

## **Politics of Liberalization and Changing role of State in Indian Society (Political Consumerism from Entitlements to Freebies)**

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### **Introduction**

The structure and nature of the Indian society can be understood its functional pattern since its ancient days and it resulted into Caste based occupational economy with traditional economy. The different dynasties established different kingdoms and empires throughout its political history which shaped its political economy. In modern times, with the advent of western societies to the Indian sub-continent, it became the transitional economy from traditional to partially industrial society. Since the independence, our successive governments took different policies towards the industrialization for wellbeing of the vast masses of the Indian society and it has been continued till 1991 New Economic Reforms. Thereafter, Indian Political Economy has been changing its nature towards the Liberalization of Establishments to Private People at Global level. Indian Political Economy can be understood with different stages of 1991 to 1999; 1999 to 2004; 2004 to 2014 and 2014 to 2025 and onwards. In its early stage of 1991 to 1999 the Indian political system promoted Privatization along with Public sector, in second stage of 1999 to 2004 successive governments readily started to sell the sick industries to Private sector and it also continued with third stage of 2004-2014 and last stage the selling of public sector to private by financing is mounted as Economists stated it Crony Capitalism which the Government has its close relationship with private people. Here after, the political parties begun their electioneering with different strategies like Money transfer, Loan waiving schemes with tangible and immediate benefits which attracts the Voters mind towards the vote grabbing one side, diverting people from the effects of the Liberalized Political economy and the Political consumerism of the Citizens of the Indian society reduced from entitlements to Freebies.

### **Indian Society**

The orthodox view on the origin and sustenance of caste system in India relies heavily on the sacerdotal texts and on the brahmanical interpretation of the same. The concept of social justice is fundamentally basic to any constitutional democracy and central to the philosophy of the Indian Constitution. However, its egalitarian tenets have been diluted by caste politics, colonial ideologies, and hegemonic cultures, which thus perpetuate discrimination and marginalization.<sup>1</sup> The post-independent India while adopting her constitution put affirmative action as a part of its objective to alleviate the poverty, unemployment and the miseries of the SCs and STs, Other Backward Classes and the Adivasis. The castes eligible for this treatment were identified and included in the schedule for quotas and reservation in education and employment. Jotirao Phule was the first modern thinker to characterize the productive castes of India as 'Sudras and Ati-Sudras'. Those castes other than Brahman, Kshatriya and Vaisyas were called by him as Sudras. Ati-Sudras is the so-called untouchables and according to Phule they are the ones who predate the Varna scheme. Hence to denote the people who still languish in the drudgery of caste system had to have a word to rally all men and women from these castes and fight for their emancipation.

B. R. Ambedkar, the great leader of the productive castes of pre and post- independent India started using the term dalit, a concept that is rooted in Marathi language to refer to the

so-called lower caste people. The word dalit means suppressed and exploited people. After the emergence of *Bahujan Samaj Party* in Uttar Pradesh, the use of the term Bahujan to refer the SCs, STs and OBCs gained acceptance of the people and the government. This term was first used by Buddha and then by Phule. The term *Bahujan* simply means majority and does not qualify the nature of the population. Hence dalit scholar activists like Kancha Ilaiah use the term Dalit bahujans to refer to so-called untouchables and the Other Backward Castes.<sup>2</sup>

Ambedkar's critique of caste as a divisive and oppressive system underscores its incompatibility with democratic ideals, while Dumont explores its role in structuring power dynamics in pre-modern India. These works serve as essential starting points for understanding caste's historical roots and its persistence in contemporary politics.<sup>3</sup>

### **Social Justice and Reservations**

Reservations in India allow historically underrepresented communities to participate in government programmes, politics, the workforce, and other areas. It allows the Union Government to set reserved quotas or seats at a specific percentage in educational admissions, employment, political bodies, promotions, and so on, based on Indian Constitutional provisions. SCs and STs have their due share from the Indian Political system, and OBCs have 27 per cent despite of the their due share and the Economically Weaker Sections now have a 10% reservation among general category applicants for higher education and government jobs.<sup>4</sup>

