PUBLIC INSTITUTIONS AND THE PARADOX OF LIBERAL DEMOCRACY

A step toward heterodox political science

Abdourahmane Idrissa

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CLACSO
Consejo Latinoamericano de Ciencias Sociales - Conselho Latino-americano de Ciências Sociais (Latin American Council of Social Sciences)
Estados Unidos 1168 **I** C1101AAX Ciudad de Buenos Aires, Argentina
Tel. [54 11] 4304 9145 **I** Fax [54 11] 4305 0875 **I** <clacsoinst@clacso.edu.ar> **I** <www.clacso.org>

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INTRODUCTION

THE 'THIRD WAVE OF DEMOCRATIZATION' coincided with a 'second wave' of economic liberalism. The story of the democracy 'waves' — as detailed by Huntington[1] — shows the first one surging from the American suffrage extensions of the early nineteenth century and ebbing with the advent of fascism in Europe in the 1920s. Allied victory led to a second, twenty-year-long wave, which includes India (the one 'second wave' democracy case in this study). Moreover, a third wave took momentum after Portugal's 'carnation revolution' of 1974, extending to countries in Latin America, Asia, Eastern Europe and finally Africa, up to the mid-1990s. This story accounts for the fact that, starting somewhere in the mid-1970s, political conditions gradually changed or shifted in many parts of the world in favor of some form of political liberalization, mostly taking the shape of a revival of representative democracy. In the South —particularly in Asia, Latin America and Africa— this was to a decisive extent the result of the fact that authoritarian models of state-led development were failing on many scores. Where the economic engine of the model performed more satisfactorily, the authoritarian nature of state leadership cre-

1 Huntington (*The Third Wave,* 1991).

ated serious problems.[2] In the more numerous cases where economic performance was dismal, the political oppressions of authoritarianism added to economic misery. Whichever the case, increasing numbers of people saw authoritarianism, or more specifically, the lack of political participation, as the root cause of the problem. A democratic reform of the state appeared to be the solution in places as different as Bolivia and Niger — two of the three cases studied in this paper.

At roughly the same time, as noted above, a wave of liberal economic reforms trickled out of institutions in Washington DC in the late 1970s, quickly gathering sufficient thrust to sweep through most of the countries in the South by the mid-1990s. Historically, an earlier age of liberalism had ruled the economy in many countries from the mid-1850s to the Great Depression,[3] and the newer one was accordingly named 'neoliberalism'. The proponents of this neoliberal reform, too, diagnosed that there was a fatal problem with the authoritarian model of state-led development that was then hegemonic in the South. However, while advocates of democratic reform targeted the *authoritarian* part of the proposition, neoliberal reforms focused instead on its *state-led* segment.

It therefore so happened that, by the early 1980s, two reform agendas emerged in the South: one, which was broadly based on domestic movements and sought a democratic reform of the state, demanding the end of authoritarianism together with increased political participation in the 'state system' (this concept is explained further below); and the other, which largely came from the outside and pushed for a neoliberal reform of the state, insisting on an end of its stewardship of development and on free rein for 'market forces'.

Therefore, while the target was the same —the state— in both reform agendas their objectives were very different and even, to some significant extent, incompatible. They were, at any rate, in competition, and the success of the one would scuttle the progress of the other.[4] Democratic and neoliberal reforms did not —and still do not—

2 The best case in point is perhaps that of South Korea, an economic 'miracle' under the dictatorship of Park Chung-hee, but also a political impasse, leading to the massive instability of the late 1970s that included the assassination of Park (1979) and the Gwangju massacre (1980) and its fractious aftermath. Only democratic reform ultimately gave the country a way out many years later.

3 Among the cases studied in this paper, Bolivia is a poster child of the first age of economic liberalism. It embraced the policy early on, under the presidency of Linares (1857-1861) and became one of its major victims following the Great Depression.

4 Of course, the mainstream literature in political science holds the exact opposite to be true. During the heyday of the 'Third Wave', well-respected authors Diamond, Linz and Lipset writing on the countries of the Global South, thus claimed that 'all

have compatible goals regarding the role of the state. The empirical record shows that the two reform agendas were not originally promoted by the same actors, nor did they rest on the same vision of the role of the state, much to the contrary. For the democracy promoters, key implications include the winding down of the state's repressive capacities and the preservation of its 'developmental' ones — meaning that the state was to remain a political engine capable of transforming the structure of the economy through direct involvement of its specific powers. For the promoters of neoliberalism, on the other hand, the imperative was for the state to create the conditions for market expansion, a mission which may well entail an overhaul of its repressive apparatus, at least at some early stage. To better clarify the significance of these and related implications, a brief theoretical analysis is in order.

Here, I draw especially on aspects of neo-Marxist perspectives on the state as developed by Ralph Milliband in *The State in Capitalist Society* (2009 [1969]) as well as on the brief synthesis later provided by Robert Solo in the *Journal of Economic Issues*.[5] I am principally interested in their view of the state as a *system of power* made of several 'functional elements' that are operated firstly to create —through a degree of autonomy— a state of equilibrium among social classes, but ultimately to further the overarching interests of the dominant class(es). In the case of Milliband, such functional elements include government, but also 'the civil service, the complex of public agencies, the military, the judiciary, and the police' (summarized by Solo[6]). Such a concept of the state as a system of power has —for my purposes— at least two important dimensions: first, it prevents us from understanding state power as limited to itself and situated above all other forms of power intervening in the polity; and second, and more importantly, it is also helpful in evaluating the *magnitude of state power*, and the fine grain of the changes that can be made to increase or decrease that magnitude in relation to a set of objectives —such as happened in the interlocking courses of democratic and neoliberal reforms in the Global South.

democracies […] are to some degree capitalist; production and distribution of goods are determined mainly by competition in the market, rather than by the state, and there is significant private ownership of the means of production' (Diamond *et al.* 1989: xxi). Over thirty years later, the same pronouncement was repeated unblinkingly by T. Leon: 'All liberal democracies are also market-oriented economies' ('The State of Liberal Democracy in Africa', 2010).

5 See Milliband (2009 [1969]) and Solo ('The Neo-Marxist Theory of the State', 1978).

6 Solo (1978: 832).

Combined with a comparative synopsis of two major experiences of democratic reform in Bolivia — the National Revolution of 1952 and the current, Movimiento al Socialismo (MAS) attempt — this understanding of neo-Marxist theories of the state will be used to develop a conceptual framework on state reform agendas. The key elements of the framework will then be applied to an analysis of two case studies from Niger and the Indian states of West Bengal and Gujarat. So the comparison is chiefly between Niger and India, with Bolivia supplying only an exemplary story for building the theoretical fodder used in the case studies.

A WORD ON COMPARISON

WHY NIGER AND INDIA? Why compare two countries that are so patently different? The empirical challenge for this study was to find cases from the South that are different in terms of continental location, yet similar in terms of political system and reform policy. The difference of continental location is a proxy for the more substantial — as far as the objectives of the study are concerned — difference of historical process and its implications for our times, which is why the South-South Research Consortium, that has funded this project, has suggested that authors should compare cases across, rather than within the three southern continents. On the other hand, the significance of my study derives also from a comparison between democratic and neoliberal reform. This means that the selected cases should have both undergone such reforms in one way or another. Not many countries in Asia correspond to this description: either countries have known democratic but no neoliberal reform (South Korea, Taiwan), or they have known neither democratic, nor neoliberal reform (most of South Asia). India was the only clear case in the circumstance, but its processes being of a complexity that evidently defies the parameters of a comparison with Niger, I have found more useful to break them down into an internal comparative case study focusing on West Bengal and Gujarat. Niger was chosen precisely for the apparent simplicity and linearity of its trajectory, which make for an economical examination of the issues at hand.

This being said, a comparison between these three places obviously begs some questions that need addressing. The differences in the historical processes leading to the emergence of Bolivia, Niger and India as countries, as well as the distinctive current standing of each of these countries in the international political economy, makes of comparison a difficult proposition. More specifically, we can ask two sets of questions: are we justified in comparing countries that are very different from each other, or should we restrict comparison only to places that share most essential parameters in common? And can we compare experiences across continents, or is it best to stay within the confines of one specific geographic area?[1] The response to these questions depends on the purpose of our comparison. It might rankle with some that Niger could be compared with India for instance — or even with West Bengal — given the many fundamental disparities between the two countries. However, I believe it is legitimate and very useful to compare across vastly different countries when the comparison is about a particular phenomenon, rather than about the full political or economic frameworks of the countries involved. In this particular case, the comparison is less about Niger and India than about the different shapes that neoliberalism can take in different places while retaining its most recognizable features. In that sense, in fact, the greater the difference between cases, the more conclusive the results — if indeed they show that the phenomenon leads to similar outcomes, despite wide disparities. To make the most of this, we must be able to observe in which ways each country's context affects both the process and the outcomes of — in this case — neoliberalism and its interactions with democratic reform.

Geography, in comparative analyses, is often a proxy for culture and history insofar as countries belonging to the same geographic ensemble habitually share much in common in term of historical and cultural experiences. Here, I would argue that such similarities are a source of a generally unrecognized bias, in that the easy reliance on a reference area may serve as a check on analytical insightfulness. Often, the fact that two countries are 'African', or 'Latin American', is

1 A third set of comparisons of countries would relate to time: should cases compared be synchronic (existing in the same age of history) or can they be compared in a diachronic way —such as comparing eighteenth century Britain with twentieth century Nigeria, e.g. This type of comparison seems to be done only with different stages in one country's history. In this essay, the comparison between Bolivia in the age of the National Revolution and Bolivia in the age of Morales is such a diachronic comparison.

enough to draw certain conclusions in a comparison made between them, which perhaps a closer inspection would not have warranted. Thus, among political scientists, concepts such as 'neo- patrimonialism' function as a shortcut description of politics in Sub-Saharan African and can be used indiscriminately for countries across the continent, despite the strikingly different trajectories that these countries might follow at certain points in time.[2] Comparing across areas, and more generally, declining to consider that areas are the main units of analysis in comparative studies, is useful in switching off this kind of preconception and discovering new perspectives and vantage points.

