

# Myth and Reality of Inclusive Democracy under Neo-liberalism

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**Abstract**—Democracy seems to be invincible today. Everybody across the ideological divide accepts the premise that there is no alternative to democracy. At the same time humanity today faces unprecedented crises; the brutal poverty and inequality, subjugation of women, neo-colonial wars and occupations, environmental degradation having the potential to destroy life on earth. All this happens in democracies and by democracies. In the world today the most horrendous crimes are committed in the name of democracy. (Avakian: 2014) so the bigger question, is democracy pure? Or does it have a class and social content? In a society with intense class divisions and widespread economic inequality, discussions of democracy without discussing its class nature are irrelevant. In a class society democracy becomes class democracy. Illusions about democracy as a system for all will not only help hiding its contradictions but also weaken the struggle to have a better system of democracy. It is necessary to make governance at all levels, from central to local, more democratic to find solutions to the major problems confronting mankind in the 21<sup>st</sup> century. But democracy needs to be contextualised. The neo-liberal paradigm of development imposed by democracies over people has ignited global resistances to neo-liberal capitalism. This has raised a basic question, the question of compatibility between neo-liberal capitalism and democracy. The world under neo-liberalism has less space for democracy. Some want immediate improvements through short term methods and others are convinced that there is a need of fundamental transformation of capitalism for a better world to live in. This paper argues that an inclusive form of democracy cannot co-exist under neo-liberal capitalism because the democratisation of the economic and social spheres is antithetical to the continued functioning of capitalist economic systems and the reproduction of capitalist relations of production. Thus there is the urgent need of 'collective transformation of capitalism' for an egalitarian, equitable and exploitation free society. Democracy must be freed from rhetoric and it must be real and substantial.

**Keywords**- Inclusive Democracy, Neo-liberal Capitalism, Resistances, Inequality, Marxism.

## INTRODUCTION

Everybody in the world today swears in the name of democracy. This in itself is regarded as the victory of the idea

and philosophy of democracy. But this in itself does not guarantee democracy and democratic practice as well as democratic space for all, particularly for the marginalised, in whose name it claims itself to be more inclusive than any system of governance. By many counts the world is more democratic today than ever before. This is expressed to mean that more countries observe the popularly accepted procedural norms of nation-based democratic practice, such as regular elections, parliamentary control over the executive, and the ability to organize politically, free from coercion by the state or forces within civil society. (Pilon:2018) The number of democracies as per these standards rose from nine in 1943 to 87 in 2010. (Max:2016) But with the growth in the number of democratic states in the world there has been a decline in the public satisfaction over their performance. As per one American study there was approval rating of 73% in 1958 which stands now at only 19% in 2015. (PRC: 2015) The growing dissatisfaction over the functioning of the democracies and its institutions is a reflection of a deeper crisis. It is indicative of the democratic deficit. This crisis needs to be understood from a basic understanding of what democracy is and how it functions in particular situations. The crisis in democracy is more acute during the periods of neoliberal globalisation all over the world. The gap between formal democracy and actually existing democracies has widened. Democracy involves struggles for creation of democratic space for those who are out of this space so far in real terms, in terms of participation in the decision making. The state and society under neo-liberalism does not encourage such struggles which is shrinking the democratic space. There has always been a struggle between the privileged, propertied class on the one hand and the marginalised and the excluded on the other hand for acquiring this space in both the state and society. Neo-liberal capitalist globalisation has created multiple forms of inequalities and this has been accepted even by its staunch advocates. These inequalities weaken the democratic forces and their struggle for democratic space. When the capitalist class acquires more economic power it

also gets more political power proportionately. This is exactly happening today under neo-liberalism all over the world including India. The gap between the rich and the poor in India is terribly increasing. Monstrous economic inequality has already become a feature of the Indian society and this is reflected in the functioning of the democratic polity. While the rise in the numbers of Indian Billionaires is celebrated in the mainstream media its negative impact on the process of democratisation is not analysed. There is now a widely shared recognition that the major problems faced by humanity in the twenty first century, such as poverty, unemployment, inequality, racism, women's oppression, war, global warming, and the extensive absence of effective democracy in both national and global governance, are interconnected and therefore must be combated by united campaigns and movements, bringing together a wide range of intellectually and ideologically disparate individuals and organisations. (Roper: 2013) Democracy under neo-liberal capitalism is deficient in many ways. Can the neo-liberal capitalism be transformed to make it inclusive and to make the democratic system under it inclusive? This paper aims to analyse from available evidences with reference to India.

