Democracy and Development in India: A Historical Perspective

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Abstract

Hypothetically assuming that Democracy intrinsically is a good thing and democratic institutions smooth the progress of fiscal development of the country. Supporting to the hypothetical assumption and stating if democracy is a good thing, reason for its goodness is that it motivates free individual choice and it furthers the good of political participation. But the answer to the closing question is an observed one, and there is debate within the development field about the effects of electoral democracy on the development process. Various researchers have concluded in certain countries like Taiwan, Indonesia or Korea strong authoritarian type of government much is better able to develop a victorious process of economic development than an electoral democracy such as India. This paper have tried to provide an insight over, how an electoral democracy have shown a paced development in India since Independence.

I. India: A Diverse Nation

India is a portrait of variety witnessed in people, cultures, festivals, dresses and costumes, religions, flora and fauna and unreliable landscapes. India is approximately one third the size of USA. It has 29 states and 6 union territories. There are 18 official languages, 211 mother tongues and 900 dialects in India. India is a country in the subcontinent of South Asia in the larger continent of Asia. South Asia is inclusive of India, Pakistan, Bangladesh and Sri Lanka. India is the leading country in the subcontinent. India is the world’s second most crowded country in the world with a swiftly increasing population of nearly 1 billion people. It is a huge country with so many physical characteristics ranging from the Himalayas in the north, to the Ganga valley in the east, to the Thar Desert in the west. India has a mainly tropical climate but also has a typical monsoon climate with heavy rain from June to September and dry weather for the rest of the year, the country also has very warm weather for most of the year. India has many large metropolitan conurbations such as the capital Delhi (New Delhi), Kolkata and Mumbai.

II. Democracy: Minimalist Definitions

A democratic system can be defined in procedural terms as ‘that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote’ (Schumpeter 1942). Escalating on this definition, Dahl (1971) identifies seven key measures that are essential for democracy, or what he prefers to refer to as ‘Polarchy’. These include:

1. Control over governmental decisions about policy constitutionally vested in elected officials relatively frequent, fair and free elections.
2. Universal adult suffrage.
3. The right to run for public office.
5. Access to alternative sources of information that are not monopolized by either the government or any other single group.

6. Freedom of association (i.e. the right to form and join autonomous associations such as political parties, interest groups, etc).

Dahl’s definition of formal democracy includes the necessary civil freedom that should, in principle, assurance that the democratic procedure is comprehensive, free of repression and enables citizens to participate in an informed and autonomous manner. However, the focus of this definition is on contestation, or the electoral process itself. For a long time, the international community has also tended to place tremendous faith in the determinative importance of elections and what they can achieve for the democratization process – there is an implicit assumption that ‘elections will be not just a foundation stone but a key generator over time of further democratic reforms’ (Carothers 2002).

IV. Democracy: More Substantive Definitions

It could be stated that with the appearance of new democracies in many regions of the developing world since the 1980s, the process of democratization demands not only a conversion to formal democracy, but also the consolidation of such a democratic system. As researchers have found out that relying on a minimalist definition of democracy only cannot quite capture the challenges besetting regimes that have undergone a transition but have yet to consolidate their incipient democratic structures. As a result, a growing number of democratization experts are turning towards a more substantive definition of democracy, one that gives greater reputation to the role and importance of accountability.

Three dimensions of accountability are usually distinguished:

1. Vertical accountability which enables citizens to hold their political leaders to account through the electoral channel at specified points in time.
2. Horizontal accountability which refers to accountability mechanisms that exist within the distinct bodies of government itself, whereby state institutions are authorized and willing to oversee, control, redress and, if need be, sanction unlawful actions by other state institutions (O’Donnell 1996); and
3. Societal accountability which refers to the (ongoing) watchdog functions of civic associations, other NGOs and an independent mass media over the actions of the state (Schedler et al. 1999).

This representation of a liberal representative democracy – based on a free and fair electoral process, the respect of basic civil and political rights, and the provision of accountability mechanisms essential to give democracy substance – has gained growing international currency over the past two decades (according Bardhan ND; Diamond 2003; and Leftwich 2005). In a study by Amartya Sen (1999a) it was concluded that, democracy thus understood has become a ‘universal value’. A most prominent example of this emerging international consensus is provided by the Community of Democracies. Through its Warsaw Declaration and subsequent statements, the Community of Democracies is the first intergovernmental organization of established democracies and democratizing countries that has sought to define and assess what a democracy is, as well as to work together to support and
deepen where it exists, and to defend it where threatened’ (Boucher 2000), although its proclamations are non-biding.