Therefore, there are good reasons for, and notable benefits to be derived from comparing cases despite substantial differences and across the geographic areas in which they are traditionally embedded. This will work well, however, only if we are aware that the comparison is trickier and has greater limitations to it than comparisons between more similar units. In the essay, I therefore remind at several stages the reader that the selected cases generally belong in different spheres of the international political economy and have very different degrees of economic development and types of political organization. One big thing that they all have in common, though, is that they are all three countries of the 'South', a term, or rather a concept, which comes with a key exegetic value. Let us parse this in some detail, to better establish the bases for comparing the three case countries.

The political process through which most countries in the South were born belongs in the single historical event of Western European global imperialism. Neither Bolivia, nor India and Niger would exist without that centuries-long event. Just as neoliberalism today, imperialism was at the same time different depending on the context and times, and essentially recognizable as a specific phenomenon of political subjugation and economic exploitation. Imperialism in South America was older than in South Asia, which, in turn, was older than in Sub-Saharan Africa. Among the three cases, Bolivia was a colony for nearly three centuries (1538-1825) but became an independent state before Niger was colonized. India was a colony for about two

2 Thus, in the 1980s, Zaïre (now the Democratic Republic of Congo) was ruled by the self-cannibalizing regime of Marshall Mobutu Sese Seko while Burkina Faso (having shed the name Upper Volta) was run by the austere revolutionary regime of Captain Thomas Sankara. Theories of African neo-patrimonialism could not have predicted such divergence, which was imbued with a deep ironic historical significance when the Burkinabe rose in October 2014 partly to avenge the assassination of investigative journalist Norbert Zongo, the man who wanted to prevent the 'mobutuisation' of Burkina Faso at the hands of the counter-revolutionary Blaise Compaoré regime.

centuries (from the second half of the eighteenth century to 1947), and Niger, for only six decades (1899-1960). Unlike India and Niger, Bolivia was a settler colony, but it also used to be the only South American colony in which the native population (the Quechua and the Aymara) remained the majority population (88%), making it somewhat similar to situations found outside of South America.[3]

Pre-colonial history in our three cases was very different. By the time the Spanish appeared in its area, Bolivia (its Andean portions at any rate) was at the center of the large imperial construction of the Incas of Cuzco, an efficiently run polity based on a political economy where kinship, labor and reciprocity were the highest values. This state and the complex multi-ethnic civilization it supported were destroyed by the Spanish conquerors, save for a number of organizing principles that were found useful in terms of exploiting the conquered population. In the course of three centuries, Bolivia was crafted as a state made for the Spanish settlers — who provided its ruling class — while other people were lumped together into a variety of inferior groups, with the native population in particular being starkly deprived of social and political rights. While Bolivia became an independent state in 1825 — following a war with Spain — it is not until the early 1950s that its colonial 'social contract' would start to unravel, at roughly the same period as India and Niger.

The region that became India was for millennia home to brilliant imperial civilizations, which eventually developed an advanced premodern economy and sophisticated urban cultures on the back of a political system in which rigid social hierarchy and unequal access to resources were the norm. The sub-continent radiated cultural and commercial influence in the world around it at great distance and the effects of its wealth were felt in the economies of Europe long before some European states (Portugal, France and England) could compete for its subjugation. In the eighteenth century, its major states — including the then crumbling Mughal Empire — fell prey to a militarized English trading corporation, the East India Company, which went on to tailor its economy to its needs, destroying most of its homegrown springs in the process. After a failed rebellion in 1857 (the 'Indian Mutiny' as it is known in British historiography), the sub-continent came under the control of the British state. However, India's subjugation was different from the one inflicted on Bolivia's native population. To run the colony, the British set up schools and universities (the one in Kolkata, West Bengal, opened doors in 1857, just before the rebellion)

3 Not in India and Niger, where there were no significant settler populations, but certainly close to the makeup of South Africa.

that trained tens of thousands of Indian men (and very few women) for professional positions in mid-level administration and the law. In this way, the budding modern state of India took more Indian colors by the late colonial era, even though the ruling elite remained conspicuously British — with some local potentates still lording it over in the so-called 'princely states'. Over the late nineteenth and early twentieth century, the schools and universities also produced a class of modernist, English-speaking Indians who would go on to develop the ideals of Indian nationalism — among them, the Gujarat-born Mohandas Karamchand Gandhi. India's colonial economy was organized to primarily benefit British business,[4] but this did not prevent the Gujarat Parsi entrepreneur Jamsetji Tata (1839-1904) from founding, starting in 1877, an industrial empire based on textiles — in winning competition with imports from Britain — and steelmaking. Nine decades after the 1857 rebellion, India became an independent state, emerging from the colonial era as a poor country — when it had been one of the greatest economies[5] of the world right into the early eighteenth century.

Unlike Bolivia and India, the area that became Niger was at the margin of the centers of civilization in its region. This arid fringe of the prosperous alluvial plains of West Africa — Manden and Hausaland, both hugging the river from which Niger later took its name — was therefore a sparsely inhabited land of small villages and nomadic communities, serving mostly as a passage corridor for the trade routes that linked its neighbors with North Africa and the Middle East. As a result, it was seized by the French at the tail end of the nineteenth century as an afterthought[6] and for many years did not find any revenue-generating role in the global economic system of French imperialism. In the 1930s, the development of groundnut farming integrated Niger into the colonial trade economy (économie *de traite*) and led to an evolution reminiscent of what the British had accomplished in India: the creation of a modernist, French-speaking class of mid-level administrators, teachers and lawyers under a tiny ruling club of European civil servants and military whose mission it was to stimulate profit-making for French business while ensuring

4 See Maddison (*The World Economy,* 2006a: 118).

5 At the time of the mercantile takeover of the East India Company, the economy in India was undergoing a period of depression triggered by the political instability that came with the decline of the Mughal Empire. This cycle was aggravated, not alleviated, by the depredations of the EIC.

6 Niger was a meagre consolation prize which the French arranged to occupy, with some concessions from the British, after giving up the Eastern Sudan in 1898 (incident of Fashoda).

law and order (i.e., political stability) in the land. Just as in India, native entrepreneurs emerged — in the region of Maradi, Niger's approximation of Gujarat[7] — who built fortunes with local bases, but the economy of Niger was not transformed by colonization and the country emerged from the period as poor — and perhaps slightly poorer — than it had gone into it.

So Bolivia, Niger and India went through the same historical moment which birthed the global South. That is, they were integrated into the international political economy in ways that led them to emerge, in the mid-twentieth century, as under-developed (or Third World) countries, with a range of problems that were characteristic of such countries and that differentiated them from countries in the developed world. This is the main basis on which we can compare these countries. However, before we can draw any viable conclusion from this point, it is worth our while to consider some political-economic features of the three countries in more recent times.

Parameters	Bolivia	India	Niger
Population	10.8 million	1.267 million	18.5 million
GDP	34.1 billion USD	2 trillion USD	8.1 billion USD
GNI per capita	2,830 USD	1,610 USD	430 USD
HDI	0.667 (rank 113)	0.586 (rank 135)	0.337 (rank 187)
Classification	Lower Middle Income	Lower Middle Income	Low Income
Primary	46% workforce	57.6% workforce	85.9% workforce
Secondary	20% workforce	18.2% workforce	2.4% workforce
Tertiary	34% workforce	25.2% workforce	11.7% workforce
Democracy since	1982	1947	1991

Source: data compiled from the World Bank (Pop., GDP, GNI/cap, and Classification); Expansión Datosmacro (HDI), and various other sources. The data for the workforce structure for Niger dates from 2002, while those for Bolivia and India are more recent.

These data obviously do not tell the whole story, especially when it comes to the case of India, a federation of states in which some of the federated states are much wealthier than Bolivia while others resemble Niger. However, the general point of the matter is that, despite a vastly more powerful economy, India belongs in the same area of the international political economy as Bolivia and Niger, and, on this account, could be fruitfully compared to them. All three countries are lower income countries with a large traditional economy (primary

7 See Grégoire (*The Alhazai of Maradi,* 1992).

sector and the informal economy)[8] and they all rank, in terms of human development, in the bottom ninety — Niger being generally last on the UNDP index. Comparison makes sense when it is possible to add to comparable parameters the significant variation that may help us to explain different outcomes. So if our three countries have some key political-economic traits in common, they diverge on many other key points, including population and GDP. In general, the challenges to which they must respond are of different orders: Niger, as we shall see, is in a position where it needs to extract or secure development capital in very taxing conditions, while, on the whole, the main issue in India is productive investment and income redistribution. Bolivia's situation lies halfway between Niger's predicament and India's concerns. For both Bolivia and Niger, democratic reform is a fairly recent event which has initially meant the adoption of a Western-style representative democratic regime founded on liberal values, a system which India had maintained since independence in the late 1940s.

This is the general background of the comparative case made in this essay about the interaction between democratic and neoliberal reform. I now turn to an analysis of Bolivian issues as a way to build a conceptual framework.

8 This is in terms of employment, not contribution to GDP. In India for instance, while the primary sector is the first employer of the population, the service sector contributes more to GDP than the two other sectors.

BOLIVIAN LESSONS

TOWARD A CONCEPTUAL FRAMEWORK

IN 2006, BOLIVIANS STARTED, under President Morales, a radical democratic reform of their politics. A new Constitution adopted in 2009 reinvented the country as a 'plurinational state'[1] To this ostensibly 'post-liberal-democracy'[2] evolution, MAS appended an ambitious National Development Plan grounded in the uplifting principles of Dignity, Sovereignty, Productivity, and a Democracy of Living Well. The constitution and the plan organize a full *political* and *economic* framework with which to reform the Bolivian state in the name of democracy, and against the neoliberal reform that had been in force since the early 1980s. Vice-President García Linera provided — and continues to provide — sophisticated and influential analyses of the process, while on May 1st, 2011, Morales signed a presidential decree intended to 'bury' the one from 1985 which had launched neoliberal reform.

1 This is glowingly described by Albro as 'for now the culmination of a long process [...] to shape the postcolonial terms of political participation, which has been historically defined by the profound marginalization of its indigenous and popular majority.' Quoted from 'Confounding Cultural Citizenship and Constitutional Reform in Bolivia' (2010: 71).