### **Patterns of Policy Making, Social Justice and Social Security**

The Indian mixed economy suffered from internal contradictions. The goal of massive and rapid industrialisation required a shift in resources from the agricultural to the industrial sector. But as 70 per cent of the people lived in the countryside and were dependent on the farming sector, attempts to help the poor meant directing increasing resources to the rural economy. It also required state support for small, labour-intensive farms at the expense of bigger capital-intensive industries. Small units attracted government support. The *goal* was to boost employment, since small-scale industries employed more workers per unit of output and capital.<sup>5</sup> According to Francine Frankel-a preeminent scholar of Indian Political Economy-the active role of the Indian state in economic matters after independence reflected what is termed as the Nehruvian consensus and it has been continued till Rajeev Gandhi regime with relaxations.<sup>6</sup>

After Independence the policy making elite in India launched a project of economic development with a heavy involvement of the state and a democratic polity. In the first three decades, there were many successes and at least as many failures of this developmental project. Of course, decentralisation of governance which the 73rd and the 74th constitutional amendments in the early 1990's ushered in most of the country (around the same time as serious economic reforms were also launched) has raised hopes for better delivery of public services, sensitive to local needs.<sup>7</sup> The impact of policy reform and output stagnation was the hardest in the urban sector that, in several cases, experienced a drop in its terms of trade and large income falls<sup>8</sup> and land reforms of late 1970s helped Indian marginalized sections in betterment of economic conditions.

### **Democratization of Indian Political Economy**

In response to the challenges of market reform and democratic expansion, many of India's established, party-affiliated unions have altered their mobilizational strategies in novel ways. In fact, viewed from this perspective, India's rapid democratic expansion has actually helped labour, by churning out new spaces and opportunities for political action, along with a

fresh set of potential political allies. For labour, the hope, though still unmet, is one of revitalization and renewed impact.<sup>9</sup>

Consequently, strong incentives were given to capital intensive industrial sectors where India had no comparative advantage. The policy also had implications for the educational priorities. Educational expenditure was heavily biased toward post secondary education rather than toward primary education and mass literacy. As we will see later, this lopsided educational structure happened to play an important role in the mid nineties in the surprising development of the software and other high tech sectors in India. However, the undesirable consequence was perhaps the disappointing development of India's labor intensive manufacturing sector.<sup>10</sup>

### **Liberalization of Indian Political Economy**

In India, economic liberalization arguably began in the early 1980s when the Indira Gandhi government abandoned a spate of interventionist measures the country's first Prime Minister, the Fabian socialist Jawaharlal Nehru, had championed, with the hope of taming markets and lessening inequality. Through the 1980s, trade controls were relaxed, corporate taxes lowered, and markets partially deregulated. This initial rupture with Nehruvian statism was completed, however, only in 1991, when a minority government, led by the historic Congress party, introduced a template of reform that echoed the audacious economic liberalism of the Washington Consensus model. The policies generated by India's 'paradigm shift' of 1991 have proved enormously resilient, and have survived multiple changes in government. In the last, almost two decades, they have profoundly altered the country's economic landscape.<sup>11</sup>

Throughout the 1990s, only a handful of people realized the significance of economic liberalization that had happened in that 1991-93 period. Then the Congress lost the general election in 1996. After another two years and two more prime ministers later, the Bharatiya Janata Party (BJP) emerged as the largest political party in Parliament after the 1998 general election, although well short of majority and proved Indian Nuclear power to the World society. It was largely after his re-election in 1999, that the Vajpayee led coalition government resurrected the economic reforms agenda that claimed to continue on the path of P.V. Narasimha Rao and Manmohan Singh. This approach of change while claiming continuity, lowered the political temperature and drew many to relook and review the significance of economic liberalization of 1991. It was helped, in no small measure, by the visible changes in the economy and the increasing growth rate that set in by then. The India Shining campaign of the BJP in 2004 failed to get the BJP and Vajpayee re-elected, but the path of reforms came back again. For the first time, political parties tried to compete with each other over economic performance. Many had begun to believe that India's economic reforms were irreversible.<sup>12</sup>

Panagariya (2008) argues that policies in the period since 1975 were marked by a gradual retreat from the closed economy license raj model. The rigors of the industrial licensing system were moderated by policies in 1975, 1976, 1980 and 1984. Similarly, import controls on capital goods and on imports by exporters were made easier. These reforms were piecemeal and limited compared to what came later in 1991. Yet, Panagariya contends that they lifted business activity but in a modest manner appropriate to the piecemeal nature of reforms.<sup>13</sup> The illusion was that the globalisation mantra of *Business knows best* was an axiom of economic reality, a fundamental truth. This was because government privatisation and deregulation seemed to stabilize economies. However, the quick fix of privatisation and deregulation was not a long-term solution for the global economy because the debt fault still remained. This meant that nations would eventually fall victim to uncontrollable, escalating debt again.<sup>14</sup> India, having

survived decades of social, political and religious volatility, India can offer investors better reliability in worst-case risk assessment.<sup>15</sup>