### NEO-LIBERALISM AND DEMOCRACY

Neo-liberalism is no more liberal, it has become more authoritarian, though it pays lip services to liberal ideas and values like freedom, equality, openness etc. Neo-liberalism is misleading as it is not concerned with anything liberal. 'we are not simply in the throes of a right wing or conservative positioning within liberal democracy but rather at the threshold of a different political formation, one that conducts and legitimises itself on different grounds from liberal democracy even as it does not immediately divest itself from the name.' (Brown: 2005) In this formation, citizens are produced as individual entrepreneurial actors across all dimensions of their lives, civil society reduced to a domain for exercising this entrepreneurship and the state comes to be considered as one firm among many whose products are rational individual subjects, an expanding economy, national security, and global power. 'This is serious political nihilism, which no mere defence of free speech and privacy, let alone securing the right to gay marriage or an increase in the minimum wage, will reverse.' (Brown: 2005) This political nihilism is not the continuation of the old liberalism but something qualitatively different project, more ambitious, more authoritarian. 'Neoliberal governmentality undermines the relative autonomy of certain institutions –law, elections, the police, the public sphere –from one another and from the market, an independence that formerly sustained an interval and a tension between a capitalist political economy and a liberal political system.' (Brown: 2005) .The state under Neo-liberalism acts, no more as the supposed representative of the people but as the active facilitator of the neoliberal capitalist globalisation. The state and its success are measured in terms of its ability, including coercive ability to sustain and foster

the market. Here both Marx and Weber are relevant. Capital penetrates and transforms every aspect of – remaking everything in its image and reducing every value and activity to its cold rationale. (Marx: 1844) Neo-liberalism now means that democratic principles of governance, civil codes, and even religious morality are submitted to economic calculation....no value or good stands outside of this calculus. Both freedom and equality have been redefined and reduced, in essence, to the market. The sources of opposition to and mere modulation of, capitalist rationality disappear. And the space between liberal democratic ideals and lived realities has ceased to be exploitable. ' (Brown: 2005) Thus any strategy for fighting for democracy has to be evolved keeping in mind the new situation under neo-liberalism. The present neo-liberal edifice is rough towards other political orientations. A huge bureaucratic apparatus of processes and mechanisms, a vast network of regulations, norms, and directives, discards without the need for political argumentation any attempt to follow an economic and social path. This apparatus has taken over policies and powers that once belonged to the state, which are now vested in external authorities or financial elites, while a vast number of neo-liberal regulations and norms increasingly govern the state and social life. Thus state power refers not to the political power, but just one pole of such power, shaping a hostile environment in which considerable effort is needed just to open some space for the implementation of a different policy. (Karitzis:2016) The neo-liberal world has the new Mantra- TINA that is there is no alternative to it. 'who is to demand and force through the democratic reforms that will, for example, end and reverse the growth of the precarious employment; stop privatisation and restore equitable public services; tax Google and its ilk; increase public social investment, to make for moral equal starting positions and opportunities in the market place; control working time; make the production and regulation of money more transparent, less oligarchic and less dangerous? (Streeck: 2016) The American dream is symbolised with neo-liberalism and it has occupied the hegemonic position today. It is become the most powerful impediment to political radicalisation and collective action, the basis of the democratic process. Like the dream, the middle class also connotes a subjective ideal with very real and material consequences, a real –world projection of down to earth hopes for pleasant or at least endurable accommodation, good health, economic security, autonomy at work, and a measure of self and social respect. These people are in a flux, caught up in a perpetual and worsening property based crisis over which they have little or no control. The neo-liberal policies all over the globe have produced devastating effects on the life and livelihoods of the majority of global population. The shift from the Keynesian policy regimes to the neo-liberal regimes in the advanced capitalist countries from the late seventies and early eighties have led to dramatic increase in inequality in the distribution of income and wealth. Several interrelated areas of policy change contributed to this. Regulatory control of financial institutions and activity facilitated the global

integration of capital markets, massive expansion of debt, and the growth of finance relative to agriculture and manufacturing. Taxing was redesigned to favour the rich and burden the low and middle income earners. Reforms in the industrial sector weakened the bargaining power of the trade unions and legislative protection of the minimum wages, working hours, holidays, safety at the working place etc. of the workers. Mass unemployed was allowed to grow and was used to undermine the bargaining power of the workers. (Roper:2013) Government spending on social sectors like, health, education, housing, has been subject to fiscal restraint throughout the neo-liberal epoch. Consequently, poverty, homelessness and malnourishment increased in most of the advanced capitalist societies, and ‘almost all global indicators on health levels, life expectancy, infant mortality... show losses rather than gains in well-being since the 1960s’ (Harvey:2005) this continued also in countries like India which implemented neo-liberal policies with earnest zeal since the beginning of the nineties.