2 See Wolf ('Towards Post-Liberal Democracy in Latin America?', 2013).

Although these moves and measures ostensibly intend to overturn the neoliberal reform of the state of the past three decades, many serious analyses suggest that they have in fact simply 'reconstituted' (in the words of Jeffery Webber) the neoliberal state. The brief version of the story could run thus: by the late 1990s-early 2000s, the failure of neoliberalism to solve Bolivia social and economic predicament had become so endemic that the country was once more in a state of prolonged crisis. Especially the privatization of hydrocarbons had shorn the state of revenue, and in the early 2000s, it found itself unable to stave off the calamitous consequences of — among other things — coca eradication and the Argentine economic collapse (Kohl and Farthing, 2009). Escalating crises and social conflicts destroyed the presidency of Sánchez de Lozada and led to a referendum on the nationalization of hydrocarbons in July 2004. The referendum sought (in the words of President Carlos Mesa) a 'relegitimization'[3] of the state through reviving some of the policy orientations that obtained before neoliberalism. However, only MAS garnered the political power base needed to implement its key outcome, the nationalization of hydrocarbons. Yet, after this was done, the constraints created by the preceding neoliberal politico-economic regime effectively led MAS to conduct what Kaup terms a 'neoliberal nationalization': 'While it technically returned physical control of Bolivia's natural gas to the state, the space opened up for private investment in the hydrocarbon sector in the 1980s and 1990s still exists. Transnational firms still extract the majority of Bolivia's natural gas, and most of it is still sent to more profitable export markets'[4][i.e., instead of funding the industrialization agenda the referendum propounded].

As has been pointed out by various critics, this turn of events seems to characterize MAS efforts generally at democratic reform. James Petras thus stresses that MAS has consistently stuck to largely orthodox economic policies. Social spending, public investment, pay raises for public sector workers remain all at very modest levels, while banks and businesses have been benefiting from the cuddling of low taxes, stable currency and government blandishments — up to and including resisting strikes and labor pressures. The government holds on foreign reserves earned through the export of boom-time commodities and increased royalties, a policy that better serves the

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3 'After the referendum', Mesa had told the daily *La Nación*, 'the state has recovered an important degree of legitimacy'. Quoted in *The Free Library / South American Political and Economic Affairs - NotiSud* (2004), an online resource.

4 Kaup ('A Neoliberal Nationalization?', 2010: 135).

purpose of luring foreign investors with the possibility of accessing hard currencies than that of investing in the internal economy. In the same vein, infrastructure spending has been chiefly aimed at facilitating transport of agro-mineral exports, a constant of Bolivia's various historical eras of liberal ascendancy. A similar orthodoxy-abidance is clearly noticeable in MAS' investment and labor policies, to the extent that, as a conclusion to his indictment, Petras labeled Morales a 'radical conservative',[5] i.e., someone who cloaks conservative policies with radical affirmations. If using a more moderate language, similar criticism has been leveled by various authors (Cunha Filio; Gonçalves and Dalla Déa, 2010; Regalsky and Ortega Breña, 2010; Webber, 2011), with Webber mounting a solid case of Morales' governance as 'reconstituted neoliberalism'.

Maybe such assessments are too severe. Given MAS' undeniable thrust toward democratic reform, they may simply reveal that this agenda is being stemmed by the sturdier legacies of neoliberalism. It is useful, in this light, to contrast MAS' relative failures (for now) to the outcome of Bolivia's first effort at democratic reform, the National Revolution of 1952, which did succeed in transforming Bolivia's society while creating a new state, famously known as the *Estado del 52* (the state of '52).[6] A brief comparison between democratic reform then and now may begin to put us on the track of understanding the nature of the limitations of MAS' attempt at offering to present-day Bolivians the fresh start they received from the *Estado del 52*.

The events leading up to the arrival of MAS and of the Movimiento Nacionalista Revolucionario (MNR) to power respectively in 2004 and in 1952 were both marked by a structural crisis of the economy and violent conflict at the societal level. In particular, the novelty in 1952 was the rapid politicization of labor (workers and peasants) as a result of the collapse of elite order, after the Great Depression destabilized tin capitalism, and the Chaco War debilitated the military. In a clear sense, it was oligarchy (the tin barons and the so-called *rosca* state that served them) and autocracy (military leaders) giving way, for the first time in Bolivia's already long independent history, to democracy (workers, peasants and nationalist leaders). From an analytical point of view, what happened was the

5 Petras ('The Most Radical Conservative Regime', 2013).

6 'It was a state of vast reach', write Arze and Kruse, 'playing a central role not only in capital formation and allocation but also employment. It was a provider of services and the focus of social demands, making itself present as never before in people's daily lives and the agendas of social struggle' ('The Consequences of Neoliberal Reform', 2004: 24).

convergence of a certain kind of *political will* from the top —that is, within the MNR leadership— and of a certain kind of *popular agency* from below, agreeing on a *political program of democratic reform* (universal vote, nationalization of mines and agrarian reform) and using certain *transformative institutions* (the Corporación Minera de Bolivia, COMIBOL; the Ministerio de Asuntos Campesinos and the Central Obrera Boliviana, COB) to execute the program. These institutions were meeting-ground organizations, in the sense that they created a space of close collaboration between state agents and labor representatives.[7] All four elements —political will, popular agency, agreed-upon reform program and meeting-ground institutions— had been necessary and sufficient to the initial success of the revolution, that is, the reform of the state so that it became capable of large-scale nationalization of mines, wide-ranging land distribution and more generally, an efficient stewardship of the welfare of the larger population.[8] This process in turn put an end to the cycle of Bolivian history that started when the gradual rise of mining capitalism — going back to the presidency of Linares, 1857-1861 — made of Bolivia a poster child of classical-liberal economic governance. The National Revolution was thus a way of closing the rules book of the first wave of economic liberalism in Bolivia.

Ideological divergences and pressures from its enemy within and without compromised the revolution before it set Bolivia on a definitive course.[9] The arrival of neoliberalism in the 1980s was, to a significant extent, a literal reversal of history: economic liberalism — recognizable under a new garb —was reasserting its pre-eminence against what was clearly its antagonist— democracy.

In these changed conditions, by the early 2000s, Bolivia was again in a state of crisis strongly reminiscent of the one that preceded the National Revolution. The new oligarchy proved even more brittle than the older *rosca*-supported one, and the piling up of social catastrophes traceable directly to neoliberal-inspired policies triggered a collapse in state legitimacy marked by unprecedented violence.[10] Similar also

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7 This includes COB which, though a union federation, was deeply unmeshed with the revolutionary state, its main leader, Juan Lechín, being first Minister of mines and petroleum, and then Vice-President in 1960-64.

8 For a well-rounded presentation of the effects of this third role of 'the state of '52', see Klein (*A Concise History of Bolivia,* 2011: 265-270).

9 See Malloy (*Bolivia: the Uncompleted Revolution,* 1970).

10 In their paper, Arze and Kruse note, for instance, that 'the second administration of President Gonzalo Sánchez de Lozada […] killed more people in 14 months than did Gen. Hugo Bánzer's seven-year military dictatorship' ('The Consequences of Neoliberal Reform', 2004: 23), which was noted for its peculiar brutality.

to the period leading up to 1952, there was a new type of popular mobilization brewing in the country, in this case, that of politicized indigenous and mestizos groups. Thus, in general, the story of MAS' rise to power shows the presence of at least three of the four key elements detected as crucial for the success of reform in that of MNR: political will from above, popular agency from below, and agreement around a program of democratic reform.

This did not take shape without often tense —and occasionally murderous —conflicts, but as a final element, the MAS process added a 'transformative constitution' (Sunstein, 2001) rather than the transformative *institutions* that were a hallmark of the MNR reforms. This particular fact is key. It shows that the reform undertaken by MAS is not directly aimed at the state. The constitution establishes new legal norms for the relations of state and society, but although it can legislate the action of state power, it does not organize new functional elements (such as COMIBOL or the Ministry of Peasant Affairs in 1952) that would transform the magnitude of state power in support of a new class equilibrium, or in the service of a new dominant class.[11] It must be noted on this latter score that if reforming the state means, in this framework, building new organizations and getting them to work according to plans, neoliberal reform has been a simpler specie of reform of the state: it has mainly consisted in removing, rather than building organizations. Overturning this process against the constraints —in state capacities especially— that it has created, is the defining challenge of a democratic reform of the state *after* neoliberalism.

Equipped with these lessons, I now turn to the case studies, and, in the conflictive situations that will be presented, I will discuss especially whether *or not* elements of political will, popular agency, a reform program and transformative institutions tend to come into play, why, and with what implications for a potential democratic reform.

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11 Kohl 2010's review of MAS 'governance' (i.e., state action) stresses several parameters of a 'chaotic style of governance' ('Bolivia under Morales', 2010: 113) that especially denote the fact that this type of institution-building is either very slow to emerge, or altogether not forthcoming in today's Bolivia. This may be partly related to the emphasis on the concept of 'cultural identity', which has played a far greater role in MAS' popular agency than in MNR's. Some scholars — generally sympathetic to neoliberal reform — consider this a welcome change from class identification (see H. Haarstad and V. Andersson, 'Backlash Reconsidered', 2009), ignoring that emphasis on cultural identity does not preclude, and may indeed reinforce, class identification — especially in a conservative fashion: but maybe they know this all too well!

The two case studies are about relations of states with market giants — Niger and Areva NC, West Bengal / Gujarat and Tata Motors — but my interest is not focused on the details of these relations. The cases have been selected on the basis of the light that they may shed especially on the power of the state following neoliberal reform, and given the peculiar social conditions in which they develop. In both cases, the four elements of the conceptual framework described above will be tested against the specific contextual elements of the case, and a short assessment will be drawn. Following this, I will draw a wider conclusion on the meaning of the study for the issue of democratic reform in the Global South.