### **Marginalized Groups and Political Movements**

The emergence of caste-based political movements, particularly those led by marginalized communities, has been a significant focus of recent scholarship. Scholars like Gopal Guru (2000) and Anand Teltumbde (2010) analyze the empowerment of marginalized groups through electoral politics. These studies highlight how such movements challenge traditional hierarchies, but they also caution against the potential for co-optation by dominant political parties.<sup>16</sup>

### **Political Consumerism in Indian Political System**

Political consumerism refers to the 'use of the market as an arena for politics in order to change institutional or market practices found to be ethically, environmentally, or politically objectionable' or to reward companies for favorable practices. People can boycott (or avoid purchasing) products or brands to punish companies for undesirable policies or business practices. Alternatively, people can deliberately purchase (or *buycott*) products or services to reward companies or brands for favorable business practices. Political consumerism is a popular form of participation. *Political interest, Political efficacy, Partisan strength, Ideological strength, Ideological leaning, Political trust are some factors which are determining the political consumerism.*<sup>17</sup> According to the standard criticism of neoliberal consumerism, the extension of market relations leads to a depoliticising individualisation, whereby the meanings of citizenship are progressively consumerised. The result, it is argued, is the eclipse of the collective dimensions of citizenship, and therefore the elision of the problem of how to arrive at collective determination of shared public good. By presuming that consumerism is equivalent to a culture of individualised self-interest, from this perspective consumerism is held to be doubly destructive.<sup>18</sup> Consumers have increasingly noticed the environmental impact of current consumer habits and the effect of government and private sector decisions on social realities, bringing new discussions to consumer studies such as political consumerism.<sup>19</sup> Additionally, for public choice theory, rational, self-interested individuals maximize their economic benefits and overall economic welfare. In civic life, politicians, bureaucrats and citizens are all considered to act solely out of self interest in the political arena.<sup>20</sup>

To outline the potential profile of a political consumer, we must consider various socio-demographic characteristics, which scholars were able to analyze thanks to the cross-national survey carried out by the European Social Survey in twenty European countries and the United States. These socio-demographic factors are mainly seven: 1. Education; 2. Age; 3. Employment status; 4. Religion; 5. Geographical location; 6. Political affiliation; and 7. Gender, in addition, Caste, language culture are other aspects to understand the political consumerism in Indian political system than quasi political institutions. It is crucial to explore and illustrate the different avenues via which individuals may meet political consumerism.<sup>21</sup>

### **Diminishing the Scope of the State India**

While the 1990s were a period of significant liberalization, the regulatory burden on firms remained high by international standards throughout the study period. Public infrastructure is another major constraint to business in India that politicians could potentially alleviate.<sup>22</sup> These reforms accelerated growth rates, attracted foreign investment, and fostered the rise of India's middle class, they also had deep socio-political consequences. The economic changes have increasingly clashed with India's democratic structures, creating tension between

a market-driven economic model and a democratic system based on popular sovereignty and social justice. Neo-liberalism, which prioritizes economic efficiency and individualism, has eroded the state's ability to provide welfare and has deepened existing inequalities. The shift in governance has been accompanied by rising influence of corporate power in politics, shrinking spaces for public participation, and the exclusion of marginalized groups from decision-making processes.<sup>23</sup> Since 2010s, political paralysis in New Delhi has also served to shift the attention of foreign investors (and their governments) from the Center to the states. Many find it more useful to approach state capitals and business associations about political and economic developments in the near term. This shift in power, whether real or perceived, has become significant to the future of politics in India.<sup>24</sup>

According to Balsagier (2010), the studies about political consumerism have underestimated the relevance of social movements, such as NGO campaigns, as drivers of political consumerism. In the same way, other studies also point out that social movements can be considered one of the precedents of political consumption.<sup>25</sup> A much larger problem associated with liberalisation is the decreasing ability or political will of the state to ensure human development. That affects not only depressed classes of Indian society, but the poor in general and the rural poor in particular. Until now, no policy maker has asserted that economic reforms or liberalization prevents the state from discharging its responsibilities to ensure, for instance public health and education and depressed classes fear that the smaller role for the state will mean that they will receive less protection, though the state has had little success in protecting the human rights of marginalised.<sup>26</sup> Lifestyle politics are essentially defined by their direct approach to social change. It is assumed that if people change their lifestyles according to certain political considerations, broad social change can be achieved. Often, lifestyle activists add this externally focused type of action to their internally focused work, because they believe that in order to achieve the greatest societal impact, a maximal number of people needs to be involved in lifestyle change.<sup>27</sup>

