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Marx and the Evolution of Indian Capitalism

The mention of Karl Marx often elicits sceptical responses and glazed looks. This is not surprising. After all, wasn't he the thinker whose prediction of the demise of capitalism in Western Europe proved incorrect? Didn't the revolutions that he waited for take place in the wrong places? Most important, hasn't communism, as it has been actually practised, been a total failure, to be relegated to the dustbin of history?

I believe it is short-sighted to think this way, if only because capitalism **is** the dominant ideology and economic system of the day. Many of Marx's insights into the development and workings of capitalism remain relevant, even if he may have been wrong about how we would transcend capitalist society. These insights can assist us in a critique of how we live today and where we are headed in our capitalist-dominated world order.

India is a good place to test the applicability of Marx's ideas regarding a number of subjects: the nature of pre-capitalist societies; the transition from feudalism to capitalism; the role of imperialism in spreading capitalism; and the global nature of the forces of production. It is useful that Marx wrote extensively about India in a series of newspaper articles, and later in the Grundrisse and Capital. In these pieces, he placed Indian society in his materialist history and assessed the impact of the British presence. It is with these writings that I begin my exploration of the relationship between India and Marx. I then jump forward to the significance of India's independence in 1947 (building on another GLS paper, titled "British Rule, Indian Independence, and Karl Marx") How —if at all—can we construe this event in Marxian terms? Such an analysis takes us into contemporary India. I ask to what extent India today conforms to a Marxian description of capitalist society, both internally and within the context of the global economy. I conclude by summarizing the points of convergence and divergence between Marxian thought and Indian historical reality, and how this comparison should inform our use of Marx's ideas.

Marx on Indian society

*“The simplicity of the organisation for production in these self-sufficing communitiessupplies the key to the secret of the unchangeableness of Asiatic societies. ”*¹

For Marx, the Indian village community possessed several features that imbued it with changelessness. Members tilled their own plots, but village land was held in common: “The individual has no property but only possession.”² The communities were isolated and self-sustaining. Its members engaged in farming and small-scale industry but primarily for the community’s needs. The “domestic union of agricultural and manufacturing pursuits”³ inhibited the development of the division of labour brought about through exchange. Instead, there was “an unalterable division of labour”⁴ produced by a caste system that fixed an individual’s occupation through heredity, and a community that provided the individual with an unchanging market. The unconsolidated nature of these scattered communities made them vulnerable to foreign invasion. Further, because of the climate, they were dependent on a central authority for large-scale irrigation projects and other public works. Both these factors gave rise to the Oriental despot who “stands over them [the direct producers] as their sovereign and simultaneously as landlord.”⁵ Marx sees the Asiatic form of primitive community as the most resistant to change because “the individual does not become independent vis-a`-vis the commune.”⁶ And despots exploit communities as a whole without disturbing their internal solidity. Marx is thus moved to conclude that “Indian society has no history at all.”⁷

The Reaction to Marx

Marx’s early characterization of Indian society has come under much criticism from historians. Suniti Ghosh, for example, points out that the Indian village was “not a proprietary but an administrative unit,”⁸ and that the community was not as isolated as Marx portrayed: there was substantial surplus production, which found its way to urban areas as commodities. Meanwhile, there was extensive petty commodity production —often involving wage labour— in towns and cities. Ghosh remarks that “trade between the urban areas and external

commerce were considerable.”⁹ Indian society was clearly not devoid of a system of production founded on exchange, and therefore a division of labour. Marx himself later acknowledged the existence of an exchange economy outside the “natural economy” of the village. But he was probably still not aware of the extent to which manufacturing had developed in the time when the British arrived. Chris Harman argues that India was at least as materially developed as Britain at the time: “There was development of the means of production, with the adoption of many of the same innovations that took root in medieval and early modern Europe.”¹⁰ The reason a capitalist society did not subsequently emerge, Harman says, was not an inherent backwardness in the development of the means of production and social relations; it was, rather, “the impact of the political superstructure [the Mughal empire] reacting on the economy that brought the development to an end across wide swathes of northern India.”¹¹ This is in stark contrast to Marx’s observation that India’s “social condition has remained unaltered since its remotest antiquity, until the first decennium of the nineteenth century.”¹²

Harman’s description of feudal societies found both in India and Europe raises for me another question, regarding the sequential nature of Marx’s theory of social development. He writes that in both areas “there was the rise of a new form of production and exploitation standing in partial contradiction to the old form from at least the 14th century onwards,”¹³ —much earlier than in the Marxist calendar. If correct, does Harman’s understanding disturb a stagist interpretation of Marx, which implies that a society be fully developed in a feudal form before it can proceed to the capitalist mode? Isn’t it possible that stages overlap and coexist for considerable periods of time, as they did—and continue to do—in India?

