theodor Geiger, "Panik im Mittelstand," *Die Arbeit*, Vol. 7, esp. p. 648 (Oct., 1930). Evidence is available, however, which suggests that political participation increases with education and income. See Herbert Tingsten, *Political Behavior* (London, 1937), pp. 120–156, where studies from several countries are reviewed. Tingsten's conclusion is that "the analysis of the electoral participation of the different social classes has proved that as a rule the political interest grows with rising social standard" (*ibid.*, p. 230).

[27] It should be added that the German public was thoroughly political, since the addition of 4.2 million new voters increased the percentage of voters from 75.6 (in 1928) to 82 (in 1930). From 1930–1933 participation in the elections increased further from 82 to 88.7 per cent.

casts doubt on the conception of fascism as a middle-class movement. This is not to deny that the economic insecurity of middle-class groups was important for the conquest of power as a secondary response.[28] It is to assert rather that the radicalization of the electorate originated among the previous nonparticipants in party politics, who probably came from various social groups, and that the significant support of the totalitarian movement by members of the middle class and of other social groups occurred subsequently in the hope of relief from economic distress and in the desire to gain from backing the victorious movement.[29] Although the social composition of party members is not an index of the social composition of the electorate, it is significant that fascist parties drew their members from all strata of the population. In contrast to the socialist and communist parties, about 90 per cent of whose members were manual workers, the fascist parties were quite heterogeneous.

TABLE I

PER CENT DISTRIBUTION OF NAZI AND FASCIST PARTY MEMBERS IN DIFFERENT OCCUPATIONS, 1933 (GERMANY) AND 1921 (ITALY)[30]

Nazi Party Members, 1933 (Germany)		Fascist Party Members, 1921 (Italy)	
Manual Workers	31.5	Small Traders and Artisans	9.8
White Collar	21.1	Industrialists	3.0
Self Employed	17.6	State Servants (including soldiers and civil servants)	5.1
Peasants	12.6	Salaried Employees	10.6
Officials	6.7	Teachers	1.2
Others	10.5	Students	14.0
		Merchant Marine	1.0
		Industrial Workers	16.5
		Agricultural Workers	26.0
		Landowners (including small proprietors and contractors)	12.8

[28] It is secondary in the sense that the mobilization of the apathetic and the young as voters and as party-activists comes first. For a detailed case study of one area, cf. Heberle, *op. cit.* (above n. 16), Ch. 3. Cf. also Charles P. Loomis and J. Allen Beagle, "The Spread of German Nazism in Rural Areas," *American Sociological Review*, Vol. 11, pp. 724–734 (Dec., 1946). A striking literary portrayal of the rural development is contained in the novel by Hans Fallada, *Bauern, Bonzen und Bomben.*

[29] Heberle, pp. 84–89. The influx of nonparticipants in 1928–1930 coincided with the radicalization of the nationalists, many of whom were probably members of the middle class. But the big shift of votes away from the parties of the Right and Center occurred in 1932 rather than in 1930. If we add all the lost and gained votes for the 1930 and 1932 elections, we find that all the parties between the Nazis and the Communists lost 2,691,688 votes in 1930, but 6,132,692 votes in 1932. Yet the 1930 election had 4,203,224 new voters, while the 1932 election had 1,925,883 new voters. It is apparent that the major increase of Nazi votes came from the new voters in 1930, while the major change in the votes of people in the middle class (and other social groups) occurred in 1932.

[30] The figures for Germany are taken from H. H. Gerth, "The Nazi Party," *American Journal of Sociology*, Vol. 45, p. 527 (Jan., 1940). The figures for Italy are taken from Her-

If the above figures are compared with those for the population as a whole, they show, it is true, a disproportionate number of party members from middle-class groups. But the point to note is that the active members of these radical movements came from many sections of the population, whose interests frequently conflicted under ordinary circumstances, not that there were many persons of middle-class background among them.

Fascism arose in Germany when a severe social and economic crisis blurred or obliterated the conflicting interests between different social groups coincident with, and partly because of, the sudden entry into political life of previous nonparticipants. These nonparticipants were stimulated by, and helped to spread, an all-or-nothing demand for the solution of the crisis. I would suggest that a temporary unification of interests between previously antagonistic groups occurred in many instances and that this probably added an impetus to the sudden participation of the politically apathetic. There was the temporary unity of interests among different social groups in small towns in their common antagonism against the economic power of the metropolis.[31] There was the unity of the small farmers and of the petty bourgeoisie in the semi-rural towns, when depression and indebtedness drove them to the brink of economic disaster. There was the so-called intellectual proletariat, whose lack of regular employment led them to cooperation with other marginal groups in the task of organizing a fascist movement.[32]

Neither the temporary unity between previously antagonistic groups nor the sudden entry into political life of a large number of nonvoters and young people can lead to a conquest of power without the existence of a well-organized political machine.[33] The size of the organization is not nearly so important as the

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man Finer, *Mussolini's Italy* (London, 1935), p. 143. Earlier data on the social composition of the German Social-Democratic Party are contained in Robert Michels, "Die deutsche Sozialdemokratie," *Archiv fuer Sozialwissenschaft*, Vol. 23, esp. p. 509 (1906). Figures for the social composition of the German Communist Party are quoted in Ossip Flechtheim, *Die KPD in der Weimarer Republik* (Offenbach, 1948), p. 236.

[31] An example of such unity has been discussed with reference to the American scene in S. M. Lipset and Reinhard Bendix, "Social Status and Social Structure," *British Journal of Sociology*, Vol. 2, pp. 230–233 (Sept., 1951).

[32] See the recent study by Daniel Lerner, *The Nazi Elite* (Stanford, 1951), in which the marginality of the Nazi leaders is analyzed in detail. Of course, the leaders of other mass movements have also been marginal, though perhaps in a different sense of the word. A comparative study of the leaders of mass movements would be very interesting. A first step in this direction is provided in Robert Michels, "Historisch-Kritische Untersuchungen zum politischen Verhalten der Intellektuellen," *Schmoller's Jahrbuch*, Vol. 57, pp. 29–56 (Dec., 1933). Michels concludes his study with the following analysis: "Education is power. Yet only a modicum of intellectual qualities belong to the social dynamics of a political exercise of power. Other factors like energy, faith in oneself, knowledge of men have a far greater impact on the conquest of power and on its retention for a period of time. The influence of the intelligentsia on the masses remains, therefore, on the surface. Only if this influence is buttressed by objective conditions is it likely to foster political movements which produce profound changes in the social structure" (*ibid.*, p. 56—my translation).

[33] The importance of these three factors for the rise of fascism was pointed out 21

discipline it can impose on its members. This discipline is crucial in a number of ways. It effectively severs the member from all personal and social ties, or successfully identifies these with the movment; and it continually tests his loyalty in the face of social ostracism by new demands for service and sacrifice. By these methods it creates a new community within the larger society, so that the "movement" is of necessity a center of allegiance which conflicts with all previous affiliations of the individual, including his identification with a social class, as well as with his adherence to generally accepted political and legal procedures.[34] It was the presence of such a paramilitary organization in the Germany of 1929–1930 which created a totalitarian mass-movement out of the sudden participation of newly eligible voters and previous nonvoters.[35]

But the impetus to radicalization among the German masses arose in the first instance among those who were just entering political life. It is probably characteristic of many nonvoters to regard political participation as "useless," to believe that politics will only benefit the crooks anyway, and to profess a lack of concern with public affairs. Such people are likely to vote only under extreme provocation, and they are likely to support a party which proposes to clean the Augean stables and to establish an entirely new order. It is, therefore, conceivable that under certain conditions the survival of democratic institutions does not depend on a more widespread participation in politics, as is commonly assumed. It may depend rather on a persistent residue of political apathy which enables the nonparticipants to acquiesce in the democratic process and to ignore its many imperfections. This residue is especially important in countries, such as Germany was, where the majority of the voters are firmly committed to one party or another. As Herbert Tingsten has observed:

> An exceptionally high voting frequency may indicate an intensification of political controversy which may involve a danger to the democratic system. The enormous election figures in Austria 1923–1930 and in Germany 1930–1933 were symptoms of a political

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years ago, though the voluminous literature on this subject has largely ignored the first and second factor. I refer to the article by Carl Mierendorff, "Gesicht und Charakter der National-Sozialistischen Bewegung," *Die Gesellschaft*, pp. 489–504 (1930). The preceding analysis was written before I chanced upon this article, but I want to pay tribute to the insight of this courageous man, who clearly understood the danger long before events proved him to have been correct. Mierendorff helped to prepare the 1944 revolt against Hitler, but was killed in a bombing attack.

[34] These are the factors which distinguish, for example, communist from socialist parties: not the social composition of their members, which is largely working-class, nor the origin of their leaders, which is largely bourgeois, in both cases. Cf. the discussion in A. Rossi, *A Communist Party in Action* (New Haven, 1949), pp. 193–233.

[35] This transformation of the civilian into a "true believer" has been analyzed with great insight by Eric Hoffer, *The True Believer* (New York, 1951). The presence of an effective organization in the Germany of 1929 and the threat which it presented owing to the influx of new voters was already analyzed by Mierendorff, pp. 498–501. Corresponding analyses for Italy are contained in Ignazio Silone, *Der Faschismus* (Zurich, 1934), pp. 75–95; Robert Michels, *Sozialismus und Faschismus in Italien* (Munich, 1925), pp. 189–250, although these and other studies (such as Rossi's *The Rise of Italian Fascism*) still attempt to explain fascism in terms of social stratification.

tension heightened in the extreme, and foreshadowed the fall of the democratic regimes. Another circumstance is of importance. So long as electoral participation is "normal," the parties will in the main direct their energies to conquering the politically indifferent groups, but when practically all the electors are politically engaged, not only will the competition for the indifferent be intensified, but in addition the efforts to win over electors from the opposing camp will become predominant. . . . These points are of importance above all when the electoral masses are comparatively firmly attached to separate parties. In countries where a great number of electors do not feel bound to a certain party but to a great extent make their choice in each election according to their views on the particular election issues, a high degree of electoral participation cannot be judged in the same manner.[36]

IV. ALTERNATIVE APPROACHES TO THE STUDY OF FASCISM

I have examined the mass-support of a fascist movement prior to its conquest of power in order to indicate why I believe that a knowledge of social stratification contributes little to an understanding of the success of such a movement. My objective was also to point up a particular configuration of conditions which must be taken into account in the analysis of totalitarian movements. Though the facts I have cited raise many important questions for further research, they are perhaps sufficient to indicate the weakness of analyses of totalitarianism which ignore them. I shall review three examples of such analyses.

Attempts have been made to account for the rise of totalitarianism by specifying the social composition of totalitarian movements before their conquest of power. The presumption of such studies is that the sociological make-up of totalitarian movements explains their successful conquest of power in the same way as, say, the lack of a working-class following might explain the weakness of the French socialists while the adherence of a large, class-conscious following would explain the strength of the Communists.[37] Yet this approach is adequate only so long as the revolutionary situation is not at hand. A totalitarian movement does not conquer a state because of the strength of its regular following. It conquers because some crisis situation adds to that following a significant portion of the electorate as well as of the politically indifferent public, whose previous political allegiance or indifference have been transformed rather suddenly by the cumulative pressure of adverse circumstances.

This transformation takes place under the leadership of social outcasts—many of them unemployed professionals of all sorts—whose general characteristics Marx had already pointed out in his comments on the Society of December 10.[38] But it should be remembered that these "bohemian" outcasts of the

[36] Tingsten, *op. cit.* (above, n. 26), pp. 225–226.

[37] See Henry W. Ehrmann, "The Decline of the Socialist party," and Val R. Lorwin, "The Struggle for Control of the French Trade-Union Movement, 1945–1949," in E. M. Earle (ed.), *Modern France* (Princeton, 1951), pp. 181–218.

[38] "On the pretext of founding a benevolent society, the lumpenproletariat of Paris had been organized into secret sections, each section being led by Bonapartist agents, with a Bonapartist general at the head of the whole. Alongside decayed roués with doubtful means of subsistence and of doubtful origin, alongside ruined and adventurous offshoots of the bourgeoisie, were vagabonds, discharged soldiers, discharged jail-birds, escaped galley slaves, swindlers, mountebanks, lazzaroni, pickpockets, tricksters, gam-

bourgeoisie have accompanied the whole development of capitalist society since the beginning of the nineteenth century. They have responded to their outcast role in a variety of ways: from the original Bohemia of Paris in the 1830's to the Paris colony of American artists in the 1920's, from the individual terrorism of the social revolutionaries in Russia to the intellectual glorification of death and violence of the "armed intellectuals" (Heiden) in Germany after World War I.[39] An analysis of social stratification can merely reveal that all of them are outcasts. It cannot account for the historically significant differences between them.[40]

I question also whether much light is shed on the conquest of power by a totalitarian movement when a study of its social composition is combined with a psychological analysis.[41] Such an analysis runs along familiar lines. Totalitarian movements have had a special appeal to the lower middle class. Members of this class are typically authoritarian. They exaggerate their idealization of their own and their depreciation of alien groups; they have a punitive attitude towards outsiders. They are beset by a concealed hostility which is expressed in rigid adherence to conventional morals, in a basic distrust of others, in the anticipation of aggression from all quarters, and in a catastrophic conception of human life.[42] I accept the soundness of this analysis. But the question here is whether the prevalence of authoritarian character traits can be cited as a major cause for the success of a totalitarian movement. I do not believe it can. First, the fallacy of retrospective determinism applies here also: we study a group whose support swept a totalitarian movement into power, we find that it is authoritarian, and we infer that the second fact caused the first (among many other factors, to be sure). But ethnocentric people were always authoritarian, long before they became supporters of a movement; indeed, some scholars have attempted to trace the historical development of this character-structure

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blers, procurers, brothel-keepers, porters, literati, organ-grinders, rag-pickers, knife-grinders, tinkers, beggars, in short the whole indefinite, disintegrated mass thrown hither and thither, which the French term La Boheme" (Marx, *The Eighteenth Brumaire*, p. 65).

[39] See Robert Michels, "Zur Soziologie der Boheme und ihrer Zusammenhaenge mit dem geistigen Proletariat," *Jahrbuecher fuer Nationaloekonomie und Statistik*, Vol. 136, pp. 801–816 (June, 1932).

[40] A brilliant discussion of two of these groups is contained in Hannah Arendt, *The Origins of Totalitarianism* (New York, 1951), pp. 92–120, with reference to the Anti-Dreyfusards, and pp. 320–326, with reference to the nihilist and nationalist German intellectuals of the post-World War I generation.

[41] This is not to deny the great value of the excellent study by T. W. Adorno, Else Frenkel-Brunswik, Nevitt Sanford, and D. Levinson, *The Authoritarian Personality* (New York, 1950), but I question the assertion that people of authoritarian character are "potential fascists" (p. 1).

[42] Dr. Else Brunswik has coined the phrase "intolerance of ambiguity," which indeed characterizes these people as few other single phrases do. For a brief delineation of this character structure, see Else Frenkel-Brunswik, "A Study of Prejudice in Children," *Human Relations*, Vol. 1, pp. 295–306 (1948), and A. H. Maslow, "The Authoritarian Character Structure," *Journal of Social Psychology*, Vol. 18, pp. 401–411 (1943).

back to the time of the Reformation, in the case of Germany.[43] Second, a good case can be made for the contention that the authoritarian family was an important factor in resisting the totalitarian movement, because all families, including those of the authoritarian type, are threatened by the effort of such movements to set children against parents. Third, the psychological analysis seems to me to explain too much. The issue is not whether people of an authoritarian bent will support a totalitarian regime more wholeheartedly than others, once it is in power.[44] The question is rather whether, under trying circumstances, people of such character will jump on the band wagon, as well as despair, earlier than people of a more permissive disposition. I believe that we lack the necessary comparative evidence to answer this question properly.[45]

It seems probable to me that the answer lies not in psychological analysis so much as in the study of cumulative political experience. Let me state this point by way of an analogy. Men of various personality types are sorely tried under great adversities. They are likely to meet them with patience and endurance only when their personal experience provides them with a backlog of success in the use of certain established methods, for such a backlog enables them to absorb the shock of repeated failure under trying conditions. It seems to me that such a backlog of success in the use of democratic institutions has been lacking wherever totalitarian movements have been successful. The study of social stratification, whether or not it is adumbrated by psychological analysis, is not the proper approach to an understanding of the role of cumulative political experience.

[43] See Erich Fromm, *Escape from Freedom* (New York, 1941) for the most comprehensive attempt in this respect.

[44] Though even this may be doubtful, since authoritarianism can take many forms. See, for example, the telling study of Cecil Jane, *Liberty and Despotism in Spanish America* (Oxford, 1929).

[45] A more detailed discussion of this psychological analysis is contained in the authors' "Compliant Behavior and Individual Personality," to be published in the *American Journal of Sociology*.

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INEQUALITY AND SOCIAL STRUCTURE: A COMPARISON OF MARX AND WEBER*

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Marx and Weber devoted little space to the discussion of class, but the importance of that theme in their work is well known. The present paper contrasts the Marxian argument concerning the foundation of class in the organization of production with Weber's greater emphasis upon status-differences and organized collective action. The discussion distinguishes as Marx and Weber did between modern and pre-modern types of inequality and society. The paper does not attempt to go beyond a comparison between two classic writers.

In our world, inequality among men is considered an aspect of social organization, not a divinely ordained attribute of the human condition. Few still believe in transcendental justifications of inequality. Goodness and talent too often go unrewarded and those who carry the burden of poverty too often also suffer the stigma of social discrimination. Inequalities have changed over time, and we can infer that particular inequalities are alterable. Yet this awareness of change does not console or guide us. Unlike the theologians of old or the pioneers of social thought in the nineteenth century, we do not have a theory of social structure and inequality.

In 1835, Alexis de Tocqueville (1805-59) wrote that the growth of equality was providential. "It may be God's will," he suggested in a letter, "to spread a moderate amount of happiness over all men, instead of heaping a large sum upon a few by allowing only a small minority to approach perfection." In the aristocratic societies of the past this minority had enjoyed inherited privileges. The French revolution had destroyed this aspect of inequality by instituting an equality of legal rights. In de Tocqueville's eyes, the revolution was a further step in the great rise of equality which had characterized European history for centuries. He recognized that legal equality existed side by side with vast differences between rich and poor. But his attention was focussed on the contrast between the brilliant society of the past, based on inherited privilege, and the emerging society, based on equal rights, in which cultural achievements would be modest. On balance, he preferred the latter as long as order and morality were ensured. De Tocqueville feared the perpetuation of revolutionary conditions. For where equal rights are proclaimed, the lines dividing authority from tyranny and liberty from license could be so blurred that an "undisciplined and depraved democracy would result." De Tocqueville had no explanatory model. But by assessing sentiments and moral qualities he anticipated certain cultural aspects of democratic institutions.

As a younger contemporary of de Tocqueville's, Karl Marx (1818-83) gave more emphasis to the scientific character of his materialist philosophy. Rejecting the tradition of German idealism, he held that in the long run, ideas and institutions are determined by the material conditions under which men work. He allowed that in the short run history

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was affected by "accidents" and by ideas. But this reservation did not diminish his confidence in predictions based on "scientific" analysis. An understanding of the organization of production would provide the major clue to the development of society. Hence Marx undertook an economic analysis of capitalism. For the economically most advanced countries, Marx predicted a polarization between capitalists and workers that would eventually lead to a proletarian revolution and a reorganization of society. And this prediction seemed buttressed by Marx's great insights into the culture of capitalist societies.

It is puzzling that de Tocqueville so often proved right although his methods were impressionistic, while Marx's central proposition proved wrong although his methods were scholarly. For the study of inequality and social structure it is useful to learn where these earlier analyses went right or wrong.

My discussion distinguishes between modern and pre-modern history (broadly defined by the transition of the sixteenth and seventeenth centuries) and will provide some warrant for making that distinction. Marx's theory dealt primarily with the organization of production as the basis of social classes in a capitalist society. I shall contrast his argument with that of Max Weber. Both writers studied inequality with a view to status-differences and organized collective action, though for reasons to be indicated below, Weber gave closer attention to these topics. In the second part, I deal with inequality as a force in pre-modern history. I do so to make clear, as Marx and Weber did, that the types of inequality most familiar to us do not pertain to that earlier period and hence are of limited historical applicability. The paper concludes with some programmatic guidelines for analyzing the transition between pre-modern and modern social structures.

A. *Inequality as a Force in Modern History*

Class and Status

More than a century has passed since Marx and Engels predicted the revolutionary overthrow of capitalism. Marx presupposed a society adapted to the nation-state. Capitalists and workers would become nationwide classes; the dynamics of a capitalist economy would eradicate all social divisions that interfere with that development. The study of the emerging working class in England suggested the force of large and growing numbers. Through massive deprivations and the increasing intensity of class conflicts the workers would emerge as a major agent of historical change. Marx saw class conflicts under capitalism as the first opportunity for correct historical prediction. And he believed that the coming revolution would end the exploitation of man by man. Thus, analysis, or science, and the strength of numbers were on the side of equity and justice and would bring about the reorganization of society (Tucker, 1961: passim).

Marx's approach may be seen as a theory of group-formation. In his view, ruling classes are aware of their common interests and have the organizational means to promote them, while oppressed classes still seek to achieve class consciousness and organizational cohesion. Classes such as feudal landlords and capitalist entrepreneurs which own the means of production, control the peasants and workers who depend on them for employment. But the influence of an owner's class is not confined to such a private exercise of economic dominance. It spills over into virtual control of government and a hegemony in the world of ideas and social institutions. The assumption is that ownership prompts the ruling classes to think alike and act in common, wherever the interests of property are at stake. Thus, in all spheres of society ownership of property is the basis for the exercise of rule.

Yet the ownership is only one basis of class and power. The other basis is deprivation. In the crowded factories of the early nineteenth century, lack of acquaintance and competing interests divided the workers amongst themselves. Although all of them lived a starkly deprived life, their common experience only engendered in each a dogged pursuit of his own interests. Marx knew that abject poverty makes men more selfish, not less. But he believed that the domination of capital created a common and bitter experience which would drive workers to develop common interests and a collective effort. Given sufficient ease of communication in the work place, classes would arise in collective reaction to a common opponent. In Marx's view, a politically conscious labor movement could only develop if workers would realize the

futility of mere union activity. Capitalists could not grant enough concessions on wages and working conditions, because they could not abandon the pursuit of their own interests. Marx's economic analysis sought to establish this scientifically: the workers, he thought, would arrive at the same conclusion through experience. Their mounting dissatisfactions would result first in the conviction that capitalism must be overthrown and eventually also in revolutionary political organization (Bendix and Lipset, 1966:8; Weber, 1968: I, 305). This emergence of labor as a political force would be aided by "bourgeois ideologists" and Communists, who articulate the common experience of labor and represent the interests of the movement as a whole (Marx and Engels, 1967: 91, 95). In sum, the situation which workers share both forms them as a class and drives them to make a collective bid for power.

In his early writings, Marx distinguished between class as a condition of social life and class as a cause of collective action, between the *fact* that classes are unequal in relation to the ownership of the means of production (*Klasse an sich*) and the *meaning* this inequality has for a class as a spur to organization and action (*Klasse für sich*). Individuals do not form a group capable of collective action merely because they have certain attributes in common (like income, occupation, etc.). Rather, groups form as individuals with common attributes acquire a collective consciousness and become capable of organized action.[1] Marx's prediction of a proletarian revolution rested on the thesis that capitalist society would sweep aside all interests or social ties that could hinder the formation of the two main classes. The purpose of his economic analysis was to demonstrate that necessity for the long run. And since he believed that demonstration successful, he could neglect a more detailed examination of social differentiation such as that begun in the incomplete last chapter of *Capital*, vol. III. Marx believed that in the upper strata the bourgeoisie would submerge everything of human value in the "icy waters of egotistical calculation." For the workers, a parallel effect would be achieved by the constraints of factory production which reduced everything to a deadened uniformity. Abject degradation would destroy their family life, religious beliefs, and national characteristics (Marx and Engels, 1967: 82, 89, 92). It would be because workers had lost everything that they would rise to regain their humanity (Tucker, 1961: 113-18, and passim).

In Marx's view, this polarization of classes would lead to a revolution and usher in a new and more rational social order. The class struggle promotes "reason in history" to the extent that political class-interests override the "infinite fragmentation of interest and rank into which the division of labor splits labourers as well as capitalists" (Marx, 1962: III, 863). For evidence that men's basic interests divide along class lines Marx scanned the limited experience of English social history. He was convinced that the widening gap between the achievements and the possibilities of social organization would push workers into accepting his doctrines. And he looked forward to a society born of revolution in which "the process of material production" would be "consciously regulated by freely associated men" (Marx, 1936:92).