NIGER

REKINDLING THE SOCIAL CONTRACT

THE NIGERIEN STATE WAS 'restructured' by neoliberal reform in the period 1982-1998. Independent from France in 1960, the state saw prevailing revenue sources dry up in the early 1970s, when the great Sahel drought reduced the country's agriculture to a shambles and tropical commodities, such as groundnuts, Niger's primary export, lost much of their market value. But Niger's subsoil held large amounts of high quality uranium ore that had come online in 1968, and there was a mounting global trend in uranium consumption — significantly energized at mid-decade by the oil shocks — which brightened the state's prospects, especially after 1974. In April of that year, military men had toppled the single party regime of the Parti Progressiste Nigérien (PPN), in the wake of rural famine and the general economic crisis that was gripping the country. The windfall of uranium revenue led to ambitious plans of creating a '*société de développement*' ('development society'), one which would be based on defeating the specter of hunger, transforming agriculture and improving education and health. Though authoritarian, the regime envisaged this development society to take shape through a gradual democratic reform of the state.[1] In

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1 See the long theoretical preamble — a veritable essay — of the National Charter adopted to this effect in 1987. The Charter, write the authors of the *Historical Dic-*

the meantime, it drastically increased the rate of public investment, which grew to 27% of GDP and spawned several new public enterprises, rural development projects and infrastructure overhaul agendas. Much of the new investment also went into infrastructure for mining, and the regime created an expert-led organization, the Office National des Ressources Minières (ONAREM) to both prospect the territory and oversee the state's interests in existing operations (such as the French-led exploitation of uranium in the desert north).

Time was not on the side of the state of Niger, however. While it took advantage of the easy international lending period of the late 1970s, guaranteed by its uranium revenue, it rapidly plummeted by the end of the decade. Soon, Niger found itself saddled with an enormous debt, shorn of the best part of its revenue, and managing a large expenditures program of agricultural development and social policy. A soul-searching 'national debate' on the agricultural sector organized in 1982 took stock of the unsustainability of development plans, and the government approached the International Monetary Fund for financial relief. By the end of decade, public investment had been reduced to around 9% of GDP.

The impact of neoliberal reform can also be measured in the evolution of the structure of GDP. In the first two decades of independence (1960-80), the growth input of the primary and tertiary sectors (the latter, largely dominated by the so-called informal economy and more generally controlled by unproductive commercial capital) went down from a combined 82% of GDP in 1960 to 42% (primary sector) and 35% (tertiary sector) twenty years later, with much of the de-growth occurring in the period 1975-81. Meanwhile, the secondary sector had grown to 23%. If it had been possible to sustain this trend at a regular pace, Niger would have joined the ranks of so-called transitional economies by the early 2000s. As a result of the end of public investment, the primary and tertiary sector — and their insignificant wealth creation capacities — have gone up again while the secondary sector now fluctuates at around 4 to 5% of GDP. It must be noted that the end of the economic policy of 'development' was not just a matter of Niger being 'too poor' to conduct such a policy. Certainly, there was no easy way around poverty in productive capital: but other key factors were the weakness of the state system and Niger's vulnerable

tionary of Niger, 'defined the development society, the concept of the state, and the organization of the executive councils tasked with the mission of pushing the country forward using rules for (the motto went) 'consultation, dialogue and participation" (A. Idrissa and S. Decalo, *The Histotical Dictionary of Niger*, Scarecrow Press, 2012: 142). The 'executive councils' were clearly intended to be transformative institutions.

position in the international political economy. Unlike India, for instance, Niger did not inherit a working civil service from its colonizer (owing to a shorter colonial occupation and the marginal position of the country in the France's West African empire) and was still in the process of establishing some core state organizations in the 1980s.[2] In this sense, the urgency, from the local point of view, was not to cut the wage bill of the state in pursuit of the balanced budgets needed for debt repayment: rather, it was to expand — only more efficiently[3] — its powers to carry out policy.

In any case, the stunted evolution eventually put the Nigerien social contract in disarray. In the early independence period (1960-74), the elite class of the *commis*[4] had taken over a state that was supported by the peasantry through commercial agriculture and taxation. The *commis* legitimized their rule by the agenda of development, to be achieved through their mastery of modern science. By ruining agriculture — and literally decimating the peasantry — the great drought-cum-famine of the early 1970s seemed to upend the elite class' legitimacy and in any case put an end to the social contract of the country's First Republic (as the PPN's rule is formally known in Niger). Uranium, however, provided the basis for a successor social contract, whereby the specific distinction of the elite class (the mastery of modern science) was still serving the state, but for a more wholesome benefit of a now unexploited peasantry. The thinking[5] was that since drought and famine had shown that the

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2 The judiciary, for instance, was restricted to the main urban centers and until the 2000s, there were no attorneys based outside of the capital. In rural areas, the justice system relied until recently completely on traditional chiefs and the executive administration. Yet neither democracy nor a liberal economy could operate at their optimum without the apparatus of the rule of law.

3 In view of problems such as corruption, nepotism and analogous forms of dysfunction, which were also stressed by neoliberal reformers.

4 From a French word meaning 'clerk' or 'civil servant' depending on the context. During the colonial period, the *commis* occupied clerical positions in government and business, and became the slim buffer class between the colonial rulers and the African population, developing a lifestyle closer to that of the Europeans and essentially growing into a local bourgeoisie after independence. In Niger, the PPN was the party of the *commis*, which came to power upon defeating — mostly through fraud and violence — the Sawaba Party, a leftist formation that represented the country's semi-urban proletariat of the *talakawa* ('little folks'). See K. Van Walraven, *The Yearning for Relief* (2013). Note that a similar semantic formation exists in India, where the word *babu* — a term of respect that came to mean 'sir' in the modern colonial context — was (and is still) applied to civil servants, and led to the ironic coinage *'babudom'* to designate the civil service organization.

5 This is mostly found in the grey literature of ministries reports and consultancy documents. The narrative part of this analysis is based on documentation graciously

peasantry could not contribute to development (let alone support the state) until agriculture had been radically transformed through higher productivity, the proceeds of uranium should be used to effect that transformation. After the debt crisis nipped this plan in the bud, structural adjustment did not propose an alternative solution: it destroyed the position of the elite class, both materially (layoffs following restructuration of state services) and symbolically (it was no longer in control of the development project that, despite its failings, still legitimized its leadership). When Niger democratized in 1991, the country no longer had a working social contract — that is, a specific relation of accountability between the ruling class and those being ruled. This was an inauspicious introduction to democratic reform.

The economic policy of neoliberal reform in this case was externally enforced austerity.[6] It would be properly described as a method of creating an acceptance of the reality of 'under-development': lacking the financial capacities for jumpstarting a process of economic transformation, the state simply had to be cut down to size and let things follow their 'natural' market-led course. The entire apparatus set in place to engineer the transformation of agriculture was thus gradually scaled down and phased out. By 1991-92, its two pillars, the agricultural credit institution Caisse Nationale de Crédit Agricole and the National Development Bank were both gone, which led to the rapid collapse of the cooperative system put in place in the early 1960s to create a policy space for the state in the rural areas.

Parallel to this process, budget cuts starving the country's sole university of credits had led to students' unrest.[7] After an incident in February 1990, that caused three deaths among the students, the regime became reluctant to use repression, folded and gave way to

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provided by the Niamey-based Bureau Nigérien d'Etudes et de Conseil en Développement Rural, as well as on interviews with officials from the Agriculture Ministry, both former and current. See also C. Raynaut's Introduction to *Politique Africaine*'s 1990 special issue on Niger.

6 See M. Gervais 'Les enjeux politiques' (1992) and 'Structural Adjustment in Niger' (1995), who interprets this as a story of Niger dragging its feet to implement much needed reforms.

7 Students — as well as civil servants — were routinely singled out in the neoliberal literature of the time as the enemies of 'reform', which they would oppose in view of keeping their 'privileges'. See, for Niger, especially the works of Gervais ('Les enjeux politiques des ajustements structurels au Niger', 1992; 'Structural Adjustment in Niger', 1995; and 'Niger: Regime Change, Economic Crisis and Perpetuation of Privilege', 1997).

a democratization process (summer 1991) led by the leaders of burgeoning political movements, unions and students organizations. The objective was vocally that of democratic reform directed against structural adjustment. A slogan then popular on the streets of Niamey (Niger's capital) was the alliterative French-language phrase 'Le PAS ne passera pas'.[8] At this juncture, there were elements of political will and popular agency at work, but the latter, only faintly. The driving actors of the democratic reform movement belonged to the elite class of the country, and this shows that *political will* was distinctly more important than *popular agency*. And while democratization initially put a break on structural adjustment, the endemic fiscal crisis led the new leaders of the state of Niger to relent by 1995 and to accept further retrenchment, especially since international aid — which, after the fall of uranium, had become the principal source of revenue — grew increasingly tied to agreements with the IMF and the World Bank, the two armed hands of neoliberal reform.

While in theory, these institutions only advocated economic liberalization, in practice they insisted on a radical makeover of the state system. By the late 1990s, this was effectively achieved. In 1999, when the first government of the fully-'neoliberalized' state of Niger — the government of President Mamadou Tandja, 1999-2009[9] — took office, the state of Niger had a thinner system, limited to government apparatus, basic administration and defense and security. Such a system essentially removed it from society and erased the complexes of organizations which used to determine responsiveness and policy formulation and implementation in the past. To ensure a modicum of governance, decentralization was adopted in 1998: local communities could elect their own home governments, which could collect smaller taxes than national policy would have demanded. Though dramatically substandard, local government is cheaper, and is something Niger's indigent peasants could afford.

Hence, the Nigerien leader who got himself voted at the head of the state after 1998 was no longer heading the same state as those in the previous era. In particular, he would have at disposal much less tools and apparatuses for developing and conducting policy. Since the state system is a unit, changes in some component parts affect

8 Literally, 'SAP [Structural Adjustment Program] will not come to pass'. For an early analysis of such democratic resistance to neoliberal reform, see Beckman ('Empowerment or Repression', 1991).

