

INDIA SINCE 1947

By AN INDIAN MARXIST

India achieved independence from British imperialism in August 1947 more as a historical accident than as a result of a planned anti-imperialist revolution. Under the threat of nation-wide revolutionary upheavals, the imperialist rulers, economically weakened by the war and the post-war crisis, were forced to transfer political power to the Indian bourgeoisie.

It resulted in an overall compromise involving financial, political, and diplomatic deals of British imperialism with the Congress and the Moslem League representing the Indian bourgeoisie and other exploiting classes, who were equally frightened by the rapidly rising tempo of the revolutionary movement threatening to get out of their control. It led to the communal vivisection of the country between the Indian Union and Pakistan, thus disrupting a single national economy into two fragments and ensuring the continued operation of foreign capital in the sub-continent.

Although the political power was transferred, adequate opportunities were created for the British imperialists to continue to play a decisive role in the economies of India and Pakistan. Thus August 1947 ushered in a new era of rearranged partnership between imperialism and native capitalism.

The Indian bourgeoisie through its newly acquired state power has endeavored to unify and consolidate its own internal capitalist economy by trying to assimilate the former feudal princely class within the capitalist framework and by reorganising feudal land relations on capitalist lines. The bourgeoisie has relied mainly upon imperialist economic aid to stabilize itself. It has to some extent exploited the contradictions between the imperialist powers and the Soviet Union to bargain for advantages from both sides, while fundamentally aligning itself with the imperialist camp.

In fact, since 1947, the Indian bourgeoisie has entered into a more intimate partnership with British and American capital, as has been evident from the formation of several companies jointly financed by the Indian and Anglo-US capitalists. In these deals, however, there is still an overall subservience of the Indian capital to the British capital. The Indian rupee is still tied up with sterling and India has to regulate its export-import policy to subserve the needs of sterling, often even against the dollar. The Indian bourgeois state has to resort to such financial manipulations as devaluation of the rupee, raising of the bank rates, etc., to suit the needs of British finance capital from time to time. The Indian bourgeoisie,

still retains its link with the British Commonwealth.

There is, however, this difference : whereas in the pre-independence period, the Indian bourgeoisie had to struggle against imperialism to win certain privileges, today it can implement its own plans and policies with the help of the state apparatus at its disposal ; it can negotiate with imperialism on terms of political equality. It is a willing partnership of the Indian bourgeoisie with imperialism.

In recent years, US capital investments have been steadily growing in India. The Indian bourgeois state and private entrepreneurs have entered into a number of economic deals with the US Government and private firms for establishing certain industrial units (oil refineries, etc.) in India and for partly financing the Second Five-Year Plan. But the total amount of private American capital invested in India is still very small and cannot be regarded as a serious competitor to British capital. The Indian capitalists have also entered into independent economic and trade deals with other capitalist countries like France, West Germany, Japan, etc., but these deals are of small magnitude. There is growing awareness among the leaders of the Indian bourgeoisie that capitalism cannot be consolidated in this country without the active collaboration of foreign capitalists, especially in view of the acute shortage of capital goods experienced in India and the rapidly growing "cut-throat" competition in the world capitalist market.

The Indian capitalist state led by Nehru has also entered into trade relations with some countries of the Soviet bloc. But the volume of trade with the workers' states constitutes only a small fraction of India's trade with the capitalist countries. The Nehru regime has deliberately accepted technical and other assistance from the Soviet Union for developing certain key industries (steel plants, prospecting for oil, etc.) ; but this is more as a strategy to compel the unwilling imperialist powers to take greater interest in India's economic development.

POST-WAR PROSPERITY AND RECESSION

Indeed, the Second World War did strengthen the Indian bourgeoisie. The war broadened its base and to some extent made it a strong power in Asia. During the war years, the Indian capitalists reaped fabulous profits, entered into huge war contracts with the British government, and took advantage of the difficulties of Britain in maintaining normal trade relations with India, to exploit the indigenous market more

intensively. They also fattened on the war-time and post-war inflation which brought ruin to the peasantry and lower middle class in India.

