

Globalisation: Many Indias, many Russias

Tomila Lankina explains the ever-widening developmental disparities at a subnational level in both India and Russia. This is the first of two posts examining parallels and bilateral relations between India and Russia.

Russia and India are among the world's largest countries. India's Uttar Pradesh has roughly the same population as the whole of Russia – 139 million – and another one, Punjab, that of Australia—20 million (Chandra, 2004). Russia is territorially the world's largest polity: some of its regions dwarf several European states. The countries' regions are extremely diverse socially, politically, and economically. Yet, much of the academic, media, and policy discourse on these and other large countries like Brazil or Mexico is framed in nation-state terms. Accounts of underdevelopment often maintain a country focus, and so do those that drum up a nation's leap into modernity while neglecting regional variations in quality and substance. The sub-national gaps in socio-economic development are widening with globalisation. Bangalore is not the whole of India; neither is St. Petersburg, Novosibirsk, or Tomsk the whole of Russia. Why these enormous variations and why should we care?

India and Russia display many similar regional developmental trends. In India, some states and districts within them have become hubs of economic dynamism and growth. Despite critiques of globalisation as a force driving the ever widening socio-economic disparities, in such developmental hubs, growth has had a trickle-down effect lifting many people out of poverty by providing access to higher paying white-collar occupations. As a centre of a network of call centres, innovation, and technological know-how, Bangalore has become as much a household name in the West as it is in India. Russia has been slower than India to embrace globalisation. Yet, here too globalisation has encouraged the developmental take-off of some regions—examples are some districts in Moscow, Kaluga, and Novgorod *oblasti*, which have attracted comparatively high volumes of FDI.

The unfortunate side effect of these processes is the pronounced and ever widening developmental disparities at a subnational level. In both India and Russia, policymakers, with various degrees of commitment, have sought to narrow the widening spatial gap in development. Yet, many *oblasti* or sub-national states that had been poor, backward, and under-industrialised in the 1970s and 1980s – that is, in Russia, before Gorbachev's political and economic liberalisation and eventual replacement of communist planning with market reforms; and in India, before the adoption of neo-liberal policies in 1991 – have continued to remain sidelined in the processes of globalisation-fuelled growth.

What is it that makes some regions tick and others sink in the era of globalisation? Clearly, current developmental policy matters. Yet, a growing body of scholarship has suggested that we have to go beyond the realm of recent policy to find explanations for these patterns of growing spatial variations in development. Some explanations are to be found in the developmental choices made by India's state-level policymakers in the early post-independence period. Thus, Kerala benefitted from mass education expansion supported by its communist state governments (Heller et al., 2007), which contrasts with, say, the policies of Bihar, one of India's least literate states. Although Kerala's districts have not been the same kinds of hot-spots of globalised growth as has been Bangalore, it now boasts India's highest level of human development—an important factor in promoting economic growth. The USSR was of course a pseudo-federation, with all key decisions made at the centre. Many of these decisions however had the effect of kick-starting development in some regions at the expense of others. Regions that have embraced globalisation are often those where Soviet-era infrastructure, however decrepit, served as a platform for setting up new FDI-supported operations.

Yet, recent research suggests that we also have to look at more temporally distant historical legacies to uncover the latent sources of dynamism and growth. Let us pursue further the example of human capital. In Kerala, with its historically strong presence of Indigenized Syrian Christianity, Western Christian missionaries set the foundations of

mass schooling in the early nineteenth century, making Kerala [one of the most literate states](#) even during the time of British colonialism. Missionary schools provided education access to historically disadvantaged lower caste groups. Post-colonial governments simply built on the foundations that were already there. What is now Bangalore had been likewise comparatively advanced in human capital development even in the colonial period. According to the 1931 British colonial census, the male literacy rate in the Bangalore district of what was then the state of Mysore was close to 12 per cent, while female literacy, close to 2 per cent—not exactly high figures, yet high by the standards of many other districts in colonial India. By way of comparison, in the Bihar district of Sonthal Parganas, the figures for male and female literacy were 5.3 and 0.5 per cent, respectively (Hutton, 1933). In other words, less than one per cent of the female population was literate in the Sonthal district in Bihar, four times less than the rate in Bangalore; and male literacy in Bangalore was over twice the rate of male literacy in Bihar's Sonthal Parganas.