Not all of Marx’s ideas about mid-19th century India have been debunked. While Marx overstated the case, he correctly perceived the traditional nature of Indian villages and their slow pace of change. Indian historian Ravinder Kumar’s description is not substantially different from Marx’s: “...substantially self-regulating village communities, scattered over the face of the subcontinent, and characterized by relatively weak economic and cultural interaction with one another....”¹⁴ Nevertheless, even such a staunch defender of Marx as

Aijaz Ahmad is compelled to address Marx's inaccuracies and simplifications, and his criticism is profound: "The danger in the practice of any materialism is that whereas it begins by opposing all those speculative systems of thought which make universal and categorical claims without the necessary physical evidence for the grounding of such claims, its own sustained oppositional practice tends to push it in a direction where it is impelled to assert universal laws of its own, different from those it opposes, but without sufficient evidence of its own."¹⁵ It is precisely this "universalism" that makes some post-colonial historians see Marxist theory as a "modes of production" narrative, one of several universalizing and progressive narratives produced by modern Europe. But perhaps we can see both the truth of the universal and the neglect of the particular in Marxian thought as it relates to India. If Harman is correct about the similarity of development in 17th-century Europe and India, it confirms that the forces of change based on material production exist everywhere: "Elements pushing for capitalism began to emerge in several different parts of the world."¹⁶ However, to the extent that Marx, by working within a Western framework, was not able to see these elements as they existed in India indicates his Eurocentrism—surprising, since as a materialist, he would surely have agreed with Harman that "it was not 'European values' that created capitalism, but rather capitalism that created what we think of as European values."¹⁷

Marx and British Colonialism

*"England has to fulfil a double mission in India: one destructive, the other regenerating —the annihilation of old Asiatic society, and the laying of the material foundation of Western society in Asia."*¹⁸

Marx understood that England was motivated by the "vilest interests" in India, and that colonization served the needs of British capitalism. Nevertheless, he saw British colonization as a force that would transform India in a way no previous foreign rule had. He predicted the introduction of modern infrastructure would destroy the foundations of the Indian community, including the caste system and the union of agriculture and manufacturing. He did not think we should mourn the loss of these communities too greatly, though, because "inoffensive though they may appear.... they restrained the human mind.... depriving it of all grandeur and

historical energies.”¹⁹ These historical energies would come from outside Indian society, from the British. The introduction of modern transportation and communication technologies would lay the groundwork for domestic industry: “When you have once introduced locomotion of a country....you are unable to withhold it from its fabrication....the railway system will therefore become, in India, the forerunner of modern industry.”²⁰ Modern industry would create a new kind of Indian worker, along with an Indian bourgeoisie, “endowed with the requirements of government and imbued with British science.”²¹ Marx also viewed the creation of a civil service, a native army, and a free press as unifying and modernizing institutions. By creating a “social revolution in India”, Britain was thus “the unconscious tool of history.”²²

It is not hard to find evidence of England’s “destructive mission” in India. Marx had identified two phases of British exploitation. The first, one of “primary accumulation”, involved the direct exploitation of Indians through taxation and the extraction of raw materials and goods at artificially low prices, in order to enlarge the capital of British financiers. Marx writes: “What the English take from them [the people of India] annually....amounts to more than the total sum of income of 60 million of agricultural and industrial labourers of India! This is a bleeding process with a vengeance!”²³ British industry had grown large enough by the early 19th century that it needed new markets for its goods, which ushered in the second phase. Thus, “India, the great workshop of cotton manufacture for the world since immemorial times, became now inundated with English twists and cotton stuffs.”²⁴ India was now a net importer of manufactured goods, reversing the earlier trade flow, even as it supplied raw materials to Britain at very favourable terms. The import of British cotton goods had a devastating effect on the artisans in village communities, who were turned into landless labourers. Irfan Habib cites evidence confirming “the phenomenal growth of landlessness in the 19th century.”²⁵ Meanwhile, the commercialization of agriculture within a colonial framework forced farmers to become price-takers in the sale of crops for export.