In contrast, this liberal concept of democracy has been criticized in certain circles as being too exclusive, pressuring that aspects of participation are neglected (Pateman 1970; Chambers 1996). These other debates about more substantive democracy therefore put much more emphasis on inclusionary, deliberative, and participatory processes. As John Gaventa (2006) has put it, the ‘deepening democracy’ strand of the democracy debate ‘focuses on the political project of developing and sustaining more substantive and empowered citizen participation in the political process than what is normally found in liberal representative democracy alone’. Though far from perfect, the constitutions of both post-authoritarian Brazil and post-apartheid South Africa offer examples of deliberate attempts at more substantive and participatory democratic governance (including provisions for participatory budgeting, for instance).

V. Democracy and Development: The Bond Between Two

Some queries in comparative politics and development studies and policy have generated as much debate and scholarship as that exploring the relationship between democracy and development. The positive correlation between (high levels of) wealth and (established) democracy, first captured by Martin Lipset in his famous 1959 essay ‘Some Social Requisites of Democracy’, is one of the strongest and most enduring relationships in the social sciences. In fact, a democratic regime has never fallen after a certain income level is reached ($6,055 per capita in PENN World Table dollars) (Przeworski et al. 2000). However, as strong as this correlation is, it does not mean causation, and for a very long time academics, development analysts and policy makers alike have been preoccupied with untangling the complex relationship between development and democracy and determining whether there is a causal link between the two.

Much of the answer to the query about the bond between democracy and development will of course depend on how one defines ‘development’. In a study by Sen (1999b) gives a definition of development as ‘freedom’ – a suitably broad definition that incorporates not only economic indicators but also freedoms like human and political rights, social opportunities, transparency guarantees and protective security, then by definition democracy must lead to development. In addition, recent debates on a rights-based approach to development also focus on participation, accountability, and other elements that are very similar to those values underlying substantive forms of democracy (e.g. UNDP 2000). However, while there is enormous value in understanding development in such a holistic way, such an approach poses conceptual problems. Defining development in terms of many of the attributes inherent to democracy makes it more difficult analytically to make a distinction between the two terms and to be able to disentangle the nature of the relationship between them. For this reason, it may be useful to adopt a somewhat narrower definition of development. Joseph Stiglitz (2003) stated that, development for the purposes of this Note is understood as a ‘transformation of society’ that goes beyond economic growth alone to include social dimensions like literacy, distribution of income, life expectancy, etc. – the variables captured in the UNDP’s human development index. In addition, development must include some dimension of the distribution of wealth as well (Leftwich 2005).

There is also an argument on that ‘real’ democracy could be achieved in those political administration that promote development, economic equality and social justice. But as many analysts have noted (e.g. Schmitter and Karl 1996), there is nothing inbuilt in the nature of a democratic system that should automatically lead to certain outcomes. Such a maximalist understanding of democracy may in fact risk overburdening the concept, and it places unrealistic expectations and/or demands on what democratic regimes should achieve by sheer virtue of being democracies. The distinction between state and regime type is central to this debate. A key function of the state is to promote economic growth and deliver developmental outcomes. Regime type refers to the form of government and the way decisions are made.

As discussed above the definition of democracy that stresses on procedure somewhat than conclusion: a democracy should not be expected to produce better socio-economic outcomes simply because it is a democracy. As per the study conducted by Sen (1999a) and many other researchers they concluded that the democratic process does have intrinsic value on its own right, and it should be expected to arrive at policy decisions in a way that is inclusive, participatory, broadly representative of different societal interests, transparent, and accountable. Particularly, supporting the Sen’s findings, the importance of participation in one’s development through essential open and non-discriminatory democratic processes is fundamental.

Once the inherent value of democracy has been recognized, however, it is still very much worth asking the ‘so what’ question: does democracy make a difference, and if so, what kind of inherent difference? The growing recognition of institutions as key factors in shaping (developmental) outcomes and the movement of more poor countries toward democracy have both sharpened the relevance and the stakes of this debate even further. Some of the questions pondered include the following. Does development lead to democracy, or is it the other way around? What are the institutional mechanisms behind economic performance? Can democracy enhance development, or are authoritarian governments better equipped for that task? And is economic development necessary to enable democracies in the developing world to deepen and become consolidated? I turn to address some of these relationships in Section below.

VI. Democracy and Development: The Association Between The Two

Analyzing the various studies conducted by various prominent researchers it was concluded that during the 1960s and the 1970s, an argument that gained considerable prominence in mainstream academic and policy circles was that democracy was more likely to emerge in countries with high levels of socio-economic development (Lipset 1959; Almond and Verba 1963; Moore 1966). Lipset’s (1959) in his study putted focus on that economic wealth is ‘an initial condition for democracy’; many analysts and scholars interpreted this association as implying that development was a precondition for democracy. This modernization approach to democratization understood the emergence of democracy as a consequence of the transformation of class structure, the emergence of a bourgeoisie, economic development, increasing urbanization, the prior development of democratic values, and other cultural and religious factors.