Because of the virtual withdrawal of Japanese competition in the immediate post-war period, the Indian capitalists could gain new markets in Asia and Africa; they could also exploit the artificial boom created by the Korean war to dump their goods in those markets.

Having come into existence late in history and being relatively undeveloped, however, the Indian capitalist class could not take advantage of its post-war prosperity to consolidate its economy on a steady level. The industrial expansion in India even during the prosperous post-war period was insignificant as compared to the huge profits reaped by the industrialists. All attempts made by the bourgeois state since 1947 to cajole the capitalists into bringing out their hidden incomes to be invested in the industrial sector were greeted with the now familiar technique of "capital getting shy" and "capital on strike," etc. It is clear that the growth of backward Indian capitalism has not proceeded along the road of normal development as was the case with capitalism of the classical period in America and Europe.

Capitalism in an underdeveloped country like India can flourish only under abnormal conditions like war. In normal conditions capitalism can stabilize itself, to the limited extent possible under prevailing world conditions, only through a process of "state capitalism," i.e., the capitalist state and private capitalists sharing the responsibility of industrialization of the country. Unfettered free enterprise of the classical period is a myth under present-day capitalism, an admission coming even from the capitalist economists who today recognize the need for "stateization" of several sectors of the capitalist economy in the interest of its very survival. The so-called principle of "mixed economy" adopted by the Indian bourgeois state reflects this basic strategy of capitalism.

The short span of prosperity enjoyed by Indian capitalism is fast disappearing with the emergence once again of Japan as a serious competitor in the South Asian markets. The bourgeoisie has not succeeded in expanding the home market appreciably, because of the low purchasing power of the Indian people. Thus one is confronted with the sorry spectacle of several units in organized consumer-goods industries like textiles closing down at a time when the bourgeois state is making frantic efforts to industrialize the country. The Indian bourgeoisie is entering a period of deepening crisis.

BOURGEOIS STRATEGY

The industrial policy resolution adopted by the Congress government in 1948 and reiterated in 1956 reflects the basic economic strategy of the bourgeoisie to stabilize its economy under the present adverse

conditions. The resolution seeks to place on the state the responsibility of developing certain key industries like steel, power, mining, transport, communications, etc., which cannot be developed by private enterprise because of the huge capital investments required, heavy risks involved, and low profit margins realizable from them in the initial stages. At the same time these industries are vital for the very preservation of the national capitalist economy as a whole and to strengthen the bargaining position of the Indian capitalists in the world market.

The state-owned enterprises are so designed as to subserve the needs of the capitalist economy as a whole. Even the wages and service conditions in the public sector are deliberately kept low so as to prevent them from adversely affecting the exploitation of the working class in the private sector. Moreover, the direction and the control of the public sector remain in the hands of capitalist magnates or so-called experts and administrators who believe in capitalism.

Disguising this partial development of the Indian economy in the direction of "stateized" capitalism as one designed to establish a "socialist pattern of society," the bourgeois state in India led by the Congress Party is arming itself with a moral justification to suppress the resistance of the working class and other exploited masses to their increasing exploitation. The capitalist state is steadily curtailing the democratic liberties of the people by coercive means.

FIVE-YEAR PLANS

The Five-Year Plans of the Congress government are a device to strengthen and perpetuate weak Indian capitalism in the environment of a decaying world capitalist economy. It sought to implement these plans by intensifying the exploitation of the working class and by imposing greater burdens on the lower and the middle strata of the population through direct and indirect taxation and, above all, deficit financing. Foreign aid is another important feature of financing these plans.