Today the prospect of a proletarian revolution has receded before the reality of other, less expected revolutions. Occurring in predominantly agricultural countries, revolutions appear now as the prelude to industrialization rather than as the result of a fully developed capitalism. Marx's effort to locate the collective force through which reason advances in history unduly narrowed his conception of the inequalities which matter even in the long run. Nationalism and citizenship, religious beliefs and ethnic loyalties, regional associations and linguistic groups have often proved stronger than proletarian class consciousness. And movements of this kind arise from just that "fragmentation of interest and rank" which, according to Marx, would be obliterated by "egotistical calculation" and the constraints of factory production. Here is one reason de Tocqueville saw further than Marx. For de Tocqueville, the sentiments and opinions of people mattered and the future thus appeared impenetrable. For Marx, these opinions were often no more than a "false consciousness" that would be eradicated by the mounting intensity of the class struggle.

[1] Note that Marx saw the emergence of the bourgeoisie and of the proletariat in terms of a common process of class formation. Cf. Marx and Engels (1939:48-9) for a description of the rising bourgeoisie and Marx (n.d.: 145-6) for a description of the rising proletariat.

Marx's approach to the study of class was too reductionist to be successful. Nonetheless, Marx's problem is important. Property ownership and the division of labor are certainly bases for the formation of classes. The question remains under what circumstances such classes become organized groups.

Max Weber approached this question from the baseline Marx had established. *Class situations* exist wherever men are similarly situated by their "relative control over goods and skills." This control produces income, procures other goods, gains them a social position, and leads to a certain style of life. Those in a common class situation are often led to similar sentiments and ideas, but not necessarily to concerted action (Weber, 1968: I, 302). By contrast, *class organizations* occur only when an immediate economic opponent is involved, organization is technically easy (as in the factory), and clear goals are articulated by an intelligentsia (Weber, 1968: I, 305). Weber accepted Marx's reasons for the success of such organizations.

Nevertheless, Weber's approach modifies Marx's analysis in three respects. First, he denies that a common class situation will give rise to association, pointing out that many such situations result only in amorphous mass reactions. For Marx, the connection between class situation and class organization is a necessary one, arising from the "laws" of capitalist development. For Weber the connection is problematic. He treats Marx's concept of class as an ideal type, a logical construct based on observed tendencies. Second, Weber broadens Marx's concept of the economic determination of class situations. Ownership of the means of production or dependence on wage labor are important but special cases. In fact, there are a variety of property classes, commercial classes, and social classes beyond the land-labor-capital trichotomy which Marx inherited from the classical economists. Weber accepts Marx's thesis that class situations are determined economically, but he points out that these situations display the same instability as the market. For Weber class situation is ultimately market situation; such situations vary with the common experiences of individuals in response to shifting economic constellations (Weber, 1968: I, 303-5; II, 928-9). Third, Marx maintained that "bourgeois ideologists" would contribute to the political radicalization of the labor movement. He believed that the radicalizing experience of workers and the radicalizing beliefs of ideologists are responses to the same compelling structure of capitalism. By contrast, Weber sees the responses of the people at large and of a minority of culture-carriers as divergent. It is true that the class-conscious organizations of workers "succeed most easily if they are led towards readily understood goals." But these goals "are imposed and interpreted by men outside their class (intelligentsia)."[2]

Weber agrees that the economic and political solidarity of workers might overcome their initial fragmentation of interests. But solidarity of this kind is weakened by religious or ethnic differences. And successful class organizations create new interests, among them a new awareness of status. The very process of organizing a class creates inequalities of status which impede concerted action on a broader front. Prestige is at least as enduring a basis of group formation as a common situation in the market. Weber speaks of a social order in which status is an "effective claim to social esteem," founded upon lifestyle, formal education, heredity or occupation. Typically, the circle of social equals is defined by means of social discrimination. Marriage and hospitality are confined to that circle and only certain forms of acquisition and employment are considered socially acceptable (Weber, 1968: I, 305-6).

In discriminating against "outsiders," status groups curtail the free operation of the market. For centuries, aristocracies prevented commoners from acquiring land. On occasion this practice required aristocrats to retain their land when it would have been more profitable to sell it to some wealthy bourgeois. Land was bound up with the aristocratic way of life and remained a symbol of status long after its economic profitability had

[2] Weber's point (1968: I, 305) is already apparent in Marx and Engels, though it is rather awkward from the standpoint of Marxian theory. See Marx and Engels (1967:91) where the authors refer to "bourgeois ideologists" who go over to the proletariat and comprehend the historical movement as a whole. The authors stress (1967: 95-6) the role of communists as a vanguard of the proletariat, but their specification reads like a catalogue of differences between intellectual preoccupations and workday experience. Against Weber, Marx and Engels would have insisted that the intellectual articulation is already preformed in the common class experience.

declined. Analogous considerations apply to status-groups based on race, language, locality, or religion. Status groups endure as long as social honor is preferred to economic advantage, when a choice between them has to be made.

The inequalities of class and of status may be summarized as follows. *Classes arise out of common economic interests.* Classes based on the ownership of property or on deprivation in a common workplace are obvious examples. Marx understood that status distinctions would hinder the solidarity of classes, but he examined such distinctions only in his historical writings. He was convinced that his economic analysis had laid bare the overriding constraints of the class struggle and hence of the "historical movement as a whole." By contrast, *status groups are rooted in family experience.* Before the individual reaches maturity, he has participated in his family's claim to social prestige, its occupational subculture and educational level. Even in the absence of concerted action, families share a style of life and similar attitudes. Classes without organization achieve nothing. But families in the same status-situation need not communicate and organize in order to discriminate against people they consider inferior. Weber understood that their solidarity against outsiders may remain intact even when they are divided by intense rivalries.

The common element in classes and status-groups is not just the pursuit of self-interest. Both Marx and Weber saw that "self-interest" without ideas explains little. They were both concerned with man's quest for mastery, which unwittingly prompts *homo economicus* to be involved with ideas and *homo hierarchicus* (Dumont, 1972) with gain. But Marx thought that in the long run ownership of the means of production would prove the decisive determinant, and Weber did not. The difference becomes manifest in the contrast between evolutionism and a cyclical theory of change. For analytical purposes Weber thought it convenient to define classes and status-groups in terms that are mutually exclusive. Where market mechanisms predominate, personal and familial distinctions of status are discounted. Where considerations of prestige predominate, economically advantageous activities are often stigmatized. This extrapolation of class- or status-oriented actions leads to a model of social change.

> When the bases of the acquisition and distribution of goods are relatively stable, stratification by status is favored. Every technological repercussion and economic transformation threatens stratification by status and pushes the class situation into the foreground. Epochs and countries in which the naked class situation is of predominant significance are regularly the periods of technical and economic transformations. And every slowing down of the change in economic stratification leads, in due course, to the growth of status structures and makes for a resuscitation of the important role of social honor (Weber, 1968: II, 938).

But these tendencies are simple only to the degree that historical change approximates the logic of ideal types. Such approximation is seldom close. The stability of status-stratification is always exposed to the instabilities of economic change and social mobility; and men are always interested in arresting these instabilities by status distinctions which help them fortify the economic advantages they have won. By assuming that class- *or* status-oriented behavior prevails only for a time, Weber suggests a model of alternating tendencies without predicting a final outcome. Note the contrast with Marx, who considered economic determinants decisive in the long run and on that basis predicted the final overthrow of capitalism.

In a sense, Weber systematizes de Tocqueville's impressionistic insights. By putting status-groups on a par with social classes, and by seeing every group as a part of both the social and the economic order, Weber eliminates Marx's reductionism. Groups are no longer seen as the inevitable by-product of economic organization. Rather, they are formed by common economic interests, a shared style of life, and an exclusion of outsiders meant to improve the group's life-chances. Individuals do not develop a consciousness of their community merely because they live under similar conditions. A common consciousness and collective organization must be developed deliberately. Indeed, in Weber's view, groups are formed as readily from common ideas leading to common economic interests, as they are the other way around.

This consideration goes beyond the com-

parison developed so far. Marx viewed all culture as a dependent variable, because his theory of human nature made the necessary conditions of existence the ultimate historical determinant. Accordingly, all ideas reflect and "refract" the interests of classes like capitalists or workers, not the interests of intellectuals themselves. But culture has material conditions of its own: a transformation of intellectual life occurred along with colonial expansion, industrialization, and the emergence of the modern state. The invention of printing, the bureaucratization of government, the increased importance of formal schooling, and the emergence of a market for intellectual products are aspects of that transformation. In modern societies, intellectuals constitute a social group attached to the "material conditions of cultural production"; and these conditions allow for an extraordinary degree of mental and artistic experimentation, both in free-lance work and in the universities (Shils, 1972: Chpts. 4, 7, 8, 11, 17). But such freedom goes together with alienation. In the United States, one writer has complained that lack of interference with writers only indicates the official indifference to matters of literary interest. In the Soviet Union, Osip Mandelstam observed that where men are sent to labor camps merely for writing a poem, poetry is power. To be sure, the work of intellectuals may also be coopted by the "powers" (Shils) in universities and other organizations. But whether formally free or institutionalized, modern intellectual life tends to form cliques and schools of thought or style. And on that basis, distinctions of class and status are formed among intellectuals which are at some remove from analogous distinctions in the larger society.

Organized Action

The distinction between classes and status-groups invites the question of how the two are related. One answer is that in practice economic interest and the quest for prestige tend to reenforce each other. And this statement applies at all levels of the social structure.

Both classes and status-groups endeavor to maintain or improve their opportunities in society. But equally, mere possession of goods satisfies no one. Everyone wants to be held in high regard by those whose judgment he values. Wealthy persons seek prestige for themselves and future generations. Those who have little or nothing still pride themselves on their good name in the community. Even deviants or outcasts want to be held in high regard in terms of their own standards. At the same time, prestige or a good name are not enough. At some social levels, wealth is needed to make prestige more secure and luxury becomes a manifestation of both. At other levels, possessions have the more modest function of confirming status and probity within the community. Also, conspicuous consumption goods may add to the prestige of an individual among those for whose judgment he cares. Although wealth and prestige may exist separately, there is a widespread desire to improve one's chances in life by combining them.

There is also a built-in limit to that improvement, at any rate in so far as wealth and prestige depend on qualifications of some kind. Once acquired, any qualification imposes a limit to further mobility by means of other qualifications. For learning, experience and skills represent an investment of resources which the individual will be loath to discount the older he gets. A forty-year-old carpenter will not readily abandon his skill for learning another trade which would require that he put himself at the bottom of another skill-hierarchy, even if that other trade promises higher rewards eventually. The same goes for qualifications of all kinds, including academic ones. Also, as we advance in age, we develop a more intense interest in preserving the social and economic value of the investment we have made in the skills acquired already. All qualifications thus represent cumulative and increasingly irreversible commitments to an occupational way of life with its rewards and liabilities—perhaps the most fundamental reason for the persistence of class- and status-differences.

Group-interests cluster around the defense of such "occupational investments" and facilitate organized actions. Probably, monopolistic organizations are the most common method of preserving or increasing the economic and social life-chances of any group.

> When the number of competitors increases in relation to the profit span, the participants become interested in curbing competition. Usually one group of competitors takes some externally identifiable characteristic of another group of (actual or potential) competitors – race, language, religion, local or social origin, descent, residence, etc. – as a pretext for attempting their exclusion. . .
>
> The jointly acting competitors now form an "interest group" towards outsiders; there is a growing tendency to set up some kind of association with rational regulations; if the monopolistic interests persist, the time comes when the competitors establish a legal order that limits competition through formal monopolies. . . Such closure, as we want to call it, is an ever-recurring process; it is the source of property in land as well as of all guild and other group monopolies (Weber, 1968: I, 341-2).

Such monopolization, or "closure," is perhaps the main reason why Marx's theory of the labor movement proved false. Marx assumed that unfettered exploitation would prompt the workers to organize to protect their common interests. But the successful formation of working class organizations was also the means by which the gains won through organization could be monopolized through closure against further competition.[3]

Monopolization of opportunities is always a precarious achievement. It requires defense against the interests of outsiders and depends on the solidarity of the group. Group membership may be voluntary. But a monopoly can be ensured by rules which restrict membership, just as the solidarity of the group can be supported by rules which control participation. The organization of groups thus involves closure against further competition and control by the organization over its own members. Both strategies can be made more enduring if the monopoly is anchored in law and its restrictions are enforced by the government.[4]

Conclusions

From the preceding discussion, two conclusions follow for the study of inequality, one political, and the other historical. On the political side, Marx had interpreted all social and political associations as parts of a superstructure determined by the inequalities within the organization of production. Weber challenged such reductionism. He agreed that classes *tend* to form under the conditions Marx had specified. But he denied that association and organized action must result from this tendency, even in the long run. In each case, concerted action depends on a staff of persons administering the rules of the organized group and on the fluctuating relations between group-members and the administrative staff. The same consideration applies to government. Weber would have agreed with Raymond Aron's distinction between ruling classes and political classes. On the one hand, there are "privileged people who, without exercising actual political functions, influence those who govern and those who obey, either because of the moral authority which they hold, or because of the economic or financial power they possess." But there are also those who "actually exercise the political functions of government" (Aron, 1966: 204; Weber, 1968: I, 56). The officials constituting this political class have an administrative apparatus ready at hand. Economic classes, by contrast, must organize to be effective. Public employment also induces a common outlook. Officials are recruited on the basis of educational background and technical competence, to which administrative experience is then added. To an extent, they can interpose their judgment between any decision and its execution. Their ability to do so is a major organizational reason for the decision-making capacity of government, even when the pressure of interest-groups is great. Actions of government have a momentum of their own, they are more than mere enlargements of tendencies already existing in the society. The first conclusion is, therefore, that *organized* actions are only a possible outcome of classes

[3] Weber calls this "domination by virtue of a constellation of interest (in particular by virtue of a position of monopoly)" (1968: III, 943). Marx analyzed monopolizing tendencies of the "ruling class," but Weber emphasized that such tendencies exist at all levels.

[4] Weber calls this "domination by virtue of authority" based on a shared belief in its legitimacy (1968: III, 943).

or status-groups, but a necessary by-product of the exercise of public authority.

The second conclusion is historical and requires more explication. Although economic and social differences exist in all societies, the distinction between classes and status-groups, between experience in the workplace and in the family is peculiar to modern history. At one time, workplace and family life were part of the same household unit; ambition for gain and status were thus not readily distinguishable. The process of separation has occurred over long periods of time and in several different ways. Originally, aristocratic estates encompassed all aspects of social and economic life; but with the growth of court society, this unity weakened. At the highest levels of the aristocracy, law or custom precluded commercial pursuits; yet status-preoccupations at Court depended on the economic yield of estates, often managed by an agent hired for the purpose. Here status striving could so prevail over economic activities that aristocrats disdained to concern themselves with their own income. In the case of business enterprises, Weber has characterized a very different separation of functions:

> First, the household ceased to exist as a necessary basis of rational business association. Henceforth, the partner was not necessarily—or typically—a house member. Consequently, business assets had to be separated from the private property of the partners. Similarly, a distinction began to be made between the business employees and the domestic servants. Above all, the commercial debts had to be distinguished from the private debts of the partners, and joint responsibility had to be limited to the former. . . .
>
> What is crucial is the separation of household and business for accounting and legal purposes, and the development of a suitable body of laws, such as the commercial register, elimination of dependence of the association and the firm upon the family, separate property of the private firm or limited partnership, and appropriate laws of bankruptcy (Weber, 1968: I, 379).

As Weber notes, this development was paralleled at higher and subsequently at lower levels of government administration by the separation of the "bureau" from the household and of official finances from private property. A comparable separation occurred when workers had to leave their households in order to go to their places of work. Such was the case in the factories of the early nineteenth century, when men, women, and children began to be separately employed in workplaces away from their homes. Even today, this separation from the home has not been carried through in many economic activities like farming, small-scale trading, or various artistic endeavors. Yet, places of work have become separated from family households so generally that the distinction between classes and status-groups has acquired institutional as well as analytical importance.

Equally characteristic of modern history is the institutional separation of society and the state, of socio-economic position and public office. In modern Western societies great wealth and high social rank are institutionally separated from governmental authority. Property ownership and family status may facilitate political influence, but they provide no basis for the exercise of official functions. Conversely, lack of property or status—while obviously a handicap—do not imply exclusion from political participation. This separation of society from the state conflicts with the older view which treated public office as an attribute of social rank and wealth, and which viewed society as a whole as a reservoir of resources at the disposal of an absolute ruler. The separation of state and society also conflicts with the modern, pluralist view which sees society as a composite of interest groups, and government as the handmaiden of these interest groups. Neither the old nor the new approach accounts adequately for state and society as closely related, but separable complexes of organized, collective action. I suggest that the institutional separations of class from status-group, and of society from the state broadly distinguish the modernizing from the "traditionalizing"[5] components of the social structure.

[5] I regret the introduction of this neologism, but it is meant to make the reification of "tradition" more difficult. For much the same reason Weber wrote *Vergesellschaftung* for *Gesellschaft* and *Vergemeinschaftung* for *Gemeinschaft*. Perhaps the simple nouns are unavoidable, but it should be understood that they stand for tendencies rather than entities.

B. *Inequality as a Force in Pre-Modern History*

To distinguish modern from pre-modern history is to distinguish both between periods of history and between types of society. Such division into ideal types has its uses, but it is a starting point of analysis, not an end product. Much of what we consider typically modern can be found in societies of the remote past. Contract was a major feature of medieval feudalism and universal beliefs characterized medieval Catholicism. Much of what we consider typically traditional can be found in present day societies. Kinship continues to play a role in our experience despite the decline of extended families; status considerations are a major preoccupation even in the absence of most outward tokens of status. We must beware of the simplistic view that traditional societies become modern in any straightforward or inevitable manner (Bendix, 1970: ch. XI).

What grounds do we have then for distinguishing between tradition and modernity at all? In their answers to this question there is little difference between Marx and Weber. For that reason I dispense with further comparisons between them.

One answer was anticipated in the preceding discussion. If "modernity" is shorthand for the separation of class, status, and authority, then "tradition" stands for their fusion. Until the early modern period, economic activities were an aspect of the household. Status depended more on the individual's family ties than it does where modernizing tendencies prevail. In this sense, India is a striking example of a traditional society. Her social relations hinge on differences existing from birth. Individuals deal with one another as members of religious, ethnic, or linguistic communities. This communal membership is given an elaborate cultural rationale. Such ascendance of the group over the individual exists elsewhere as well: the prevalence of communal ties characterizes the traditional aspect of societies.

De Tocqueville pointed out that medieval households were solidary despite the enormous social distance between masters and servants. Superiority of rank and bearing, refinement of taste, great wealth and luxury lifted the world of masters to a sublime level in the eyes of their dependents. Servants necessarily lacked these qualities. Their status was inferior in their own eyes as much as in those of others. Yet de Tocqueville points out that a personal intimacy often existed between master and servant, especially where their relationship was hereditary. The master's standing was handed down to him through his family, just as his servants also looked back to the loyal service of their forebears. Ties of sentiment arose out of such shared family histories. De Tocqueville's picture of the master-servant relationship (de Tocqueville, 1954: I, 8-9; II, 177-85) had its parallel in the relation between the king and his subordinates. At court, an elaborate etiquette allowed for degrees of intimacy with the supreme ruler, routinizing the competition for status among service-ranks and enabling the king to govern by distributing favors (Elias, 1969: ch. 5).

This combination of social distance and personal intimacy is not confined to aristocratic households. It recurs in relations between the master and other members of his household, between merchants and domestics, craftsmen and their apprentices, and landlords and peasants. It recurs also between the pater familias and his dependents in the ancient world, or in the family compounds of Far Eastern societies that were ruled by the head of the clan. The composition and organization of households has been exceedingly diverse. But they have in common that they are patriarchal, every member of the household being subordinate to the head or master. They encompass persons of several social ranks, who depend for their standing in the larger community both on their place within the household and on the status of the household in the larger society. Many such households are based on the yield of the land, supplemented by commercial transactions. Since the household is a unit of production as well as of consumption, all productive and managerial functions are divided among its members according to rank. Like a king on a smaller scale, the master carries out socio-political functions. Within his domain, he is concerned with maintaining traditional forms of behavior in order to assert his authority and keep the passions of his dependents within bounds. Within the larger society he seeks to enhance the social standing and political role of his house.

Thus, the study of inequality in traditional societies poses problems of its own. The

household is a personally dominated community in which the economic wellbeing and the status of the individual depend entirely on the master's decision, and in which the members of the house compete for his favor. On these terms, households are solidary groups. Hence, we need not inquire under what conditions household members of different rank would join in concerted action (class), or by what means they define the circle of their social equals (status-group). This is not to argue for a benign conception of patriarchal relationships. Personal dominance and competition for status are often harsh. The intimacies of men and women living closely together may be cruelly manipulated, since the narrow confines of the household allow for little privacy (Bendix, 1971: 70-83). Instances of despotic rule and revolt abound in the pre-modern history of societies. But in these conditions, rebellions depend upon men breaking out of the confines of their household or estate to join forces and who then are forced back into subservience once their revolt is crushed. Except in periods of crises, the proliferation of little domains effectively insulates the inequalities within households (Marx, 1969: 88-95 and passim; Weber, 1968: I, 356-84).

The household is as typical of traditional societies as the enterprise and the market are typical of modern societies. The difference can be seen by comparing modern economics with the pre-modern literature of the "oikos," or household and estate, a literature which goes back to antiquity (Brunner, 1949: chs. 2, 4; 1968: 103-27). A central ideal of economics since the eighteenth century has been free market exchange. By contrast, the ideal household of the older literature was economically self-sufficient and required trade only to supplement its own production. Manuals were written on the management of household and estate, outlining the relations of husband and wife, parents and children, master and servants. A whole range of productive activities was described, from farming to mining or brickmaking. The wife's activities too were enumerated. Attention was given to vineyards and breweries, to the care of animals and pharmaceutical knowledge, to irrigation and fishing, to foresty and hunting. Trade remained an ancillary activity which was condemned if pursued for economic gain. Clearly, this older literature documents that the separation of economic activities from the family household is a modern development.

Status and authority were as inseparable from the household as production was. We saw earlier that in modern history the status of the individual depends on his family's prestige, its occupational subculture, its educational level, and its economic position. Admission to the circle of equals can be a matter of intense competition. All this is true of the pre-modern period, but with one crucial difference: the household was under the inherited authority of a master. Heads of households determined who may eat at table and in what rank-order, as well as who is obliged to eat with the servants. Again, within the master's house, no one may marry without his express permission. This practice was still common in nineteenth century Europe not only in the family but among army officers and public officials who needed such permission from their superiors. Similarly, decisions on occupational choice or appropriate level of education were in the hands of the master. By law, the master had the right to punish his dependents, but in theory he was also liable for their conduct. His domination protected the people composing his estate and their welfare depended on his success in asserting the rights of his house and advancing its prosperity.

This view of tradition at the level of the individual and his community may be carried over to the larger society. For the division of society into communities composed of households had important consequences for the internal constitution and the outer boundaries of political structures. Prior to the seventeenth century, nation-states in the sense of contiguous territories with clearly defined frontiers did not exist. Thus, England's loss of Calais in 1558 marked the end of her territorial claims on the Continent which had lasted for centuries. In societies ruled by kings who grant land and rights in return for services, the polity typically consisted of competing jurisdictions. Kings and princes looked upon conquests of what we would consider alien territories, or upon acquisitions through intermarriage, as a means of increasing their resources. Each additional territory or other resource could serve as grants to obtain additional services. At the same time, the ruler's authority was limited internally. Each jurisdiction was removed to some degree from

the sway of central authority, since within his domain the grantee exercised his own authority. As a result, larger political structures could be united only with difficulty, and unity once achieved remained precarious.

Internally, the politics of pre-modern history were swayed by efforts to defend the rights of the household or estate. Such defense was often of a piece with efforts at aggrandizement, in the same way as seeking the protection of the master of an estate was often a mixture of the desire for security and the submission to brute force. As Marc Bloch put it with reference to the Merovingian period:

> Everywhere, the weak man felt the need to be sheltered by someone more powerful. The powerful man, in his turn, could not maintain his prestige or his fortune or even his own safety except by securing for himself, by persuasion or coercion, the support of subordinates bound to his service. On the one hand, there was the urgent quest for a protector; on the other, there were usurpations of authority, often by violent means. And as notions of weakness and strength are always relative, in many cases the same man occupied a dual role – as a dependent of a more powerful man and a protector of humbler ones. Thus there began to be built up a vast system of personal relationships whose intersecting threads ran from one level of the social structure to another (Bloch, 1961: 40).

Patriarchal jurisdictions tend to pose rather similar political problems. A ruler's authority often depends for its effectiveness on implementation of his orders by a subordinate jurisdiction. At the same time, each jurisdiction insists on its rights. To an extent, the ruler must accept the autonomy of his dependents. But since his own position requires the collection of taxes in money and kind, he must also control their jurisdictions. This uncertainty of power lay at the root of the protracted feuds which fill the annals of pre-modern history.