### **THE MARXIST CRITIQUE OF CAPITALIST DEMOCRACY**

The Marxist critique of the capitalist system is the most scientific analysis of capitalism so far. Any study of capitalist democracy is incomplete without Marxist analysis of it as it is fundamental for the development of a better alternative to capitalist democracy. Marx acknowledged that the demise of feudalism and the absolutist state and the emergence of representative democracy constituted a major step forward for humankind. (Roper: 2013) Marx also said that the bourgeoisie democracy is limited as it excludes the working class from participating in the governance of the society as it is founded on inequalities inherent in the capitalist system. Marxist analysis of capitalist democracy is based on his critique of the capitalist mode of production for which there is no scope for liberal or neo-liberal illusion on capitalist democracy. Capitalism has the capacity to produce an enormous social surplus product and this is unprecedented now under the phase of Neo-liberal Capitalism. ‘A small super-rich minority appropriates a rapidly increasing share of the world’s wealth while the workers, peasants and their dependants who actually produce this wealth through increasingly internationally enmeshed networks of production, and who constitute the majority of the world’s population, experience growing deprivation and poverty. (Harman: 2010) The monstrous inequalities are products of capitalism along with high rates of economic growth. This is accelerated under neo-liberalism and capitalist democracy does not challenge it. Nor it can challenge also because this is the nature of capitalism itself. The Marxian theory of surplus value scientifically explains the reasons of the inequalities produced within the capitalist societies and between the rich and poor nations. ‘Hence the theory of surplus-value also remains at the absolute heart of the revolutionary socialist critique of social democratic reformism. Any strategy that accepts the continued existence

of capitalism thereby also accepts the continued exploitation of workers, who produce the world’s wealth, by capitalists, who appropriate it.’(Roper: 2013)Neo-liberalism has multiplied inequalities globally in an unprecedented scale. Most parts of the poor countries are under poverty, hunger, malnutrition and deprivation where the IMF, World Bank led structural adjustment programmes were carried out. Advocates of liberal democracy argue that with institutional arrangements of democracy like universal adult suffrage, regular, free and fair elections, free press, majority rule, constitutionally guaranteed rights citizens have the ample opportunity and capacity to influence the decision making process in the government. Hence there is no contradiction between Neo-liberal capitalism and democracy. But in the Marxist framework the capacity of the citizens to influence the government is extremely limited and more so under Neo-liberal Capitalism. The wide spread inequalities create different categories of citizens in terms of their economic and social capacities and along with that their capacities to exert influence over the government. So the concept of citizenship is not inclusive under capitalism. The very process of production is undemocratic in capitalism. The relations of production in capitalism are ‘necessarily undemocratic precisely because they rest on the systematic exclusion of the immediate producers from exercising effective control over the means of production, labour power and resource allocation.’ (Roper: 2013) Widespread inequalities, exploitation, hunger, poverty, alienation, deprivation, marginalisation, violence, oppression etc. are marked features of capitalist democratic states. The majority of citizens who are deprived have little influence over the democratic process in the capitalist state. ‘Representative democracy, even in its most fully developed form, leaves untouched vast areas of our daily lives-in the workplace, in the distribution of labour and resources –that are not subject to democratic accountability ,but are governed by the powers of property, market forces and the exigencies of profit maximisation?’ (Roper: 2013) The Marxist theory of surplus value is not only to interpret the capitalist world and its mechanism of exploitation of the labouring masses but to change it as Marx has declared. Unless the labouring class is emancipated there is no meaning of democracy for them. ‘Marx’s critique of capitalism highlights the extent to which modern representative democracy is the best possible political shell for capitalist exploitation. Further it shows that the democratisation of the economic and social spheres is antithetical to the continued functioning of capitalist economic systems and the reproduction of capitalist relations of production.’ (Roper: 2013)