In addition to Christian missionary activity or education policies of progressive local rulers that may have kick-started human capital accumulation early on, there is emerging evidence that agrarian institutions may have likewise shaped development. In India, in some districts the British unwittingly supported particularly oppressive forms of land tenure whereby cultivators were severely exploited by landlords. These districts are characterised by a long history of under-investment in basic public infrastructure like schooling (Banerjee and Iyer, 2005).

Similar evidence is emerging for Russia. Areas around Moscow which were part of the Central Industrial Region in the imperial period, as well as some Northwestern territories, and some districts in Siberia, had been hubs of rapid human capital accumulation, urbanisation, and development. These were often areas with poor soil quality. Compared to the Black Earth regions of Russia, which had a higher association with serfdom, in non-Black Earth regions, many more peasants were involved in commercial occupations like fishing and crafts, rather than being tied to land. This encouraged the development of literacy and numeracy. Thus, in the Central Black Earth's Kursk *guberniya*, only 16.3 per cent of the population was literate at the time of the 1897 first comprehensive imperial census. By contrast, in the non-Black Earth Moscow *guberniya*, the literacy rate was 40.2 per cent (Troynitskiy, 1905).

It is fair to say that in many regions, the communists either built on the developmental foundations that were already established in the imperial period, or that their policies of evening out socio-economic variations, say, through mass schooling, did not change the underlying patterns of human capital development and accompanying processes of urbanisation and industrialisation (Lankina and Getachew, 2013). These resurfaced in the post-communist period. For instance, Kursk region, along with the other so-called “red belt” Central Black Earth regions, has remained comparatively less urbanised, and has established a reputation for paternalistic politics and voting preferences. In a recent KPMG report, Moscow *oblast* ranked third in terms of FDI for the 2007-2011 period, while Kursk was in sixty-fifth place in a list of 80 regions (KPMG, 2013). Other regions that had historically boasted comparatively high levels of human capital and development and are now embracing globalisation on a larger scale than many of Russia's other regions are Yaroslavl and Tatarstan. Here regional administrations have supported the development of industrial parks to attract FDI, including from India, which, similar to other external investors, has been wary of Russia's high levels of corruption, red tape, and political uncertainties.

The processes of widening disparities leading to the emergence of the phenomenon of several Indias and several Russias (Zubarevich, 2011) have profound implications for territorial cohesion, for social and political stability. In India, states that during the colonial period experienced severe forms of oppression by landowners, or those with historically low human capital, are also those that have been comparatively less developed and relatively more prone to class, caste-based, or communal violence (Banerjee and Iyer, 2005; Lankina and Getachew, 2012b).

Likewise, as a recent thought-provoking study by Natalia Zubarevich and her colleagues at the Independent Institute of Social Policy (IISP) has shown, there is a growing rift between the metropolitan, globalised Russia of large developed cities like Tomsk, home to Siberia's first university, where now every fifth citizen is a student; and the other Russias—the rural, in some cases semi-feudal, patriarchic, and weakly industrialised Russias (Zubarevich, 2011). In the Russia of medium-sized, mono-industrial cities, heavily dependent on state or blue-collar

employment with Soviet-era unreformed or only partly reformed and uncompetitive industries, there is a particular danger of socio-economic unrest. A classic example of such a scenario is the town of Pikalyovo, a medium-sized mono-industry city in the Leningrad region. In Pikalyovo, a large share of the local workforce had been laid off in the process of industrial restructuring, prompting dramatic mass [street activism](#) in 2009.

The global economic downturn has slowed down growth in Russia and there are signs that this is affecting other BRIC states, hitherto resilient to this trend, as well. Historical evidence suggests that islands of economic dynamism have a certain degree of developmental resilience that transcends regime types, national policy, or global market trends—Mumbai is now as much a dynamic center of growth as it had been one hundred years ago, during the time of the colonial Bombay Presidency; as is St. Petersburg (Petrograd), now as then a sophisticated metropolis; or the Siberian city of Novosibirsk, one of imperial Russia's key rail transport hubs and one of the first territories to opt for mass universal education in the imperial period, now a leading science and innovation centre. What should worry policymakers in Russia and India is the plight of the other, least developed regions, historically, and now increasingly, with globalisation, left behind.

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