Externally, a traditional society which is rent by such uncertainties, is threatened also by uncertain boundaries. For us this is a difficult point to grasp, as we are used to nation-states with clearly defined frontiers. But frontiers are not easily determined if territorial holdings are at the same time more or less autonomous jurisdictions. The border-areas of a kingdom will use the bargaining advantages of their location to increase the rights they enjoy from the king. These territories are a tempting prize for the king's rivals. As a result, the king's rule over the area may be precarious. Moreover, territorial and jurisdictional units are often widely scattered owing to the vagaries of inheritance, grants, and alliances, so that not only adjacent areas but even the same area may enjoy a variety of rights and owe allegiance to different rulers. Under these conditions it is often possible for territorial jurisdictions to break away when this appears politically promising. There are many instances in which the area between two rulers is not marked by a frontier line, but by a disputed jurisdiction.

Where the fortunes of men wax and wane with the fortunes of the house to which they belong, victory or defeat in jurisdictional feuds bears directly on the well-being of the individual. That well-being depends in large part on the size and productivity of land-holdings and on the degree to which political authorities can exact tributes in money or kind. Patriarchal jurisdictions are engaged, therefore, in efforts to better their holding vis á vis their relatives and neighbors as well as in contests with the ruler over the amount and kind of tribute to be paid. In the absence of stable frontiers, this arena of internal contest stands exposed to intrusions from the outside.

C. *Concluding Considerations*

The internal struggle over wealth, status, and authority was exposed to foreign influences in new ways in the transition from pre-modern to modern social structures. The social structure of the earlier period was characterized not only by uncertain frontiers, but also by a firm subordination of intellectual life to Church and State. Then frontiers became more clearly defined, national consciousness increased, and the earlier world-view was challenged by men of ideas who became a social force in their own right. In his interpretation of the origin of capitalism, Marx emphasized the "primitive accumulation of capital" through overseas expansion and land-enclosures at home. In these and related developments Weber emphasized the rise of "rational calculation" as the characteristic which distinguished modern from earlier

types of capitalism. Both writers acknowledged, but did not focus attention on the material transformation of intellectual life itself. Yet, the invention of printing, the development of science, and the growth of secular learning brought about a cultural mobilization which had a direct bearing on the social structure of early modern societies.

This impact of cultural mobilization tended to be obscured in nineteenth century Europe. The modern study of inequality began with the Scotch Moralists, St. Simon, and Marx. From their vantage-point, and within clearly defined national frontiers, it was plausible to consider "society" in isolation from other societies, and thus ignore their international setting. Inequality could be interpreted largely in internal economic terms, when the societies involved looked back on centuries of expansion overseas and were in the forefront of the modern, industrial and democratic revolutions. Against this view, I maintain that change is not only internal to a society. The age of exploration and with still greater impact the industrial and political revolutions of the seventeenth and eighteenth centuries altered the international environment of most societies. Once any of these transformations had been initiated by a country, that country became an object of emulation elsewhere. Intellectuals and governments play a key role in this emulation and adaptation. With the model of another country before them, they seek to overcome the political and social backwardness of their own country, if not to rival the model itself. This demonstration effect of expansion and revolution did not exist in the earlier period and has gone far to break up pre-modern structures of inequality – even in countries which retained their political and economic independence.

I want to retain the questions posed by the Marxian study of inequality, but I do not believe in the Marxian answers. As both Lenin and Weber pointed out, it is necessary to distinguish structural tendencies from the capacity to organize effectively.

I do not believe that social strata or classes are nation-wide phenomena. This would be the case only if all differences arising from familial affiliation were erased. We know that this has not been the case, and today there is no reason to assume that it is the wave of the future.

I do not believe that social classes and status-groups can be studied satisfactorily by attention to a single society, that such groups are unaffected by events beyond a country's frontiers. This assumption is unwarranted both because ties across national frontiers have developed out of common religious or ethnic affiliations, and because conquest, political control, and the diffusion of techniques and ideas have had a major impact on the social structure of many countries.

Marx assumed that the "infinite fragmentation of interest and rank" would give way to a polarization of classes in the course of capitalist development. In this he relied on the homogenizing impact of exploitation and "egotistical calculation." Today we lack this capacity for strategic simplification, but we lack also its attendant illusions.[6]

Much modern social thought retains its umbilical cord to Marx. I do not think the study of inequality and social structure will advance much until this cord is cut and Marx's insights are used irrespective of their doctrinal and political involvements. This paper is an effort in this direction.

[6] One reason why the "fragmentation of interest and rank" continues is that social structures "once they have come into being. . .perpetuate themselves, even when the social conditions that created them have disappeared" (Schumpeter, 1951:144-5). Oddly enough, this historical perspective has also disappeared from the Marxist tradition (Loewenthal, 1969:23-4).

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The Modern State

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1 Modern states

A matter of definition

A US Supreme Court judge hearing an obscenity case had to decide what was meant by 'pornography'. Admitting that he could not define it, the judge insisted nonetheless that 'I know it when I see it' (cited in Hawkins and Zimring 1988: 20). We may feel the same way about the modern state. We might find it difficult to give a precise and comprehensive definition of the state, but we think we recognize it when it flags us down on the motorway, sends us a final tax demand or, of course, arranges for our old-age pension to be paid at the nearest post office. We may also think that we recognize the long arm of the state as CNN shows us a group of marines raising their national flag over some distant corner of windswept desert. Stateless persons, refugees and asylum-seekers have a very keen sense that it makes a real difference to live beyond the jurisdiction (and protection) of the state. From the mandatory certification of our birth (which should have taken place under medical circumstances prescribed by the state) to the compulsory registration of our death, we tend to feel that the state is (nearly) always with us. Even in Anglo-Saxon countries, everyday political discussion is replete with appeals to, condemnations of and murmurings about the state. Rather like the judge, we think that we know the state when we see it, yet it proves extremely difficult to bring it under some brief but generally acceptable definition. *'Everybody* agrees', so Berki argues, that 'the modern state . . . is a rather baffling phenomenon' (Berki 1989: 12). At times, it seems that collective bafflement is about as far as the agreement reaches.

A number of commentators, from quite differing political traditions, circumvent this problem by refusing any explanatory value to the category of 'the state'. More empirically minded political scientists ask us to focus upon 'governments' and the 'political system', abandoning the suspiciously metaphysical realm of 'the state' for institutions and practices which can be measured with due 'operational rigor' (Almond *et al.* 1988: 872; Easton 1981). Others, who are much more critical of the prevailing social order, insist that talk of the state actually serves to *conceal* or *obscure* the exercise of political power. According to Abrams, 'the state is not the reality which stands behind the mask of political practice. It is itself the mask which prevents our seeing political practice as it is' (Abrams 1988: 58). Some follow the brilliant and iconoclastic French thinker Michel Foucault (1926–84) in arguing that the state may be 'no more than a composite reality and a mythicized abstraction'. What matters for

Foucault is not so much the state as the much more generic practice of the 'art of governing' and the corresponding idea of *governmentality*. The state is just one site of the practice of governing (understood as the management of 'the conduct of conduct'). To focus attention exclusively upon the state is to fail to capture the full range and intensity of governing practices that permeate and mediate the entire body politic (Foucault 1994).

It is important that we do not lose sight of these rather unorthodox views (and we return to Foucault's argument in Chapter 3). Most political scientists, political sociologists and political economists, however, have felt that there are political structures, institutions and practices which it makes sense to try to explain under the rubric of the state. While their attempts to do so are very diverse, there has been a surprisingly broad area of agreement about what constitutes the essential elements of the modern state. In this chapter, I will try to establish the most important features of this shared understanding of the modern state.

Approaches to the modern state

We can think of analysis of the state characteristically having asked two kinds of questions. The first and more normative or evaluative question is: What should the state be and what should it do? This invites us to consider the proper terms for establishing and maintaining any political authority, for defining the appropriate relationship between the state and its members and the acceptable limits of state action. This has been the major concern of political philosophers. The second and more 'fact-based' or empirical question asks: What are states actually like? This is the question that has most often been addressed by political scientists and political sociologists. In practice, the two approaches cannot be so neatly separated. For many commentators, description and evaluation overlap. For both advocates and opponents, what states are *really* like does imply something about what we can (reasonably) suppose that they *should* be like. Nonetheless, our primary focus here will be upon the second type of question, though with a recognition that more evaluative claims are never far away.

Initially, we may think about these explanations rather crudely in terms of those which focus primarily upon the organizational *means* adopted by the modern state and those which concentrate upon its *functions*. Still the most authoritative source for the first of these approaches is the work of the German political sociologist and economic historian Max Weber (1864–1920). Active in the early years of the twentieth century, Weber established many of the parameters of statehood which are still common to discussions a century later. A starting-point for Weber, which contrasted with much earlier thinking, was that the state could not be defined in terms of its goals or functions, but had rather to be understood in terms of its distinctive *means*. Thus, he argued:

> The state cannot be defined in terms of its ends. There is scarcely any task that some political association has not taken in hand, and there is no task that one could say has always been exclusive and peculiar to those associations which

> are designated as political ones. . . . Ultimately, one can define the modern state only in terms of the specific *means* peculiar to it, as to every political association, namely, *the use of physical force*.
>
> (1970a: 77–8; second emphasis added)

For Weber, *the modern state* was a particular form of *the state* which was, itself, a particular form of a more general category of *political associations*.

> A compulsory political organization with continuous operations will be called a 'state' insofar as its administrative staff successfully upholds the claims to the *monopoly* of the *legitimate* use of physical force in the enforcement of its order. . . . [The modern state] possesses an administrative and legal order subject to change by legislation, to which the organized activities of the administrative staff, which are also controlled by regulations, are oriented. This system of orders claims binding authority, not only over members of the state, the citizens, most of whom have obtained membership by birth, but also to a very large extent over all action taking place in the area of its jurisdiction. It is thus a compulsory organization with a territorial basis. Furthermore, today, the use of force is regarded as legitimate only so far as it is either permitted by the state or prescribed by it. . . . The claim of the modern state to monopolize the use of force is as essential to it as its character of compulsory jurisdiction and continuous operation.
>
> (1978a: 54–6)

These economical definitions help us to isolate several of the most important (if contested) features in all subsequent discussions of the mechanisms of the state:

1 (monopoly) control of the means of violence
2 territoriality
3 sovereignty
4 constitutionality
5 impersonal power
6 the public bureaucracy
7 authority/legitimacy
8 citizenship.

To these, I shall add a ninth category: taxation. I will discuss each of these in turn.

(Monopoly) control of the means of violence

Weber gives great prominence to control over the means of violence as a defining characteristic of the state. Indeed, his very briefest definition sees the state as 'a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory' (Weber 1970a: 78). In fact, control over the means of violence has long been a concern for those whose primary interest is in the 'reality'

of states' practices. Thus, Thomas Hobbes (1588–1679), the Englishman who many see as the first theorist of the authentically *modern* state, was insistent that, to avoid collapse into civil war, individuals needed to establish over themselves 'a Common Power, to keep them in awe, and to direct their actions to the Common Benefit'. It seemed to Hobbes that 'the only way to erect such a Common Power . . . is to conferre all their power and strength upon one Man, or upon one Assembly of men' and to ensure that the wielder of this 'Common Power' – the 'great Leviathan' – 'hath the use of so much Power and Strength conferred on him, that by terror thereof, he is inabled to forme the wills of them all, to Peace at home, and mutuall ayd against their enemies abroad.' Once established, the authority of this 'Common Power' proceeds not from consent but from force: 'Covenants being but words, and breath, have no force to oblige, contain, constrain, or protect any man, but what it has from the publique Sword' (Hobbes 1968: 227–31).

Writers in the Marxist tradition have also stressed the importance of the state as organized violence, but for them this is primarily an expression of the intense antagonisms generated by a society divided into classes. Friedrich Engels (1820–89) articulates the classically Marxist view that the state is an expression of the contradictions of a society divided by irreconcilable class differences. The existence of the state is an admission that 'society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel.'

> But in order that these antagonisms and classes with conflicting economic interests might not consume themselves and society in a fruitless struggle, it became necessary to have a power seemingly standing above society that would alleviate the conflict and keep it within the bounds of 'order'. This power, arisen out of society but placing itself above it, and alienating more and more from it, is the state.
>
> (Engels 1978: 752)

Of course, as Weber himself was well aware, 'the use of physical force is neither the sole, nor even the most usual, method of administration of political organizations' (Weber 1978a: 54). If we look around the contemporary world, we see great variation in the levels of direct physical intimidation that states offer to their citizen-subjects: compare, for example, the Netherlands with Indonesia or Sweden with China. Even the most violent states of modern times (e.g. Stalin's Soviet Union, Hitler's Germany) did not impose their rule by physical force alone. Nor did Weber argue that the state would necessarily reserve to itself all the lawful use of violence. In the USA, for example, citizens have a constitutional right to carry lethal weapons and many states sanction (limited) violence exercised by disciplining parents against their children. Feminist critics have long argued that states frequently fail to uphold their monopoly of violence in restraining the perpetrators of domestic assaults upon women (Dobash and Dobash 1992). What Weber does see as essential to the state is its status as 'the sole source of the "right" to use violence' (Weber 1970a: 78). Thus, those who exercise violence within the jurisdiction of a state may do so only under

the express dispensation of that state. Normally, however, the state will seek to impose its will through the managed consent of its population – an aspect of legitimation to which we return below. Nonetheless, Weber insisted, 'the threat of force, and in the case of need its actual use . . ., is always the last resort when other [methods] have failed' (Weber 1978a: 54). As Hobbes had it, 'command of the Militia, without other Institution, maketh him that hath it Soveraign' (Hobbes 1968: 235). Under many constitutions, the harshest and most lethal remedies are reserved for those who challenge the integrity of the state itself (i.e. those who commit the crime of treason). Yet, even a quite minor breach of the authority of the state (e.g. failure to disclose certain driving documents to the police) may finally result in incarceration. In Berki's irreverent formulation: 'Tell the judge, a ridiculous old fogey dressed up in theatrical garb, to bugger off and leave you alone; you see where you will end up' (Berki 1989: 18). As we shall see, states' practice is usually a mixture of (managed) 'consent backed by coercion' (see below, pp. 60–3).

In fact, as a number of more recent commentators have suggested (see Mann 1993a: 55; Giddens 1985: 189), the state may never actually attain Weber's monopolization of violence within its jurisdiction, even if we include those forms of violence which are 'licensed' by the state. Organized crime and domestic battery are but two forms of chronic violence within contemporary societies which evade effective control by the state. The same commentators point out the extent to which the apparatus of the state's physical violence (above all, the armed forces) is institutionally isolated from many other areas of state activity. There may, nonetheless, be a relationship between the extent of monopolization of violence achieved by the state and actual levels of violence in society. Indeed, the more effectively is the use of force *monopolized* by the state, the less frequent may be the actual resort to violence. This was certainly the supposition of Hobbes and of many of those who have experienced the peculiar horrors of civil war. In Hobbes's view, the individual did a good deal when he [*sic*] surrendered almost all of his natural liberties to an authoritarian sovereign, since this was the only way of avoiding society descending into a war of all against all in which his life would famously be 'solitary, poor, nasty, brutish, and short' (Hobbes 1968: 186).

More important than the actual monopolization of violence may be the inauguration of a unitary order of violence. In Chapter 2, we shall see that many commentators trace the emergence of the modern state to the historical transition in Europe from forms of feudalism to absolutism. Crudely put, this is a transition from societies built upon multiple sites and sources of power to societies premised on a single legitimating structure. Feudalism is often represented as a pyramidical social formation built upon personal ties of fealty in which the wielders of power at any level depended upon their capacity to mobilize the resources (including armed force) controlled by many lesser power-holders. In such a model, power was not unified in the monarch but diversified among a hierarchy of lesser nobilities. It was also an order in which separate powers and jurisdiction applied to those in religious orders. An important part of the coming of the modern state was the move away from this multi-centred and pluralist structure of powers towards a single (absolutist) centre of power ruling over an undivided social order.

Fundamental to this process of the centralization of state power was the increasing *pacification* of society. To some extent the monopolization of violence within the state was matched by a pacification of relations in society. This was certainly a part of Hobbes's justification for the individual's subjecting himself to 'the great Leviathan'. Of course, in ways that I have already indicated, this pacification of society was always quite partial. Violence and the threat of violence continued to be a chronic feature of daily life. Yet, there is considerable evidence (in the face of the commonplace claim that our societies are becoming increasingly violent) that the rise of the state coincided with a reduction in the levels of violence in day-to-day life. In part, this had to do with the new forms of surveillance and control that were becoming available to an increasingly powerful state. Premodern states could be extraordinarily arbitrary and despotic, but the range of their power was drastically limited. Genghis Khan was a fearful despot, but surely not the equal of Stalin, once famously described as 'Jenghiz [*sic*] Khan with a telephone' (Maclean 1978: 159). As Giddens points out, it was crucial too that the rising economic order (of capitalism) was one in which violence was extruded from the core economic relationship – the sale of labour power (Giddens 1985: 181–92). Of course, Marx insisted that the *establishment* of capitalism, the process of primitive accumulation, was 'written in the annals of mankind in letters of blood and fire' (Marx 1965: 715). Marxists saw the growth of imperialism as a very bloody business and expected that the revolution which would see capitalism replaced by socialism would be a violent one. Yet, the liberal capitalism described in Marx's *Capital* was one in which it was economic necessity, not the threat of violence, that drove workers into an exploitative contract with their capitalist employers.

Territoriality

A second and seemingly straightforward feature of modern states is that they are geographic or geo-political entities. States occupy an increasingly clearly defined physical space over which they characteristically claim sole legitimate authority. Once again, this is a feature of statehood which is recognized by a wide range of writers (from Hobbes through Engels and Weber to contemporary theorists such as Mann and Giddens). Indeed, a clearly defined territoriality is one of the things that marks off the state from earlier political forms, such as premodern empires (i.e. those empires which were not the external domain of already established nation-states). These early empires were extensive and powerful political formations, but their territorial limits tended to be set by ill-defined frontiers rather than by the clearly demarcated borders with which we are familiar (Giddens 1985: 49–50). Rule was concentrated at the centre of the empire. The outlying areas tended to be a source of tribute rather than the objects of permanent and tightly managed administration. Considerable autonomy was allowed to local systems of governance, so long as the expectations of the imperial power could be satisfied.

Modern states defend their territorial integrity with a quite ferocious jealousy. At times, states have been willing to go to war over seemingly valueless tracts of land or uninhabitable islands, apparently unmindful of the considerable costs and the

sometimes very limited benefits. The south-eastern corner of Europe has been repeatedly riven by civil war over the competing territorial claims of a number of aspirant states. Elsewhere in the world – in Kashmir, or the Indonesian provinces of Aceh or Irian Jaya, for example – claims to state authority continue to be fiercely contested. In addition, states lay claim not just to jurisdiction over a particular tract of land, but also to the minerals that lie beneath it, to the coastal waters that surround it (and to their economic product), to the airspace above it and, most importantly, to the people who inhabit it. States have not been an omnipresent form of human organization. Even upon the most expansive definition, the majority of people through most of human history have not lived in states. Nonetheless, we now live on a planet which is almost universally divided into (competing) state jurisdictions. There can hardly be a rocky outcrop anywhere which has not been claimed by at least one jurisdiction (and often by several).

This raises a number of further points. First, states do not exist in isolation. They are by their very nature part of *a system of competing states*. Frontiers might abut unclaimed territory, but borders are necessarily the dividing line between one state and another. The territoriality of states, their claim to monopolistic powers of adjudication within their boundaries and the existence of an international order premised upon competing nation-states, is definitive of one of the most important general approaches to the state – international relations. The sub-discipline of international relations invites us to focus our studies of the state, first and foremost, upon the *external* and *international* relationships of a series of competing sovereign states operating within an unruly international order. We shall return to this approach in Chapter 6.

Second, while the globe is finite and almost every inch of it is now under some state's jurisdiction, this does not mean that particular states are permanent features of the world's landscape. Those of us who live in one of the historically longer-standing states may think of states once having been founded as lasting in perpetuity. But this is not so. Tilly records that 'the Europe of 1500 included some five hundred more or less independent political units, the Europe of 1900 about twenty-five' (Tilly 1975: 15). Rather more remarkable is the redrawing of the map of European states between 1980 and 1995. Thirty-three nations competed in football's European Nations' Cup in 1992. Just four years later, there were forty-eight contestants, including separate teams from Slovakia and the Czech Republic and two national teams from within the borders of the former Yugoslavia! (*Sunday Times*, 23 January 1994). Or consider the statehood of one of Europe's central political actors: Germany. Founded little more than a hundred years ago, the country was split into two states for nearly half of that time and resumed its existing borders only in 1991. And in the twenty-first century, new states continue to appear, including, for example, East Timor, which reached full statehood on 20 May 2002.

Third, as the territory occupied by the state became ever clearer, so did the tendency to identify states with *nations*. The international order is increasingly recognized as one consisting of nation-states. This is, in both theory and practice, an extremely contentious and confused area. At this point, it may be useful to try to

distinguish between conceptions of the *nation*, *nationalism* and *the nation-state*. *The nation* may be taken to describe 'a collectivity existing within a clearly demarcated territory, which is subject to a unitary administration' (Giddens 1985: 116). In Greenfeld's usage, the nation describes 'a *unique* sovereign people' (Greenfeld 1992: 8). *Nationalism*, by contrast, describes identification within an 'imagined community' (Anderson 1991). According to Giddens, it is 'primarily psychological, [expressing] the affiliation of individuals to a set of symbols and beliefs emphasising communality among the members of a political order' (or, we might add, of those *aspiring* to form a distinct political order) (Giddens 1985: 116). In Greenfeld's account:

> National identity in its distinctive modern sense is . . . an identity which derives from membership in a 'people', the fundamental characteristic of which is that it is defined as 'a nation'. Every member of the 'people' thus interpreted partakes in its superior, elite quality, and it is in consequence that a stratified national population is perceived as essentially homogeneous, and the lines of status and class as superficial. This principle lies at the basis of all nationalisms.
>
> (Greenfeld 1992: 7)

We return to the difficult question of the relationship between nations, nationalisms and the nation-state in Chapter 2.

Sovereignty

Greenfeld's discussion of the nature of nationalism raises a third core component of the state – its supposed *sovereignty*. Hinsley (1986: 1, 26) defines sovereignty as 'the idea that there is a final and absolute authority in the political community', with the proviso that 'no final and absolute authority exists elsewhere.' The essence of sovereignty is not that the sovereign may do whatever it wishes. After all, even the most unbridled of states cannot make pigs fly. Rather, it is the idea that, within the limits of its jurisdiction (set by the division of the world into a series of similarly sovereign nation-states), no other actor may gainsay the will of the sovereign state. Modern usage is often seen to derive from the French philosopher Jean Bodin (1529–96), but still the most uncompromising statement of this position is that found in Hobbes's *Leviathan*. For Hobbes, once the members of the commonwealth have come together and agreed to constitute a sovereign power to rule over them, the powers of that sovereign are almost unlimited. The terms of the contract are irrevocable and, since members of the commonwealth have mutually willed the creation of the sovereign, they are deemed to have vicariously willed all of its actions. Since the initial agreement is between the members of the commonwealth (to create a sovereign power) and not between individual subjects and that sovereign power, 'there can happen no breach of Covenant on the part of the Soveraigne; and consequently none of his subjects, by any pretence of forfeiture, can be freed from his Subjection.' Since 'he that doth any thing by authority from another, doth therein no injury to him by whose authority he acteth . . . whatsoever [the sovereign] doth, it can be no injury to any of his Subjects.' It is true 'that they that have Soveraigne

power, may commit Iniquity; but not Injustice, or Injury in the proper signification' (Hobbes 1968: 230–2).

Even for Hobbes, however, there are limitations upon the lawful authority of the sovereign. 'It is manifest', so he argues, 'that every Subject has Liberty in all those things, the right whereof cannot by Covenant be transferred.' So,

> if the Soveraigne command a man (though justly condemned) to kill, wound, or mayme himself; or not to resist those that assault him; or to abstain from the use of food, ayre, medicine, or any other thing without which he cannot live; yet hath that man the Liberty to disobey.

And there is one further substantial qualification of the powers of the sovereign: 'The Obligation of Subjects to the Soveraign, is understood to last *as long, and no longer*, that the power lasteth, by which he is able to protect them. (Hobbes 1968: 268–9, 272; emphasis added).

Subsequent discussion of sovereignty and the state may be seen to have moved in three directions. First, there has been an aspiration, consonant with the brief discussion of nationalism above, to relocate the site of sovereignty not in the state or the government, but rather in *the people*. Although the other great seventeenth-century English political theorist John Locke (1632–1704) was far from being an untrammelled democrat, he certainly held sovereign power to be much more subject to the will of its citizens. In contrast to Hobbes, he maintained that some form of continuing endorsement of government (however passively expressed) was needed for it to exercise proper and lawful authority. A much more radical position was adopted by Jean-Jacques Rousseau (1712–78), who argued that the principle of sovereignty should be retained, but that it should be relocated in the sovereign people. Certainly, advocates of democratization of the last two centuries have often made their case in terms of *legitimate* sovereignty residing in the people. Those states which are based upon some founding constitutional settlement often posit the sovereignty of the people as their first principle. Thus, the founding authority for the constitution of the USA rests famously with 'We, the people . . .' (McKay 1993: 305). The location of sovereignty in an unreconstructed constitution, such as we enjoy in Britain, is much more ambiguous.