But what of the predicted dissolution of the old social order? It would appear that colonialism did not fundamentally disrupt the “stagnant society”. The artisan separated from his means of

production did not morph into the industrial wage-labourer but was instead absorbed into the rural proletariat. Caste continued to function as it had; indeed, what had once been a non-standardized system was rigidified by the decision of the British government to create the category of “scheduled caste” for electoral representation. As well, British land reforms, undertaken under the guise of creating private property, had the effect of empowering zamindars (landowners), who typically belonged to the upper castes. Dipesh Chakrabarty summarizes the impact of colonialization on India in this way: “Modern colonialism was quintessentially the historical condition in which an expansive and increasingly global capital came to dominate non-Western societies without effecting or requiring any thoroughgoing democratic transformation in social relationships of power and authority.”²⁶

The lack of social change relates to the failure of a key “regenerating” feature to materialize—the development of a new economic order. Instead, the uprooting of traditional handicrafts was followed by deindustrialization. Estimates vary, but it is clear that India’s share of the world income declined drastically from the time the British arrived until Independence. We can attribute this stagnation under colonial rule to the **dependency** contained in the unequal trade relationship. India was forced to become the agricultural producer and satellite for Britain, the industrial producer and the metropolitan country. The entire infrastructure built by the British and their colonial policy were geared to this end. (By 1879, the Indian railways were, for Marx, “very dismal for the real producer.”²⁷) There was practically no room in this relationship for the development of Indian industry or the creation of a native bourgeoisie. In fact, the situation confirmed Marx’s observation that the bourgeoisie “has made barbarian and semi-barbarian countries dependent on the civilized ones, nations of peasants on nations of bourgeois, the East on the West.”²⁸

The Meaning of Independence

“The Indians will not reap the fruits of the elements of society scattered about them by the British bourgeoisie, till in Great Britain itself the now ruling classes have been supplanted by the industrial proletariat, or till the Hindoos themselves shall have grown strong enough to throw off the English yoke altogether.”²⁹

Marx's doubts about the progressiveness of colonialism may have been aroused by the great Rebellion of 1857. He correctly identified it as not just a mutiny of *sepoys* (soldiers) but as a national revolt including farmers and the *zamindar* class, groups chafing under the burden of taxation and loss of power respectively. Since these were classes from the old order, Marx should theoretically not have supported them in their "reactionary" movement. Nevertheless, he says: "However infamous the conduct of the Sepoys, it is only the reflex of England's own conduct in India.... To characterize that rule, it suffices to say that torture formed an organic institution of its financial policy."³⁰ Marx's later thoughts go beyond sympathy for the abused subjects of foreign rule; he questions the very possibility of regeneration under such rule. The fact that the "symptoms of reconstitution" Marx had hoped for were not materializing opened up a new possibility: instead of assimilating the pre-capitalist colony into its capitalist mode, the metropolitan country subjugates and degrades the colony for the proper functioning of its own economy. In Capital, Marx seems to express this view of imperialism in his commentary on British rule in Ireland: "Every time Ireland was just about to develop herself industrially, she was smashed down and forced back; into a mere agricultural country....Ireland was compelled to contribute cheap labour power and capital for the establishment of the great factory of Britain."³¹ If capitalist imperialism is not inherently progressive, if it instead retards development in the colony, gaining independence becomes the pre-condition for progress. And this is where Marx's thoughts coincided with the aspirations of Indian freedom fighters.

The leaders of the Indian independence movement were united in their desire for national freedom, but they did not all have the same vision of India following independence. While Jawaharlal Nehru imagined the development of a modern industrialized nation under partial socialist rule, Mahatma Gandhi hoped for a return to the simplicity of Indian village life. The leadership could not be said to have a uniformly bourgeois outlook; more important, it was not composed primarily of a capitalist class, because such a class had not yet formed to a substantial extent (although there was a small business elite that supported the nationalist Congress party). It would therefore be incorrect to describe the independence movement as a bourgeois revolution. However, viewing it retrospectively, we can argue that it ultimately **created** the Indian bourgeoisie and a capitalist society. In this sense Marx was right that the

British were “an unconscious tool of history” in producing a social revolution. It is just that capitalism emerged not as a direct product of colonization but as a consequence of the **negation** of colonization. Marx’s view that it “it is not consciousness that determines life but life that determines consciousness” also applies in the context of Indian independence. The ideals of freedom were inspired by the economic exploitation of Indians. And it was the **material** conditions for advance laid down by the British for their own purposes that prompted the nascent Indian bourgeoisie to expel the British so that they could use these means for themselves.