### **GLOBALISATION, NATION-STATE AND DEMOCRACY**

Democracy and democratisation is progressive in many respects but at the same time it suffers from severe limitations. One of the factors of its limitations is globalisation which

affects the autonomy of the nation states. 'the focus of modern democratic theory has been on the conditions which foster or hinder the democratic life of a nation', the major problem being that 'in a world of regional and global interconnectedness, there are major questions about the coherence, viability and accountability of national decision-making entities themselves.' (Held: 2006) Globalisation has affected all aspects of human life. It is defined as 'the widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life.' (Held et al., 1999) In this period of globalisation global institutions, global economy and actions and policies coming out of that limit the autonomy of the nation-states in decision making. 'The implications of this are troubling, not only for the categories of consent and legitimacy but for all the key ideas of democracy: the nature of a constituency, the meaning of representation, the proper form and scope of political participation, the extent of deliberation, and the relevance of the democratic nation-state as the guarantor of the rights, duties and welfare of subjects.' (Held: 2006) The structure and functioning of the world economy under globalisation has affected the capacity of independent decision making by the individual Nation-states. The growing internationalisation of the production networks, the growth of Transnational Corporations with huge concentration of Capital and its ownership with them, growth of global trade, free global financial flows for policies of globalisation like deregulation etc. have 'significantly reduced the capacity of the Nation-states to govern their domestic economies and, in particular, to do so through Keynesian demand management. (Held: 2004) The issues of human rights, of environment, of global economy, of global business and a host of other factors arising out of the process of globalisation put restrictions on the autonomy and freedom of the sovereign nation states to take actions independently by 'blurring the boundaries of domestic politics, transforming the conditions of political decision-making, changing the institutional and organisational context of national politics, and altering the legal framework and administrative practices of governments' (Held: 2006) The Global Financial Capital have emerged powerful in the periods of globalisation so far. The Multi-national corporations and the institutions like IMF, World Bank, and WTO decide the rules and policies that have to be endorsed by the majority of the Nation States. 'In this context, the risk is that democratic politics will increasingly be reduced to adapting to global markets –second-guessing their tendencies and accommodating to them.' (Held: 2006)

### **GLOBAL BUSINESS AND DEMOCRACY**

The challenge of globalisation has put national governments under pressure to surrender their powers to international organisations and markets over matters such as trade and financial flows. This has reduced their capacity to respond to expectations of voters. There are also challenges from below from varied sources including NGOs and lobbyists which try

to extract power from national governments. It has been common for governments to run deficits to give to voters what they want, neglecting long-term investments. This is clearly unsustainable. Global financial crisis has led to the erosion of faith in Democracy. Globalisation and the global business on the basis of globalisation has created multiple divides and led a large pool of people to feel that they have not benefited and have been left behind. It has promoted atomisation of individuals leading to loneliness and alienation with serious consequences for the legitimacy and sustenance of democratic system. The growth of identity based movements, communalisation of the society are by-products of this process. Political parties, elections and even the media are corrupted by the powers of big money. Democratic standards and values are being actively contested in settings where they are especially vulnerable. In the words of Michinik, 'Even if Publicists or intellectuals appear helpless in the face of a wave of unreason, they must speak out, for if they fail to do so against a real threat, they must accept a partial blame for a potential disaster.' (Michinik: 2017) The reactions to global business under the paradigm of neo-liberal globalisations are being expressed in a new aggrieved nativism which is opposed to liberal democratic values such as pluralism, freedom of expression, and minority rights. This situation has the potential to move to autocracy. This has already happened in Turkey and Russia. There are such tendencies in India right now. The quest of countries for respect and recognition in the global order or rather disorder demands that the countries and its people must hand them over to strongmen who promise order and stability at the expense of democracy and freedoms. The global business has put Chinese success story of sustained economic growth as the ideal story today. The narratives built over the Chinese business model have taken the question of democracy in China to back foot. The evolution of the superiority of Chinese Model has led to the suspension of the time limit of its state head bypassing a minimum democratic norm. US President congratulated China's head of state on this as this is a victory of Global Business over democracy. The business interests all around the globe are redefining the narratives of democratic engagement and democratic dialogue. The people are made to believe that the growth model under neo-liberal global business is in their interests even if that tries to snatch away their life, livelihood and basic rights. The predatory industrialisation leading to the displacements of tribals and their means of sustenance should be seen in this context.