A second development has been manifest in the attempts not so much to deny as to *apportion* sovereignty. This is, perhaps, clearest in the constitutional principle of the *separation of powers*, under which the functions of government (most usually divided between executive, legislative and judicial tasks) are allocated to differing institutions and persons. The principle is at its clearest in the US constitutional order, in which the powers of the president, the congress and the supreme court are clearly set out with the intention that no one branch of government should be able to dominate the others. Of course, this may be read as a simple refutation of the Hobbesian idea of sovereignty, i.e. that of all lawful authority residing in one institution or even one person. On the other hand, if the people are held to be sovereign, it may seem that this is but a convenient system for ensuring that the apparatus of government, to which the sovereign devolves its powers for a time,

should perform its task effectively without that concentration of power which might pose a threat to the properly sovereign people. Alternatively, we may view such a constitutional order as one in which it is not the particular branches of government but the constitutional order itself which is sovereign.

The third development must be considered rather more unambiguously as a counter-movement against the idea of sovereignty. We have seen that democracy may be seen as a way of expressing the wishes of the sovereign people. In a more 'realist' tradition, democracy has sometimes been represented as a mechanism for exercising constraint over an apparatus of government in which *de facto* sovereignty is seen to reside. From the advocates of 'protective' democracy in the nineteenth century – such as Bentham (1748–1832) and J. S. Mill (1806–73) – to the 'democratic elite' theorists of the twentieth century – above all, Joseph Schumpeter (1883–1946) – the democratic process is one through which the people, who are not in fact sovereign, exercise some sort of constraint upon those state actors with whom real sovereignty rests. There is also a long-standing fear of the democratic sovereign retraceable all the way to Aristotle (384–322 BC). For some, the very real popular legitimacy of the democratic state makes it, if anything, more to be feared than an authoritarian but 'illegitimate' state. Liberals and conservatives, in particular, have seen, not very far behind the idea of popular sovereignty, the prospect of 'the tyranny of the majority'. For conservatives, the principal threat has been to the established order of property; for liberals, it is a challenge to property and individual liberty. For both, the legitimating force of a truly popular democracy is a threat to minorities. We have then, complementing the claims for popular sovereignty expressed through the extension of democratic institutions, a counter-movement stressing the inviolability of certain personal rights and an inviolable private space within which the state should not interfere. Paradoxically, we sometimes find argument and counter-argument voiced by the same individual (as famously in the case of J. S. Mill), as well as calls for a constitutionally self-limiting state, a state which should legislate to constrain its own powers of intervention.

Finally, it is worth stressing that the territoriality and, more especially, the effective sovereignty of modern states were transformed by a series of technical changes which profoundly altered the state's capacity for surveillance and control. New forms of administration, new techniques for record-keeping, new technologies for the transmission and processing of both people and information gave the modern state powers to govern which were simply unavailable to more traditional states. It was one thing for the pope to assert his authority as the head of all Christendom, but something else for officers of the state to have more or less instantaneous access to the personal details, criminal records and credit status of each of its citizens. According to Giddens, 'surveillance as the mobilizing of administrative power – through the storage and control of information – is the primary means of the concentration of authoritative resources involved in the formation of the nation-state' (Giddens 1985: 181). We need to be careful here. Giddens is not saying that changing technology *caused* the development of modern states. Rather, technological change made available to the modern state forms of surveillance and control which simply had not existed under more traditional state formations.

Constitutionality

In much 'official' discourse about modern states, constitutions and the 'constitutionality' of the political order enjoy considerable prominence. In this context, constitutions are often taken to describe the basic 'rules of the game' of the political process. In many polities, there is a single document or set of documents that lays out and, often at the same time, justifies the state's basic political arrangements. The constitution establishes 'the laws about making laws' and may be presented as actually creating or, at least, securing the existence of the state itself. In some states, perhaps in the USA above all, the whole political process is sometimes presented in 'official' explanations as little more than the day-to-day operation of 'the constitution'. This narrowly constitutional account of the modern state is what one might expect to hear (in a truncated form) from a tour guide at the House of Commons or on Capitol Hill, or from a practising politician in a particularly pompous mood and with the tapes running.

Political commentators, be they academics, journalists or 'ordinary citizens', have been rather less persuaded that the constitutional model gives a very 'realistic' account of what states really do. The severest critics, such as Lenin (1870–1924), have seen claims about constitutional governance as an ideological gloss through which the minority who exercise *real* power through the state and its monopoly of violence seek to conceal this fact from the subject population (Lenin 1960). The 'realist' school of international relations, inasmuch as it has been at all concerned with constitutionality, has tended to see this as a rather decorous fiction drawing attention away from the 'real' business of politics, i.e. a largely non-constitutional clash of powers and interests. Some (perhaps most notoriously the inter-war German theorist Carl Schmitt) have stressed the importance of establishing who is sovereign in *exceptional* periods, i.e. when constitutional government is suspended. Certainly, there is a reasonable suspicion that the very best of constitutions are no match for the will of a usurping sovereign. The Soviet constitution of 1936 'guaranteed' extensive liberties to Soviet citizens. But this proved no great impediment to Stalin's reign of terror. Even those who have been willing to give rather greater weight to constitutional accounts (such as the US political scientists Robert Dahl and Charles Lindblom) have doubted that the actual working of constitutional arrangements looks very much like these idealized descriptions.

Nonetheless, 'constitutionality' rather more broadly conceived is an extremely important component of the idea of the modern state. We have seen that Weber writes of the modern state possessing 'an administrative and legal order subject to change by legislation'. The idea that the state constitutes a distinct and rule-governed domain with powers which are (at least formally) distanced from society and the economy is distinctively modern. Most modern states do indeed exercise a form of power which, at least formally, is public, rule-governed and subject to lawful reform. These characteristics may be as often honoured in the breach as in the observance, but they do nonetheless help to locate the state in modernity. In pre-modern states, social, economic, patriarchal and political powers were largely undifferentiated. Their activities could be justified as *explicitly* arbitrary, absolutist,

theocratic and dynastic in ways which modern states generally cannot. The idea of constitutionality thus points us towards a number of further characteristic features of modern statehood (differentiation from society and economy, 'impersonal' power, bureaucratic organization and so on). But it is an idea that has also done an enormous amount of work in more *normative* accounts of the modern state. It has been an abiding concern of political philosophers to establish what (if anything) justifies the state's claim to the loyalty of its subjects. Is there anything more than 'might' that makes the state 'right'? This raises questions about the legitimacy of the state, the nature of its authority and the nature of its obligations to its citizens and of its citizens to it.

'The rule of law' and the exercise of impersonal power

Of the essence, for those who stress constitutionality, is the idea that a constitutional political order would mean 'not the rule of men, but *the rule of law*'. There is a very ancient claim in political theory that a good polity is one which is ruled not by the subjective and arbitrary will of particular men [*sic*], but by the objective determination of general and public laws. According to Kant (1724–1804), 'the state is a union of an aggregate of men under rightful law' (cited in Dyson 1980: 107). Especially in the continental European tradition, we find that state activity is often characterized as a special form of (public or administrative) law, an arrangement under which 'public law regulates the interrelationships of public authorities with the "subjects"; private law regulates the relationships of the governed individuals among themselves' (see Dyson 1980; Weber 1970b: 239). Admittedly, some commentators have always been much more concerned with the state's actual capacity to uphold its own laws than with what would make them 'rightful' (e.g. see Kelsen 1961). But it is widely argued that, within a constitutional order, those who exercise state power must do so in ways which are themselves lawful, constitutional and constrained by publicly acknowledged procedures. They are generally seen to act not upon a personal basis, but rather because of their public position as the occupants of particular offices of state.

This aspiration to lawful government should not be conflated with the aspiration to extend democracy. Not only do the calls to make governance constitutional long *precede* any very widespread appeal to make it more democratic, but they have also often been advanced as a way of protecting certain individual or corporate interests *against* the encroachments of democratic governments. However, it is of the essence that, under a law-governed regime, politicians should themselves be subject to the constitutional order and the laws which they have themselves helped to make and enforce. Even under so centralized and sovereign a state as in the UK, government ministers may still be arraigned by the courts if they fail to abide by their own rules (however limited may be the effect of such judgments). From this, we may derive the central (if rather idealized) principles of legality and lawfulness as characteristic modes of state activity, of the state as an impersonal power, of politicians and civil servants as the (temporary) occupiers of particular public posts.

The public bureaucracy

For Weber, it was of the essence that the administration of modern states would be *bureaucratic* (Weber 1978a: 217–26; 1978b: 956–1005). In fact, Weber saw bureaucracy as the generic form of administration in all large-scale organizations of modern society (including, for example, the modern capitalist corporation and the modern army) and this was, in its turn, a particular form of the more general process of rationalization which Weber identified with modernization itself. It established the administration of the modern state as quite distinct from those forms that had preceded it. The public bureaucracy, in Weber's celebrated description, can be isolated around the following features:

1 that bureaucratic administration is conducted according to fixed rules and procedures, within a clearly established hierarchy and in line with clearly demarcated official responsibilities;
2 that access to employment within the civil service is based upon special examinations and that its effective operation is dependent upon knowledge of its special administrative procedures – a good deal of the power of the civil service rests upon its specialized knowledge and 'expertise';
3 that bureaucratic management is based upon a knowledge of written documents ('the files') and depends upon the impartial application of general rules to particular cases;
4 that the civil servant acts not in a personal capacity, but as the occupier of a particular public office.

Office-holding in the civil service is seen as a 'vocation', subject to a special sense of public duty, and involves the individual civil servant in a clearly defined and hierarchical career path, usually with 'a job for life' (Weber 1978a: 220–1; 1978b: 956–63).

There were great bureaucracies in the premodern world (e.g. in ancient Egypt and China), but, for Weber, the modern predominance of bureaucratic organization is a product of the coming of a fully monetized market economy. The reason for its 'success' lies in 'its purely technical superiority over any other form of organization'. Bureaucracy is 'formally the most rational known means of exercising authority over human beings . . ., the needs of mass administration make it today completely indispensable.' According to Weber, 'bureaucracy inevitably accompanies modern *mass democracy*' and 'everywhere the modern state is undergoing bureaucratization.' He insists that 'it is obvious that technically the great modern state is absolutely dependent upon a bureaucratic basis. The larger the state, and the more it is or the more it becomes a great power state, the more unconditionally is this the case.' Furthermore, 'once fully established, bureaucracy is among those social structures which are the hardest to destroy' (Weber 1970b: 232; 1978a: 223; 1978b: 971, 983, 987).

Weber was quite ambivalent about the idea that bureaucracy (along with the more general process of rationalization characteristic of modernity) represented 'progress'.

He recognized that the treatment of individuals and their particular circumstances as just so many 'cases' to be processed according to 'the rules' has a cost in terms of the quality of our humanity. He was also fearful that the 'routinization' and rule-guidedness which was appropriate to large-scale administration might spill over into the more properly dynamic and value-laden sphere of 'politics proper'. He was certainly concerned about the consequences of a regime in which civil servants usurped the proper function of the politician (see Beetham 1985). The routinized terror of the bureaucratized authoritarian state was to become a prominent theme of twentieth-century fiction (from Kafka to Havel). The dullness and rule-boundedness of public officials has become one of the standing jokes of modernity. Much more at variance with Weber has been the widespread claim that, in practice, bureaucracy is a drastically *inefficient* means of administration. Rather than being grindingly efficient, bureaucracies (in the public sector above all) have been depicted as chronically inefficient. Above all, neo-liberal or 'New Right' critics have insisted that bureaucracies are almost universally *less* efficient as a means of administration than are markets. Bureaucrats are seen as rent-seekers who exploit the monopoly of provision by the state to extract greater material rewards for themselves from a system which tax-paying citizens cannot escape. This view has now spread well beyond the New Right to become a part of the new governing common sense of the twenty-first century, often classified under the label of the 'new public management'. Bureaucracy is very far from disappearing. Indeed, a whole new breed of bureaucracies has been established to manage the new surveillance practices that new public management creates. Nonetheless, there have been enormous changes in the ways in which public services are delivered (and we shall consider these further in Chapter 7).

Authority and legitimacy

Issues of authority and legitimacy are quite central to the appraisal of the modern state. No state can survive for very long exclusively through its power to coerce. Even where power is most unequally distributed and the possibilities for coercion are at their greatest – for example, in a prisoner-of-war camp – the subordinated can always exercise *some* level of non-compliance, and, across time, the maintenance of social order is 'negotiated'. How much more is this the case for a state governing many millions of subjects in a comparatively open society? A stable state requires that, for whatever reason, most of the people most of the time will accept its rule.

At this point, it may be useful to turn again to Weber. In *Economy and Society*, he offers the following definitions:

> **Domination** (or **'authority'**) is the probability that a command with a given specific content will be obeyed by a group of persons.
>
> **Legitimacy** describes 'the prestige of being considered binding'.
>
> **Legitimate authority** describes an authority which is obeyed, at least in part,

> 'because it is in some appreciable way regarded by the [subordinate] actor as in some way obligatory or exemplary for him'.
>
> (Weber 1978a: 53, 31)

Authority and legitimacy imply that, under normal circumstances and for most people, the actions of the state and its demands upon its population will be accepted or, at least, not actively resisted. Without *some* level of legitimacy, it is hard to see that any state could be sustained, and consequently a great deal of work goes into defending the state's claim to exercise not just effective power, but also legitimate authority.

Virtually all states have sought to make their rule appear legitimate. Sometimes the appeal has been to tradition (to a 'natural' order which is said to have governed since time immemorial and/or to have been ordained by God) or to the charismatic qualities of a particular leader (or indeed to both). But what is most characteristic of the modern state is not just the greater weight given to *legal* authority – to the state's embodiment of abstract legal principles enforced through an impartial bureaucratic and judicial apparatus – but, above all, to the idea that the state embodies and expresses the (sovereign) will of the people. In Weber's interpretation, legal authority rests 'on a belief in the legality of enacted rules and the right of those elevated to authority under such rules to issue commands' (Weber 1978a: 2, 15). Within such an account, citizens are seen to attribute legitimacy to the modern state on the grounds that it is the appropriate embodiment of 'a consistent system of abstract laws' impartially administered by a rule-governed and non-partisan civil service.

Roughly speaking, we can isolate two types of question about legitimate authority. First, there is the question that has dominated much of classical and contemporary political theory: i.e. under what circumstances can the state's actions be considered 'valid'?, and, consequently, under what circumstances should the citizenry obey or, indeed, be made to obey? A second set of questions is more empirical: Why has the state sought to present its actions as legitimate? How do states uphold their claim to legitimacy? Why do people obey?

Since the question of political obligation has been a major problem – in some accounts, *the* major problem for political theorists of the past four centuries (at least) – and since this is not a text in political philosophy, I can give only the briefest indication of where the difficulties lie. Although the problem is older than modernity, it is posed in a peculiarly acute way in the modern period. There was a time when legitimacy might derive from religious authority or simply the custom and practice of a long-established order. In the post-Enlightenment world, these forms of legitimacy are, at least in principle, very largely rejected (though the attempt to re-establish theocratic states in our own time perhaps challenges this assumption). It seems that the justification of the modern state has normally to be rational and perhaps legal-rational in character. It has also tended, in the West at least, to proceed from certain beliefs about the integrity and autonomy of the human individual. At its simplest, the issue is this: What are the grounds that would justify an agency (such as the state) forcing individuals to do things which they do not wish to do? Of course, one perfectly respectable response (that of most anarchists) is that

there are *no* circumstances under which such an imposition could be justified and that, consequently, the state is *never* legitimate. Among those who reject anarchy, probably the most popular response has been to argue that the state is legitimate to the extent that it expresses the authentic will of its population. Thus, the state is not a usurpation of the freedom and autonomy of individuals where it is simply the (collective) representation of our individual wills. In obeying the state, we are simply obeying the dictates of our *own* wills vicariously expressed.

Of course, this rather vulgar formulation hardly does justice to four hundred years of accumulated political wisdom! It raises many more questions than it could possibly answer (not least about how our individual wills may be aggregated and how consent can be maintained across time) and it distracts from the fact that political thinkers have taken a radically different view of the sorts of political institutions to which such a supposition about the state might give rise. It does, however, help to point us towards a ubiquitous feature of arguments about the contemporary state: i.e. that the modern state is widely seen to be legitimate inasmuch as (but no more than) it represents 'the will of the people'. Of course, in *institutional* terms this carries us no further forward. Hobbes and Rousseau, for example, might be thought to justify the state on the basis of 'the will of the people', but to radically different effects. But we might wish to argue that there is here an underlying premise – that we should obey the state because it is an indirect or derived expression of our own wills – that straddles many disparate traditions in modern Western political thought.

We should be clear about what this means. It certainly does *not* mean that all modern states are 'truly' popular or democratic. Indeed, there is again a perfectly respectable view (held by many Marxists and anarchists among others) that *no* modern state is democratic. If democracy is defined as a political order in which all the people themselves rule and rule themselves directly, no contemporary state can qualify as democratic. We know, too, that many of the most authoritarian regimes of the twentieth century have claimed that their right to rule derived from their being an expression of the 'real' will of the people, without or even in defiance of the 'empirical' will of the population expressed through duly constituted electoral procedures. Military regimes across the globe, even those that have held power for many years, characteristically describe themselves as 'preparing the way for a restoration of democratic government'. The argument is not that states in modernity are genuinely an expression of the will of their peoples, but rather that it is perceived to be important that they should present themselves as such. Just as the thief, to take Weber's example, acknowledges the legitimacy of laws of property when he seeks to conceal his breach of them, so does the state acknowledge the validity of 'popular legitimacy' when, however disingenuously, it commends its own actions as an expression of the popular will.

As we turn to the question of the capacity of states to uphold their claim to exercise legitimate authority, we need further to distinguish two senses of legitimacy. For the most part, political theorists and philosophers have been concerned with establishing the conditions that would make the state's rule justified in terms of some more or less externally validated rational criteria. For actual states, it is much more important that they should be able to maintain the general population's belief

in the legitimacy of their claim to rule. Indeed, even this is to claim too much for the state's interest in legitimacy. For states, it will usually be enough that the great majority of the population do not actively regard the existing form of governance as illegitimate – and that they do not act collectively upon this premise. Consider the classification developed by Held:

> We may obey or comply [with the instructions of the state] because:
> 1 There is no choice in the matter (*following orders*, or *coercion*).
> 2 No thought has ever been given to it and we do it as it has always been done (*tradition*).
> 3 We cannot be bothered one way or another (*apathy*).
> 4 Although we do not like the situation . . . we cannot imagine things being really different and so we 'shrug our shoulders' and accept what seems like fate (*pragmatic acquiescence*).
> 5 We are dissatisfied with things as they are but nevertheless go along with them in order to secure an end; we acquiesce because it is in the long run to our advantage (*instrumental acceptance* or *conditional agreement/consent*).
> 6 In the circumstances before us . . . we conclude that it is 'right', correct', 'proper' for us as individuals or members of a collectivity: it is what we genuinely *should* or *ought to* do (*normative agreement*).
> 7 It is what in ideal circumstances . . . we would have agreed to do (*ideal normative agreement*).
>
> (Held 1989a: 101)

All of these constitute reasons for which subjects may obey the state. Only one is unambiguously related to the threat of force, but only a further two rely in any strong sense upon the view that the state's authority is legitimate. Citizens are busy people. They want to hold on to their jobs, to make love, to play football and to walk the dog (though not necessarily in that order and certainly not all at the same time). It is enough for the state that they should not spend their time thinking critically about the legitimacy of the state and making this the basis of coordinated political action (see Mann 1970). It may, of course, be in the state's interests to *encourage* this political indifference, as it always has, by supporting whatever is the contemporary equivalent of the Romans' 'bread and circuses' (perhaps sponsoring a National Lottery and a broadcasting regime dominated by 'reality TV').

This said, there is still a residuum of legitimacy which the state must seek to deliver, and, given the general scepticism that is expressed above, it is worth pointing out that many modern states do have some plausible claim to legitimacy. I have already indicated that there are perfectly respectable grounds for arguing that existing Western 'democracies' are not really democratic at all. Much more common, though, is the view that, while very imperfect, the sorts of institutions which we associate with Western liberal democracy – fixed-term elections, 'free' competition between parties, lawful opposition, constitutional arrangements for the scrutiny of government activity and so on – represent real, if rather limited, popular achievements. Democratic elite theorists, for example, argue that, while this is still

'government by elite', we the people do get to choose by which elite we should be governed and are, from time to time, constitutionally empowered to change our collective mind. They insist that, limited as it is, this is about the most democratic order we can hope to achieve in large-scale modern societies. Even those who believe that much more democracy is possible would probably concede that what we have so far is valuable, hard won and better than the absence of any constitutional constraint upon the activity of the state.

Democracy is a very powerful ideology in contemporary societies. Indeed, some might suppose that in a 'post-ideological' world it is the one ideology that remains. Certainly, in many contexts other than the state, we are as individuals willing to accept decisions that go against our own personal will and judgement, if we feel that such decisions have been made by an appropriate community to which we belong with due freedom of discussion and information and through properly constituted democratic procedures. Acquiescence with the state is an amalgam of indifference, deference, fear, instrumentality and active consent. For all the inadequacies of liberal democracy, we should not underestimate the extent to which citizens, when they *do* think about the legitimacy of the state's actions (usually in a rather piecemeal way), accept that democratic procedures do give the state some authority to act as it wishes and do place us under some (albeit limited) obligation to obey. But we should remember that states are typically very jealous of their monopoly over the means of violence and no state relies exclusively upon its power to persuade. The characteristic form of state action, as the Italian Marxist Antonio Gramsci (1891–1937) observed, is 'consent backed by coercion' (see below, pp. 60–3).

Citizenship

Citizenship is one of the oldest terms of political discourse, probably as old as the idea of the political community itself. In essence, the citizen is one who is entitled to participate in the life of the political community. Citizen status in the modern world typically denotes a mixture of entitlements or rights of participation and a series of attendant obligations or duties. In Held's helpful summary: 'Citizenship is a status which, in principle, bestows upon individuals equal rights and duties, liberties and constraints, powers and responsibilities [within] the political community' (Held l995: 66). Although the claims of citizenship first articulated in the city-states of the ancient world never quite went away, they burst onto centre stage in the modern world with the events surrounding the French Revolution of 1789. Revolutionary discourse was replete with appeals to citizenship and to the rights of the citizen. This republican approach to state and citizenship is neatly caught by Rousseau:

> The public person . . . formed by the union of all other persons was once called the city, and is now known as the *republic* or the *body politic*. In its passive role it is called the *state*, when it plays an active role it is the *sovereign*, and when it is compared to others of its own kind, it is a *power*. Those who are associated in it take collectively the name of a *people*, and call themselves individually *citizens*, in

> so far as they share in sovereign power, and *subjects*, in so far as they put themselves under the laws of the state.
>
> (Rousseau 1968: 61–2)

This captures the important sense in which modern claims of citizenship concern the transference of sovereignty. According to Turner (1990: 211), 'the transfer of sovereignty from the body of the king to the body politic of citizens is . . . a major turning point in the history of western democracies.' It suggests that, even, perhaps above all, in the revolutionary tradition, the entitlements of citizenship are complemented by the duty of the subject to obey the sovereign will. It also points to the association between an expanded citizenship and the shared identity of 'a people'. In Turner's usage, there are 'two parallel movements' in which 'a *state* is transformed into a *nation* at the same time that *subjects* are transformed into *citizens*' (Turner 1990: 208). Finally, the French revolutionary tradition makes clear that citizenship is a status which is (at least implicitly) *universal*. Thus we have an image of citizenship as empowering, universalistic, rights-based and tied to both democratization and an increasingly active role for the *nation-state*.