Since these plans envisage salvaging capitalism at the expense of the masses, they are already creating resistance by the masses to the capitalist regime. Planning under capitalism is doomed to failure. Already the bourgeois state is experiencing serious difficulties in the implementation of its second Five-Year Plan; it is haunted by the dangers of inflation, by dwindling foreign exchange resources, and above all by the growing struggles of the masses for better living conditions. It is desperately trying to save its economy from the approaching catastrophe: on the one hand, by wooing the foreign capitalists into investing a larger share of capital in India, with the bait of liberal economic concessions, and, on the other, by resorting to such emergency measures as drastic import cuts, regulation of bank credits, and currency manipulations. Today it has become a serious struggle

for the bourgeois state to attain even the physical targets of the much boasted Second Plan, which is being pruned under pressure from a sector of the monopoly capitalists. These short-term measures, howsoever bold they may sound, cannot resolve the basic contradictions of backward Indian capitalism. They will only aggravate its crisis.

AGRARIAN POLICY

In the agricultural sphere, the capitalist state has attempted during the last decade to reform the old feudal land relations with the basic objective of reorganizing agriculture on capitalist lines. Its legislative measures to abolish feudal zamindari by a gradual process and by paying heavy compensation to landlords, have been halting and half-hearted because of the numerous ties of capitalism with the feudal landed interests. The basic objective of these land reforms, however, is admittedly to create a new class of capitalist farmers and rich peasant proprietors in the rural sector as a stable prop to the capitalist economy.

But the various measures introduced by the state to "bourgeoisify" the rural economy, instead of bringing relief to the rural poor, have further aggravated the class conflicts and contradictions in the countryside. The benefits from the various government schemes, such as community development projects, cheap credit facilities, supplies of improved seeds and manure at subsidized rates, have gone mainly to strengthen the newly emerging class of rich peasants or existing landowners. The poor peasants and share-cropping tenants who constitute the bulk of the rural population have derived practically no benefits from the land reforms of the Congress government. Wherever zamindari abolition acts have been passed by a legislature, the landlords have grabbed land by resorting to large-scale eviction of the tenants. There is a steady dislodgement from land of poor peasants and share-croppers whose conditions are further aggravated by their acute state of indebtedness and penury.

The statutory abolition of zamindari with payment of heavy compensation to the deprived landlords has imposed additional burdens on the actual tillers of the soil, who are made to pay the amounts of compensation by instalments. It is admitted in official government reports that in a large number of cases the tillers prefer to surrender their uneconomic holdings to the landlords rather than pay a compensation which is often beyond their means.

The agricultural workers who constitute about 30 % of the village population are completely outside the purview of the land reforms enacted by the Congress government. A large percentage of them, furthermore, who belong to the so-called scheduled castes and tribes ("untouchables"), are socially oppressed and are being virtually tyrannized by the landed interests in the villages. At present there are frequent

violent clashes between these "untouchable" village proletarians and the "upper caste" (touchable) landowners. These conflicts assume the distorted forms of communal or caste strife in the absence of proper political leadership. The rural proletariat in India which has so far remained unorganized is being drawn into the vortex of economic struggles, but at a time when it is confronting the prospect of being ejected from the land. This sector of the wage earners does not enjoy any legislative protection, not even a guaranteed minimum wage.

There is, in fact, a steady migration of the poor peasants and agricultural workers to urban centres in search of jobs, there to swell the already growing armies of the unemployed urban proletariat. The disastrous consequences of such a development on agricultural production can well be imagined—in spite of the hypocritical "grow-more-food" and other campaigns launched by the bourgeois state to boost food production. This new imbalance in the rural sector, more serious than ever before in the Indian economy, cannot be stalled off by the bourgeois state. Its claim to make India self-sufficient in food has remained a farce despite the colossal amounts spent by the government on irrigation and other land-development projects.

Thus it is obvious that the bourgeois leadership is unable to tackle the land problem in the real sense and harness the rich natural resources of India to develop agriculture on modern scientific lines. The peasant masses still continue to be exploited by usurious money lenders and unscrupulous merchants who manipulate the grain prices, invariably to the detriment of the peasant producers. The bourgeois leaders themselves are getting disillusioned about their ability to solve the food problem in the country. The only panacea they hold out is "population control." Meanwhile large tracts of arable land lie waste and several regions in the country continue to be haunted by famine and near-famine conditions. The American imperialists are utilizing the food problem as a bargaining counter to extort political concessions from the Indian bourgeoisie in return for their periodic grain "loans" and "gifts." Even the elementary problem of food has become a practical slogan of the socialist revolution in India.