### **Democracy and Civil Society**

In complex societies like India democracy refers to the multiple means that individuals may use to affect collective decisions. This is not just voting, but organization, advocacy, networking, deliberations etc. that may occur at multiple points in the decision making process. The associations of civil society should serve as 'schools of Democracy' (Tocqueville: 1969). In recent times much political work now takes place in locations other than electoral institutions. These

have emerged as new sites of struggle for democracy and hegemony. This phenomenon disperses the powers and capacities for collective action, thus transforming the very nature of governing from a sovereign state. Democracy gains legitimacy from inclusion and public deliberation. If civil society in its composition as well as in its functioning ascribes to these two qualities then it can engage the state democratically. Societies should maximize individual self-development and self-direction by altering power structure in favour of inclusion and voice. Now the political site is complex and plural, so it is impossible to think democracy without civil society which offers multiplicity in organization, experience, direction. Civil society is problematic in India with social exclusion, inequality, poverty etc.

Democracy as a project has to be realized through activism of the citizens in the space of civil society. The democratic forces should counter the undemocratic forces in the civil society to engage the state democratically. The neoliberal capitalist project has redefined the discourses on civil society. There have been growing deficits in the context of state and civil society interaction and engagement. These may be termed as development deficit, democratic deficit, legitimacy deficit and citizenship deficit. These deficits are reflections of the serious crises in the process of democratization of the state as well as the society. RTI, MNREGA, RTE and reservation for women in PRIs have expanded the scope of civil society engagement with the state, but civil society is not uniform rather it reflects the divide in socio-economic terms. The LPG model is both a challenge as well as opportunity to deepening of democracy through civil society. The Gramscian paradigm is relevant here to revive civil society as an arena of struggle to advance the cause of democracy. The battle for hegemony should be sharpened by the democratic forces to engage the state democratically. The state's grand hegemonisation project needs to be resisted. There are limitations of liberal idea of civil society as we have seen since 70 years of liberal democracy in our country. The feudal and colonial dominate the civil society and do not allow the flourishing of democratic ideas and institutions. Vast majority of people are outside the space of civil society as they have limited enjoyment of formal rights. So people's struggle takes the form of direct struggle against the state unmediated by the civil society.

The west no more serves as a model for others. For the last two centuries the western civilisation –with its concepts of freedom, liberal democracy, human rights, and free market capitalism- has been serving as a model or a beacon for many cultures in the world. The latest surge of democratisation, the so called third wave of democracy occurred between the 1980s and the 1990s. According to Freedom House, the number of democracies based on free elections had grown from 69 to 119 between 1989 and 2004. But then stagnation came. Since 2006 countries with declines in freedom outnumbered those with gains. For nine consecutive years the conditions of global political rights and civil liberties showed an overall decline. (Puddington: 2017)

The tectonic shifts of a capitalist order in severe crisis have not generated a global cultural shift analogous to those of the 1920s and 1930s. This crisis is shaking many loose from their traditional local position and political identities. Many people, including young middle class are rethinking capitalism and its property relations. In a starkly oligarchic world, most of them are likely to be included in the army of excluded and marginalised. Confronting similar issues of precariousness, propertylessness, and stagnant or declining living standards, and likely to find little of substance in the morally and politically bankrupt positions of mainstream liberals, people in such strata are good candidates to become subaltern organic intellectuals of a radical democratic movement. (IANmcKAY:2018) In India, the social inequalities based caste, gender and religion etc. are reinvented as weapons to destroy the possibilities of the emergence of such intellectuals and the possibilities of radical democratic movement challenging the property rights of the neo-liberal order and the inequalities created out of it. So there is growing intolerance, communal riots, attacks on the right to speech and expression, new narratives on communalism and so on. All these are parts of the strategy to sustain the neo-liberal order. Those who see all these separately from neo-liberal capitalist consolidation in the country fail to see the link between fascism and capitalism. But the silver lining is that there are thousand mutinies defying the predictability of left, right and centre, creating new radical narratives and discourses for future path. Here lies the hope for a future. The neo-liberal discourses of development are incompatible with democracy and its ideals. But the danger is that the neo-liberal order uses the radical language of democracy and inclusiveness and the middle class is trapped. There is a need of incorporating those elements of liberal democratic theory of the state that can be found consistent with the non-market, classless society.

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