Chakrabarty alerts us to the danger of seeing the independence struggle solely as a battle between British colonialists and the Indian nationalist leadership. This, he says, is an elitist history that suppresses the voices and actions of the subaltern. We need to recognize that the Indian peasantry and members of the lower castes were highly engaged in fighting colonial rule (as in peasant rebellions). Both the British and Indian elites viewed the subaltern as pre-political and his acts as regressive, rather than modernizing. Notwithstanding his sympathy for the 1857 rebels, Marx held much the same view. Chakrabarty opens up a different perspective: “....instead of being an anachronism in a modernizing world, the peasant was a real contemporary of colonialism and a fundamental part of the modernity to which colonial rule gave rise in India.”³² Marx did not appear to allow for the possibility that the Indian peasantry could be a progressive force under colonial rule. This was a shortcoming that has relevance to contemporary India as well.

The Indian Economy

At the time of its independence, India accounted for a tiny fraction of the world’s GDP. Today the IMF ranks the Indian economy as the eleventh largest in the world. India’s rate of growth lags behind only China’s.³³ Economic expansion really began with the liberal reforms of 1991, when the Indian government was forced to “restructure” the economy to address a foreign exchange and debt crisis. It lifted many restrictions to trade, foreign investment and the operation of the stock market; it lowered income taxes and opened the transportation, communication and banking sectors to private competition. With the dismantling of the

“licence Raj,” India was open for business, a marked shift from the Nehruvian era of a centrally-planned and nationalist mixed economy. The impact of these reforms has been remarkable. India now possesses a range of expanding industries, from telecommunication and biotechnology to textile and steel. It is a leader in IT and business outsourcing. Robyn Meredith writes that “India is fast becoming the world’s back office.”³⁴ The burst of growth is associated with India’s new and rising middle class—the Indian bourgeoisie. This class, constituting roughly 20% of the population, is confident in its outlook and aware of its power as producers and consumers. It is supported by an increasingly business-friendly government (“The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.”³⁵) Marx’s observation that the dominant class is able to define its own interests as the general interest holds true in India: the mantra that the new capitalism benefits *all* Indians is pervasive.

Globalization

“The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country.”³⁶

India’s emergence into capitalism is, of course, an aspect of globalization, and it confirms Marx’s prediction that capitalism would transform the world. The 1991 reforms brought India into the world economic order, and it shifted power from the state to multinational corporations, both foreign and domestic, that now take advantage of India’s cheap labour, its large class of English-speaking and well-educated citizens, and its relatively weak environmental standards. Many foreign multinationals locate their research and development in India, and conversely, many Indian companies located in cities like Bangalore and Pune provide goods for worldwide consumption. Gail Omvedt characterizes the 1990s “decade of globalization” as a period when countries like India “moved from dependence on agricultural, mineral and oil production and exports fostered by the colonial regime to increasingly sophisticated manufactured goods.”³⁷ We might add that globalization also complicated the movement of capital, which now also flows from India to developed countries: foreign assets as a percentage of GDP have grown by more than 50% since 1991.

Many Marxists have underestimated the ability of capitalism to adapt to change. Lenin considered imperialism to be the highest stage of capitalism, but imperialism appears to have been succeeded by post-colonial globalization. The new Indian economy is proof of the fresh energy given to capitalism through globalization. India provides businesses everywhere with new sources of labour and materials to exploit, and new markets for their products. If capitalist history has become world history, as Marx himself suggested, we should rethink the limits of capitalism as being the limits of the world itself.

Indian Paradoxes

There are several phenomena that disturb my depiction of India as a capitalist society, fully integrated into the global network. First, more than 60% of Indians live in rural areas, where most farming is unmechanized and conducted on small holdings, and where the division of labour continues to be influenced by caste. Next, India's urban industries do not conform to Marx's classical capitalist model either. Large-scale manufacturing accounts for only about a quarter of India's economy; the faster-growing service sector is twice as large. As Pankaj Mishra points out, "India's economic growth has been largely jobless. Only 1.3 million out of a working population of 400 million are employed in the information technology and business processing industries that make up the so-called new economy."³⁸ We should add that in both the manufacturing and service sectors, much of the work is done by legions of small businesses operating in the "informal" (i.e. extra-legal) economy—unconducive to the formation of an organized labour force (Shankar Acharya cites a *decline* in organized industrial sector employment in the first half of this decade³⁹), or a larger union movement. In short, India's workforce does not completely, or even largely, correspond to the Marxian proletariat.