INDIAN PECULIARITIES

While it is not denied that the Indian bourgeoisie suffers from all the inherent weaknesses of an underdeveloped capitalism, it would be a mistake to ignore some of its peculiar characteristics and distinguishing features. India is the most developed and stable national capitalist economy among the newly independent states of Asia and Africa. The Indian bourgeoisie, above all, has had the benefit of having one of the most experienced political leaderships — the Indian National Congress, built up by one of the

outstanding bourgeois leaders of the XXth century, Mahatma Gandhi. The bourgeois leaders of the Congress have provided the country with a stable political administration for the last ten years, in striking contrast to the "palace" revolutions witnessed among the ruling cliques in other Asian countries like Pakistan, Indonesia, Egypt, etc. This has added to the political prestige of the Congress leadership of the Indian bourgeoisie.

The leadership of the Indian bourgeoisie, moreover, has evolved a Constitution which, despite its numerous reactionary features, guarantees certain fundamental rights to the citizens within the matrix of capitalist property relations.

It has also been successful in holding two general elections in the country on the basis of adult franchise, with freedom to all political parties to participate. This has created an illusion in the minds of sections of the people that a parliamentary transition of Indian society from capitalism to socialism is possible. This illusion is being deliberately fostered by the Stalinist Communist Party and petty-bourgeois Social Democrats. It must, however, be noted that democratic liberties exist in India only de jure while they are being increasingly curtailed de facto by the bourgeois state in the interest of preserving capitalism. The democratic content of the capitalist state is steadily vanishing while only the democratic shell remains. Besides, the bourgeois state is armed with enough powers to suspend the constitution in an emergency.

It has been a masterly strategy on the part of the Congress leadership to permit the Communist Party of India to run a provincial government in Kerala, as a vindication of its claim that bourgeois democracy has triumphed in India. This is a coincidence, made possible by the present class-collaborationist line of the CPI. In reality, however, the CPI is administering a capitalist state and is objectively playing the role of a defender of bourgeois property. The Congress leadership is conscious of this peculiar role of the Indian Stalinists, who are only faithfully honoring the Kremlin's political alliance with Nehru, while in reality betraying the class struggle of the Indian proletariat. The bourgeois leadership, however, has no illusion that the present class-collaborationist line of the CPI would continue in the event of a new shift in the Kremlin's foreign policy. The Stalinists are perpetrating their new betrayal of the Indian masses under a revisionist and anti-Marxist plea of supporting the so called "patriotic national capitalists" against the "imperialists and monopoly capitalists."

The outcome of the two general elections in the country has shown that the political influence of the bourgeois leadership is fast declining. Already serious organizational rifts have occurred in the ruling Congress party in different provinces. Its strength, if it can be called strength at all, is negative : namely, the lack of an independent revolutionary leadership

of the proletariat. Added to this are the treacherous betrayals of the masses by the Stalinist CPI and the petty-bourgeois Socialist Parties.

The masses are getting disillusioned with the bourgeois regime through their own experience. The accumulated political prestige of the Congress and of Prime Minister Nehru is being steadily consumed since the Congress governments are unable to stem the process of gradual impoverishment and aggravating unemployment of the people.

SOME OTHER PROBLEMS

The bourgeois state in India has to rationalize its administrative set-up by reorganizing the provinces on a linguistic basis, as a partial concession of autonomy to the regional bourgeois interests in different linguistic regions within the Indian Union. The demand for linguistic reorganization of provinces had been backed by popular struggles in different linguistic regions. All provinces have been carved out on the basis of the language spoken by the people. The only exception made is in respect of Maharashtra and Gujerat which are retained as component parts of a bilingual state of Bombay. This again is due not so much to the opposition of the bourgeois leaders to the principle of linguistic states as to the peculiar status enjoyed by the city of Bombay from the viewpoint of the big financial and banking interests of India. The agitation for the creation of the two unilingual provinces — Marathi- and Gujerati-speaking — is continuing to undermine the Congress prestige.

