

Are Indians ready for capitalism without democracy?

Thursday 12 February 2015, by [SAMPATH G.](#) (Date first published: 5 February 2015).

An essay by the Slovenian philosopher Slavoj Žižek that appeared earlier this week in the *Financial Times* should give pause to all those who unthinkingly conflate capitalism and democracy—that classical liberal fantasy of a harmonious marriage between economic liberalism and political liberalism.

In this piece, titled “Capitalism has broken free of the shackles of democracy”, Žižek contends that it is authoritarian capitalism that will “shape the next century much as democracy shaped the last”. Žižek doesn’t stop with this prediction. He goes on to assert that it is the East which is leading the way here because there is a natural fit between the traditional values that Asian cultures hold dear, and market capitalism, which is often at odds with the values of modernity that have defined 20th century Western democracies, such as egalitarianism, and a generous and universal welfare.

While this might come as a new spin on the by now hackneyed trope of the 21st century being the Asian century, it is clearly not something that democracy-loving Asians would want to hear. Žižek has, in the past, acknowledged the danger of essentialising Eastern cultures as authoritarian and Western nations as liberal and egalitarian. But in this piece he steers clear of such stereotyping, and offers specific national examples. Apart from Singapore and China—two well-known exemplars of authoritarian capitalism—another country Žižek dwells on is India.

Referring to India’s embrace of the market through economic liberalization post-1991, he argues that traditional cultural values have proved to be greater enablers of market capitalism than such increasingly nebulous concepts as “freedom”—which has historically been the glue that has held capitalism and democracy together in the West. And these traditional values—such as deference to elders, for instance—work better for capitalism today because they lean toward the authoritarian rather than the democratic pole of the social and cultural spectrum.

If we take India, the synergy between the social networks of caste and the transactional imperatives of market modernity is well documented, and it is known to catalyze, and even justify, a more ruthlessly extractive capitalism. Writes Žižek, “It is far easier if you can fall back on traditional values to justify your indifference to other people’s fate in ethical terms. ‘I did it for my parents.’ ‘I did it so my cousins will be able to study.’ Such rationales are far more palatable than ‘I did it for myself.’” A milieu that offers such rationalizations fosters a more congenial ecosystem for an authoritarian capitalism than one of liberal individualism. As Žižek puts it, “It is no accident that freedom is a weak foundation for capitalism in the west, for it is also a hollow one.”

It is also no accident that a handful of traditionally business-oriented castes form the engine of Indian capitalism. Nor is it an accident that any extraordinary groundswell of democratic mobilization—which ideally ought to thrill anyone who claims to believe in democracy—makes the stock markets nervous.

A fundamental assumption of economic liberalism is that interference by the people’s will is something the economy can do without. In this worldview, heeding the democratic agenda is

typically dismissed as populism. And “populism” is the accredited liberal shorthand for describing the intrusion of democracy into economic policy-making—a domain best left to (unelected) experts.

It is obvious that the more robustly democratic a country is, the lesser the freedom for the capitalist machine. To take another example, the National Democratic Alliance government’s recent dilution of the Land Acquisition Act through an ordinance is a textbook authoritarian manoeuvre provoked by a situation where democracy had become a roadblock to capitalist development.

Here the displacement of democracy by authoritarianism works at two levels: one, an executive fiat overrides legislation that was the outcome of a rigorous democratic process; and two, the waiving of the consent clause in specified cases. It is because acquiring land with consent (capitalism with democracy) was not working, that it became necessary to enable the acquisition of land without consent (capitalism without democracy, or authoritarian capitalism).

In other words, the NDA regime’s resort to governance via ordinances would appear as an oddity only when seen through the outdated lens of liberal-democratic capitalism. It is very much a part of the instruction manual of authoritarian capitalism that is becoming the norm for the future.

To take yet another example, Syriza’s triumph in the recent Greek elections has been a cause of concern for the investor community only because it signifies a real possibility of the democratic will of the Greek people dictating that country’s economic policy, for if that happens, it might entail a reversal of the austerity policies imposed on Greece by European capital.

As it becomes increasingly clear that an authentic, functional democracy is really not compatible with capitalism, democracy itself may have to be genetically re-engineered along authoritarian lines. One way of doing this is the encouragement of far right politics – as happened in Europe in the 1930s, and is happening again across the euro zone, and in India as well.

So the fears of those who worry that the shenanigans of fringe Hindutva elements might vitiate the business environment are misplaced. As global financial capital’s intimate liaisons with the Persian Gulf monarchies demonstrate, neither free speech, nor religious freedom, nor the rights of women, homosexuals, or other minorities are as important for capitalism as a political leadership capable of keeping democracy in check.

In fact, the clamour for a ‘strong leader’ is really code for authoritarian leadership — since a truly functional democracy needs not a strong leader but a strong public that cannot be taken for granted by its elected representatives.

So if India today has a rightwing government headed by a strong leader who has been described as ‘authoritarian’, the country is exactly where capital wants it to be. If India is widely expected to supersede China as Asia’s economic powerhouse, this is the real reason for that optimism—it finally has a government that is ready to embrace Chinese-style authoritarian capitalism. Failure to make this transition was the unpardonable crime of its predecessor, the United Progressive Alliance (UPA).

Finally, there’s also a simpler, more direct way to assess the validity of Zizek’s thesis. We only have to ask ourselves: If we have to choose between democracy without capitalism, and capitalism without democracy, what would we choose?

G. Sampath

P.S.

*http://www.livemint.com/Opinion/BhlosW51SZgSryeFFaZQ8L/Are-Indians-ready-for-capitalism-with-out-democracy.html?utm_source=ref_article