Myth and Reality of Inclusive Democracy under Neo-liberalism

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

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

INTRODUCTION

Everybody in the world today swears in the name of democracy. This in itself is regarded as the victory of the idea and philosophy of democracy. But this in itself does not guarantee democracy and democratic practice as well as democratic space for all, particularly for the marginalised, in whose name it claims itself to be more inclusive than any system of governance. By many counts the world is more democratic today than ever before. This is expressed to mean that more countries observe the popularly accepted procedural norms of nation-based democratic practice, such as regular elections, parliamentary control over the executive, and the ability to organize politically, free from coercion by the state or forces within civil society.(Pilon:2018) The number of democracies as per these standards rose from nine in 1943 to 87 in 2010.( Max:2016) But with the growth in the number of democratic states in the world there has been a decline in the public satisfaction over their performance. As per one American study there was approval rating of 73% in 1958 which stands now at only 19% in 2015. (PRC: 2015) The growing dissatisfaction over the functioning of the democracies and its institutions is a reflection of a deeper crisis. It is indicative of the democratic deficit. This crisis needs to be understood from a basic understanding of what democracy is and how it functions in particular situations. The crisis in democracy is more acute during the periods of neoliberal globalisation all over the world. The gap between formal democracy and actually existing democracies has widened. Democracy involves struggles for creation of democratic space for those who are out of this space so far in real terms, in terms of participation in the decision making. The state and society under neo-liberalism does not encourage such struggles which is shrinking the democratic space. There has always been a struggle between the privileged, propertied class on the one hand and the marginalised and the excluded on the other hand for acquiring this space in both the state and society. Neo-liberal capitalist globalisation has created multiple forms of inequalities and this has been accepted even by its staunch advocates. These inequalities weaken the democratic forces and their struggle for democratic space. When the capitalist class acquires more economic power it
also gets more political power proportionately. This is exactly happening today under neo-liberalism all over the world including India. The gap between the rich and the poor in India is terribly increasing. Monstrous economic inequality has already become a feature of the Indian society and this is reflected in the functioning of the democratic polity. While the rise in the numbers of Indian Billionaires is celebrated in the mainstream media its negative impact on the process of democratisation is not analysed. There is now a widely shared recognition that the major problems faced by humanity in the twenty-first century, such as poverty, unemployment, inequality, racism, women’s oppression, war, global warming, and the extensive absence of effective democracy in both national and global governance, are interconnected and therefore must be combated by united campaigns and movements, bringing together a wide range of intellectually and ideologically disparate individuals and organisations. (Roper: 2013) Democracy under neo-liberal capitalism is deficient in many ways. Can the neo-liberal capitalism be transformed to make it inclusive and to make the democratic system under it inclusive? This paper aims to analyse from available evidences with reference to India.