The Kashmir issue, one of the curses inherited from the communal division of India, is being exploited by the bourgeois leadership to work up the chauvinistic feelings of the Indian people to strengthen itself politically. The bourgeois leaders, however, refuse to concede the right of self-determination to the Kashmir people. The reactionary bourgeois-landlord clique ruling in Pakistan also is exploiting Kashmir as a weapon to perpetuate its tottering regime. The Kashmir problem cannot be solved by the existing capitalist-landlord regimes in India and Pakistan. It can be solved only by the united struggle of the proletariat of the two countries against their exploiters. Meanwhile Kashmir has served as a justification for the governments of both these countries to maintain a large standing army, consuming about 40 to 50 % of their annual revenue expenditure, while the masses of the people are made to starve and suffer privations.

The bourgeois state in India is greatly embarrassed by existence of the Portuguese pockets (Goa, Diu, and Daman) on Indian soil. The Nehru Government has tried to enlist popular support for its policy of bringing pressure on the Portuguese imperialists to quit. But it has miserably failed to take any decisive steps in this connection because of its link-up with the Anglo-American imperialists who are the real backers

of the Salazar regime. Here again it is demonstrated that it is only the Indian working class that can take decisive steps in this case to drive out the Portuguese imperialists from their pockets.

In order to exploit the present political conflicts, the Indian bourgeoisie has invented the ingenious theory of "Panch Sheel" (or peaceful coexistence) in collaboration with international Stalinism. This slogan in fact represents the anti-war needs of Indian capitalism at the present juncture. The professed non-alignment policy of the Indian bourgeoisie can be only a temporary strategy. In the event of a war between the imperialist powers and the Soviet Union, the Indian bourgeoisie will be compelled to join the imperialist camp.

The acceptance of the slogan of a "socialist pattern of society" has helped the bourgeois leadership temporarily to camouflage its real intentions of consolidating capitalism in India, and thus create illusions among sectors of the toiling masses. These socialist pretenses of the bourgeois state are being exposed rapidly. The state is being compelled to resort to ruthless suppression of all struggles of workers for a living wage and against rationalization and retrenchment, of the peasants' resistance against the eviction offensive of the landlords, of the struggles of teachers, government servants, bank employees, and other middle-class wage earners for better service conditions, and of students' movements against increased fees and undemocratic regimes in the universities.

Resort to firing has almost become a habit with the bourgeois regime. There have been more shootings since "independence" than the total number of shootings under the entire period of British rule. The suppression of popular movements is a historical necessity for the weak Indian bourgeoisie for its very

survival, just as the overthrow of the present capitalist-landlord system through relentless class struggle is the inexorable need for the exploited classes for their survival.

Whatever be its internal contradictions, the revolutionary Marxists know that capitalism will not collapse automatically. The peaceful transition of Indian society to socialism is a petty-bourgeois myth, which of late has found its most ardent supporters in the Stalinist CPI. Marxists know that only as the result of conscious political struggles of the working class, supported by the poor peasantry, and only under a workers' and peasants' government can the present stagnant property relations in India be transformed into social ownership of the means of production. A socialist revolution is on the agenda of the working class movement in India.

Capitalism today, more than ever before, is an indivisible world force. Any danger to its existence in India will be resisted by the united strength of the world capitalist reaction. The Indian working class, therefore, can march to the goal of socialism only with the active support and collaboration of workers of other lands.

The most important pre-requisite for the successful and speedy consummation of the present social ferment and growing struggles of the exploited masses into a socialist revolution is the creation of a strong and well-knit revolutionary Marxist Trotskyist party of the Indian proletariat, a party based on the experience of the international proletarian movement for the last century. Fortunately, forces capable of forging such a proletarian party are emerging in India.

[In a later issue it is hoped to publish, as a continuation of this study, an article on "Political Parties in India."]