9 Tandja remained in office nearly two months after the expiry of his second term, in December 2009, and had to be forcibly removed from power by the army in February 2010.

the entire functioning of the unit. Thus, not all state organizations were eliminated by neoliberal reform, but their overall policy impact was modified and, in general, reduced by the disappearance of suppressed entities.[10]

In the mining sector, the above-mentioned ONAREM existed until 2007, when it was divided in two distinct entities, one in charge of its duty of overseeing the mining interests of the state (the Société du Patrimoine des Mines du Niger, SOPAMIN) and the other succeeding to its prospection mission (the Centre pour l'Exploration Géologique et Minière, CRGM). SOPAMIN, CRGM, together with a mining code adopted in 2006, underline the continued hopes which the state of Niger invest in mining as the primary source of public funds. But as we have seen, this reliance dates back to 1974 and was initially part of a project which had organized state power in certain specific ways to achieve its aims. Three decades later, after neoliberal reform, this emphasis on mining revenue had become an orphan strategy, even though the state of Niger finds it must still pursue it. Thus, upon taking office, Tandja and his government immediately focused on increasing mining revenue. As various officials told this researcher, his party had come to power in a world where 'there [were] no friends, only interests'.[11]Aid is volatile and conditioned to often-unrealistic prescriptions and expectations, and increased taxation remains a problematic proposition in the conditions of Niger.[12] Increasing revenue from mining, on the other hand, could finance a degree of state autonomy. The Nigerien Fifth Republic maintained excellent relations with the IMF and its leaders never appeared to reject neoliberal principles — in fact, its ruling party, the Mouvement National pour la Société de Développement, tended to present itself as a 'liberal' party, in the French sense of the word (i.e., economic, not political/social). But state autonomy was sought for two interrelated reasons: first, the ability of arranging public spending in ways that would help the prospects for re-election of the president; and second, the

10 For a full analysis of the rationale of neoliberal reform of state institutions in Africa, see Mkandawire, ('Institutional Monocropping and Monotasking in Africa', n/d).

11 This now very conventional wisdom in Niger — leaders of the students union repeated the same phrase during interviews — seems to encapsulate a (neoliberal) zeitgeist that stresses individualism and competitiveness, including with regard to inter-state relations.

12 Increased taxation is the preferred revenue mobilization avenue in neoliberal reform, as is shown by prescriptions from both the West African Economic and Monetary Union (WAEMU) and the IMF. The state of Niger is trying to comply, with limited success and the memory of the serious popular unrest that rocked the country after IMF-pushed tax hikes in 2005.

latter was a member of the military junta that tried to spur the transformation of agriculture in the 1980s, and he explicitly wanted to revive that policy, at least in part. Significantly, however, Tandja did not resort, in pursuance of this double goal, to amending the state system. Instead, he used a non-institutional mode of action popularized by aid regimes, putting in place a so-called 'special program' of the president of the republic — a fundraising outfit which both enhanced his personal prestige and channeled money in projects targeting the agricultural sector and the *'monde rural'* ('rural population'). As his attempt at overturning the constitution and restoring autocracy in late 2009 clearly shows, Tandja's project was far from a democratic reform of the state. He strongly identified with Niger's elite class, using the 'special program' in a framework of evergetism that enhanced his elite stature, and reserving the discussion of issues of central relevance to the state to members of the elite class. He said as much in a televised speech where, after glorying in his paternal care for the hungry peasants of Niger, he concluded: 'As for important topics, such as the issue of uranium, of petroleum, they do not concern those poor people'.[13] The rhetoric of care for the peasantry is a staple of Niger's elite class since the *commis* of the 1960s, but in the neoliberal era, it no longer corresponds to a structure of responsibility such as the one evidenced by the social contracts that existed under the First Republic and the military regime.

Such specious elite views, non-institutional modes of action, and the temptation of autocracy — underlined by a greater reliance on the repressive functions of the state[14] — are if not caused, at least strongly stimulated by the neoliberal state system. A parsimonious system with little direct connections to society, it is hence better controlled by and for the advantage of the elite class. With much fewer public institutions, it leaves extensive room for non-institutional manipulations that sidestep the need for democratic accountability. In such a context, it appears natural to argue that the more 'important' issues are not the concern of the people. If the case of Tandja provides a vivid illustration of the exercise of power in a neoliberal state system, it should not be construed as an isolated instance of the fact. After Tandja was

13 From Nigerien weekly *La Roue de l'Histoire*, online resource. Interestingly enough, this was stated four years after his fall, which underlines the strength of his class beliefs.

14 One symbol of this was the establishment, in 2003, of the high security prison of Koutou Kalé, in a craggy wilderness some 30 km outside the capital. Though officially destined for 'hardened criminals,' it soon became famous for hosting pesky journalists and troublesome opposition figures arrested on trumped-up charges or through harsh interpretations of the law.

removed in 2010, the Nigerien political class which, in its majority, had opposed his attempt at autocratic restoration, tried to rekindle the process of democratic reform of politics which started in 1991 and had run into the sand of neoliberalism.[15] A new constitution adopted in 2011 legislated strong legal protections for journalists and opposition figures, casting opprobrium on Tandja era repression. Language in both the constitution and the political program of the Parti Nigérien pour la Démocratie et le Socialisme (PNDS), which won the elections, indicted autocracy and called for the strengthening of democratic institutions. Unlike in previous Nigerien constitutions, the framers of this one went out of their way to name and reject 'dictatorship' as a form of government, while the first point of the PNDS' program insists that 'Niger needs strong institutions rather than strong men', stressing that 'strong, creditable and sustainable democratic institutions' must be built to protect the 'respectability' of 'the republic'.[16]

The stance implies that the PNDS government, unlike its predecessor, demonstrates an amount of political will toward democratic reform. If its criticism of neoliberalism is not strident, it certainly also quietly guides its key actions. In a deliberately anti-Hayekian move, the new government resurrected, in its first cabinet, the Ministry of Planning that was an early casualty of neoliberal reform in the 1990s. The public sector soon thereafter went on a veritable recruitment binge. In the first two years of its tenure, the PNDS government hired over 30,000 in the public sector, significantly more than the entire private sector (over 22,000 recruitments) — and also more than the MNSD government during much of its ten-year tenure.[17] In particular, it offered positions in provincial and rural health units to *all* new medicine graduates who would apply to serve the state while also ramping up the provision of state scholarships to students. Given the systemic nature of state action, these and other moves of the PNDS can, however, achieve their aims only if they succeed in transcending the neoliberal state system that has solidified in Niger since the mid-1990s. In my hypothesis — derived from the conceptual framework described in the first section of this paper — this would be possible only as a

15 At that specific juncture, the events of 1991 received for the first time symbolic public recognition: a street was renamed after the National Conference of the summer 1991, and the sports hall in which it had convened was also given the name 'palace of the sovereign national conference' following a solemn christening ceremony.

16 Constitution of Niger's Seventh Republic, Preamble (2010); and '*Niger: La Renaissance*' (Programme PNDS Tarayya, 2011: 5).

17 A recent investigation by this researcher among university graduates shows a newly-expressed preference for public sector jobs, while until very recently all studies indicated preference for the private sector in that population.

result of a successful democratic reform of the state, insofar as this specific reform agenda has been the historical antagonist of neoliberal reform. Are the elements of such a democratic reform of the state — political will, popular agency, common program and transformative institutions — present enough in today's Niger to sustain a shift in that direction? The question posed in this way can obviously receive no straightforward response, especially in the short space of this paper, and what I propose here is to end this exploration of the Nigerien case with the 'important topic' of mining as a way to approaching the abovementioned four elements.

As previously noted, under the Fifth Republic, there were renewed efforts at increasing mining revenue. Niger's mining law was revised in 2006, rising royalty rates for larger exploitations from 5.5% to 12%. However, if the new rule applied to petroleum — which had come online in the late 2000s — the biggest prize, uranium, held by French industry giant Areva NC, was shielded at the time from the new levy by the fact that the contract tying Areva to the state of Niger would expire only in 2013.[18] Not only did Areva continue to pay low-end royalties to Niger, it also kept the generous fiscal exemptions and related benefits it had inherited from the previous mining law, adopted in 1993. In 2013, when Areva needed to negotiate an extension contract, it faced a PNDS' government that had hedged its bets for the revival of state-led development on increased revenue from the mining sector. Indeed, while in 2000, the sector contributed only 5.5 billion CFA Fr. to state revenue, by 2007, it was contributing over 82 billion — an incredible 14-fold increase in just a half-dozen years.[19] The vagaries of commodity markets have since brought this down several notches — still, always above 50 billion — but if uranium — by far Niger's choicest mineral riches — were to pay high-end royalties as legislated in 2006, the impact on state revenue would be quite dramatic. Areva resisted this. The company had signed the expired contract under the law of 1993, an investor-friendly piece of legislation from a time when foreign capital was snubbing the country's mines. On the other hand, its mining titles were secured in 1968 for 75 years. In 2003, WAEMU put out a community mining code which guaranteed 'fiscal stability' for the duration of mining titles in member countries. Claiming that community law supersedes national law,

18 However, in order to grab a newly-found giant uranium deposit, the biggest in Africa, Areva accepted, in 2007, a 50% increase in the kilo price paid to Niger.

19 See the report commissioned in 2011 by the Niger branch of the Extractive Industries Transparency Initiative, chapter II, ab initio (pages non-numbered) online resource.

Areva argued that, as per WAEMU'S regulations, the exemptions and tax breaks it received in 1993 should last until 2043 — that is, 75 years after 1968, the duration of its mining titles.

The ensuing showdown between Areva and the state of Niger — and more generally, Niger's relationships with mining companies — has mobilized sections of the populace in support of the state's positions in the protracted negotiations. Outwardly, the mobilization was concentrated in the civil society and the students union, and geographically limited to the capital and the northern city of Agadez. However, it ended up extending into the written press, the social media, and both television and radio debates and editorials, including especially in the 'national languages,' in a country where only about 10% of the population use the official tongue (French). For the first time in Niger's history, uranium and other mining interest thus became a topic of discussion among 'the poor people' (to quote Tandja's nonchalant phrase). Demonstrations were strategically directed at the media — including the international media, which have echo in France — even though the aim commonly agreed upon by leaders of the involved civil society organizations and unions was to maintain pressure on the government of Niger. But it also became manifest that the Nigerien government hardly needed prodding and was intent on modifying the terms on which Areva exploits Niger's uranium. Added demands required Areva to rebuild transport infrastructure and, more importantly, to cede to Niger the control of Cominak and Somaïr, the two companies from which the state draws shareholder dividends — a move which amounts to a renegotiation, if not a rejection, of the entente that underlies Areva's operations in Niger since 1968.[20] The consensus on the issue also extended to the opposition parties. By October 2014, the government had approved the new deal, with the expectation of reaping $39 m. annually from the mining. Such hopes have since been dampened by a steep downturn in the fickle uranium market (the price of the ore's kilogram fell from heights of $135 in the late 2000s to just $40 in 2015). But the story is, in fact, only a sequence in Niger's struggle to redefine its mining policy as a source of development capital for the state.