**NEO-LIBERALISM AND DEMOCRACY**

Neo-liberalism is no more liberal, it has become more authoritarian, though it pays lip services to liberal ideas and values like freedom, equality, openness etc. Neo-liberalism is misleading as it is not concerned with anything liberal. ‘we are not simply in the throes of a right wing or conservative positioning within liberal democracy but rather at the threshold of a different political formation, one that conducts and legitimises itself on different grounds from liberal democracy even as it does not immediately divest itself from the name.’(Brown: 2005) In this formation, citizens are produced as individual entrepreneurial actors across all dimensions of their lives, civil society reduced to a domain for exercising this entrepreneurship and the state comes to be considered as one firm among many whose products are rational individual subjects, an expanding economy, national security, and global power. ‘This is serious political nihilism, which no mere defence of free speech and privacy, let alone securing the right to gay marriage or an increase in the minimum wage, will reverse.’ (Brown: 2005) This political nihilism is not the continuation of the old liberalism but something qualitatively different project, more ambitious, more authoritarian. ‘Neoliberal governmentality undermines the relative autonomy of certain institutions –law, elections, the police, the public sphere –from one another and from the market, an independence that formerly sustained an interval and a tension between a capitalist political economy and a liberal political system.’ (Brown: 2005). The state under Neo-liberalism acts, no more as the supposed representative of the people but as the active facilitator of the neoliberal capitalist globalisation. The state and its success are measured in terms of its ability, including coercive ability to sustain and foster the market. Here both Marx and Weber are relevant. Capital penetrates and transforms every aspect of – remaking everything in its image and reducing every value and activity to its cold rationale. (Marx: 1844) Neo-liberalism now means that democratic principles of governance, civil codes, and even religious morality are submitted to economic calculation....no value or good stands outside of this calculus. Both freedom and equality have been redefined and reduced, in essence, to the market. The sources of opposition to and mere modulation of, capitalist rationality disappear. And the space between liberal democratic ideals and lived realities has ceased to be exploitable. ‘(Brown: 2005) Thus any strategy for fighting for democracy has to be evolved keeping in mind the new situation under neo-liberalism. The present neo-liberal edifice is rough towards other political orientations. A huge bureaucratic apparatus of processes and mechanisms, a vast network of regulations, norms, and directives, discards without the need for political argumentation any attempt to follow an economic and social path. This apparatus has taken over policies and powers that once belonged to the state, which are now vested in external authorities or financial elites, while a vast number of neo-liberal regulations and norms increasingly govern the state and social life. Thus state power refers not to the political power, but just one pole of such power, shaping a hostile environment in which considerable effort is needed just to open some space for the implementation of a different policy.(Karitzis:2016) The neo-liberal world has the new Mantra- TINA that is there is no alternative to it. ‘who is to demand and force through the democratic reforms that will, for example, end and reverse the growth of the precarious employment; stop privatisation and restore equitable public services; tax Google and its ilk; increase public social investment, to make for moral equal starting positions and opportunities in the market place; control working time; make the production and regulation of money more transparent, less oligarchic and less dangerous? (Streeck: 2016) The American dream is symbolised with neo-liberalism and it has occupied the hegemonic position today. It become the most powerful impediment to political radicalisation and collective action, the basis of the democratic process. Like the dream, the middle class also connotes a subjective ideal with very real and material consequences, a real –world projection of down to earth hopes for pleasant or at least endurable accommodation, good health, economic security, autonomy at work, and a measure of self and social respect. These people are in a flux, caught up in a perpetual and worsening property based crisis over which they have little or no control. The neo-liberal policies all over the globe have produced devastating effects on the life and livelihoods of the majority of global population. The shift from the Keynesian policy regimes to the neo-liberal regimes in the advanced capitalist countries from the late seventies and early eighties have led to dramatic increase in inequality in the distribution of income and wealth. Several interconnected areas of policy change contributed to this. Regulatory control of financial institutions and activity facilitated the global
The revolutionary socialist critique of social democratic theory of surplus-value also remains at the absolute heart of societies and between the rich and poor nations. ‘Hence the Marxian theory of surplus value scientifically explains the challenge also because this is the nature of capitalism itself. Capitalist democracy does not challenge it. Nor it can economic growth. This is accelerated under neo-liberalism and inequalities are products of capitalism along with high rates of deprivation and poverty. (Harman: 2010) The monstrous majority of the world’s population, experience growing enmeshed networks of production, and who constitute the productive forces at the expense of the immediate producers from exercising effective control over the means of production, labour power and resource allocation.’ (Roper: 2013) Widespread inequalities, exploitation, hunger, poverty, alienation, deprivation, marginalisation, violence, oppression etc. are marked features of capitalist democratic states. The majority of citizens who are deprived have little influence over the democratic process in the capitalist state. ‘Representative democracy, even in its most fully developed form, leaves untouched vast areas of our daily lives-in the workplace, in the distribution of labour and resources –that are not subject to democratic accountability, but are governed by the powers of property, market forces and the exigencies of profit maximisation’ (Roper: 2013) The Marxist theory of surplus value is not only to interpret the relations of production in capitalism are ‘necessarily undemocratic precisely because they rest on the systematic exclusion of the immediate producers from exercising effective control over the means of production, labour power and resource allocation.’ (Roper: 2013) The monstrous inequalities are products of capitalism along with high rates of economic growth. This is accelerated under neo-liberalism and capitalist democracy does not challenge it. Nor it can challenge also because this is the nature of capitalism itself. The Marxian theory of surplus value scientifically explains the reasons of the inequalities produced within the capitalist societies and between the rich and poor nations. ‘Hence the theory of surplus-value also remains at the absolute heart of the revolutionary socialist critique of social democratic reformism. Any strategy that accepts the continued existence of these inequalities thereby also accepts the continued exploitation of workers, who produce the world’s wealth, by capitalists, who appropriate it.’ (Roper: 2013) Neo-liberalism has multiplied inequalities globally in an unprecedented scale. Most parts of the poor countries are under poverty, hunger, malnutrition and deprivation where the IMF, World Bank led structural adjustment programmes were carried out. Advocates of liberal democracy argue that with institutional arrangements of democracy like universal adult suffrage, regular, free and fair elections, free press, majority rule, constitutionally guaranteed rights citizens have the ample opportunity and capacity to influence the decision making process in the government. Hence there is no contradiction between Neo-liberal capitalism and democracy. But in the Marxist framework the capacity of the citizens to influence the government is extremely limited and more so under Neo-liberal Capitalism. The wide spread inequalities create different categories of citizens in terms of their economic and social capacities and along with that their capacities to exert influence over the government. So the concept of citizenship is not inclusive under capitalism. The very process of production is undemocratic in capitalism. 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Further it shows that the democratisation of the economic and social spheres is antithetical to the continued functioning of capitalist economic systems and the reproduction of capitalist relations of production.’ (Roper: 2013)
affects the autonomy of the nation states. ‘the focus of modern
democratic theory has been on the conditions which foster or
hinder the democratic life of a nation’, the major problem
being that ‘in a world of regional and global
interconnectedness, there are major questions about the
coherence, viability and accountability of national decision-
making entities themselves.’ (Held: 2006) Globalisation has
affected all aspects of human life. It is defined as ‘the
widening, deepening and speeding up of worldwide
interconnectedness in all aspects of contemporary social
life.’ (Held et al.; 1999) In this period of globalisation global
institutions, global economy and actions and policies coming
out of that limit the autonomy of the nation-states in decision
making. ‘The implications of this are troubling, not only for
the categories of consent and legitimacy but for all the key
ideas of democracy: the nature of a constituency, the meaning
of representation, the proper form and scope of political
participation, the extent of deliberation, and the relevance of
the democratic nation-state as the guarantor of the rights,
duties and welfare of subjects.’ (Held: 2006) The structure and
functioning of the world economy under globalisation has
affected the capacity of independent decision making by the
individual Nation-states. The growing internationalisation of
the production networks, the growth of Transnational
Corporations with huge concentration of Capital and its
ownership with them, growth of global trade, free global
financial flows for policies of globalisation like deregulation etc.
have ‘significantly reduced the capacity of the Nation-
states to govern their domestic economies and, in particular, to
do so through Keynesian demand management. (Held: 2004)
The issues of human rights, of environment, of global
economy, of global business and a host of other factors arising
out of the process of globalisation put restrictions on the
autonomy and freedom of the sovereign nation states to take
actions independently by ‘blurring the boundaries of domestic
politics, transforming the conditions of political decision-
making, changing the institutional and organisational context
of national politics, and altering the legal framework and
administrative practices of governments’ (Held: 2006) The
Global Financial Capital have emerged powerful in the
periods of globalisation so far. The Multi-national
corporations and the institutions like IMF, World Bank, and
WTO decide the rules and policies that have to be endorsed by
the majority of the Nation States. ‘In this context, the risk is
that democratic politics will increasingly be reduced to
adapting to global markets—second-guessing their tendencies
and accommodating to them.’ (Held: 2006)