Citizenship has certainly been a key term in constituting the relationship of the state to its subject-members, but not always in just the ways that its more uncritical admirers have supposed. Thus, for example, the 'universalism' and 'participation' identified with citizenship have been extremely ambivalent. First, citizenship rights are not universal in the sense of 'natural rights' or 'human rights', which are often described as holding good at all times and in all circumstances, placing a general obligation upon those who are capable of satisfying them. Citizenship is normally acquired by the accident of one's place of birth and/or one's parents' citizenship. Not everyone residing within a given state's territory or under its jurisdiction will enjoy the status of a full citizen. Citizenship rights apply only to those who are fortunate enough to enjoy the status of citizen and can generally be redeemed only by the particular state to which such citizenship applies. In the mundane political world, disputes about citizenship have often been about the means of acquiring or the procedures for exclusion from this full citizen status and its attendant rights. At the same time, while citizens' rights imply an entitlement to some form of provision or restraint by the state, they are generally subject to interpretation or even revocation by state authorities. It is often an agency of the state which must decide to whom citizenship is to be attached and what substantively citizenship rights require. Citizenship is also seen to be 'exclusive' in at least two further senses. First, various categories of persons may be *formally* excluded from the status of citizen. This was for centuries the experience of women, to whom rights of citizenship (the right to enter into various forms of contract, to vote, to receive welfare benefits) were almost always granted some considerable time after men. Such formal exclusion remains important (especially for immigrant populations, émigré workers, political refugees and so on). But as formal equality has advanced, so have *substantive* differences of citizenship become more important. This, for example, is at the heart of feminist critiques of existing forms of citizenship (e.g. see Pateman 1988a; Phillips 1993; Lister 1993). Men and women may enjoy the same *formal* rights of access to the

political process, but *actual* patterns of social organization – different working lives, provision of child care, the division of domestic labour – mean that men have *systematically* privileged access to the exercise of their citizenship rights. Existing evocations of citizenship are inadequate because of the particular way in which they conceive of the relationship between public life (the domain of citizenship) and the private sphere (which is conceived as politically 'off limits'). Citizenship helps to generate a distinctively modern conception of 'the public', but it is a public from which certain voices – defined by gender, ethnicity, sexual orientation or whatever – tend to be excluded.

Finally, since our concern is principally with the relationship of citizenship to the state, it is imperative to record that the strengthening of principles of citizenship may actually furnish *greater* powers to the state. This is not just because an extension of welfare citizenship, for example, puts enormous resources into the hands of the state, enabling it to control the basic life chances of many millions of its subjects. It is also that the rights of citizenship have been powerfully complemented by the *obligations* of citizenship. This was clear in the revolutionary tradition, where the invocation of the state's will as an expression of the collective will of all the citizens was seen to place a mighty obligation upon individual citizens to carry through the will of the state. Therborn (1977) has traced the association between the extension of political citizenship and conscription into the armed forces. Some strands of citizenship thinking – e.g. French republicanism or Soviet constitutional theory – show a strong sense that citizenship entails sometimes onerous duties (including compulsory military service) as well as rights. Citizenship is a double-sided process. In principle, its extension may empower individuals over and against the state. But, at the same time, it implies a strengthening of the authority and the obligation of the state's rule (now presented as the expression of the collective will of all the citizens). Many of these issues are developed in rather more detail in Chapter 5.

Taxation

Taxation is mentioned but little discussed in Weber's account of the modern state. Yet the modern state as Weber describes it could not have existed without substantial and regular tax revenues. Indeed, the apparatus it requires, the relationship between tax-state and tax-subject it defines, and the sheer resources it generates make the consideration of taxation essential to any explanation of the modern state. We can begin from Braun's definition: 'taxes are regularly paid compulsory levies on private units to produce revenues to be spent for public purposes' (Braun 1975: 244). Of course, the extraction of resources from 'private units' is very ancient. The church tithe, for example, under which parishioners would pay a tenth of their 'income' to the clergy, long pre-dates the modern state, and, of course, the ancient and medieval world is full of stories of pillage, piracy and extortion. What distinguished these early forms of extraction was that they were occasional, sometimes quite random and often justified by little more than brute force or 'the right of conquest'. Before the eighteenth century, so Mann avers, tax collection was an 'expedient in times of emergency and even an abuse which as soon as possible

should be replaced by income from public property, particularly domains, and by voluntary contribution' (Mann 1943: 225). Yet, the regime of the 'modern tax state', as Schumpeter (1954) calls it, carries all the hallmarks of Weber's modern state. It is systematic, continuous, legal–rational, extensive, regularized and bureaucratized.

For some commentators, such distinctively modern forms of well-regulated resource extraction become possible only with the emergence of a commercial market- or exchange-based economy. In earlier times, 'tax-farming', under which a ruler would sell off or award to a subaltern the right to make an income by extracting what resources he could from the local populace, had been common. Concealment or hoarding were equally common forms of resistance to this exaction. In the modern period, however, we move towards taxation uniformly applied by the state through officials who are responsible for collection, but whose income is not dependent upon these revenues. Modern accounting and banking procedures expose economic activity to state surveillance and expropriation (creating, in turn, the market for offshore tax havens and clever accountants). Indeed, as Giddens argues, the assessment and collection of taxation liabilities is one of the ways in which the state extends its penetrative surveillance of society (Giddens 1985: 157–9).

In some accounts, taxation (and the apparatus required to collect it) is one of the most basic constituents of the modern state, helping to mark if off from its 'feudal' predecessor. According to Schumpeter, 'without financial need the immediate case for the creation of the modern state would have been absent' (Schumpeter 1954: 24–5). This imperative is especially clear in the work of Tilly. In essence, Tilly's view of the development of the modern European state was this: 'War made the state, and the state made war.' Making war meant raising taxes.

> The building of an effective military machine imposed a heavy burden on the population involved: taxes, conscription, requisitions and more. The very act of building it – when it worked – produced arrangements which could deliver resources to the government for other purposes. . . . Thus almost all the major European taxes began as 'extraordinary levies' earmarked for particular wars, and became routine sources of governmental revenue.
>
> (Tilly 1975: 42)

None of the ambitions of state-makers could be realized without *extraction*, that is 'drawing from its subject population the means of statemaking, warmaking and protection' (Tilly 1990: 96). To simplify a complex historical story, we have a pattern something like the following. Proto-states make war. War is costly and requires a systematic and continuous process of extraction of resources. For the successful states, the process of extraction requires a larger state apparatus. The larger state apparatus requires more resources and thus a higher tax revenue and so on. Of course, royal courts could be very extravagant. Mann records that James I spent £15,593 on a bed for the infant Queen Anne! (Mann 1986: 458). But however profligate was the personal expenditure of kings and queens, these costs were generally dwarfed by the expenses of military activity. According to Tilly, 'the formation of standing armies provided the largest single incentive to extraction and

the largest single means of state coercion over the long run of European statemaking' (Tilly 1975: 73).

As important as the sheer rise in revenue demands was the transformation of public indebtedness. Wars meant not just increased costs to be met in the present but also an increase in the public debt, and this had to be serviced by taxation payments outside times of active war-making. Mann observes that it was 'under Henry VIII that one important and permanent development occurred: Peacetime taxation' (Mann 1986: 57).

Upon Tilly and Mann's accounts, the development of the modern tax-state is full of unintended consequences. It was not that anyone wished to create a large fiscal state and extractive apparatus. It was rather a necessary by-product of the state's warlike ambitions. Once established, 'emergency' taxes proved increasingly difficult to remove. (In Britain, income tax started life as a temporary wartime expedient.) Once established, the public debt changed its character (so that by the mid-twentieth century it was seen as an instrument of governments' macroeconomic strategy). The state used taxation not just to raise revenue but also to encourage/discourage various forms of behaviour (imposing duties on alcohol and tobacco, offering tax relief for preferred family forms and so on).

Again, while the origins of modern taxation regimes may lie in the changing requirements of military activity, there is also some agreement that the pattern of public expenditure shifted in the later nineteenth and twentieth centuries. Despite the colossal costs of warfare in the twentieth century, and the extraordinary impact that the sheer costs of war have had in shaping the world since 1945, we can observe an underlying process of 'civilianization' in the changing balance of public expenditures over the last hundred years (Tilly 1990: 122–3). For most of the eighteenth century, military expenditure accounted for much more than half of all state expenditure in Britain. By 2000, this figure has fallen below 3 per cent (SIPRI 2002). At the same time, however impressive was the growth of state funding in earlier centuries (starting from an extremely low base), in volume terms this has been dwarfed by developments of the last hundred years. The tax take rose dramatically in the twentieth century from less than 10 per cent in 1890 to something more than 40 per cent by the 1980s (Peacock and Wiseman 1961: 42–3; *The Economist* 337 (1995), 7943) and there has been a transformation in the disbursement of these public funds. Of these changes, as we shall see in Chapter 2, the most remarkable has been the extraordinary growth of social expenditure – one of the most profound, if under-reported, developments of the twentieth century.

Of course, this wholesale transformation in the public finances has had a profound political impact not only upon the state, but also upon its subjects (as well as upon other potential political actors). Few people enjoy paying taxes – 'to tax and to please', so Edmund Burke (1729–97) argued, 'is not given to men' – and resistance against extraction is very ancient (Burke 1909). History before the rise of the modern state is littered with 'tax revolts' and 'peasants' rebellions' against unreasonable forms and levels of taxation. With the rise of the modern state, both the imposition of and the resentment against taxation became more systematic. While both Tilly and Mann, for example, argue that the militarization of the state was

essentially turned *outwards* towards other states, the requirement to raise revenue certainly encouraged a more active policing of the *internal* order of nascent states. Control – military, judicial, civil and fiscal – was a commonplace of the modern tax-state. But, as in other areas of its activity, the modern state could not normally hope to extract resources by force alone, not least because the costs of compliance might make such a regime counter-productive. There was thus an increasing incentive to make the state's taxation regime appear *legitimate*. At the same time, we find a long-standing movement among those who bore the burden of taxation to gain some control over those who extracted their resources. To a certain extent at least, the story of the (partial) democratization of the modern state between the eighteenth and twentieth centuries can be understood in terms of the American rebels' famous insistence upon 'no taxation without representation'. For both rulers and ruled, it seemed that taxation might be more bearable if, at least formally, it could be construed as 'chosen by the people'.

Taxation is still a touchstone of the politics of the modern state. In Britain, the longest-serving prime minister of the twentieth century was brought down, at least in part, by her insistence upon reviving a premodern form of taxation – the poll tax (Butler *et al*. 1994). Modern British general elections are sometimes supposed to be won and lost on the basis of the projected headline rate of income tax. It is also widely argued that recent years have seen the growth of an increasing 'tax resistance' among democratic publics who feel themselves overburdened by a massive state apparatus. Certainly, the transformation of taxation (who pays and who benefits) helped to shape the grand contours of the politics of the second half of the twentieth century. Just as important, though a little less remarked upon, are the political constraints imposed by public indebtedness. Those who service the government's debt – and who may, unlike the general citizenry, decline to continue to do so – are in an extremely powerful position to establish the acceptable limits of the state's activity. It is the power that the servicing of the public debt places in the hands of fund-holders, banks and 'the markets' (rather than some 'bankers' ramp') which gives internationally mobile investors such a powerful lever upon the conduct of the state.

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NGOs, Civil Society and Social Reconstruction in Contemporary India[1]

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ABSTRACT

The decline or retreat of the state as well as the triumph of the market today is accompanied by increasing attention to Civil Society Organizations. There is a newfound expectation that NGOs or the 'third' sector is better placed as compared to the other stakeholders to provide leadership for social reconstruction in the developing world in particular. This article seeks to critically review the role of the NGO sector in India using empirical evidences collected from secondary sources. It argues that NGOs are not an alternative to the state and the public sector. NGO-ization is also neither a means to correct market failures. In spite of the relevance of this sector, we need to look for other viable alternatives.

Keywords: civil society, state, NGO-ization, development, participation

Introduction

Increasing concerns for social justice, inclusive growth and empowerment of the poor and marginalized, particularly in the wake of 'market globalism' in contemporary world, have paved the way for the rise and growth of Civil Society Organizations (CSOs). Civil society is considered to be a space for the enforcement and enhancement of social, economic and political justice. It is a healthy and necessary compliment to democracy. Interpretations of civil society, however, differ and contemporary social scientists seem to draw heavily on the liberal intellectual tradition to stress on 'civility' as the core of civil society. The notion of civility considers 'others as fellow citizens of equal dignity in their rights and obligations as members of civil society' (Shils, 1991: 12). According to Hall (1998: 33), the concept of civil society in more positive terms upholds voluntarism and freedom and offers individuals, irrespective of their creed, colour or culture an equal chance to create their own selves. According to Beteille (2001: 287),

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the core of civil society consists of the open and secular institutions that mediate between the citizens and the state in modern democratic societies. Kothari (1988) has equated civil society with non-state, non-government organizations even though the non-statist conception of civil society is argued to be weak in the Indian context. Notwithstanding differences of opinion about the nature and goal of civil society in the contemporary context, it may fairly be argued that autonomy of individuals, protection of individual rights, equal citizenship and access to decision-making apparatus and participatory framework are necessary conditions of civil society. State failure to guarantee these, argues Dhanagare (2001: 188), necessarily makes way for the entry of non-state associations and voluntary mobilizations. The salience of the NGO sector within civil society is understood from the fact that civil society needs a great variety of associations whose members have to relate to each other open-endedly, without exclusion on grounds of religion, gender and so forth (Saberwal, 2001: 193–4). If strong, vibrant and lively civil society is the foundation of modern open democratic polity, NGOs are the very live-force for the civil society. Civil society and NGOs seem to go together and one cannot exist without the other (Baviskar, 2001: 7). NGOs are considered to be a means of strengthening civil society and fostering good governance (Beddinton and Riddell, 1995). They are essential for the dissemination of new ideas and concepts with regards to social and economic development and fostering participation and democracy in order to improve civil society.

The concept of civil society as a space between the family, the market and the state, however, comprises of a plethora of groups of all sorts ranging from charities to advocacy groups. CSOs vary widely in membership and geographical coverage. They espouse all shades of causes and concerns (Nayar, 2008: 19). NGOs constitute an important component of civil society as they work in the space of civil society even though all CSOs are not NGOs (Ibid.: 28). NGOs have become a part of a new development paradigm or New World Order in today's world. NGOs and particularly International NGOs (INGOs) are a part of globalization, as enormous amount of development funds are being channelled or rechannelled through them during the past three decades. The new 'policy agenda' of civil society building and 'NGO-ization' also matches the neoliberal agenda of government roll back and decentralization. The rise of market, media and the middle class, particularly after economic liberalization in India, for instance, has provided stimulus to the growth of CSOs. Simultaneously, the emergence of a new paradigm of 'society-led development'

(Pieterse, 2001: 17) so as to compensate for the failures of the state as well as market-led growth has contributed to the great wave of 'NGO-ization' since 1980. NGOs are seen as vehicles of democratization as well as for providing goods and services in the Third World countries where governments lack capacity or resources to reach the poor or where markets are inaccessible to them. As the post-Cold War considerations led to the diminishing importance of development aid for strategic and military importance for the Western industrialized countries including the United States, the donor community found it better to channel development aid through NGOs under the New Policy Agenda (Wagona, 2002). Thus, in between 1970 and 1985, the total development aid distributed by international NGOs has increased ten fold and in 1992, international NGOs channelled over US$ 7.6 billion of aid to developing countries. It is worth mentioning here that since 1990s, the World Bank has not only encouraged member governments to work with NGOs on development projects, but has also increased its direct funding of such projects. As a result, approved World Bank projects in Third World countries involving NGOs in 1997 were found to be 84 per cent in South Asia, 61 per cent in Africa and 60 per cent in Latin America and the Caribbean (World Bank, 1997: 49). Several other international agencies including the United States Agency for International Development (USAID) and United Nations Development Program (UNDP) have increased their flow of fund through NGOs during the period (Wagona, 2002).

Simultaneously, with the onset of alternative development thinking, the focus of development has shifted to alternative agenda like human development, community development, sustainable development, capacity building et cetera. As NGOs plead for all these, it is quite commonplace to argue for the entry of this 'third sector'[2] for the 'enlargement of people's choices' as well as 'people-friendly' grassroots movement. The new development strategies perceive poor people including women as active agents of their own development and instead of a top-down, hegemonic character of development under both the capitalist and state socialist models, it calls for a bottom-up participatory approach like Participatory Rural Appraisal (PRA) – one where development 'experts' become 'facilitators' working with poor rather than directing them (Chambers, 1997; Munck, 1999). This is because development cannot be 'given' to the poor. It requires attention to local knowledge and accumulated wisdom, respectful partnership and participatory practice that will empower the poor so that they can define their own developmental problems, goals

and solutions (Freedman, 2000). NGOs are frequently identified with alternative and participatory development; but given the wide variety of NGOs and NGO practices, such claims need to be critically evaluated today. It would be interesting to review whether NGOs in India today really qualify for the distinctions, methods and goals they are supposed to perform or cherish. This article seeks to critically review the role of NGOs as CSOs in social reconstruction of our life today on the basis of certain real life experiences from India.

Concept and Nature of NGOs

A non-governmental organization (NGO) is normally defined as a non-profit, voluntary citizens' group that is organized on a local, national or international level. The World Bank has defined NGOs as 'private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development'. A World Bank Key Document, Working With NGOs goes on to say that:

> In wider usage, the term NGO can be applied to any non-profit organisation, which is independent from government. NGOs are typically value-based organisations that depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics. (World Bank: 1995: 29)

World bank has classified NGOs into two major types: Operational and Advocacy. Operational NGOs are concerned with design and implementation of development-related projects while Advocacy NGOs defend or promote a specific cause.

The distinguishing features of an NGO lie in its being autonomous, non-profit, relatively independent and self-propelled organization. These characteristics differentiate NGOs from both the state and the market and establish its claim of being the 'third sector'. Even though governments fund NGOs partially or completely, they maintain their non-government status by excluding government representatives from its membership. NGOs, however, differ from each other in terms of size, membership, funding, approaches, strategies and outcomes (Patel, 1998: 41). There are three axial institutional forms available in contemporary society. One is what Weber called the prebendal form,

based on personal 'feudal' relations, the other is the bureaucratic of government and the third is the corporatized form of the private corporations. NGOs come in all the three forms in India, although the recent trends are towards adopting corporate practices for non-profit objectives. A fourth type may be added to this list, which is a charismatic type, but I see it as a variant of the prebendal form. Hence, a generalized statement about NGOs is difficult and consequently scholars have attempted to classify NGOs differently (Baviskar, 2001: 5).

It is argued that NGOs are task-oriented and driven by people with a common interest. They perform a variety of service and humanitarian functions, conveying citizen's concerns to governments, advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health. *The World Social Forum*, for instance, is an international NGO that seeks to counter the ill effects of economic globalization while arguing for sustainable and equitable development. The vital role of NGOs (and other major groups) in sustainable development was recognized in Chapter 27 of Agenda 21, leading to intense relationship between the United Nations and the NGOs. While all voluntary actions are not political, some are in fact non-political in nature focusing on ethical norms or the defence of civil rights. At the other end of the spectrum are groups that take a more radical and often revolutionary stance. In spite of such wide differences, however, it is argued that they collectively present a challenge to the political and economic model that continues to inform the Indian State and its institutions (Kothari, 1998: 185). It would be interesting to see the extent to which NGOs in India qualify for such a distinction. This is more so in view of Beteille's (2000: 194–95) argument that NGOs are either conspicuous by their absence or overshadowed by the personalities of their creators in India.

One may, however, argue that the ethos of voluntarism is not new in the Indian context. It is rather woven into the very fabric of Indian social structure. According to Kothari (1998: 183), 'it is closely tied to the fundamental plural nature of our society'. We may trace them back to the efforts and ideologies of Buddha, Vivekananda, Gandhi, Tagore, Phule and Ambedkar. Organizations like Ramakrishna Mission, Bharat Sevashram Sangha, Jesuit Mission, Harijan Sevak Sangh, etc., have carried out relief and welfare activities relentlessly as first generation NGOs.[3] Later, a renewed interest in decentralized, participatory and local model of development has led to the growth of a sizeable number of NGOs in

India like many other parts of the world (See, NGOs India, 2008, for a list of state-wise registered NGOs in the country). Along with international efforts to provide fund for voluntary action,[4] the Government of India has equally begun welcoming NGO participation first in the Seventh Five Year Plan and later more openly in the Eighth Five Year Plan (1992–1997) and the fund allocated to such development with NGO participation increased incessantly after that.[5] The Council for Advancement of People's Action and Rural Technology (CAPART), the government body to fund grassroots NGOs, has sanctioned about Rs 330 crore to about 7,500 NGOs in the last nine years in addition to grants from other ministries.[6] As a result the number of NGOs, both registered and unregistered, in the country has increased to 1.5 million in 2008 (VANI, 2008).

Arguments for NGOs

It is not just coincidental that the decline or retreat of the state as well as the triumph of the market is accompanied by increasing attention to CSOs. This is rather based on a new found expectation that NGOs are better placed as compared to the state bureaucracy or private capitalists to provide leadership for social reconstruction of societies of the developing world particularly. As Baviskar (2001: 7) argues, 'the growing prominence of NGO in the field of development is strongly related to the declining legitimacy of the state. Increasingly, the state is looked upon with suspicion if not contempt. It is considered to be corrupt, oppressive and anti-poor. Least governance is seen as the sign of good governance'. Flaws in the functioning of government machinery (red-tapism, apathy, collusion with vested interest, deliberate delay in decision making or its implementation et cetera) have led many to see certain inherent value in voluntary movements. NGOs are favoured because they are supposed to facilitate 'participatory management', encourage local initiative, maintain link with grassroots, reach the poor effectively, promote popular participation, react to any calamity immediately, remain accountable and cost effective, emphasize sustainability, remain responsive and committed to the cause of people, perform with greater efficiency and dedication and the like. Apart from such advantages, voluntary actions also help to increase diversity of opportunity in society. By providing variety and autonomy in associational choice, they promote the formation of interest groups that can challenge monopolistic tendencies and the poor performances of state enterprises (Bebbington and Riddell, 1995: 56). From such a point of view, NGOs

do not just attempt to replace the state; they rather try to democratise and politicize the civil society more than any other institutions. Hence, the key justification for the expansion, growth and importance of NGOs seems to be 'their ability to be what the state is not and cannot be' (Zaidi, 2004: 191).

The upswing of a 'new form of voluntarism' as a catalyst of human liberation and genuine freedom has led to a redefinition of the concept of politics as 'multidimensional'. It now seeks to go beyond narrow political or economic demands and cover ecological, feminist and cultural aspects, including a sustained attack on any decay or degeneration (Kothari, 1998: 188). NGOs have engaged themselves in activities related to poverty eradication, removal of illiteracy, preventing human trafficking, domestic violence or child marriage, income and employment generation, tribal development, rural development and many other issues of social reconstruction in contemporary India. It can fairly be argued that there are some brilliant examples of NGOs playing the model role in social reconstruction in contemporary India. Let me now discuss, in brief, the success stories of some of the 'harbingers of silent revolution' (Sharma, 1992).

Some Success Stories

Let me begin by discussing the case of Self-Employed Women's Association (SEWA) of Ahmedabad (Bhatt, 1998: 146–61). SEWA had begun its journey as a trade union in 1972; but gradually it has been able to expand its activities and serve as a true representative of self-employed women in the unorganized sector. Today its membership has crossed 2.2 lakh and it has been able to come close to achieve two of its basic goals of full employment and self-reliance. SEWA now provides diverse opportunities to the families of its members including food security, income security and social security. In the initial years, SEWA attempted to collect loans for its members from nationalized banks; but faced with several difficulties to do so the organization under the leadership of Ila Bhatt formed SEWA Bank in 1973. Each of 4000 Seva members then paid Rs 10 as capital share. Initially, it acted as an intermediary to enable its depositors to secure loan from nationalized banks. But later on, SEWA Bank has begun advancing loan from its own fund. It has encouraged women to form groups in different localities and work as a team to cultivate the culture of continuous savings for withdrawal of loans for

domestic and productive needs. The Bank has charged interests between 12 per cent and 17.5 per cent per annum for loans taken for a maximum period of 36 months. It has simultaneously provided technical assistance to its members for the use of loan money and closely monitored progress. As a result, the Bank has achieved 96 per cent repayment rate leading to improved income, employment and access to social security for its members. In the 2002–2003 fiscal year, SEWA had a working capital of nearly 85 crores and its audit classification has been consistently 'A' grade. SEWA has successfully linked micro-finance movement with much needed support services like insurance, health care, child care, legal aid, and training to reduce women's vulnerability. This micro-finance movement has now become a model for others to follow and one can refer to some other successful experiences[7] of empowerment of poor and the needy through micro-finance.

The experience of Swadhyaya, an NGO started by Pandurang Shastri in 1958, depicts yet another success story of a socio-spiritual movement in organizing two million poor people and mainly *dalit*s and fisherman in Gujarat and Maharashtra (Shah et al., 1998: 57–73). It has propagated the concept of 'impersonal wealth' generated through collective efforts. It has organized collective projects such as fishing cooperatives, deepening of wells, collective farms and orchards on which members of neighbouring villages work with a spirit of harmony and brotherhood. Thus, the members of Swadhyaya Parivar could achieve the twin goals of social transformation and community development with one stroke. A notable feature of this movement was to uplift the 'transformers', the elites, as well as the 'transformed', the poor and the deprived. The elites as motivators and catalysts had to maintain discipline and spend a part of their wealth, talent and time for rural development. Many Swadhyayis have given up smoking, drinking and other harmful habits. Apart from spiritual activities, the organization also utilized science and technology for economic and social development of rural people. As a result of improved farming practices, better environment and sustainable resources, the Swadhyaya movement has gained popularity and crossed its geographical limitations by inspiring even people of other countries to initiate similar movements.