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20 Areva, which is 91% owned by the French state, is a successor company to the constellation of French public institutions and enterprises that dealt with the fledgling state of Niger in the 1960s. France took control of Somaïr through aid, when the Nigerien state borrowed from its cooperation agency to buy its shares in the company. French control of Somaïr and Cominak in particular means that the state of Niger lacks intelligence in the commercialization of the ore and the profitability of the companies, something which has constantly strengthened the French hand during negotiations.

So there is clearly a congruence of 'political will' and 'popular agency' on this particular issue. To be sure, popular agency is here outwardly limited to the elite class. The handful of mine workers have remained quiescent[21] and the *talakawa*, both urban and rural, only comment and observe. Given the historical context described at some length in this section, however, the meaning of this episode is easier to interpret. Niger's natural resources do not belong in the major league in their categories. While uranium is abundant and of high quality, it is also difficult to export given the distance to the sea — nearly 2,500 km — and the security situation in the country's desert north. Regarding petroleum, with only 20,000 barrels a day, Niger count among the smallest producers in Africa. And gold, produced in Western Niger, is far more volatile in value than either uranium or oil. But Niger's experience has shown that the surplus capital needed to jumpstart the process of development can come neither from taxation, nor from agriculture (in its current state) — while aid (at least Western aid) is tied to austerity prescriptions, which do not aim at transforming the economy. Thus, the mining rent appears as the state's only remaining option, especially as it seeks to revive the *state-led* development project disallowed by neoliberal reform. The desire to hold on to power (Tandja), or a more ideological intention at reforming the state (Issoufou), have created a political will in redefining Niger's mining policy to the advantage of the state. This political will is supported by popular agency — limited to the elite class — and a quieter popular support from other classes of Nigerien society.

However, this has not led to an agreed-upon reform program. There is clearly an *elite class consensus* around the notion that capital from the mining rent — together with the investment and lending that it would attract — would rekindle Niger's social contract and ultimately re-establish the elite class' legitimacy as the country's ruling class. But this consensus does not appear to crystallize into a reform program that would associate also the other classes in the Nigerien polity. If it limits itself to shoring up elite rule, as it appears to be doing, it is safe to say the PNDS' thrust at — or pledge to — institutionalize democracy in Niger will make only trivial dents on the neoliberal state system of the country. Looking at the relations of the Indian state of West Bengal with another market giant, Tata Motors, may help us to better understand the general stakes behind the Niger story.

21 Owing to the downturn, by 2015, most have lost their job in a downsizing scheme of Areva's operation.

WEST BENGAL

RENOUNCING POLITICAL WILL

AS HAS BEEN MENTIONED BEFORE, the case of India is very different from Niger. Even leaving aside the size and complexity differentials (India is more comparable perhaps to Africa than to a sub-unit of Africa such as Niger), in the spectrum of structural economic transformation, or development as it were, Niger lies at an initial point — with Bolivia further ahead, but closer to it than to India — while India is now largely a transitional economy. If the main concern of the state of Niger is primary capital extraction from natural resources, the Indian state coordinates capital-intensive industrialization and is faced with the problem of redistribution; and while Niger's sociology is a comparatively simple one (simpler, certainly, than in the pre-colonial era), India's is much harder to chart with the required tact and accuracy, given in particular the fact that caste and culture play an important role alongside class. Sticking to a class framework, it can be said that India has three key class-groupings: the monopoly (now corporate) capitalist and big bourgeoisie layers; the rural gentry and closely linked small bourgeoisie (with a growing new urban middle class); and the masses of the toiling people, in town, country and forest.[1] In this way, the underlying story of India's

1 Inspired and adapted from 'Indira Gandhi: an Attempt at a Political Appraisal', an anonymous essay (signed 'K. B.') in a 1985 issue of *Economic and Political Weekly*.

evolution broadly lends itself to the conceptual framework devised in the first section of this paper, and the fact that India is so different from Niger is a good test of its relative worth as an analytical tool for the purposes of this paper.

More than in the case of the Nigerien state, the product largely of the independence era, key functional elements of the Indian state were created during the colonial period. That was especially the case of those elements which neoliberal reform tends to preserve: basic administration and defense and security. The colonial government needed economic order and security for the sake of imperial investors. Given the vital importance of India in the imperial economy of Britain, these requisites had the benefit of providing India with sound basic state institutions by independence.[2] Also, it was under British domination that the class distribution of modern India — as distinct from the one extant in the Mughal and Rajput period — gradually took shape, leading to an early independence social contract where, similar to what we have seen in Niger, the modern-educated elite seized control of the state in the name of development.

The large internal economy of India and its more complex class distribution complicated this, however. In particular, not only were the interests of the propertied and popular classes distinct, there were also significant differences among the propertied classes, with differing interpretations of the meaning and implication of development. The early development policies of the Indian state show, at any rate, that the preferred model was state-led, and the dedication of India's first Prime Minister, Jawaharlal Nehru, to parliamentary democracy, also ensured that this state-led model of development was not to be authoritarian as in much of the Global South at the time. The state ramped up its power, built infrastructure, and formulated an industrial policy as well as an agricultural intensification policy that led to a 'green revolution' toward the end of the 1960s. These mainstays of development policy would satisfy the propertied classes, while populist programs undertaken especially under Prime Minister Indira Gandhi (1966-77) directed state patronage toward the poor. Indira Gandhi also used the power of the state to expand credit and savings into the rural areas and through the country's large 'informal' sector (bank nationalizations of 1969).[3] All of these

2 For a summary, see Maddison ('The Economic and Social Impact of Colonial Rule in India', 2006b [1971]: chapter 3).

3 This is of notable importance, contributing to creating India's peculiarity as a poor country with large domestic savings — later useful for sustaining large-scale investments.

policies, though serving chiefly the propertied classes, sometimes at the expense of the popular classes,[4] had real overall transformative potentials and (in some cases) effects.

The Indian model ran however into a crisis of transition by the mid-1960s. While the propertied classes had successfully replaced — with the indispensable help of the state — imperial capitalists through the first decade of independence, the next stage was to successfully compete with international capitalists to avoid being consigned to a peripheral and menial position in the international political economy. Also, without transition, India's vast poor population was feeling more acutely the brunt of exploitation and neglect.

The transition crisis not only generated a conflict within the ruling class — between those who tied their ideal of prosperity to a state-protected internal market and those who wanted the state to open the country — but it also happened in a difficult context, both nationally and internationally (in the late 1960s, drought and famine, war with Pakistan, and currency instability; in the 1970s, the oil shocks and recession). The transition crisis translated politically into a crisis of the state and of parliamentary democracy through much of the 1970s. While a fragmented and weak political opposition failed to defeat Gandhi at the polls, she turned toward so-called 'pragmatic' policies, which no longer reflected the choices of now deeply divided ruling classes, but essentially seemed to strengthen her hold on power. Economically, those were inadequate policies, fostering a corrupt status quo[5] and increasing dissatisfaction in the ruling classes. The latter phenomenon took several forms, including a high-minded defense of democracy by the elderly socialist Jayaprakash Narayan in 1975-76, but mostly, the objective became to put an end to Gandhi's rule. Lashing out against her opponents during the state of emergency she had proclaimed in June 1975, Gandhi succeeded in uniting their political representatives in the

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4 This was especially visible during the building of large dams, which would necessitate land confiscation and the displacement of masses of people, generally poor.

5 This situation, characterized by disparaging phrases ('Hindu rate of growth', 'license-permit-quota-subsidy raj', 'political economy of stagnation'), was summed up by Mansingh as 'a nexus among corrupt politicians, corrupt bureaucrats, and corrupt business houses' (*Historical Dictionary of India*, 2006: 30). The paroxysm of Gandhi's authoritarian tendencies was reached when she declared a state of emergency in June 1975. Writing in hindsight, Mansingh described the episode (which lasted 21 months) as an 'aberrant […] period of incipient authoritarianism' (Ibid.: 207), which is just what it was, although analysts pondering events at the time feared the worst (Kozicki, 'The Demise of Indian Democracy', 1975). For a rich contextualization, see chapters IX and X of Krishna Ananth's *India since Independence* (2009).

motley Janata Party, which beat her at the polls in 1977. But the economic situation only further deteriorated — in part because the Janata Party proved incapable of backing the policies of its ablest Prime Minister, Charan Singh (1979-80) — and Gandhi returned to power in January 1980.

In the changed conditions of the 1980s, Gandhi — imitated after her assassination in 1984 by her successors — started reorienting the state toward market liberalization. This was announced — indirectly — in both the Industrial Policy Statement of July 1980 and the Sixth Five-Year Plan, which showed a new willingness to stimulate the transition of the Indian economy into international levels of competitiveness. Measures linking industrial growth to export performance were taken in diverse policy areas, and were poised to expand corporate capitalism, even if in limited ways. Some incoherence marked those policies, where exports ended up being absorbed by domestic demand and where liberalization spurred both a costly — in terms of balance of payments — import of capital goods and the transformation of state-protected monopoly capitalism into international-allied monopoly capitalism, among other policy miscarriages.[6] Overall, however, they were not a failure from the point of view of policy-makers. In particular, they managed to expand the scope of corporate capitalism without undermining the state system. Liberalization was as a means toward the end of a transition to higher industrialization, which was still to be organized by the state. Thus, the fiscal crisis resulting from the policy incoherencies of the 1980s, though apparently similar to the one which destroyed the fragile economies of Bolivia and Niger in the early 1980s, became here the pretext for using that instrument (liberalization) more freely.