### **Freebie Politics in Indian Society**

The schemes plays a crucial role in mobilizing voters, addressing societal barriers through education and awareness remains essential for ensuring sustained and meaningful political engagement. In recent years, sectarian budgeting has also become a strategic political instrument. Political parties increasingly recognise this and have centered their electoral strategies around sectarian-focused welfare schemes, reflecting the growing political clout of voters. This evolving dynamic underscores the importance of moving beyond symbolic gestures to creating impactful programs that genuinely empower sections and there are so many examples with electioneering process in India such as Tamil Nadu provides a significant example of how gender-centric welfare policies can transform political dynamics. The state's long-standing tradition of targeting women through welfare schemes such as *Amma Unavagam* (subsidised food canteens), *Amma Maternity Nutrition Kits*, has had a profound impact on improving maternal and child health, as well as nutritional outcomes. Initiatives like *Beti Bachao Beti Padhao* have fostered greater political awareness among women, challenging entrenched norms. *Amma Vodi* Program in Andhra Pradesh, KCR Kit Scheme for pregnant women. Pregnant women can utilize this scheme for maximum two deliveries in Telangana State. Delhi's Aam Aadmi Party (AAP) has also embraced gender-responsive budgeting, particularly through its 2019 and Congress Government in 2023 initiative offering free public transport to women. Caste based populist policies like *Dalita Bandhu*, free supply of Fish seeds to fisherman, Sheep to

shepherd also initiated by the Telangana Governments Pension for single and widowed women under TRS and Congress. Congress' Gruha Lakshmi scheme in Karnataka, *Mahalaxmi* scheme in Telangana.<sup>28</sup> and there are so many examples from throughout Indian states.

### **Political Consumerism and Constitutional Rights**

The Indian constitution grants significant administrative and legislative powers to governments. The elections use a first-past-the-post system. Candidates compete in elections to represent single-member legislative constituencies; the party with the largest number of seats in an election has the first opportunity to form a government; it may do so alone or as part of a coalition. The essential feature of this system for our analysis is that a given location may or may not be represented by a member of the party that controls the government. In addition to the two major national parties (Indian National Congress and Bharatiya Janata Party), several regional, language and caste-based parties experienced electoral success in provincial elections, and incumbent parties lost more often than they won.<sup>29</sup> Since 1991, Indian elections became competitive and political parties and Governments with Political parties competing in elections with false promises which are not useful to vast masses in long term but money has been transferring to the masses instant which helps poor to overcome their daily life problems, according some political analysts.

### **Conclusion**

Indian Society has been described as multi-faceted in its nature with its different aspects of caste, religion, language, region, caste based professions culture, traditions and practices and all these are reflecting with Indian political systems and policies. The framers of the Constitution of India were aimed to establish welfare and egalitarian society in Indian political system. The early governments also acted accordingly and adopted mixed and planned economy for welfare of the vast marginalized sections of the Indian society. For that, Successive governments had enacted different policies in the cause of Democratic socialism and established many Corporations, Industries in public sector and collaborated with private firms sometimes. Successive governments encouraged industrialization to reduce burden over the agriculture and want to provide employment for vast mass based society. In course of time, as development took place in the field of Science and Technology and Trade and Commerce pushed the entire world society towards the Science and Technology based policies, Politics and Administration in the all spheres of the human life and state entered into different conventions, covenants, treaties with different countries and regional organizations and world trade and commerce organizations. Thus Indian state was not exempted and also became part of world free trade policies in order to get more benefits from the international society. Here the political parties in Indian society; also adopted capital economy based administration and allowed multinational companies into Indian political economy. In course of time, Indian governments escaped from welfarism and adopted manifestation of populist policies in Indian political system. The population in Indian society, also adopted political consumerism strategies to get instant benefits from the political parties and governments. This situation was cashed by the political parties and begun to treat the voters as beneficiaries and manifesting the aerosol politics in Indian political system.

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