The case of Ralegan Siddhi, a drought-prone and liquor affected village of Ahmednagar District of Maharashtra is another interesting instance of social development through voluntary efforts (Awasthi, 1998; Baviskar, 2001). Anne Hazare, a retired army personnel, was

the leader of the movement. His selfless leadership and moral appeal mobilized the 2000 odd villagers. He formed a *Tarun Mondal Volunteers* to impress upon the villagers to utilise the government grants for rural development with free labour. The important point to be noted here is that people of Ralegan did not receive any external help except the usual government grants to develop them. Hazare used Gandhian tactics to impress upon those who opposed the move. He attempted to unite the villagers morally before undertaking any development effort. Villagers dig wells, construct check dams, plant trees and build hostels for students through voluntary contribution of physical labour. Apart from *shramdaan*, the village contributed Rs 30 for every 100 Rupees of government grants. One fourth of the surplus generated went to a village fund, from which other community schemes were implemented. As the guiding principal of economic development in Ralegan was 'growth with equity', special attention was paid to eradicate social discrimination. Thus, new houses were built for *dalits* in the centre of the village and they were also given loans and subsidies for swing machines, irrigation pumps, biogas plant, common toilet and children were provided with free textbooks, notebooks and uniform. Due to such collective efforts, people of Ralegan gradually experienced increased crop and milk production, poultry farming, development of watershed, availability of safe drinking water, opposition to alcoholism, abolition of dowry, increased status of women, removal of caste divisions and superstitions as well as a sustainable ecology. It was, therefore, declared as a 'model village' by the government of Maharashtra. Inspired by such outstanding performances, the government also persuaded Hazare to create 300 more 'Ralegan Siddhis' across the state. But, political competition and bureaucratic corruption belied the expectation of Hazare and his experience could not be replicated.

There are plenty of other successful NGOs in the country who have made their presence felt in the society through constructive social work (see, Awasthi et al., 1998, for some of such cases). Thus, the Aga Khan Rural Support Programmes (AKRSP) has achieved notable success in implementing a participatory watershed development project funded by the Government of India in 35 village of Bhavnagar district, Gujarat (Shah and Iyengar, 1998: 92–112). The organization has been able to complete a lift irrigation project and built a percolation tank very quickly in 1985 with a cost that was less than that of government's estimate. The success of AKRSP has put pressure on the government agencies to improve work standard when people started comparing the quality

of similar works. Again, the National Institute for Rural Integrated Development (NIRID) has persistently worked in the Sahyadri hills of Maharashtra to prevent deforestation and consequent soil erosion and slitting of riverbeds for twenty years (Patel, 1998: 113–29). By this, it has not only arrested environmental degradation in the affected area, the tribals could also be motivated to become self-reliant farmers, develop community assets, conserve water, generate income, regenerate natural resources, preserve forests and wild life and above all become active participants in the process of development. NIRID has even gone beyond its objectives to improve provisions of social services like education, health and family planning. It is unusual for NGOs to adapt to such challenging goals. Similarly, the Sumangali Seva Ashram (SSA) of Bangalore was set up in 1975 to provide shelter to women and children in need (Pulavarti, 1998: 130–45). From a modest beginning as a home for destitute, the SSA has today grown into a district-wide organization with extended facilities and wider scope of activities for the upliftment and empowerment of urban women and children. Again the Social Work and Research Centre (SWRC) of Tilonia at Ajmer District of Rajasthan has achieved the rare distinction of going for general scrutiny of its activities and fund through public meetings. Banker Roy of this organization has also initiated a move to formulate a code of conduct for voluntary organizations (Sethi, 1998a: 174–75). The experience of Women's Thrift Cooperatives (WTC) of Hyderabad in raising small and regular contribution from their members with one per cent interest per month and distribute loan with two per cent interest per month is equally interesting. Like SEWA, it has achieved excellent loan recovery rates due to group discipline since 1990. Nearly 33,000 members of 101 WTCs could collectively generate savings up to Rs 26 million by the end of 1998 (Baviskar, 2001: 6–7).

The contributions of many other small and big NGOs in India are conspicuous by their salience. Thus, to name only a few, organizations like Narmada Bachao Andolan, Centre for Science and Environment, Working Women's Forum, Society for the Promotion of Area Resource Centres, Lawyer's Collective, Kerala Sastra Sahitya Parishad, Bandhua Mukti Morcha, Shakti Vahini, Child In Need Institute, Sanlaap, Durbar Mahila Samanwaya Committee, Bhartiya Patita Udhar Samiti, Prerana, Bhoruka Public Welfare Trust, Tagore Society for Rural Development, Sachetna, Paschim Bangla Kheria-Sabar Kalyan Samiti, People's Union for Civil Liberties, Voluntary Action Network India, Society for Participatory Research in Asia etc., have quite successfully intervened in protecting

and preserving our environment, enlarging the rights of women and children, preventing the onus of illiteracy, trafficking and dowry and the like. It is worth mentioning here that Mazdoor Kishan Shakti Sanghthan, an NGO in a Rajasthan village, had started a campaign for right to information in 1990 and it is one of the pioneers of RTI movement in the country. The success of the Association of Voluntary Agencies For Rural Development – North East in organizing the people of Majuli island in Assam to fight corruption by contractors in anti-erosion work had ironically led to the kidnapping and killing of its secretary Sanjoy Ghosh. Ajailiu Niumai's (2006) illuminating field research on the role and functioning of five NGOs in Tamei sub-division of Tamenglong district, Manipur also proves that local community sees NGOs as an important agent of social change. These NGOs have been working among the marginalized rural people for more than two decades on issues related to rural socio-economic life and culture.

These examples should not, however, lead one to conclude that the NGO sector, as a whole, has no problem. Irrespective of the achievements of a number of NGOs in India, there are vast areas of darkness, shortcomings and failures. Niumai (Ibid.: 235) herself has recognized that two of the five NGOs she studied were found to be 'more accountable to the government and foreign funding agencies than to the local community and beneficiaries'. It is important to evaluate the nature of NGO sector as a whole, rather than look at certain successful or failed NGO projects. Because of heterogeneity and complexity of this sector, we should be careful in making generalization by looking into some individual cases (Kaimowitz, 1993: 1139). But ironically the dominant thrust of the literature on NGO is either to praise or to malign them. Let me now discuss the failures of NGOs in brief to arrive at a balanced conclusion.

Arguments Against NGOs

The fact that NGO movement has not been able to become a true alternative to the state or private sector is increasingly being recognized in different quarters. While it is logical to argue that in a democratic society the state should not be asked to do everything, it is equally true that NGOs should have their own limitations. NGO advocacy often fails to grasp the fact that 'if every soil is not equally conducive to the growth of open and secular institutions, it is not equally conducive to the growth of civil associations' (Beteille, 2001: 299–300). In spite of very high credible

achievements of many NGOs in India in the fields of health, education, childcare and so on, 'the question of what they contribute to the creation of civil society, and in what way, still remains open' (Ibid.: 303–04).

Like the state, NGOs, barring a few exceptions, 'have failed at making a substantial impact upon the perceived beneficiaries they were expected to benefit' (Zaidi, 2004: 191). The reasons for the failure of a large number of NGOs to come up to the desired level of expectation are numerous. The major argument against many NGOs is: they are the creation of funding agencies and hence 'their entire existence, not merely dependency, is on donor money, almost always from above' (Ibid.: 192). Being a 'favoured child' (Edwards and Hulme, 1996: 961) of western donors, they are capable of exerting pressure on national governments with enormous power in terms of money, technology, cyber strength and knowledge. Hence, they are argued to be the 'handmaidens of global imperialism' (Karat, 1984). A UN sponsored publication has warned about the 'potential (of INGOs) to undermine the sovereignty of constitutional democracies' (Bendell, 2006: x). The publication has also documented that 'in countries newly independent of the Soviet Union, and in Russia, the NGOs are often perceived as covers for organized crimes, in Bangladesh and Pakistan, NGOs are sometimes seen as fronts for fundamentalist causes and in Central Asia they can serve as platform for failed politicians' (Ibid.: xii). Ghosh (2003: 237) has noted that tribal insurgents in the Northeastern Indian state of Tripura have utilized foreign donations send to Baptist church for ethnic mobilization and insurgent activities. There are nearly 40,000 INGOs in the world today and some of them have annual budgets worth billions of dollars. The estimated total receipts of NGOs in India during 1999–2000 were Rs 17,922 crore and it has increased several times since then (PRIA, 2002). It should, however, be recognized that donor dependency varies from country to country. According to a survey conducted by the Society for Participatory Research in Asia (PRIA) in 2002, grants and donations (from domestic and foreign sources) constitute two-fifth (41.9 per cent) of total receipts of NGOs in the country. Interestingly, the survey has revealed that only 7.4 per cent of total receipts of NGOs are foreign funds.

Yet, the philanthropic funding of NGOs in India from the rich countries of Europe and North America appear to be devoid of the civic virtues of mutuality, rationality and collective interests as 'support flows more easily into temples than into universities, libraries or laboratories'[8] (Beteille, 2001: 306). It appears from Table 1 that due to the 'spending spree'

Table 1.
Trends of Foreign Funding to Indian Voluntary Associations, 1996–2006

Year	No. of registered associations as on 31st March of financial year	No. of reporting associations	Amount of foreign contribution (Rs/Crores)
1996–1997	17,723	12,136	2571.69
1997–1998	18,489	12,198	2864.51
1998–1999	19,834	13,775	3402.90
1999–2000	21,244	13,986	3924.63
2000–2001	22,924	14,598	4535.23
2001–2002	24,563	15,598	4870.52
2002–2003	26,404	16,590	5046.51
2003–2004	28,351	17,145	5105.46
2004–2005	30,321	18,540	6256.68
2005–2006	32,144	18,570	7877.57

Source: Ministry of Home Affairs, Government of India, 2006.

initiated mostly by foreign donor agencies in liberalized India, thousands of NGOs are just formed within the last one-decade or so and the amount of contributions received by them has propelled equally. Several retired government official, politicians and people with vested interests have formed NGOs or GONGOs (Government-Operated NGOs). This extraordinary mushrooming hardly enhances the ideology of civil society activism as NGOs now are formed 'to compromise with donor's likes and dislikes and even to fudge data to suit the clients needs' (Zaidi, 2004: 193). It is unfortunate to learn that many of the new generation of Project NGOs create hypothetical beneficiaries say, AIDS patient, for meeting targets within a stipulated period. A World Bank study has acknowledged that in 57 per cent cases, NGOs have worked like 'technical transfer agents' (Bebbington and Farrington, 1993). Valid questions are necessarily raised about the capacity of such NGOs to spread either civic virtues of mutuality and self-reliance (Beteille, 2001: 303), or to represent the views of vulnerable social groups (Baviskar, 2001: 12).

The patron-client relationship emerging out of such a model of development raises numerous questions about the accountability and legitimacy of NGO activity. A 'puppet' NGO, in spite of its best records, is bound to betray the very spirit of civil society activism and replace accountability by accountancy (Edwards and Hulme, 1996: 968). This also reduces NGOs to the position of mere 'sub-contractors' who have to rely to external agencies including the government for launching and managing a project and shift from one problem to the next depending on fund

availability and donors choice. It has also been argued that donors choose to spend their money in different areas from those in which most NGOs function (Farouk, 2002). Table 2 provides a glimpse of the purposes for which foreign fund was made available to Indian NGOs, mainly religious organizations, during 2003–2006. The table also makes it clear that there is lack of consistency in foreign contributions to different schemes. The issue of external funding also gives the state a convenient leverage over NGOs and there are instances of government threatening NGOs for supporting anti-communal campaign during elections (Baviskar, 2001: 12). This implies that donors including government policies dictate NGO agenda or even their existence. To what extent then NGOs are autonomous institutions? In other words, the much acclaimed autonomy of NGOs is relative and not absolute. When NGO activism is reduced to only time-bound or project-specific 'development', it only results in mechanistic implementation of any top-down decisions on temporary basis. NGOs are expected to fulfil physical and financial targets within stipulated period.

Table 2.
Receipt of Foreign Contribution by NGOs towards Top Fifteen Purposes, 2003–2006

Sl. no	Purpose	2005–2006	2004–2005	2003–2004
1	Relief/rehabilitation of victims of natural Calamities	875.67	655.65	162.66
2	Establishment expenses	679.46	948.20	639.31
3	Rural development	475.18	582.49	494.64
4	Welfare of children	323.62	303.20	221.38
5	Construction/running of hospital/dispensary/ clinic	215.47	182.69	173.58
6	Welfare of the orphans	187.19	189.37	164.56
7	Construction and maintenance of school/college	183.51	295.94	221.63
8	Grant of stipend/scholarship/assistance in cash and kind to poor/deserving children	59.62	210.13	161.40
9	Holding of free medical/health/family welfare/ immunization camps	105.16	126.53	123.85
10	Awareness about AIDS/treatment and rehabilitation of person affected by AIDS	101.26	88.42	181.58
11	Research	93.13	116.71	117.17
12	Non-formal education projects/coaching classes	85.21	92.84	71.22
13	Construction and running of hostel for poor students	85.07	113.36	130.24
14	Welfare/empowerment of women	82.58	100.38	97.51
15	Maintenance of priests/preachers/other religious functionaries	81.18	100.90	80.76

Source: Ministry of Home Affairs, Government of India, 2006.

The pressure to reach the magic figures quickly often leads to sacrificing quality of the output. If an NGO or a group of NGOs seek to continue spreading awareness among say, prostitutes, even after ten years of continuous campaign, doubts about earlier credentials are validly raised. Contrarily, the success stories that I have cited earlier typically remind us about the need of people centric and community based approach to lay the foundation of any long term and holistic development. But the new generation NGOs relying solely on external funding for their existence and expansion are far short of this goal.[9]

It appears that reliability and sustainability of NGO activities, the two distinguishing criteria for their success, are hardly fulfilled in many instances. This may also be due to the fact that a NGO totally relies on the quality of leadership provided by its founder member. As a result, NGOs often fail to maintain the zeal after the demise of its charismatic leader. Again, the very specific and local factors that led to the success of NGO activity in any region may not be replicable in a different region due to changes in socio-cultural and political aspects of life. Anne Hazare could not create another Ralegan Siddhi in Maharashtra in spite government support. Similarly, the Amul experience at Anand in Gujarat could not be replicated in any other part of the country even with the help of foreign funding (Baviskar, 2001: 9–10).

It has been argued that new generation of NGOs are more concerned with programme implementation than policy and political critique. This may be due to the fact that they now seek 'safe' and non-controversial issues including the delivery of government programmes for their existence. Becoming an extension of the government or donor agencies may lead to dependencies of various types including any forced compromise with ideology. If NGOs merely become an agency for 'non-party political work' for some, it may lead to growth of opportunism and corrupt practices. Even the political party sponsored NGOs today seek to play the 'safe game'. Unlike the NGOs of 1960s and 1970s in many parts of Latin America and Third World, who vigorously fought for curtailment of civic and political rights, the new *Project NGOs* hardly work to enhance the space for civil society.

Moreover, not all people working for NGOs are volunteers. Today the NGO sector provides enormous employment opportunities to young social scientists and to those who merely work as paid employee of an NGO, the 'service' is nothing more than an 'occupation' for a living. The PRIA survey (2002) had revealed that as many as 20 million people are

associated with the NGO sector in India and 15 per cent of them are paid staff. One should not expect these paid employees to be either committed to the goal of social reconstruction or even to the particular task on which a project is launched. In other words, the vocation of social welfare has now got transformed into an occupation of social work to suit individual interest. As Niumai argues (2006), whenever an NGO tries to expand and focus on the rights of its employees, it faces routinization and consequent decline of voluntarism. This also contributes to increasing doubts and disillusionment about the way NGOs utilize their fund. Hence, NGOs should not be romanticized as one of the most effective organizations in alleviating poverty and bringing social transformation in society. One should, therefore, not compare the policies and perspectives of Project NGOs with the idealistic notion of altruistic, value based, people centric or non-profit voluntarism. Since NGOs are being formed with the singular objective to trap and manage money that is flowing in the names of corporate responsibility, sustainable development, equitable growth or grassroots development. As a corollary, non-remunerative societal tasks do not attract their attention.[10]

Corruption in fund management is another major argument against NGOs.[11] They very often become defaulters for not submitting grants utilization certificates. It is only expected that in the contemporary world, market-driven NGOs would prefer to sacrifice their ideology for prudence. While commenting on the functioning of human rights NGOs, Baxi (2002: 12) has alleged that they cannot always be trusted in promoting human rights, as they have become market oriented. According to Giri (2006), NGOs are one-man show where the leaders behave like a tyrant. On the whole, many NGOs lack transparency, as they are not open to scrutiny by others. The leaders never disclose their balance sheet to the public or even to its employees[12] though they talk about the current and future programmes of the organization. The need for transparency in dealings, democratic accountability in transactions, and sensitivity to the concerns and aspirations of the people they serve has forced some to argue for a code of conduct for NGOs (Baviskar, 2001: 11).

It seems that NGOs often indulge in a double standard. Thus, on the one hand, they argue for transparency and democratic participation while criticizing the state/bureaucracy for their failure to do so. But, while discharging their duties, they themselves fail to observe such norms. It is worth mentioning here that authority structure of NGOs is highly idiosyncratic, paternalistic and authoritarian in nature and it is

almost difficult, if not impossible, to penetrate into that structure.[13] This is because, as Beteille (2001: 314) argues, NGOs in India are not able to escape the institution of kinship even though they are able to escape the influence of caste. The more cosy environment of the NGOs, particularly the smaller ones, makes them more indulgent towards the claims of family and kinship and they find it easy to accommodate the wife, the nephew and the daughter-in-law than the civil society. As a result of such 'nativization' of their staff (Sethi, 1998b: 413), the dictatorial patriarch of the organization often reduces research on NGOs to only routine exercise. I may add a point here in addition to Beteille's correct assertion. Thus, in case of West Bengal, a new found desire of Left political parties to form NGOs has added a new dimension to voluntary movement though the state is otherwise known for the rise of Left party hegemony in controlling public space since 1977. The Left is probably compelled to develop this desire (as against Karat's accusation of NGOs as agents of imperialism) due to the growing concern for civil society activism in Bengal to prevent human rights abuse and atrocities on people at large by the state forces. As a corollary, these NGOs are reduced to merely extension of political affiliation and support without any concern for 'voluntarism' or civil society issues. If NGO activities are influenced by family, kinship, religion or narrow party politicking, it would be doubtful to what extent they may fit into our imagined paradigm of alternative development!

The middle class background as well as life style of many of the NGO personalities has also come under serious attack. It is argued that these professionals have by now transformed CSOs into media focused protests or well published marches. In other words, even the 'politics of symbolism' of the NGO sector is now being surpassed by the 'politics of rituals' (Sethi, 1998 b: 411). The 'easy money' syndrome is also argued to have led to the growth of a new category of 'airport NGOs' – those who travel from one part of the world to the other to attend conferences, meetings – in the name of poor and grassroots activism (Chatterjee, 2001). In the context of serious questions regarding NGO credibility and accountability, it is more pertinent today to revise our understanding about 'what an NGO stands for', rather than 'what it is not' (non-governmental).

Conclusion

It appears that the NGO sector has the potential to stretch out to the needy, vulnerable and the poor with a kind of approach that is unique

and deserving. But many NGOs just do not qualify for such a distinction. As a corollary, the presence of millions of NGOs in the sphere of civil society has failed to meet our expectations. One also hardly expects the 'project culture' of innumerable NGOs to be rectified or controlled by any real sense of 'voluntarism'. Probably, the hype about NGOs is exaggerated and they are certainly not the panacea for all ills. One may, however, argue that there are serious inherent flaws in this model of development as NGOs are neither completely endogenous nor participatory. They also do not represent any real alternative to the state and the public sector. In recent times, the state is rather co-opting NGOs to regain supremacy. Today even the strong protagonists of market liberalism seek state protection, as global recession is more fatal than state control. NGOs are also not seen as a means to correct market failures. On the contrary, the more an NGO becomes successful in expanding its activities, the more it gets alienated from the people and becomes hierarchical. The 'iron law of oligarchy' therefore applies to big and 'successful' NGOs as well. This means that the success of any NGO should not be measured by looking into its size and scale. Similarly, the effectiveness of an NGO should not be judged on the basis of its 'accomplishment' in fetching foreign fund alone. NGO's capacity to contribute to the growth of civil society would rather get squeezed by such 'achievements'. It should be remembered here that the scope of NGO activism to provide support and relief to the millions of poor, subaltern and weaker sections of people in the world is limited. NGO-ization could hardly prevent growing disparities in income and opportunities of a vast section of masses in post-globalized India. In spite of the relevance of this sector, therefore, we need to look for other viable alternatives. Although, there are many pitfalls of state action or inaction, the alternative is certainly neither just privatization, nor NGO-ization. This realization has become truer in the context of market recession at the global scale and state's initiative to repair the loss in recent times. Hence, a strong, activist and welfare state (not a dominant/authoritarian state) that would serve as a facilitator of people's self-development in association with CSOs and Self-Help Groups (SHGs) offer a better alternative to the existing impasse on holistic and sustainable development. SHGs have greater potential to actualize the goals of alternative development and we need to link them up with CSOs, cooperatives and other market forces for wider networks and better competence. It should be kept in mind that there is neither any short cut nor any singular model of any real development, and any one claiming to do this either fools us or makes

a mockery of the whole process of development. It is high time that we become serious about agenda of alternative development and assign due responsibilities to genuine agencies.

NOTES

1. A draft of this article was presented in the proceedings of a UGC Sponsored National Seminar on 'Civil Society and Social Change' held at Arambag Girls College in between 25–26 September 2008. I am grateful to Prof. Aswani Ray and Prof. A.K. Mukhopadhyay for their comments and suggestions on the article. I am also indebted to Prof. M.N. Panini and Prof. P.N. Mukherji for their help in writing this article.
2. Several other terms like Independent Sector, Non-Profit Organizations, Voluntary Citizen's Group, Voluntary Development Organizations (VDOs), Community Based Organizations, Grassroots Organizations etc., are suggested to refer to NGOs.
3. Korten (1990: 115–27) has distinguished NGOs into three generations. Apart from the relief and welfare-based first generation NGOs, the second generation attended to small-scale, local development projects, and the third generation consisted of community organizations interested in building coalitions.
4. The inflow of foreign fund to NGOs has gone up from Rs 1,584 crores in 1992–1993 to Rs 4871.9 crores in 2001–2002. Notwithstanding the role of factors like depletion of Indian Rupee as against dollar and inflation during the period, the escalating volume of foreign funding is also a testimony to increased activities of nearly 23,000 registered societies in the country.
5. The Government of India has sanctioned Rs 200 crores in the Seventh Plan and 750 crores in the Eighth Plan for NGO funding. See, Patel (1998: 47).
6. For the 2008–2009 fiscal year, the CAPART's budget strength is Rs 74 crores for different developmental works.
7. The Grameen Bank in Bangladesh has achieved international recognition for its splendid performance.
8. It is interesting to note that majority of the recipients of foreign donations in India are religious organizations, both Christian and Hindu. According to Union Home Ministry, Rs 7,877.57 crore was received by way of foreign donations to various voluntary associations during 2005–2006, up from Rs 5,105.50 crore in 2003–2004. Tamil Nadu (Rs 1,610 crore), Delhi (1556 crore) and Andhra Pradesh (Rs 1,011 crore) were among the highest recipients. One would wonder why such donations are little for NGOs operating in poor states like Bihar or Orissa. The highest foreign donors were

Gospel Fellowship Trust USA (Rs 229 crore), Gospel for Asia (Rs 137 crore), Foundation Vincent E Ferrer, Spain (Rs 104.23 crore) and Christian Aid, UK (Rs 80.16 crore). The largest recipients were World Vision, Tamilnadu (Rs 256 crore), Caritas India, Delhi (Rs 193 crore), Rural Development Trust, Andhra Pradesh (Rs 127 crore), Churches Auxiliary for Social Action, Delhi (Rs 95.88 crore), Plan International Inc., Delhi (92.09 crore), Mata Amritanandmayi Math, Kerala (85.33 crore), Believers Church India, Kerala (78.62 crore), Sri Sathya Sai Central Trust, Andhra Pradesh (72.12 crore), Oxfam India Trust, Delhi (Rs 71.90 crore), Women Development Trust, Andhra Pradesh (Rs 68.53 crore), Bochasanwasi Akshar Purushotam Sanstha (Rs 62.31 crore) and Gospel For Asia, Kerala (Rs 58.29 crore). The amount of donations, however, varies from year to year depending on donor's choices (See, Govt. of India 2006).