Indeed, in the case of India, a radical break that could be characterized as 'neoliberal reform' did not occur. The break, if such it was, came in 1980,[7] when market liberalization became a key policy option for the Indian state, and when segments of the industrial sector emerged or grew thanks to its decisions. This in turn made possible some of the reforms developed in the 1990s, both technically and — more importantly — politically. While the central Indian governments

6 See the detailed contemporary analysis of the new measures and their economic effects by Kurien ('Indian Economy in the 1980s and on to the 1990s', 1989).

7 Here, there is agreement between Kohli ('Politics of Economic Growth in India, 1980-2005', 2006); and Corbridge et al. ('When and Why Did India Take Off', chapter 2 of *India Today: Economy, Politics and Society*, 2013). The latter also show the underlying continuities between what had gone on since the 1960s and what became possible after 1980.

of the 1990s may well have harbored neoliberal reformers,[8] it remains that neoliberal reform as a package could not easily be implemented in the context of a country where the ruling classes had recognized the pacifying value of the democratic process — certainly after the troubles of the late 1970s — and where there was no firm consensus among them on neoliberalism. How then are we to characterize what happened in India after 1991?

The balance of payments crisis had to be solved, and this was done chiefly by drastically reducing public investment. The general effect of the market liberalization initiative, combining with this decline in public investment, expanded the power of corporate capital as an agent in the Indian development model. Moreover, the central state's activism was reduced across the land, giving that much salience to regional disparities, as responsibilities for development were gradually offloaded onto individual states (this process is akin, in a more informal way, to the decentralization reform seen in the case of Niger). On the other hand, despite continuing — yet still modest — opening of the economy to international market forces, the measured pace of neoliberal-style reforms has preserved the coherence of the internal economy and the dominance of national industry actors. What was accomplished by the reforms was to put India's wealth — land, labor, government work — at the service of those actors through the steady but disparate birthing of a market economy — the neoliberal concept of development as it were — across the land. The state-led development model has, in this way, lost most of its significance, but it has not been straightforwardly replaced by neoliberal reform (as in Niger or Bolivia). Rather, it is now left to individual states within the Union to define — in accordance with regional conditions — the uses to which they would put the liberalization instrument, in a context where competition to attract private investment greatly constrains or reduces their choices. It is this ambiguous situation that I now propose to explore by engaging in an exercise similar to the one conducted with the Nigerien case: that is, approaching the issue through a single revealing event — here, the transfer of an automobile plant from West Bengal to Gujarat — and assess thereby the implications for democratic reform in the case country.

The short story is this: in the early 2000s, Tata Motors, an Indian market giant, created stiff competition among the states for receiving the site of the plant for its new project, the 'Nano,' a cheap mini-

8 Such would have been Manmohan Singh, Prime Minister in 2004-2014 and Finance Minister in 1991.

car with the famously low price tag of 'one *lakh*' (100,000 rupees or 2,300 USD), designed for India's majority struggling population. West Bengal beat the competition by leasing land to the company in Singur, a small rural town in the vicinity of the state capital, Kolkata. The land, intended to host both the car plant and its ancillaries in an industrial complex, was expropriated from farmers using an abusive interpretation of eminent domain law, and cash compensation. Some of the farmers protested, first in the courts (where they lost their case), then on the streets, causing repression and the intervention of a coalition of rights-defending organizations and individuals, as well as that of opposition politicians.[9] Given the turmoil and violence, Tata Motors reviewed its options and, in October 2008, was invited into Gujarat by a text message from that state's Chief Minister, Narendra Modi (now the country's Prime Minister). Gujarat offered land already occupied by the state at Sanand to the 'Nano' project, thus avoiding controversy.

The event has been abundantly analyzed and commented by Indian scholars[10] and I am here interested in two aspects of what had transpired at that point: the attitudes of actors in West Bengal relative to the Tata project and the underlying idea of development behind its support by the West Bengal government; and a comparison of these attitudes with the Sanand denouement.

The West Bengal state was run at the time by the Communist Party of India (Marxist) (CPI-M), which of course inspired no end of irony on the fact that it had courted a market giant while trampling the rural proletariat. This is all the more curious since CPI-M, which, by then, had been in power in Kolkata uninterruptedly for 31 years, had grounded its hegemony in rural supremacy. The scholarly consensus on this subject is that CPI-M in West Bengal had created stability at the expense of development. More specifically, since the late 1970s, the party had successfully displaced the larger landowning classes — favorable to Congress — and brought about a West Bengal of smallholders, including through 'Operation Barga', a policy of land reform which secured the rights of sharecroppers against rich landowners. These actions provided a stable basis for the party's

9 For a detailed analysis of these events and their underpinnings and implications, see Chandra ('Tata Motors in Singur', 2008).

10 See in particular Sud ('The Nano and Good Governance in Gujarat', 2008) to be read against the background of her earlier piece ('From Land to the Tiller to Land Liberalisation', 2007); Roy ('Gujarat's Gain and Bengal's Loss?', 2011); Baumik ('The Singur Controversy: A Causal Analysis', 2011) online resource; and Kumar ('Tata Nano: a Study on Business Challenges in India', 2012) blog post.

dominance in the majority poor population of the state. At the same time, West Bengal was, however, also taken into the general Indian dilemma of transition to a higher stage of development which started to brew in the country in the 1970s.

In this case, the lack of development was directly connected to the hegemonic structure of CPI-M, since a system of smallholding, largely subsistence agriculture, can hardly provide the surplus capital needed for starting such a process (compare to Niger). As a result, large sections of the peasantry suffered a process of marginalization, while even the beneficiaries of CPI-M policies were confronted with the limitations of stagnant development. Democratic reform might have provided a solution through the ideal combination of political will and popular agency leading to transformative institutions, and this was clearly what was envisaged by the reform of the Panchayat (rural government) system in 1983. Not only was the new Panchayat Act adopted that year destined to better organize popular agency at local levels, it also aimed at providing the institutional space the state needed to implement its rural development policies (including the then on-going Operation Barga). But as the instability created by economic stagnation increased, the party also increasingly resorted to patronage and intimidation — rather than to democratic practice — to maintain its hold on power, an objective which eventually became paramount.[11]By the early 2000s, CPI-M was moving toward neoliberal reform in order to attract private capital, arguing that 'land reform was not an end in itself and industrialization was necessary for moving into the next phase of development'.[12] The key implication, here, is that the party had decided to give up on the transformation of agriculture — which, from a political point of view, would have entailed democratic reform — and opted to climb onto the national bandwagon of corporate-led development.[13] From

11 See the analysis of Bandhyopadhyay and Dinda ('Neo-Liberalism and Protest in West Bengal', 2013: 10).

12 (Ibid.: 14). In a study on a more successful land acquisition story — the one destined to support the creation of an 'airport city' in Andal, Gopa Samanta notes that this was done despite the fact that West Bengal lags behind 'many states of India in generating revenue from industrial growth'. Referring to the Singur debacle, Samanta also adds that in the case of Andal, the land was not very productive and could be worked with some profit only by big landowners with the means to supplement poor water supply with small tanks of water. Those big landowners did not put up a fight, and most small farmers took the compensation despite their reluctance. Samanta ('Making an Airport City', 2015).

13 Before the Singur debacle, CPI-M had encountered a similar fiasco at Nandigram, in March 2007, when it tried to transfer farmland to the Indonesia-based Salim Group's industrial project of a Special Economic Zone there. It did not learn from the episode.

this perspective, its mistreatment of smallholders is logical, although it was also self-defeating. Indeed, all analysts are agreed that the population of Singur was not hostile to the Tata project, and many among them expected to profit from industrial work and attendant business. However, they did not understand this to mean that agricultural work needed to be forfeited altogether. The underlying concept of development for the rural poor combined the relative *security* of agriculture — relative to potential salaried jobs — to the relative *opportunities* of industry, while the government in fact viewed agriculture and industry as opposites because, in the existing scheme of things (which it was principally responsible for creating), the latter produced capital, and the former, not.

The situation in this West Bengal story was therefore this: there was no political will for democratic reform among the rulers of the state at that point;[14] yet there was much popular agency, both among the smallholders and the small bourgeoisie that staffed the civil society; a reform program could not take form in the absence of the political will factor and potential transformative institutions (Panchayats, Ministry of Land and Land Reforms) remained therefore in a state of inaction. The people eventually voted the CPI-M out in 2011, replacing it by a coalition led by the All India Trinamool Congress (TMC), the party of Mamata Bannerjee. One of her first decisions was to organize the vote of a law that would return 400 acres of land to the unwilling farmers of Singur, but Tata — which still holds the lease — has successfully resisted the law at both West Bengal's High Court and India's Supreme Court.

In Gujarat, the state that took over the Tata project, the process went down quietly. While farmers in Sanand initially protested about the selling of fertile land to industry and worried about compensation, the government, using a local middleman — Ravubha Vaghela, a wily businessman in the good graces of the traditional royalty of the Sanand area — succeeded in organizing a running land fair through which farmers sold their plots to the government and to private investors. In due course, the Nano factory opened and went into operation while Sanand was transformed into a boomtown in its own right.[15] In other words, in Gujarat, the government had used the profit motive —

14 But perhaps there was some among the larger ruling classes, especially if we believe the claims of Mamata Bannerjee, then the major opposition figure, now Chief Minister and also Minister of Land and Land Reforms — the one potential transformative institution for rural West Bengal.

15 See a colorful piece by Ganguly in *Business Standard* ('From Nano to magna', 2011).

a central premise of Modi's policies — and other instruments to avoid the fate of Singur. According to Nikita Sud, authoritarian decision-making and lack of transparency were key to the Modi-Tata success.