Therefore as the review studied so far supported the view that the emergence of democracy is endogenous to the process of fiscal and societal development—there is a simple, linear progression toward modernization that ultimately culminates in
democratization. In other words, once a non-democratic regime acquires a certain level, or ‘threshold,’ of economic development and social maturation, it will inevitably become a democracy. According to the modernization approach, then, the appearance of democracy should be seen as the crowning achievement of a long process of modernization, or as a luxury that affluent countries can afford. However, the advent of the so-called Third Wave of democratization that swept across much of the developing world beginning in the 1980s challenged this concept of ‘prerequisites’ for democracy. Many of the movements towards formal democracy since then have taken place in countries where such transformation would not have been expected based on low levels of economic development and other socio-economic indicators. As has been amply documented, a large number of countries experiencing a transition to democracy during the Third Wave fell in the bottom third of the Human Development Index (Diamond, Przeworski and Limongi 1997). Third Wave transitions also defied cultural arguments positing that democracy is incompatible with certain faiths and religious values. In addition, many authoritarian regimes were able to survive even after reaching a considerably high level of development, so that there does not seem to be a natural progression from authoritarianism to democracy after reaching some kind of developmental ‘threshold’.

After studying certain articles related to modernization theory, a potential literature has surfaced since the 1980s that seek out to appreciate democratic changeover from a process-oriented approach. This review studied so far emphasizes the importance of decisions, ideas and the interaction among strategic domestic political actors in bringing about transitions in ‘unlikely places’, while acknowledging the importance of structural factors in shaping actor choices to varying degrees. The focus of this literature is on elite interactions. In some cases, however, widespread social mobilization and (the threat of violent) protest from below were instrumental in bringing about democratic change. This was very visibly the case in both South Africa and the Philippines, as well as more recently in Ukraine.

Thus, a broad international harmony has come into view that holds that economic development is neither a necessary nor a sufficient condition for the emergence of democracy. Contrary, beyond this general agreement about the fact that there are practically no preconditions to the emergence of democracy, the nature of the relationship between democracy and development remains a very hotly contested issue. Some have argued, for instance, that democracy is in fact an important (pre)requisite for the promotion of development, while others have maintained, quite on the contrary, that authoritarian regimes are better suited to that task.

VII. Development in India

India is the leading country in the subcontinent of South Asia in the larger continent of Asia. India is the world’s second most populous country in the world with a rapidly expanding population of well over 1 billion people. It is a vast country with many physical features ranging from the Himalayas in the north, to the Ganga valley in the east, to the Thar Desert in the west. European traders first came to Indian shores in 1498 with the arrival of European explorer Vasco Da Gama. India was under the control of many different colonial powers until the early eighteenth century when British rule fully came into place. The British remained in power until 1947 when India became an independent nation. British control left a lasting impact on India, in many ways impeding India’s development in some sectors. The economic development in India followed socialist-inspired policies for most of its independent history, including state-ownership of many sectors; India’s per capita income increased at only around 1% annualized rate in the three decades after its independence. Since the mid-1980s, India has slowly opened up its markets through economic liberalization. After more fundamental reforms since 1991 and their renewal in the 2000s, India has progressed towards a free market economy.

In the late 2000s, India’s growth reached 7.5%, which will double the average income in a decade. Analysts say that if India pushed more fundamental market reforms, it could sustain the rate and even reach the government’s 2011 target of 10%. States have large responsibilities over their economies. The annualized 1999–2008 growth rates for Tamil Nadu (9.8), Gujarat (9.6%), Haryana (9.1%), or Delhi (8.9%) were significantly higher than for Bihar (5.1%), Uttar Pradesh (4.4%), or Madhya Pradesh (6.5%). India is the tenth-largest economy in the world and the third largest by purchasing power parity adjusted exchange rates (PPP). On per capita basis, it ranks 140th in the world or 129th by PPP.

The economic growth has been driven by the expansion of services that have been growing consistently faster than other sectors. It is argued that the pattern of Indian development has been a specific one and that the country may be able to skip the intermediate industrialization-led phase in the transformation of its economic structure. Serious concerns have been raised about the jobless nature of the economic growth. Favorable macroeconomic performance has been a necessary but not sufficient condition for the significant reduction of poverty amongst the Indian population. The rate of poverty decline has not been higher in the post-reform period (since 1991). The improvements in some other non-economic dimensions of social development have been even less favorable. The most pronounced example is an exceptionally high and persistent level of child malnutrition (46% in 2005–6).

