Post-Liberalisation Indian State: Camouflaging of Functions

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1. Introduction

With economic liberalisation since the mid-1990s, Indian State changed its inherent character and turned into a full-fledged capitalist state. Almost a passive revolution took place – with the landed elites pushed to a subordinate position and the bureaucratic-managerial class won over by the corporates. It is the capitalist class which now acquired the position of setting the terms (Chatterjee, 2011).

Just like any other capitalist state, Indian State too started carrying out two categories of functions:

(I) First, towards promotion of capitalism (by the State offering the required enabling infrastructure and the much needed regulatory & institutional framework); and

(II) Second, towards legitimisation of capitalism (carried out by the State through a plethora of welfare and social security measures).

Very often, high degree of welfare measures make people believe that State is deviating from its capitalist stance; and is moving towards a pro-poor socialistic direction. Fact remains that: it is in the interest of capitalism and for its socio-political stability, such state-expenditures are undertaken. And, instead of challenging the system, these welfare & affirmative actions strengthen capitalism in a democratic set up.

On the other hand, much of infrastructural expenditures (both physical and social) undertaken by the State are done for the facilitation and promotion of capitalism. But in common parlance, they are often perceived to be social expenditures, increasing human welfare and capability.

Thus, in a capitalist democracy, very often it is difficult to dissociate these two categories of state-functions. Frequently, it is difficult to identify which state-actions are for the promotion of