

Plutocratic Populism in Neoliberal India

Populist politics has seen a worldwide resurgence in electoral democracies. Focusing on India, Venkatanarayanan S. argues that while populist slogans and strategies may help political parties win elections, it evidently does not lead to the upliftment of the less privileged; on the contrary, despite promises of upholding the interests of the many, populist governments often end up collaborating with corporate bodies who fund political parties, thereby perpetuating the capitalist system at the cost of benefiting the common people on whose votes they had come to power.

Populism as a political phenomenon has revived democratic ideals time and again through popular political participation of people. The categorisation of plebian and patrician in populist discourse cuts across different ideological forces depending on the socio-economic and historical context.

The epicentre of populist mobilisation during India's independence struggle was national mobilisation under Gandhi, later transforming itself to emphasise the linguistic and regional aspirations in India. At the regional level, various political parties (like the Samajwadi Party, Rashtriya Janata Dal, Bahujan Samaj Party, Dravida Munnetra Kazhagam (DMK), All-India Anna Dravida Munnetra Kazhagam (AIADMK) and others) have deployed populist mobilisation to gain power and fulfil the aspirations of the less privileged, even though the dalit and Adivasi population continue to suffer. Till the 1990s, with the state being the principal economic force, populist demands were fulfilled by regional political parties at the state level. At the national level, the Congress government at the time revived its populist appeals variously to sustain their support base. The '[Garibi Hatao](#)' slogan by Indira Gandhi during the 1971 election, Rajiv Gandhi's statements in drought affected Kalahandi in 1985 that [only 15 paise out of every Rupee reaches the people](#), were instances where the rhetoric of leaders played a crucial role in creating their anti-élite image and helped in popular mobilisation.

The formal adoption of neoliberalism since the early 1990s has widened the scope for populist politics in India, as economic inequality and consequent social inequalities have deepened following the withdrawal of the state from the economic sphere. According to a study on inequality in India by [Maitreesh Ghatak](#), the wealth share of the top 1% was around 10–16% till 1990s but has now reached 42.5% (in 2020). The wealth of the bottom 50% fell from 12.3% in 1961 to 2.8% in 2020. Even though the economic growth during this period was able to reduce the absolute poverty rate drastically, inequality rose steadily. Since the 1990s, due to steadily increasing inequality, the demand for more transparency in governance by the people increased because they felt the lack of transparency to be the prime cause for rising inequality. Administrative reforms (like the 'Right to Information Act' in 2005) were introduced to satisfy the grassroots movements representing the interest of the people. But the United Progressive Alliance (UPA) government's populist policies assuaged the impact of neoliberal policies only to a certain extent; neoliberalism widened the scope for élite corporates to take centre stage in India's political-economic sphere as the state not only limited its role but also increased its dependency on private capital for addressing many social problems like unemployment, poverty alleviation, etc. Crony capitalism and its associated corruption became the focus of populist demands, which led to popular movements against corruption and finally replaced the UPA government at the national level.

Instead of making demands for redistribution of resources to reduce inequality — which would have been the left-wing's populist demand — in India nationalism and cultural identity became a vehicle of right-wing populist politics. [Paul Pierson](#) has identified the gap between rhetoric and reality in the American context. The rhetoric of anti-élitism remained a rhetoric because the élites occupied a significant position in deciding the political outcome, and became the major beneficiary of the populist government under Donald Trump.

Plutocratic populist tendencies of the Trump regime are being witnessed in the Indian context as well. Corporate donations to national political parties in India increased from INR 621 million in 2004–5 to INR 8,813 million in 2019–20. According to the [Association of Democratic Reforms \(ADR\)](#), more than 90% of donations to the ruling Bharatiya Janata Party (BJP) and the Indian National Congress (INC) are from corporates. Corporate funding for INC has reduced considerably over a period as they were not in power from 2014; simultaneously, corporate funding for the BJP has increased over 375% between 2004–18. Between March 2018 and July 2021, around INR 73,806.38 million worth [Electoral Bonds](#) were sold according to the ADR report.

The impact of corporate funding on policy-making needs to be explored further. The government's revenue forgone in the form of incentives and tax exemptions (primarily to corporates), which stood at INR 23,180 million in 2004–5 has increased to INR 1,081,130 million in 2018–19. From 9 billionaires in 2000, India now has [119 billionaires](#) and even during the pandemic, the wealth of Indian corporate billionaires increased by 35%, when millions were losing their livelihood for basic survival.

New labour codes proposed by the government are being staunchly opposed by labour unions, as they are in favour of business owners. But the populist rhetoric of nationalism and opposition to hereditary élite ruling classes camouflages the plutocratic nature of political machinery in India. As [Ajay Gudavarthy](#) has argued, 'They mobilised a local cultural idiom to project anti-élitist posturing while pushing for regressive traditionalism to reinstate hierarchies.'

Based on the neoliberal dictates of the World Bank, India introduced targeted Public Distribution System (PDS) in 1997 to curtail food subsidy, which has not been effective in ensuring food security in India. The 2020 Global Hunger Index ranked India 94th out of 107 countries; neighbours Sri Lanka, Nepal, Bangladesh, Myanmar and Pakistan have all performed better than India. According to the [National Family Health Survey-5 \(2019-20\)](#), the nutritional status of children below 5 years is deteriorating as stunting or chronic malnutrition (low height to age) has increased in 11 out of 17 states, and wasting or acute malnutrition (low weight to height) has increased in 13 of the 17 states. Stunted and wasted children are more vulnerable to illness. In spite of the Second National Health Policy in 2002 recommending increasing the state spending on health, following the neoliberal reforms, India enacted the Fiscal Responsibility and Budget Management (FRBM) Act in 2003, which curtailed the social sector expenditure to reduce fiscal deficit. Total public expenditure on health in India is currently around 1.23%, which is insufficient to meet the needs of the rising population. According to the [Ministry of Health](#), Government of India, accessing quality health care is a difficult task for many people and every year 63 million people fall into the poverty trap due to expensive healthcare expenditures in India.

Conclusion

Plutocratic populism in India hides rising inequality and the nourishing of élites under the cultural nationalist discourse. When the Argentinian post-Marxist [Ernesto Laclau](#) identified populism as an emancipatory force acting as a radical democracy addressing the problems of illiberal democracy ([On Populist Reason](#), 2005), the democratic possibilities of populism gave a lot of hope to the underclass. But the neoliberal phase of populism is undermining the Constitutional structures and ideals of equality, while riding the crest of the political wave in the name of general will, in fact strengthening élitist democracy using populist rhetoric.

The views expressed here are those of the author and not of the 'South Asia @ LSE' blog, the LSE South Asia Centre, or the London School of Economics and Political Science.

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