9. The case of high profile Bangladeshi NGOs failing to stand by the sufferings of flood-affected people may be referred her. More than 2000 NGOs in Bangladesh received fund worth 211 crore US Dollars during the 2000–2001 fiscal year. But they were hardly seen in proving relief during the two successive floods that inundated 40 per cent of the country in 2007. See, for details, Rahman 2007.
10. The non-remunerative task of 'Service Providers' for the victims of domestic violence did not attract the attention of NGOs in West Bengal.
11. It was revealed through Public Interest Litigation before the Delhi High Court in 2000 that over 30,000 NGOs did not account for Rs 7,535 crore given to them by the government during the past several years (Baviskar, 2001: 13). Also, as per government record, 36,561 associations did not submit their statutory annual returns relating to receipt & utilization of foreign contributions in between 2003–2006 (http://mha.nic.in/fore.htm). Again, five NGOs from West Bengal were accused of misappropriating Rs 1.5 crore in central funds meant for the welfare of SCs and STs in 2001 (The Statesman, 2002: 5). The Rashtriya Mahila Kosh has blacklisted 220 NGOs since 31.3.2004 on corruption charges (see, rmk.nic.in/rmkngo.htm). Anil Singh of Voluntary Action Network India (VANI) has claimed that most of NGO funds do not reach the poor. He even argued that CAPART is corrupt and charges commission in return for sanctioning projects. See for details, Prasannan (1996: 31).
12. The employees often complain that the management cuts a portion of their salary shown in the budget as 'development fund'.
13. One of my ex-students working as the coordinator of an AIDS project had complained to me that she is merely reduced to a puppet by those who appointed her to look into the work.

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Market Liberalism, Marginalised Citizens and Countermovements in India

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ABSTRACT

How has neo-liberalism transformed the economic structure and policies of India? And what are the politico-economic implications of such policies for marginalised populations? Following Karl Polanyi's theory of "double movement", this paper argues that while market liberalism has helped India overcome the slow so-called "Hindu rate of growth", it has adversely affected the economic interests of the poor. It further argues that the expansion of the market (first movement) has led to various social dislocations in the lives of the poor. Such dislocations have generated several countermovements (second movement), which have found expressions not just in electoral politics but also in various grassroots movements. While it may be true that such countermovements have not always been successful in overturning the tide of neo-liberalism, they have certainly influenced the policy priorities of the state in favour of the poor and the marginalised in India.

KEYWORDS

Neo-liberalism; social welfare; social dislocation; Karl Polanyi; double movement; political mobilisation; India

Introduction

This paper seeks to understand the implications of neo-liberal economic policies for the poor and marginalised populations in Indian society. By "neo-liberalism", I mean "state pullback, increasing marketization, growing inequality between haves and have-nots, the 'self-responsibilization' of individuals and so on" (Allison & Piot, 2014, p. 3). Beginning in the 1970s, neo-liberalism came to be the hegemonic discourse of restructuring relations between the state and the market for capitalist accumulation. This model primarily

> entailed transferring domains of social life from the former to the latter: deregulation of markets; privatization of public firms, natural resources, and public utilities; and the withdrawal of the state from many areas of social provision. Overall, neo-liberalism called for "liberating" markets from state control and placing increasing realms of human action as well as natural resources under the direction of markets. (Levien, 2007, p. 123)

After Independence, India followed a state-directed planning model that generated slow economic growth. In order to hasten growth, the Indian state adopted neo-liberal policies and restructured its economy in the 1980s and particularly in 1991; this brought about significant transformations in its economic and societal structures. This paper takes Polanyi's

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theory of "double movement" as a reference point to explain these transformations. The central questions are: how have neo-liberal policies transformed the economic structures and policies of India? And, what are the politico-economic implications of such policies for the poor who previously relied on the significant welfare-oriented functions and services performed and provided by the postcolonial state?

Addressing these questions, the paper argues that while neo-liberal restructuring of the economy helped India overcome its slow economic growth, it adversely affected the economic interests of the poor and marginalised sections of populations. Polanyi (2001 [1944]) noted that the unregulated expansion of the market would conflict with the realistic self-protection of society, which would eventually give rise to a reactionary political movement. In a similar manner, the adverse effects of the neo-liberal regime on the poor and the marginalised have transformed their class character towards a greater propensity for collective mobilisation. Such expansions of the market, as well as the reactionary political mobilisations of the poor to protect their collective interest, continue. The paper concludes that while the longer-term outcomes of such mobilisations remain unclear, this collective action has often been effective in making governance inclusive and in influencing the state to expand the ambit of welfare rights and social justice to include the poor and marginalised.

Karl Polanyi and the Theory of Double Movement

Karl Polanyi's *The Great Transformation* (2001 [1944]) discusses the transformations that European civilisation experienced during its transition from the preindustrial period to the industrial period. Through his theory of "double movement" Polanyi (2001, p. 3) offers a powerful critique of the idea of "market liberalism". For Polanyi, there is no doubt that the "self-regulating market" has "produced an unheard-of material welfare" and wealth, but "19th and early 20th century attempts to 'dis-embed' the market from social control to create a 'self-regulating market' produced unprecedented social dislocations, result[ing] in widespread protective 'counter-movements' against the 'free market'" (Levien, 2007, p. 120).

According to Polanyi, commodification of land, labour and money is integral to the creation of a self-regulating market. These are "fictitious" commodities because "human beings and nature are either not produced at all (like land) or, if so, not for sale (like labour); strictly speaking they are not commodities at all, but the fiction of their being so produced was to become the organising principle of 19th-century society" (Dale, 2012, p. 6). While social and political structures became subordinated to market laws and logic, the role of the state became limited to that of a "night-watchman", or enforcer of market rules (Dale, 2012, p. 6). Given this, integrating the fate of fictitious commodities with that of market workings created countless uncertainties and tremendous social dislocations. The spread of industrialisation, urbanisation and marketisation resulted in involuntary displacement, the destruction of rural community life and the exploitation of labour. As a response to these dislocations, widespread societal demand in the form of resistance movements emerged to "re-embed" the market within social and political controls. Polanyi referred to this reciprocal dis-embedding and re-embedding of the market as "double movement".

Polanyi's "double movement" theory provided a radical critique of market liberalism and predicted its demise, but the revival of market fundamentalism and dismantling of state provisions since the 1980s have revived interest in Polanyi's theory. Hart and Hann (2009, p. 9) argue that Polanyi never denied the utility of markets; "what he condemned was

the elevation of the 'self-regulating market' to a position of dominance". This paper shows how India's free-market liberalism has increasingly commodified land, labour and capital; broken down protective measures previously provided by the welfare-oriented state; and created dislocations in the lives of the poor and marginalised populations. By "poor and marginalised", I refer primarily to those sections of the population that have hitherto been discriminated against economically, socially and culturally across religious, caste, gender and ethnic identities. Although this is a very heterogeneous category, with a diversity of interests and ideologies, I use it loosely to show, first, how their interests are adversely affected by policies of neo-liberalism and, second, how they have transcended their various identities to create disparate kinds of movements to resist market liberalism. In contrast to the orthodox Marxist tradition, Polanyi is unique in that he "provides a theory for understanding the composition and nature of a political coalition forged in relation to commodification rather than exploitation" (Levien, 2007, p. 120).

Although Polanyi's theory is useful in understanding the relationship between (active) society and the market (Parry, 2009, p. 175), he has been criticised for his linear and deterministic explanations and for not being able to imagine state-led capitalism. Scholars such as Ronaldo Munck have criticised the way "Polanyi conceptualizes the counter-movement as a semi-automatic process arising spontaneously in reaction to the depredations of the free market" (Dale, 2012, p. 10). Similarly, Levien (2007, p. 120) argues that Polanyi fails to explain "how a countermovement is organised; he does not develop the implications of organising a political project bringing together people affected in different ways by the market". Following Burawoy (2003), Levien (2007, p. 125) argues further that Polanyi has an "overly organic conception of society", in which he sees (civil) society as a transformative agent of resistance against market liberalism, and fails to recognise the Gramscian insight that civil society could also be a site of capitalist hegemony. Moreover, though Polanyi stressed that in (civil) society, "for a class to act as an effective historical agent it must stand for something more than its particular interests … and must persuade other classes that it represents the interests of society" (see Parry, 2009, p. 176), he failed to explain the "dynamic entanglements that class has with other axes of power, such as nationalism, ethnicity, religion, gender and caste" (Muenster & Struempell, 2014, p. 11). As Parry (2009, p. 176) rightly notes, class interests provide only a "limited explanation" of social transformation.

In today's India, the countermovements cannot be explained purely in "class" terms; they represent heterogeneous interests and "share not equivalent relationships to the means of production but variegated negative experiences with the manifold effects of market liberalization" and commodification (Levien, 2007, p. 122). As Polanyi perceptively noted, "a countermovement is not simply a response to economic changes, but to the social dislocations they create" (Levien, 2007, p. 123). Considering this, the paper discusses how the decline of state protectionism and increasing marketisation/commodification of land and labour has affected the lives of the heterogeneous group called the "poor", and how it has generated disparate kinds of movements to resist institutions and policies of neo-liberal capitalism. The major objective of these movements has been to socially re-embed the market to protect themselves from its ill-effects and to advance the social welfare and rights of the marginalised. Broadly, Polanyi's theory of double movement emphasises the "primacy of political agency" and provides a "forceful counter-hegemonic model to contest the depoliticization, atomization and commodification endemic to neo-liberal globalization" (Birchfield, 1999, p. 27).

The Postcolonial State, the Economy and the Poor

With independence from the British, India became a democratic republic. The Constitution, through the Fundamental Rights, guaranteed equality and liberty to all its citizens, and through the Directive Principles of State Policy directed the state to provide free and compulsory education for children; promote the educational and economic interests of the Scheduled Castes (SC), Scheduled Tribes (ST) and landless poor; and provide the poor with other basic welfare services. The leaders of the nationalist movement who enjoyed unquestioned legitimacy took on the leadership of the postcolonial state and promised welfare and "development" to the masses. This was famously epitomised in Nehru's speech on the "tryst with destiny". As Alam (2005, p. 3) has noted, postcolonial democracy in India began as a tryst between the elites and the masses where the "people living in poverty, illiteracy, lack of culture, absence of shelter, poor health, etc. were promised immediate relief and eventual solutions from such conditions" by the elites and, in return, the masses delegated to the elites the power to rule.

The emergence of a strong welfare-oriented postcolonial state ensured the provision of services such as social, economic, education and health services, and of other aspects of welfare and governance. Fuller and Harriss (2000, p. 3) argued that the Nehruvian state was designed to act as a "benevolent Leviathan" and chartered to serve the public interest by providing an extensive array of public goods and free social services. It is in this direction that the so-called "high-modernist" ideology of development was adopted – as a crucial legitimising principle for state intervention in a society affected by mass poverty and backwardness (Sahoo, 2013, p. 43).

According to Chatterjee (1997), the Nehruvian state took the form of a "developmental state", intervening in the economy, planning and guiding its growth, and actively promoting the welfare of the population. It essentially assumed the role of "protector" as well as "moderniser" and "liberator", and committed to the task of poverty reduction and human development (Nandy, 2002). The Indian state followed mixed economic policies through centralised five-year planning and "emphasised the import-substitution industrialisation (ISI) strategy based on heavy industry for India's economic development" (Shin, 2014a, p. 66). It remained a closed and highly regulated economy. While the Nehru-Mahalanobis model presupposed the relative autonomy of the state from privileged classes, the Indian state continued to be "captured by three interlocking groups: India's rich farmers (who blocked agrarian reform), its industrial bourgeoisie (business houses that took advantage of state induced scarcities and blocked competition and innovation), and the country's leading bureaucrats (many of whom earned large rental incomes from the 'permit-licence-quota Raj' built up around ISI, and almost all of whom enforced unproductive rent-seeking behaviour on smaller business and ordinary citizens)" (Corbridge, 2009, p. 309).

Given this nexus, the state believed that "infant industries, especially in high technology areas, required substantial state supported finance and protection from international trade until they matured into competitive entities" (Ganguly & Mukherji, 2011, pp. 63–64). Export-led industrialisation and international trade were not viewed as engines of growth. Attempts made by Indira Gandhi to liberalise the economy to overcome the financial crisis of 1966 were heavily opposed by the Left parties and the domestic private capital that had enjoyed state protectionism (Shin, 2014a, pp. 66–67). As a consequence, India experienced

very slow economic growth for almost three decades and its GDP grew at 3–4 per cent per annum, which was characterised by Raj Krishna as the "Hindu rate of growth".

According to Rodrik and Subramanian (2004, p. 3), "until 1991, India's policy makers followed misguided policies that closed the economy to international trade, erected inefficient industries under state guidance, riddled the private sector with extraordinarily cumbersome and detailed regulations, and suffocated private economic activity with controls and bureaucratic impediments". Between 1980 and 1990, although the GDP grew at 5 per cent per annum, the swelling oil import bill during the Gulf War, declining exports, and currency overvaluation caused a severe balance of payments crisis in India's economy. "By the early summer of 1991 India's fiscal deficit stood at nearly 9 per cent of GDP and the country had sufficient foreign currency reserves to finance only two weeks' worth of imports" (Corbridge, 2009, p. 312). This crisis situation of 1991 forced India to accept the neo-liberal conditions imposed by the World Bank and the International Monetary Fund (IMF). As Mukherji (2009, p. 100) has rightly argued, "financial crises were critical for the major policy shifts in India. They aided the convinced technocracy and the executive to overcome political opposition to policy change". As a result, India adopted neo-liberal policies in 1991 and opened its economy to the world market, which brought great transformations in the economic and political spheres.

Neo-liberal Reforms and the Great Transformations

According to Polanyi, market liberalism has both positive as well as negative implications. While it increases economic growth and generates wealth, it also leads to increasing commodification of land and labour, which results in various social dislocations. In this section, I discuss how market reform policies in India generated high economic growth and also led to the increasing commodification of land and labour.

Market reforms and economic growth

Although pro-business agendas and small-scale reforms of the Indian economy started in the 1980s under Indira Gandhi and Rajiv Gandhi, the major push for neo-liberal reforms occurred in 1991 as a result of "an 'elite revolt' against those aspects of the *dirigiste* state that most constrained a loose coalition of business groups and urban middle classes" (Corbridge, 2009, p. 306). The major objective of these reforms was "to restructure the inefficient, debt-burdened public sector and generate funds to fight the rising budget deficit" (Uba, 2008, p. 863). Of 243 major public sector units, the government identified nine as potential "global players". It emphasised the need for the globalisation of Indian trade and industry and held that "a key task" was to "move our trade policy towards greater openness and to reap the full benefits of international trade" (Alamgir, 2007, p. 158). Import-oriented industrial policies gave way to export-oriented policies. India opened up its market to foreign capital, invited in multinational companies, reduced import tariffs and actively sought foreign investment in various sectors. These reforms helped India overcome the so-called "Hindu rate of growth" and dismantled the rigid rules for allocating industrial and commercial permits or the Licence Permit Raj. There is no doubt, as Polanyi had predicted, that market liberalism generated economic growth for India.

After initially growing at 5–6 per cent per annum following the reforms, India's GDP grew at a rate of 8–9 per cent during the first decade of the twenty-first century. As Desai (2004, p. 61) has argued, the major changes occurred during the rule of the BJP-led National Democratic Alliance (NDA; 1999–2004), which "oversaw a vast and ungrudging expansion of practically every sector of the urban industrial economy". Privatisation was accelerated; the tax burden on the rich was reduced; innumerable small quota restrictions on economic activity were lifted; the information technology (IT) sector boomed, employing thousands of young professionals; and closer ties between India and its wealthy diaspora were pursued (Desai, 2004, p. 61). The opening of the market also provided Indian companies with flexibility and competitiveness, and eventually resulted in important foreign acquisitions by them. Today, 12 Indian companies appear on the Asia's Fab 50 companies list published by *Forbes* magazine.[1] India's exports have grown, with India's trade-to-GDP ratio increasing from 15 per cent in 1991 to 50.9 per cent in 2010–12 (WTO, 2013, p. 88).

India's growth has attracted global investors. The major policy changes occurred with the enactment of the Foreign Exchange Management Act, 1999 that acknowledged some state agencies such as the Securities and Exchange Board of India as participants in dealing with foreign currency in addition to the Reserve Bank of India (Shin, 2014b, p. 27). As a consequence of such policy changes, and as Shin (2014a, p. 69) points out, "total FDI inflows have steadily increased" for India. Shin also notes that "interestingly, India has outpaced China since 2006 in terms of FDI inflows as a proportion of gross fixed capital formation". As per 2011 data, the total FDI net inflows were around US$32 billion, which accounted for around 3 per cent of GDP (Shin, 2014b, p. 27).

Added to this, India has become, as per the World Wealth Report 2014, home to 156,000 millionaires.[2] India's per capita GDP has grown from US$1,255 in 1978 to US$2,732 in 2003, US$3,452 in 2005, and US$ 3,900 in 2012 (Sharma, 2014, p. 285). According to the latest data, India's income per capita is US$4,077 (PPP). Consequently, the size of India's middle class is growing rapidly. A study by the National Council of Applied Economic Research shows that India's middle class currently constitute around 31.4 million households or 160 million individuals, and predicts that it will swell to 53.3 million households or 267 million individuals by 2015–16.[3] All this shows that India has benefited immensely from the neo-liberal economic reforms of 1991.

Commodification of land and labour

Not just economic growth but marketisation and financialisation have also radically transformed the nature of land and labour in India. Although more than 65 per cent of India's population is dependent on land, the commodification of land has fuelled a corporate land grab and given rise to land wars. In the name of economic growth, the state is promoting the interests of private capital by acquiring (agricultural and forest) land for industry, mining, highways, real estate, townships and SEZs. For example, the state government of Gujarat helped to acquire 15,946 acres of land for the Adani Group, 1,100 acres for Tata Motors, 460 acres for Ford India, and 700 acres for Maruti Suzuki for industrial and SEZ purposes at extremely low prices. Similarly, the state government of Odisha promised to acquire 4,000 acres of land for POSCO, a South Korean steel company, to set up a steel plant and build port infrastructure, which has been severely opposed by the people. The government is ignoring the interests of peasants and farmers in facilitating the acquisition of privately owned land

for corporate capital by invoking the doctrine of "eminent domain" in the colonial-era Land Acquisition Act, 1894. According to this doctrine, "the state is the ultimate owner of land and can take over any tract for 'public purposes' provided it pays 'reasonable' compensation to the affected groups" (Banerjee-Guha, 2013, p. 165).

Although the term "public purpose" was vaguely defined in the Act, by the end of the century, the Supreme Court of India had made a string of rulings in favour of the transfer of land by eminent domain from farmers to manufacturing plants. Recently, the Supreme Court read "public purpose" to include "any purpose wherein even a fraction of the community may be interested or by which it may be benefitted" (Downing, 2013, p. 245). Such readings have helped the state in the involuntary acquisition of land for private capital. Similarly, terms such as "compensation" and "market value" have also remained ambiguous, which has resulted in massive undervaluation of the acquired land (Downing, 2013, p. 246).

Considering this, the Congress-led UPA government enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013. Although the Act emphasised land acquisition as part of India's massive industrialisation drive, it advocated for transparency and noted that acquisition should be facilitated in consultation with institutions of local self-government/Gram Sabha. The newly elected BJP-led NDA government, however, found it being heavily loaded in favour of land owners and saw it as an impediment to economic growth. Therefore, it presented an Amendment Bill in 2015 that created five special categories of land use (defence, rural infrastructure, affordable housing, industrial corridors and infrastructure projects) to be exempted from the provisions of the LARR Act, 2013.

Furthermore, land acquisition is also facilitated by the Special Economic Zones Act, 2005, which aims to acquire land that would be "transferred to private sector, profit-making entities"; this is "a major change from earlier forms of land acquisition – for roads, dams, and government installations – in which privately owned land was mainly transferred to public stewardship" (Jenkins, 2013, p. 601). Specifically, the SEZs were conceptualised as gated communities, or zones of exception, which aggressively implemented neo-liberal policies and excluded the vast majority of people (Muenster & Struempell, 2014, p. 7). According to data, by 2011, 111 SEZs had begun operating, 353 had been notified, and 574 had received approval (Banerjee-Guha, 2013, p. 174). Data also show that "to date, 150,000 hectares of land have been acquired or are in the process of being acquired, and include 2.7 per cent of the total arable land in the country" (Banerjee-Guha, 2013, p. 174). Broadly, through SEZs, the government is handing over natural resources such as agricultural land, forests and coastal areas to corporate houses in the name of development.

Similarly, under neo-liberalism, labour is also becoming increasingly marginalised. Factors such as caste, ethnicity, gender and religion have intensified this process of marginalisation. As Harriss-White and Heyer (2015, p. 7) have argued, "in India these institutions constitute a structure of discrimination as well as of reproduction essential to [capitalist] accumulation". They have also shown how labour has become increasingly mobile under neo-liberalism, which has had contradictory motives and effects. While distress at the sending site and higher wages at the destination have encouraged migration, "the new and totalizing regimes of (capitalist) migrant labour control and neo-bondage are exacerbated by migrants being displaced from sites of enforcement of their rights to minimum wages and social benefits and effectively disenfranchised in their destination sites".

Furthermore, there is no provision of wage equalisation in capitalist labour markets. A great deal of variation exists even within a given occupational sector, which is further differentiated on the basis of caste, gender and religion. Dalits and adivasis have the least upward mobility in India's labour markets (Harriss-White & Heyer, 2015, p. 8). Drawing on fieldwork in Tamil Nadu, Guerin et al. have shown how rural labour is forced to be "dynamic": "switching occupations, migrating off and on, and commuting varying distances. Yet the work that is found through such initiative remains both precarious in its terms and conditions and vulnerable to contingencies" (cited in Harriss-White & Heyer, 2015, p. 8).

The organised sector has also experienced the strain; employment has declined (see the following section), the role of trade unions has been neutralised, and labour's collective bargaining power has been reduced. The central government is pushing for more labour reforms that will enable companies to hire and fire and increase contractualisation. The argument is that India has too many antiquated labour laws that create impediments to economic growth. Considering this, recently, the BJP-led Rajasthan state government has amended three critical pieces of labour legislation – the Industrial Disputes Act, the Contract Labour Act and the Factories Act – to facilitate growth. This has, however, made labour increasingly vulnerable.

The above discussion shows that even though neo-liberal reforms have facilitated economic growth and generated wealth, they have increasingly commodified/marketised land and labour, which has had significant negative implications for the poor.

Market Liberalism, Welfare and Social Dislocation

The question, however, is who has benefited from India's economic growth? According to Varshney (2007, pp. 99–100), "the rising tide produced by economic liberalisation appears to have lifted many boats, but not all". Neo-liberalism has led not just to the marginalisation of groups and communities but also of different regions, and has manifested in increasing regional inequality.

Declining social welfare

Neo-liberal policies have enhanced the role of market forces and forced the state to withdraw from major social welfare functions. As a consequence, almost 30 per cent of India's population continue to live below the poverty line. Specifically, Dalits and adivasis continue to suffer from extreme poverty and constitute a disproportionately high percentage of the poor. For example, a recent World Bank (2011, p. 11) report noted that in 2004–05 almost 44 per cent of adivasis and 38 per cent of Dalits were living in poverty. If the multidimensional poverty index is taken into account, then 81.4 per cent of the adivasis and 65.8 per cent of Dalits are poor, compared to 33.3 per cent of the general population (Alkire & Santos, 2010, p. 5). It may be true that "poverty among adivasis has fallen" but "the gap between them and the average Indian is large and growing" (World Bank, 2011, p. 10). The World Bank (ibid., p. 10) report rightly notes that "*despite a decline in poverty rates, Adivasis in 2004–05 were 20 years behind the average*" (emphasis in original).

India's unemployment rate rose from 6.0 per cent in 1993–94 to 8.2 per cent in 2004–05, and declined to 6.6 per cent in 2009–10. Between 1991 and 2011, public sector employment declined absolutely from 19.05 million to 17.54 million. The organised sector, which

employed around 8 per cent of the total workforce in 1991, employed less than 7 per cent of the total workforce in 2011 (Bala Subrahmanya, 2014, p. 19). Instead of generating employment, neo-liberal policies have created jobless growth. As Banerjee-Guha notes:

> Joblessness is flourishing, with the total number of workers in the organised factories of corporate houses such as Tata, Bajaj Group, Essar Group or Ambani reduced drastically even as production is increasing. To cite some examples: the Bajaj motor cycle factory in Pune reduced its workforce from 24,000 in the mid-1990s to 10,500 in 2004 while doubling its output using Japanese robotics and information technology mechanisms; in Maharashtra, the leading state in terms of FDI, the number of factors was reduced from 1.22 million per day in 1990 to about 0.77 million per day in 2003–04 even though industrial output rose from Rs. 780 billion to over Rs. 2,360 billion. (Banerjee-Guha, 2013, p. 170)

Banerjee-Guha (2013, p. 170) further notes:

> In its factory sector, Maharashtra has experienced a rise in all areas – investment, gross output, and even net value added – but there has been decline only in factory employment. Technological change and higher productivity has become associated intrinsically with higher joblessness and is further aggravated with the state cutting back on development spending in the name of fiscal discipline.