After independence India developed in many different sectors. These are-

![Fig. 1: Sectors in Which India Developed After Independence](image)

VIII. Development in Government Sector After Independence

1. Indian governmental structured change rapidly after independence.
2. India became a fully independent, secular state on the 26 November 1950.
3. The country developed into a democratic republic with a president, prime minister and a council of ministers, all who are elected by the public.
4. India’s full title is the Republic of India and today it is the largest full democracy in the world.
IX. Development in Agriculture Sector After Independence
Before independence India was a country which relied heavily on agriculture. After independence this remained much the same, even today India ranks second worldwide in agricultural output. India has always been a major grower of cash crops such as tea, tobacco, coffee and spices while also being a world leader in exporting many varieties of fruit. India ranks second worldwide in farm output. Agriculture and allied sectors like forestry, logging and fishing accounted for 18.6% of the GDP in 2005, employed 60% of the total workforce and despite a steady decline of its share in the GDP, is still the largest economic sector and plays a significant role in the overall socio-economic development of India. Yields per unit area of all crops have grown since 1950, due to the special emphasis placed on agriculture in the five-year plans and steady improvements in irrigation, technology, application of modern agricultural practices and provision of agricultural credit and subsidies since the green revolution. India is the largest producer in the world of milk, cashew nuts, coconuts, tea, ginger, turmeric and black pepper. It also has the world’s largest cattle population (193 million). It is the second largest producer of wheat, rice, sugar, groundnut and inland fish. It is the third largest producer of tobacco. India accounts for 10% of the world fruit production with first rank in the production of banana and sapota, also known as chiku.

X. Development in Services Sector After Independence
The services sector employs 23% of the Indian workforce and began its rapid development in the 1980s. The services sector accounted for 63% of Indian GDP in 2008 and as per the Central Statistical Organization this figure has continued to grow in 2013. A major area of development in the country’s services sector has been the tele-services and information technology sectors. India is fifteenth in services output. Service industry employ English-speaking Indian workers on the supply side and on the demand side, has increased demand from foreign consumers interested in India’s service exports or those looking to outsource their operations. India’s IT industry, despite contributing significantly to its balance of payments, accounts for only about 1% of the total GDP or 1/50th of the total services. During the Internet bubble that led up to 2000, heavy investments in undersea fibre-optic cables linked Asia with the rest of the world. The fall that followed the economic boom resulted in the auction of cheap fiber optic cables at one-tenth of their original price. This development resulted in widely available low-cost communications infrastructure. All of these investments and events, not to mention a swell of available talent, resulted in India becoming almost overnight the centre for outsourcing of Business process. Within this sector and events, the ITES-BPO sector has become a big employment generator especially amongst young college graduates. The number of professionals employed by IT and ITES sectors is estimated at around 1.3 million as on March 2006. Also, Indian IT-ITES is estimated to have helped create an additional 3 million job opportunities through indirect and induced employment.

XI. Industrialization
Before independence India was a largely agriculture-based country. Post-independence, the Indian private sector began attempts to expand. Technology has been one of the main cornerstones of India’s industrial development. Industrialization in India has probably been the country’s main development since independence in 1947. India is tenth in the world in factory output. Manufacturing sector in addition to mining, quarrying, electricity and gas together account for 27.6% of the GDP and employ 17% of the total workforce. Economic reforms introduced after 1991 brought foreign competition, led to privatization of certain public sector industries, opened up sectors hitherto reserved for the public sector and led to an expansion in the production of fast-moving consumer goods. In recent years, Indian cities have continued to liberalize, but excessive and burdensome business regulations remain a problem in some cities, like Kochi and Kolkata. Post-liberalization, the Indian private sector, which was usually run by oligopolies of old family firms and required political connections to prosper was faced with foreign competition, including the threat of cheaper Chinese imports. It has since handled the change by squeezing costs, revamping management, focusing on designing new products and relying on low labour costs and technology.

XII. Conclusion
When democratic governments are recognized, the hopes of the people are far above the ground. Thus, particularly in the short-term, governments may be liable to undertake spending programs that are fiscally not very cautious or Sustainable. In general, while the proof is far-away from conclusive, it is most likely correct to declare that the democracy-development choice is a false one. India has developed from an agricultural country into an urbanized, industrialized country. However this has given rise to many troubles for the country including poverty and ecological damage. It is never too late for India to fix its problems and hopefully in the future we will see this happening.

References

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