Nevertheless, I will stick to my "capitalist" labelling of India because this seems to be the **direction** it is headed. 2009 was a historic year in India in that manufacturing for the first time contributed more to the country's GDP than did agriculture.⁴⁰ Indians are migrating in massive numbers to towns and cities to seek new forms of employment. And finally, we witness the spread of a free-enterprise ethos. We see this among the newly rich, who are proud of their entrepreneurship and its rewards, the material possessions they love to display. We also see it

among many common working people: during my last visit, I was struck by a newly-found optimism and energy, reflecting a belief in the promise of individual initiative.

“India’s economy offers a schizophrenic glimpse of a high-tech 21st century future amid a distressingly medieval past.”⁴¹

The continued existence of capitalist modes of production and social relations alongside a predominantly non-industrial economy does not fit well into the Marxian framework: at some point, the new economy should capture all of society. The quotation above is a variation on this theme—it suggests that India’s “medieval past” will, hopefully, catch up with its 21st century future. However, is it possible that what is taking place in India is not a **transition** to capitalism as it is understood in the West, but instead **a new version** of it, one not envisioned in a progressivist Marxian model? India has a huge population of unemployed and underemployed. Edward Luce informs us that more than 100 million rural people do not own any land), contributing to a “vast reserve army of 470 million labourers in [India’s] hinterlands.”⁴² In India, the reserve pool of labour willing to take low wages is not just created through labour-saving capital—the pool already exists. The dynamic of dependence between colonizers and colonized, described earlier, persists in “free” India with the internal exploitation of cheap labour. Prabhat Patnaik’s observation about the interaction between capitalist and pre-capitalist sectors remains relevant: “....apart from the reserve army internal to capitalism, there must be substantial labour reserves at arm’s length within which a whole group of workers and petty producers catering to the needs of capital must be located....it is really this persistence [of a degraded pre-capitalist sector] that capitalism requires; it alone is what makes it possible for capitalism to overcome its intrinsic *incompleteness* and acquire its much-vaunted stability.”⁴³

The Dark Side of Shining India

“There is no document of civilization,” Walter Benjamin once wrote, “which is not at the same time a document of barbarism.” This is the melancholy truth that all narratives about “rising”

India must acknowledge if they are not to be trumped by pictures of a collapsed bridge and a leaking toilet.”⁴⁴

Gross inequality has long been a feature of Indian society, and it appears to have worsened in the new economy. Even the casual visitor to India is confronted with stark evidence of the gap between rich and poor. Yet proper awareness and consideration of the issue is generally suppressed by the domestic and foreign media, which seem intent on cheerleading the business community with clichéd paeans to India’s “roaring economy,” which is “lifting millions out of poverty.” Such boosterism serves only to promote the ideas of the ruling class and assuage its conscience. That the rich are getting richer in India is unmistakable. The private wealth of India’s 49 richest individuals now equals almost a third of the country’s GDP.⁴⁵ As well, the number of well-off Indians has grown, as reflected in increased spending on goods previously affordable to only a very few. But are the poor getting poorer? In terms of absolute poverty, perhaps not. World Bank figures⁴⁶ show that the percentage of Indians living below the international poverty line declined from 1981 to 2005. At the same time, though, the number of poor people has **risen** to 380 million due to population growth; now one-third of the world’s poor live in India. Compounding the problem is the large number of people just above the poverty line (only \$1.25 per day), a number that is not falling.

Social tension relates more closely to **relative** poverty than to absolute poverty. Scientific studies of inequality are fraught with methodological and ideological controversies, but a comprehensive survey of such studies in India concluded that in the post-liberalization period, inequality increased significantly in both rural and urban areas.⁴⁷ The poor have not simply been excluded from the benefits of economic growth; they now see themselves farther behind the rich. Mishra alludes to the contradiction of economic globalization, which “by fostering rapid growth in some sectors of the economy raises expectations everywhere, but by distributing its benefits narrowly, expands the population of the disenchanting and frustrated.”⁴⁸

The deprivation of the Indian masses cannot be understood simply by measuring income levels. It finds expression in a lack of access to the basic amenities of proper housing (it is estimated

that 62% of Mumbai's 20 million live in slums⁴⁹), sanitation, roads, schools and health care. It also consists of a subjection to the effects of India's environmental degradation. The poor are the most likely to suffer from the poor quality of air in urban areas, the pollution of waterways, the destruction of forests, and the dumping of toxic wastes. India's rapid growth—demanded by capital—is diminishing its natural resources (the Indian government estimates that, without huge improvements, India will be short of water by 2050⁵⁰). The poor experience this diminution most keenly. Exploitation of nature goes hand in hand with exploitation of the proletariat.