India's health expenditure is now among the lowest in the world. According to Drèze and Sen (2013, p. 149), India's

> public expenditure on health accounts for less than one-third of total health expenditure. Only a few countries (such as Afghanistan, Haiti, and Sierra Leone) have a lower ratio of public health expenditure to total health expenditure. To put this in perspective, public expenditure accounts for 70 to 85 per cent of total health expenditure in most countries of the European Union and North America... The world average is 63 per cent, and even the averages for sub-Saharan Africa (45 per cent) and the "least developed countries" in the world (46 per cent) are also much higher than India's 29 per cent.

In concrete terms, the budgetary allocation for the public health system has decreased from 1.3 per cent in 1990 to as low as 0.9 per cent in 2004 and to 1.2 per cent in 2010 (Sahoo, 2010, p. 491). The United Nations Development Programme's *Human Development Report* (2014, p. 21) suggests that in India "more than 40 per cent of hospital patients either borrow money or sell assets and that close to 35 per cent fall into poverty because of having to pay for their care". The result is that despite high economic growth, India's infant mortality rate (44 per 1,000 live births) and maternal mortality rate (200 per 100,000) continue to remain high, and outbreaks of contagious diseases, such as tuberculosis, malaria and HIV/AIDS, are very common among the poor.

Unevenness and inequality

Along with economic growth, regional inequality has also widened. Industrially advanced states (such as Gujarat, Maharashtra, Karnataka, Andhra Pradesh, Punjab, Haryana, Kerala and Tamil Nadu) have prospered, but poverty trends in poorer states (such as Bihar, Uttar Pradesh, Orissa and Madhya Pradesh, and also Assam and West Bengal, with the exception of Rajasthan) have worsened since 1990. While the industrially advanced states, with their developed infrastructural facilities, attracted foreign investment, the poorer states have remained deprived of the benefits of economic reform. At the regional level, "inequality is evident in relative levels of income as well as in levels of consumption across states" (Kohli, 2012, p. 122). State-level income trends show that "India's rich and medium income states

grew at a much faster rate between 1991 and 2008 than India's poorer states. While the average rate of annual growth in the poorer states was 4.7 per cent, the average for richer states was 6.8 per cent" (Kohli, 2012, pp. 122–123). As a result, income disparities between rich and poor states have widened.

Apart from regional inequality, rural–urban inequality has also widened over the past few decades. According to the government's "mean per capita expenditure" on basic consumption needs data, "in the early 1980s those living in the countryside tended to consume about two-thirds of what an average city dweller consumed. With growing inequality, by 2004–05 village dwellers were consuming just a little over half of what city residents consumed" (Kohli, 2012, pp. 126–127). According to the Gini coefficient of per capita income, India is one of the "high-inequality countries" of the world, with a value of 0.54 (Drèze & Sen, 2013, p. 217). The recently published *Global Wealth Databook* points out the enormous wealth gap between India's richest 10 per cent and poorest 10 per cent – the former's share of wealth is 370 times that of the poorest – and that, since 2000, the richest 10 per cent have been getting steadily richer, and now hold nearly three-quarters of the total wealth.[4]

Furthermore, a sectoral analysis of India's growth trajectory shows that while primary and secondary sectors grew more than the tertiary sector in the pre-reform period, these declined in the post-reform period. The tertiary or service sector has grown steadily at 6.6 per cent during 1980–81 to 2009–10, arguably assisted by the IT revolution and its linkages that altered the employment and productivity profile of the service sector in India (Chowdhury, 2014, p. 15). The best two performers in terms of tertiary sector output growth were Karnataka and Haryana. By contrast, India's manufacturing sector has performed miserably during the reform period. Compared to China's 34.1 per cent, India's manufacturing sector has contributed only 14.1 per cent to GDP (Sharma, 2014, p. 286). Factors like "power shortage, inadequacy, and high cost credit, fluctuations in prices of raw material, and rising import intensity in machinery and transport equipment industries" have constrained the productivity of the manufacturing sector (Thomas, 2013, p. 81).

With the expansion of the neo-liberal market, the agriculture sector in India has suffered the most. Although it employs more than 50 per cent of the population, it contributes only 14 per cent to overall GDP. "India's stunning urban-centric economic growth has by-passed the farm sector, where growth is estimated to have slowed to 2.6 per cent in the year ending March 2008, from 3.8 per cent the year before" (Sahoo, 2010, pp. 490–491). "Bending to international market pressure, the Indian state has removed all quantitative restrictions on trade, exposing its farmers to unfair trade practices, global price volatility and recession-hit external markets" (Banerjee-Guha, 2013, p. 170). As a consequence, the Indian peasantry has faced a "two-pronged attack from falling commodity prices and rising input costs" (Ramachandran & Rawal, 2010, p. 74). As a result, greater numbers are being driven to suicide – literally.

Daniel Muenster (2015, pp. 1583–1584) has described farmers' suicides as a "scandal of the state" and as "manifestations of a scandalous existential crisis among small capitalist farmers, which amounts to piecemeal dispossession of small-scale farmers, unable to survive when exposed to competition from agricultural systems backed by subsidies and preferential tariffs". Further, Muenster notes, it is "the scandal of a political economy of uncaring and neo-liberal state policy that has curtailed programmes that once sustained rural India" (Muenster, 2015, p. 1584). According to recent data from the National Crime

Record Bureau, 256,913 farmers committed suicide between 1995 and 2010, and more than 50,000 deaths occurred in Maharashtra, the worst affected state.

The above discussion shows that the expansion of self-regulating market forces has widened inequality and severely threatened the lives and livelihoods of the poor and marginalised citizens in Indian society. Such ill effects of market fundamentalism have generated both reactionary and protectionist countermovements in different parts of the country.

Development of Countermovements

To socially re-embed the market and to protect and advance the interests of vulnerable groups, several countermovements have emerged in recent times. Rajni Kothari (1984, p. 216) has referred to these movements and the grassroots politics that raised democratic struggles for redistribution and recognition as "non-party political formations". According to some estimates, there are 50,000 to 100,000 different movement groups active in the country. Such countermovements have manifested broadly in four different ways: (1) reactionary, (2) reformist, (3) welfarist/developmental, and (4) political. It should be noted, however, that while these categories overlap and are often blurred, these countermovements are not always anti-state or anti-market, and their methods range from Gandhian non-violent *Satyagraha* to Naxalite violent armed struggles, all of them work, in their own ways, to protect and advance the interests of the poor.

Reactionary

The reactionary movements have arisen as a response to the exclusive and exploitative policies of the state. With the structural adjustment of the economy, the state has collaborated with market forces to pursue the interests of neo-liberal capital, which has threatened the interests of the poor in two ways:

(1) the neo-liberal reforms and policies of globalisation have forced the state to withdraw welfare services that previously protected the lives and livelihoods of the poor; and
(2) to modernise and bring so-called "development", the state has invited foreign and domestic companies to enter resource-rich tribal/rural areas for mining and industrialisation, which has resulted in involuntary displacement, loss of livelihood and community living, and environmental disaster.

Such "developmental" projects were famously referred to by Nehru as the "temples of modern India", but whereas Nehruvian modernisation was concerned largely with "public good/interest", the neo-liberal regime is concerned mostly with "private good" or the maximisation of profit. To facilitate land acquisition, the government has projected private capital as being indispensable for the nation's development and used the "eminent domain" doctrine to acquire land for privatised industrial, infrastructural and real estate projects, which have generated widespread agrarian uprisings, referred to as "land wars". While orthodox Marxists labelled it "exploitation", Polanyi-inspired scholars theorised it through the "politics of commodification". The question, however, is: does commodification give rise to countermovements? According to Levien (2013, p. 355), "it is not commodification of land per

se that produces countermovements (people do not protest against *voluntarily* selling their land), but it is *coercive* commodification" (emphasis in original).

Although land acquisition has been central to India's modernising project, it has become more coercive and controversial in the post-liberalisation period. "While it is estimated that 60 million people have been displaced from their land for development projects since 1947, the rate of dispossession has by all accounts increased after liberalisation in the early 1990s" (Levien, 2013, p. 352). Furthermore, the character of dispossession has also changed as "SEZs, high-tech cities, real-estate, and privatised infrastructure have joined dams, heavy industry, and commercial forestry as causes of dispossessing peasants". Reports suggest that adivasis and Dalits constitute 60 per cent of all displaced people; according to official estimates, only 25 per cent of the affected have been rehabilitated (Levien, 2013, p. 382). Following the enactment of the SEZ Act in 2005, several state governments have been facilitating land acquisition for private capital (*coercive* commodification), which has been resisted by farmers all across India. Such anti-dispossession protests have erupted in states that have aggressively pursued neo-liberal policies. Levien (2013, p. 353) notes that these number easily in the hundreds. Some examples are Kalinga Nagar (Tata), Niyamgiri (Vedanta) and Jagatsinghpur (POSCO) in Odisha; Singur and Nandigram in West Bengal; Bhatta Parsaul in Uttar Pradesh; Save Narmada in Gujarat; and Mahindra World City in Rajasthan.

While some movements have failed (the Save Narmada Movement failed to stop the Sardar Sarovar dam construction project), others have successfully resisted the *coercive* commodification of land and protected the poor from involuntary displacement. Many of these movements, as Polanyi had predicted, transcended class boundaries and created a pluralistic coalition that viewed neo-liberalism as a threat. They articulated their "resistance as a cultural battle between rooted farmers and footloose investors: one in which entire communities, not merely individual economic agents, were existentially threatened" (Jenkins, 2013, p. 601). One such example is the struggle of the tribals in Niyamgiri hills in Odisha against the Vedanta group. Niyamgiri, which is home to a primitive tribe called the Dongria Kondhs, has rich deposits of high-quality bauxite. In 2004, as part of the neo-liberal policy to promote industrialisation, the state government of Odisha signed an agreement with the London-based Vedanta group to mine bauxite from Niyamgiri hills. Following the agreement, Vedanta started to build an alumina refinery with a capacity of 1 million tonnes per annum (MTPA), a bauxite mining facility with a capacity of 3.0 MTPA, and a captive power plant with a capacity of 75 megawatts at Lanjigarh (Kalahandi) – at an aggregate investment of approximately Rs 4,000 crores (Sahu, 2008, p. 20).

The state government of Odisha helped Vedanta acquire land for the project, which would lead to the full displacement of 118 families and the partial displacement of 1,220 families in local villages (Kumar, 2014, p. 199). The project not only planned to displace the Dongria from their houses, but also threatened their cultures, communities, sources of livelihood and networks of relationships. The Dongria Kondhs protested against the project as they hold sacred the Niyamgiri hills, the abode of the male deity Niyam Raja (the giver of law), and claim to be his descendants. The administration and local elites, however, supported the company. The government arrested local activists, beat up protesting villagers, and forcibly removed them from their houses. Several NGOs and educated middle-class activists came forward to support the cause; they created a network of villagers and activists known as Niyamgiri Suraksha Samiti (Niyamgiri Protection Committee) and filed a complaint against

Vedanta with the Central Empowered Committee (CEC) of the Supreme Court on grounds of violations of forest and environmental laws. The CEC members visited Niyamgiri to assess the situation and "recommended to the Supreme Court that the mining of Niyamgiri should not be allowed in view of its rich biodiversity. It also noted that the environmental clearance to the refinery was based on wrong information, and recommended withdrawal of this clearance" (Kumar, 2014, p. 199). Yet in 2008, the Supreme Court rejected the recommendations of the CEC, and ruled that the Ministry of Environment and Forest (MOEF) could allow the mining project in Niyamgiri to go ahead as per law, observing that there always have to be compromises for development (Kumar, 2014, p. 199).

Although this was a big disappointment, the activists and villagers vowed to continue their struggle. The activists argued that Vedanta had violated the newly enacted Forest Rights Act (FRA), which gives local village assemblies (Gram Sabhas) the right to give the final forest clearance. The MOEF members visited the site, criticised Vedanta and the government of Odisha for having ignored the settlement of rights under the FRA, and finally, in 2010, cancelled the forest clearance and refused to allow mining in Niyamgiri. Vedanta challenged the decision in the Supreme Court, but in 2013, in a landmark judgment, the Supreme Court confirmed that Gram Sabhas had the final say. It said that "Gram Sabhas around Niyamgiri need to decide whether the proposed mining violates religious and other forest rights; and that the same must be considered by the government for forest clearance for mining". This outcome shows how the movement of Dongria Kondhs, in collaboration with other interest groups, successfully transcended class boundaries by framing their struggle around issues of culture/identity, environmental justice and indigenous peoples' rights. Such countermovements have been increasingly visible in states that have facilitated the entry of private capital in the name of bringing economic development. For example, farmers have effectively stopped the two largest proposed SEZs in India (promoted by Reliance Industries in Gurgaon and Mumbai), all of the SEZs in Goa, and four in Maharashtra (Levien, 2013, p. 353). Similarly, in Singur, the peasants managed to save their agricultural land and stopped the Tata Group from establishing a cheap car manufacturing factory.

In many places, Maoist-style Naxalite movements – which originally began in 1967 as a peasant uprising against feudalism in West Bengal – have also come to resist exploitative and exclusivist neo-liberal policies and the eventual dispossession of the poor. The Naxalites have used violence and armed struggle to oppose the neo-liberal nexus between the state and corporate capital primarily because of "(1) the cynicism and ruthlessness with which the non-violent struggles of people were treated by the power bloc; (2) the complete abdication by the entire mainstream democratic Left of the space of mass struggle and its confinement to the parliamentary arena; and (3) the exclusion of the revolutionary Left from the field of acceptable 'legitimate' political struggle and the simultaneous co-optation of the democratic Left by the repressive neoliberal state" (Sahoo, 2010, p. 496).

While the state has labelled the Naxalites a threat, the Naxalites see their movement "as a political response to the socio-economic marginalisation of the rural people, arising from poverty, deprivation, loss of livelihood, lack of employment opportunities and abject poverty, given a neo-liberal state abdicating all welfare functions" (Sahoo, 2010, p. 496). It should also be noted that the expansion of market liberalism and, with it, the virtual disappearance of questions of poverty and exploitation and the accelerated dispossession of the poor in the countryside have expanded the support base of the Naxalites. Reports suggest that in

India today they are active in 170 districts of 15 states, mostly backward and tribal parts that experienced the onslaught of the neo-liberal state and market.

Reformist

The reformist movements include actors of various advocacy groups (NGOs, social activists, intellectuals, social movements etc.) who try to make growth humane and inclusive. Influenced by the rights-based approach, equity and distributive justice, reformists believe that growth-oriented policies have grossly benefited the rich and the middle classes and adversely affected the poor in a globalising economy. To redistribute the benefits of growth and make development sustainable, they advocate making the poor a part of the development process by ensuring they have the basic necessities of life.

The reformists emphasise non-violent *political mobilisation* to address the imbalance of power in society. They view the state as an agency responsible for both protection and violation of individual rights. Hence, the reformists act as a "counter-hegemonic" force and engage with the state not just to redress the unequal power relations but also to make it accountable to the interests of the people through community activism, political mobilisation and protest (Sahoo, 2013, p. 31). Movements based on concepts such as the right to food, right to information, right to education, and right to employment have used "democratic politics" to push their agenda for marginalised groups and have constantly engaged with the state in this regard (see Khera, 2013, p. 3). Although some of these movements were begun by poor peasants, tribals and labourers, they were actively joined by middle-class activists and progressive officials from within the government and bureaucracy. The combined effort of people from diverse class and interest groups, including the government itself, led to the success of these movements. For example, the UPA government created the National Advisory Council (NAC), which included academics, former civil servants and social activists, to advise the prime minister on policy issues. Following pressure from the advocacy groups and positive inputs from the NAC, the government passed the Right to Information Act 2005, the National Rural Employment Guarantee Act (NREGA) 2005, the Forest Rights Act 2006, the Right to Education Act 2010 and the Food Security Act (FSA) 2013.

While market liberalism pushed for the financialisation of food and the commodification of labour, the enactment of the FSA and the NREGA reflects a move towards the de-commodification of food and labour. Through the FSA, the state has ensured "legal right" to food grains at a fraction of the market price for 75 per cent of the rural population and 50 per cent of the urban population.[5] Similarly, the enactment of the NREGA, which came into force on 2 February 2006, has provided respite from the commodification of labour and secured the labour rights of the poor by providing 100 days of employment per year to poor households. While some consider this a distortion of the market, others describe it as "rural Keynesianism", where the state, following pressure from civil society, intervened in providing employment through public works, particularly in creating rural infrastructure (such as roads and irrigation systems).[6] In 2010–11, the government allocated approximately 0.5 per cent of GDP to the NREGA; it has greatly benefited the poorest of the poor, especially SCs and STs, and women (Khera, 2013, p. 5). Data show that the scale of employment generation has been massive: 900 million person-days in the first year and 2,570 million person-days in 2010–11,

equivalent to 12 days of employment per rural household on average (Khera, 2013, p. 4). "Women formed nearly half of the NREGA labour force in 2010–11; a large share of total employment went to disadvantaged groups such as Dalits and adivasis (Khera, 2013, pp. 4–5). As Jean Drèze (2011, pp. 15–18) has rightly noted, the NREGA provided the poor with "a genuine source of independent income for women" and helped them "avoid hunger, distress migration, demeaning work, and other hardships associated with unemployment". "Every year, about 50 million women and men are employed under NREGA" (Khera, 2011, p. xi).

Welfarist/Developmental

This includes NGOs and development organisations that work to complement the role of the state in the effective and efficient implementation of development projects and in the provision of welfare services to the poor. Although there is much overlap between welfarists and reformists, welfarists are distinguished by their depoliticised, technocratic approach to development. While reformists view themselves as "counter-hegemonic", welfarists believe that the state is "minimalist" in nature and must be complemented. Thus, they actively collaborate with the state and act as "public service contractors", but in so doing, they have very often been co-opted by the state and the market, which Polanyi failed to recognise. Therefore, scholars such as Petras (1999) allege that NGOs act as agents of neo-liberal imperialism, and Hadiz (2010, p. 10) argues that "organisations like the World Bank realise that support from such NGOs could be useful in terms of garnering broader public acceptance of market reforms". Thus, many NGOs "have been drawn into the World Bank sponsored discourse on 'good governance', which has come to emphasise local community and civil society participation in development" (Hadiz, 2010, p. 9). Despite this, there is no doubt that many NGOs have been hostile (i.e. "counter-hegemonic") to "the neo-liberal economic globalization agenda, including those of privatization and marketization" (Hadiz, 2010, p. 10) and have also served as important agents of development and poverty alleviation in developing countries such as India. According to a recent report by the Government of India (2009, p. 26), there are more than 3.1 million NGOs in India today (58 per cent working in rural areas), run mostly by the urban, educated middle class, who have come to act as "brokers" or mediators in representing the needs of the vulnerable (Sahoo, 2010, p. 502).

Of these non-profit organisations, 41 per cent are working under social service activities, 19 per cent under education and research, 12 per cent under culture and recreation, 7 per cent under unions, 5 per cent under development and housing, 5 per cent under religion, 2 per cent under health, and the remainder under environment, law, advocacy and other issues. This shows that more than 72 per cent of non-profit organisations are working on social service, education and research, and culture- and recreation-related issues (Government of India, 2009, p. 27). Considering this, from the seventh Five Year Plan onwards, the Government of India has increasingly promoted and supported NGOs as active partners in development.

Under Section 5(1) of the Foreign Contributions Regulations Act, 1976, NGOs are prohibited from political activism. Therefore, they have, in addition to "doing development", "provided various people's movements with support, including infrastructure, in campaigns and through educational material and activities" (Sahoo, 2010, p. 502).

Political

This refers to the growing participation of the poor and marginalised in formal politics. This has manifested in two interrelated ways: (1) an increasing number of poor people are voting and participating in electoral politics, and (2) they, especially the low castes, tribals and Muslims, are increasingly forming new political parties to become a part of the political decision-making process. Studies have shown that in comparison to the 1970s, the 1990s witnessed an electoral upsurge of socially disadvantaged groups – in 1971, the voting percentage of Other Backward Classes (OBCs) was the same as that of upper castes (53.5 per cent), while in 1996, more OBCs (59 per cent) than upper castes (56 per cent) voted. The voting percentage of SCs increased from 55.5 per cent in 1971 to 60 per cent in 1996, which is higher than the upper-caste turnout (Alam, 2005, pp. 28–29). During this period, participation in electoral politics increased significantly among tribals (from 48.5 per cent to 57 per cent) and Muslims (from 48 per cent to 57 per cent) (Alam, 2005, pp. 30–31). Following this, in North India, low-caste and tribal political parties, such as the Bahujan Samaj Party, Samajwadi Party and Jharkhand Mukti Morcha, have been successful in challenging the hegemony of mainstream political parties such as the Congress and the BJP (Sahoo, 2010, p. 498).

What explains this increasing participation of the poor in electoral politics? According to some scholars, it is a consequence of elite capture, clientelism and populist politics (see Bardhan & Mookherjee, 2012). To consolidate power, political parties make a strategic transfer of resources to the poor to secure their votes. Such short-term pay-offs act as incentives and mobilise the poor for higher political participation. In contrast, civil society scholars argue that clientelist relations and populist leaders hold out little hope for solving poor people's problems; therefore, the poor actively use the arena of civil society, rather than political parties, to solve their problems. Based on a large-scale survey among the poor in Delhi, however, Harriss (2005) found that the poor participate more actively than wealthier people in the political process; while wealthier people solve their problems through self-help, government action or legal procedure, the poor do it through political parties. In a sense, wealthier people are active in associations rather than in politics.

This increasing participation of the poor in the sphere of formal politics also reveals their increasing involvement in choosing the authority with a "conditional grant" for a fixed period. Political parties that fail to represent the interests of the poor risk being thrown out of power (Sahoo, 2010, p. 499). The ability of poor and marginalised voters to change governments has restored their faith in democratic politics, and the compulsion of electoral politics has shaped the policies of various governments. For example, the "India Shining" and urban-centric growth policies of BJP rule were radically rejected by the rural poor and, as a result, the BJP was defeated in the 2004 general election (see Desai, 2004). This rejection of the BJP by the rural masses made the UPA government more responsive to the interests of the rural poor. To make economic reform more inclusive and pro-poor, the UPA government became committed to the National Common Minimum Programme, which identified priority areas of intervention (agriculture, water, education, health care, employment, urban renewal and infrastructure). As a result, the UPA government won the 2009 general election by a vast majority and was returned to power. In the 2014 general election, the UPA was rejected for corruption, price rises and policy paralysis, which resulted in slow growth and mass disenchantment.

Conclusion

The above discussion has shown that the expansion of market liberalism in India through the economic reforms of 1991 forced the Nehruvian welfare state to withdraw from basic welfare and social service activities. The economy, which was embedded in state socialism, became dis-embedded, and adversely affected the interests of the poor and the marginalised. The self-regulating market undoubtedly generated growth for the economy; it also resulted in the increasing commodification of land and labour. The benefits of growth were concentrated largely among a small section of society, and excluded the large numbers of the poor and marginalised.

It is not just a matter of the exclusion of the poor from India's growth story; the unstoppable march of neo-liberal capital also heavily exploited the poor and created several dislocations in their lives and livelihoods. As Banerjee-Guha (2013, p. 178) rightly notes, "an incessant process of development-induced dispossession is initiated in the country affecting a huge mass of people from different walks of life, belonging to divergent socio-economic orders, and embedded in diversified regionalities". As a response, the retreat of the welfare-oriented state, on the one hand, and the increasing social dislocations, on the other, generated several countermovements in society. The major objective of such movements has been to socially re-embed the market and make economic growth more humane and inclusive. While it is true that such countermovements have not always been completely successful in overturning the tide of neo-liberal capital, they have certainly influenced the policy priorities of the state in favour of the poor and the marginalised.

Notes

1. "Asia's Fab 50 Companies", *Forbes*, 2013. Retrieved from http://www.forbes.com/fab50/list/.
2. See "India became home to 1.56 lakh millionaires in 2013: Report". Retrieved from http://timesofindia.indiatimes.com/business/india-business/India-became-home-to-1-56-lakh-millionaires-in-2013-Report/articleshow/36903299.cms.
3. See "India's middle class population to touch 267 million in five years", *India Tribune*. Retrieved from http://www.indiatribune.com/index.php?option=com_content&id=5101:indias-middle-class-population-to-touch-267-million-in-5-years&Itemid=400.
4. "India's staggering wealth gap in five charts", *The Hindu*, 8 December 2014. Retrieved from http://www.thehindu.com/data/indias-staggering-wealth-gap-in-five-charts/article6672115.ece.
5. http://intpolicydigest.org/2013/10/26/neoliberalism-welfare-state-case-contemporary-india/.
6. http://intpolicydigest.org/2013/10/26/neoliberalism-welfare-state-case-contemporary-india/.

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