But to understand this outcome, it is perhaps best to view West Bengal and Gujarat in the roles they had taken within the general evolution of India at the beginning of the twenty-first century: that is, corporate-led development as a solution to the dilemma of the country's position in the international political economy, and the tension that this creates between growth and redistribution. Both states are counted among the more developed units of the Indian federation, and also, both are modern expressions of historically prestigious regions with identification to distinct civilizations — the mercantile and spiritual Gujarat and the industrial and intellectual Bengal. Both cases show also that the second wave of economic liberalism in India, where democratic governance is older than in Bolivia and Niger, has led states like West Bengal and Gujarat to upend core aspects of democracy and therefore conduct the reverse of a democratic reform of the state. In effect, both the CPI-M and Modi had resorted to authoritarian means to impose an agenda which favored market forces over popular agency. In this perspective, both political actors consciously wished to emulate countries in East Asia where the force of the state was used to build powerful market economies.[16] This sometimes erupts in violence against components of civil society seen as presenting an obstacle to the desired evolution. During the early land acquisition showdown between the Marxist government of West Bengal and the small farmers of Nandigram, there were pitched battles, rapes and house demolition caused by militant communist groups angry at peasant resistance to what they saw as a model of progress offered up to the world and to history by China.[17] On some level, the mass violence against Muslims in Gujarat, in 2002, obeys to a similar logic in that Muslims were seen as fracturing the cultural (Hindu) homogeneity upon which Gujarat would establish the conditions of prosperity. In *Gujarat beyond Gandhi*, Mehta mentions a hagiography of Chief Minister Modi that intended to demonstrate that the violence indeed did nothing to Gujarat's growing economy — thus postulating that Muslims were not a factor in it. Not only that, 'the Gujarat Chamber of Commerce (GCCI) estimates

16 In the case of now Prime Minister Modi, this is presented in glowing terms in a recent essay of Sanjeev Sanyal in the *Deccan Chronicle* ('India's East Asian Dream', 2014).

17 See *The Guardian*, 'Six Killed as Farmers and Communists Clash in West Bengal' (Ramesh, 2012).

that only some 15% of small, medium and tiny units were affected. It first claimed that 600 hotels were affected and later corrected it to 220. Even more tellingly, it points out how during the early riot period of 1 March-15 April, Ahmedabad's banks cleared more cheques [...] than in previous months' (Mehta, 2011: 124). At any rate, both Gujarat and West Bengal (under the Marxist government) were pursuing growth at the expense of redistribution — the first on the basis of a right-wing, culturalist ideology, and the second on the basis of a left-wing, classist ideology. What they both had in common, and which differentiated them from their East Asian models, was that they were pursuing their goal carried by the second wave of economic liberalism as it was driving its way through the thickets of India's economy and politics. The greater success of Gujarat — besides the stability of its government — was then very likely due to the fact that Modi's political base of wealthy businesspeople, the rising urban middle class and affluent expatriates has more natural affinities with economic liberalism than the militant leftist intellectuals of West Bengal. But this greater success, consisting in an elite consensus in favor of growth (private industry, supporting infrastructure and legislation) and against redistribution (jobs and social security), starkly came at the expense of democracy.

CONCLUSION

DESPITE THE RECEIVED WISDOM of the mainstream literature in political science, the coincidence of the 'third wave' of democratizations and the 'second wave' of economic liberalism was a misfortune for democracy. The mainstream literature generally assumes that neoliberal reform and democracy are mutually sustaining, and that roadblocks to democracy are to be found in country's internal factors, a conclusion preordained by the premise. Indeed, since, in this view, democracy and neoliberal capitalism are the two faces of the same coin, the notion that neoliberalism may be one such hurdle is essentially meaningless. Moreover, since neoliberalism is bound up with globalization, there is a clear reluctance at stressing the negative role of external factors, such as the agendas of multilateral organizations or the strategic operations of Western powers.[1] By looking at a single historical process, such as the reform of the state, in which competing forces representative of democratization and neoliberalism can be shown to be at work,

1 The role of China in defeating the promotion of democracy, human rights and good governance is one exception in the more recent literature — for no obvious reason other than the fact that China is not a Western power, since the same behaviour, or even worse, is observable in American or French foreign policy for instance.

this 'internal/external factors' debate can be displaced by a more fruitful comparison. For in studying the effects of two divergent reform agendas of the state, we are comparing effective processes, not biased conjectures.

On this score, it is obviously fair to say that in the poorer countries of the South, the democratic reform of the state was meant to strengthen it, not weaken it. The intention was that the overhauled strength of a reformed state could be put to work on development, on the basis of participation from all classes of society, instead of being used and misused by the small cliques that profited from authoritarian rule. And it is equally fair to say that neoliberal reform, on the other hand, sought to weaken the state and let competition in the marketplace determine winners and losers, with no demonstrated concern for the society that people form under a state. The comparisons between Niger and India, and that between West Bengal and Gujarat *within* India, reveal that in this struggle, neoliberalism has tended to gain the upper hand, and it is here that the study shows that we may put the stress on internal factors. If democracy was essentially promoted by internal forces, and neoliberalism by external ones, the relative defeat of democracy should primarily be explained by failings from the (internal) forces that supported it. In this study, such failings have been analyzed through a schema derived from Bolivian history, and a longer study could delve into the living details of how the schema worked in each case, what caused success, and what prompted failure.

Another major conclusion of the study indicates that neoliberal reform especially weakened the weaker — Niger rather than India and, within India, West Bengal rather than Gujarat. And finally, given that democratic reform is in fact the antagonist of neoliberal reform when it comes to the state and to development, one may conjecture that only by embracing it could countries that have been subjected to the neoliberal regimen transcend their predicament. Further research in both reform agendas — their social conditions, political implications and economic parameters — is however needed to effectively understand both the theory and the practice of democratic reform. Such understanding, I believe, is much needed.

Finally, it is also rewarding to interpret these case studies through Rodrik's (2000) political-economic trilemma, where it is impossible to have at the same time international economic integration (by way of economic liberalism), mass politics (democracy)[2]

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2 Rodrik's 'mass politics' is defined in almost exactly the way I would define my usage of 'democracy' throughout this essay: 'I use the term mass politics,'

and a sovereign nation-state. One can have two of these elements together, Rodrik argues, but not all three. Investment in globalization (i.e., that which Rodrik calls international economic integration) and the nation-state sacrifices democracy; to hold on democracy and the nation-state, what would tend to forego globalization; and in order to combine democracy and globalization, the nation-state should lose its sovereignty, i.e., its essence. Rodrik stresses that the underlying reasons for this triple bind are not obvious, but it is easy to see how the stories of Bolivia, Niger, Gujarat and West Bengal enact in various ways the strictures of the trilemma. All of these entities want to combine globalization, democracy and sovereignty, but the tensions created by the incompatibilities between these three orientations taken together lead in effect to somewhat incongruous outcomes. Thus for instance, Niger's hesitant dance of *je t'aime, moi non plus* ('I love you, me neither') with a market giant that its public wishes to subdue, that its state wishes to use to buttress its financial sovereignty, and which its entrepreneurs view as a ticket into global markets. One can also see that Gujarat under Modi has solved the trilemma by opting for a combination of the nation-state and market opening against democracy, while West Bengal's muddle comes from ideological positions where it is more difficult to make such a definite choice. Reflecting on Rodrik's trilemma, Nayyar (2015) problematizes it however by showing that while it is helpful in highlighting policy conflicts — as in the case studies for this essay — its rigid 'either/or' cast does not allow us to capture the dialectical complexity of the relationships between democracy, the nation-state and globalization. In Nayyar's perspective, countries can engage in all three pursuits without having to make a trade-off, because it is only in the abstract that these pursuits represent a single unique point: in reality, they represent a range and a continuum, so much so that it is 'possible to have more of two and less of the third' (Nayyar, 2015: 49). In this context, we are faced with dialectical tensions between the three nodes, rather than the simple binary choice suggested by Rodrik. These tensions are most visible in the relationship between democracy and globalization (i.e., what I call here 'the second wave of economic liberalism') in the national context. Thus, for instance, while the triumph of markets forces (and their

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he writes, 'to refer to political systems where: a) the franchise is unrestricted, b) there is a high degree of political mobilization and c) political institutions are responsive to mobilized groups' ('How Far Will International Economic Integration Go?', 2000: 180).

unequal distribution of incomes and assets) entails a discomfiture of democracy (and its *equal* distribution of votes) — something most visible in the case of Gujarat — it by no means spell the end of democratic politics. Within the political economy of a nation (or a sub-national unit such as Gujarat and West Bengal), the market and democracy organize systems of inclusion and exclusion based on differentials of purchasing and voting powers: while these systems contradict each other in their inner logics (market forces are accountable to money elite, while political forces are accountable to majority voters), they may also reinforce each other (vote without financial power has, in practice, little staying power in politics conducted beyond the electoral moment).

One flaw in Nayyar's analysis resides in the fact that he effectively reduces democracy to elections and government accountability, while this essay proposes that it results from a multi-class consensus on the ability of the state to accommodate the rights and interests of all citizens. That is, democracy is a collective way to transcend social-political contradictions that is grounded in the powers of the state. In other words, what is claimed here is that both Rodrik's trilemma and Nayyar's dialectical tension are rooted in a more basic dilemma or tension, that which exists between classes and politically significant groups that would stand to benefit more or less from the second wave of economic liberalization. Although I have based my analysis on class, this does not mean that there is a class-determinism in that regard, i.e., all elite classes are not necessarily preordained to gain from neoliberal reforms — as the Gujarat story might intimate — and all popular classes are not by definition political fatalities in such a process, even though that is empirically more often the case than not. Moreover, motivations are not always of one single nature. Elite classes may tend to ally with market giants not only for their own profit, but also because they find in this a greater good. That is one conclusion that may be drawn from the Niger story: reaching a deal with Areva that increases state revenue assures the position and strengthens the legitimacy of the élite. In this instance élite, motivations coincide with the collective good. However, even when there is such a coincidence, the élite classes can exclude the popular classes from the political process surrounding the management and utilization of revenues, when there is no multi-class consensus on the operation of state institutions. More generally, democracy is not so much a point in a trilemma or a node in a dialectical relationship, as one result of the political algorithm — other results being élite authoritarianism or chronic instability — that would determine the power with which the state[3] would confront large-scale political-economic events, such as the second wave of economic liberalism and uphold the relevance of the political society it serves in the international political economy.

3 One hypothesis that is implicit in this essay is that the stronger the multi-class consensus, the stronger the power of the state system it supports. This hypothesis would however need a different effort to examine it.

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