Such a condition of inequality should foster widespread discontent. It should position India as the new “weak link” in the chain of capitalist nations. And because it hasn't happened, we may share the amazement of the protagonist of Aravind Adiga's “The White Tiger” that India's poor have not yet revolted *en masse*. The explanation may be that Indian capitalism is relatively new. India has a large, young and globally competitive labour force, and an expanding entrepreneurial/professional class energized by its successes. In Marxian terms, the forces of production have yet to be exhausted. It is therefore hard to predict how the tension between India's rise to economic power and its concomitant internal problems will be resolved.

Voices of Discontent

V. S. Naipaul has described India as a land of “a million mutinies.” Each day brings fresh news of a strike, riot, demonstration, or clash with the police somewhere in the country. Many of these occurrences are direct or indirect protests against the perceived injustices of the prevailing socio-economic order. I want to touch upon three phenomena that challenge or disrupt the stability of Indian capitalism.

Caste Politics

Although urbanization has diluted caste distinctions, caste remains an important determinant of occupation, and thereby socioeconomic status: “The resolution of the class question in India doubtless passes, even today, through the caste question.”⁵¹ India has 200 million Dalits (formerly “untouchables”) and an even larger number of “Other Backward Classes” members.

The primary way these people seek power is through caste politics—the mobilization of particular castes to elect government officials, increase caste quotas for government jobs and educational institutions, and obtain funding and infrastructure for their communities. This practice has been condemned as contrary to democracy and individual initiative. There is no doubt that caste leaders utilize politics for personal ends and that caste politics often divides the lower castes from one another instead of forging a common front against the dominant class. But it is also true that the state of Tamil Nadu, which got a head start in caste politics and has the highest quotas for lower castes, has made striking advances in literacy, health and infrastructure for the general population. These improvements represent a shift in power relationships towards a more egalitarian society, brought about by lower caste movements.

Caste politics is a *reflection* of the disparities in Indian society, and not a hindrance to its growth, as both Marxists and capitalists might believe. We need to be open to its potential for creating social justice through the assertion of power by a local community, or what Chakrabarty calls “subaltern politics”: “mobilization for political intervention depending on horizontal affiliation such as.... kinship and territoriality....and on the experience of exploitation and labour.”⁵²

Farmer Movements

“What distinguished the story of political modernity in India from the usual and comparable narratives of the West was the fact that modern politics in India was not founded on an assumed death of the peasant.”⁵³

Just as Indian peasants rebelled against colonial rule, today’s farmers, says Tom Brass⁵⁴, now protest the actions of the Indian government and large corporations, which they view as exploiting them through predatory surplus extraction (farmers receive artificially low prices for their commodities, and pay high prices for inputs). Many Indian farmers also oppose large hydroelectric and irrigation projects that threaten their livelihoods, and we may link this to a worldwide anti-globalization effort. Unlike the *Dalits*, they work *outside* the formal political process, engaging instead in direct action, such as roadblocks and mass demonstrations. But, like the *Dalits*, their movements are a form of subaltern politics that attempts to unify the rural

community against the new dominant class. Marx, of course, viewed such a community as reactionary, but he did later *consider* its progressive potential when he wrote: “If the revolution occurs in time....to insure the free flower of the rural commune, then the latter will develop itself as an element in the regeneration of Russian society, as a point of advantage when compared to the nations enslaved by the capitalist system.”⁵⁵ Is it possible that caste and rural bodies are, by their very communal nature, closer, rather than further, from the larger community Marx imagined?

The Maoist Movement

Prime Minister Manmohan Singh has called India’s Maoist movement “the gravest internal threat” the country faces. No wonder: the Maoists control large swaths of territory in north and central India and are engaged in constant battle with the Indian police and army. Their cause is the defence of the Adivasis (tribal peoples that make up 10% of the population). In turn, many Adivasis give them their support as protection against the encroachment of the state and mining companies onto their villages and land. We see here the classic separation of the worker from his/her means of production, in this case by the appropriation of community property for private industrial use. Countless villages have been destroyed, their inhabitants turned landless. Even while there is widespread criticism of the militancy of the movement, India seems helpless to improve the condition of the Adivasis, or to explain why, as Stephanie Nolen tells us, “the central and state governments cannot find these villages [in tribal areas] to install drinking water or to post paramedics, but [have] managed to draw up precise surveys of land and population for major international companies that want access to the bauxite that coats the hilltops.”⁵⁶ Exploitation sustains the insurgency.

These diverse **fragments** of opposition come from groups that exist largely outside the global-capitalist mode of production, yet are subjugated by it. They do not represent a united revolutionary force that is created through the internal contradictions of capitalism. And that is what is required by a “full-blown” theory of capitalism. One of its proponents, Gail Omvedt, calls on the Left to move toward socialism by “harnessing theproductive powers that capitalism, with globalization, represents.”⁵⁷ Clearly, actions by Indian villagers or Adivasis to

resist globalizing forces are regressive by this measure. I find this interpretation and application of Marxian theory to a contemporary setting far too rigid. Is it necessary that the “oppressed” under capitalism be certain kinds of workers? Isn’t it possible that the Indian proletariat consists of the farmer, the slum dweller, the *Dalit* and the *Adivasi*? My other problem with Omvedt’s embrace of globalization en route to a better world is that it is too passive. Where is the class struggle in simply waiting? Weren’t the Chinese and Russian revolutions a denial of the notion of “the development of human society as a predetermined linear process?”⁵⁸ I propose that opponents of today’s capitalism be **open-minded** in seeing how capitalism might be overcome, if only because its development in places like India has been so surprising and distinctive. They/we should be willing to entertain grassroots, localized action as a starting point. The challenge is to unite these disparate forces, to create a common voice for the subaltern.

Conclusion

Are Marx’s writings the best way to understand Indian capitalism? There is no simple answer to this question. The Marxian and Indian narratives merge and then diverge at several points in the course of capitalist development. Marx misunderstood and oversimplified the nature of Indian society as he tried to accommodate it into a theory of social evolution, but he correctly anticipated the depth of change it would experience as a result of the British presence. He was right about the destructive powers of colonial expansion, but wrong in thinking it would directly generate the foundations of a capitalist society: that required freedom from British rule, as he later came to realize. Contemporary India may be characterized as at least an emerging capitalist nation— vindicating Marx’s prediction that the capitalist order would become the world order—but there are features of Indian capitalism, especially its coexistence with a non-capitalist economy, that would confound Marx. Finally, Indian capitalism is oppressive, but the Indian oppressed do not fit into one mould.

If there is a thread running through these contradictions, it is this: Marx grasped, very presciently, that capitalism would change the world, but he could not envisage the variety of forms it might take, nor the paths to their development. I associate the points of divergence

between Marx and Indian realities with features of universality and progressivism contained in Marx's writings, with the ways in which Marx the materialist becomes Marx the idealist, tracing a particular trajectory towards a better society. The case of India persuades me that we need to rethink our notions of capitalism and reimagine ways of moving beyond it. Marx's writings should not serve as a prescription for action today. What they should continue to do, though, is serve as a rich framework within and against which we can understand the growth of capitalism in a country like India.

Notes

1. Karl Marx, *Capital: A Critique of Political Economy* Vol.1—Part 1 (New York: Cosimo, 2007), p 393
2. *Karl Marx: A Reader* Edited by John Elster (Cambridge: Press Syndicate of the University of Cambridge, 1986), p 190
3. *Karl Marx on India* Edited by Iqbal Husain (New Delhi: Tulika Books, 2006), p 14
4. Ibid. p xxiv, Introduction by Irfan Habib, quoting Marx
5. Ibid. p xxvii, Introduction by Irfan Habib, quoting Marx
6. *Karl Marx: A Reader*, p 199
7. *Karl Marx on India*, p 46
8. Suniti Kumar Ghosh, “Marx on India-Karl Marx” *Monthly Review*, Jan. 1984,p 2
9. Ibid.
10. Chris Harman, “The Rise of Capitalism” *International Socialism Journal*, Spring 2004, p 10
11. Ibid. p 10
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