GLOBAL BUSINESS AND DEMOCRACY

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

Democracy and Civil Society

In complex societies like India democracy refers to the
multiple means that individuals may use to affect collective
decisions. This is not just voting, but organization, advocacy,
 networking, deliberations etc. that may occur at multiple
points in the decision making process. The associations of
civil society should serve as ‘schools of Democracy’
(Tocqueville: 1969). In recent times much political work now
takes place in locations other than electoral institutions. These
have emerged as new sites of struggle for democracy and hegemony. This phenomenon disperses the powers and capacities for collective action, thus transforming the very nature of governing from a sovereign state. Democracy gains legitimacy from inclusion and public deliberation. If civil society in its composition as well as in its functioning ascribes to these two qualities then it can engage the state democratically. Societies should maximize individual self-development and self-direction by altering power structure in favour of inclusion and voice. Now the political site is complex and plural, so it is impossible to think democracy without civil society which offers multiplicity in organization, experience, direction. Civil society is problematic in India with social exclusion, inequality, poverty etc.

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

The west no more serves as a model for others. For the last two centuries the western civilisation –with its concepts of freedom, liberal democracy, human rights, and free market capitalism- has been serving as a model or a beacon for many countries with social exclusion, inequality, poverty etc. The tectonic shifts of a capitalist order in severe crisis have not generated a global cultural shift analogous to those of the 1920s and 1930s. This crisis is shaking many loose from their traditional local position and political identities. Many people, including young middle class are rethinking capitalism and its property relations. In a starkly oligarchic world, most of them are likely to be included in the army of excluded and marginalised. Confronting similar issues of precariousness, propertylessness, and stagnant or declining living standards, and likely to find little of substance in the morally and politically bankrupt positions of mainstream liberals, people in such strata are good candidates to become subaltern organic intellectuals of a radical democratic movement. (IANNcKAY:2018) In India, the social inequalities based caste, gender and religion etc. are reinvented as weapons to destroy the possibilities of the emergence of such intellectuals and the possibilities of radical democratic movement challenging the property rights of the neo-liberal order and the inequalities created out of it. So there is growing intolerance, communal riots, attacks on the right to speech and expression, new narratives on communalism and so on. All these are parts of the strategy to sustain the neo-liberal order. Those who see all these separately from neo-liberal capitalist consolidation in the country fail to see the link between fascism and capitalism. But the silver lining is that there are thousand mutinies defying the predictability of left, right and centre, creating new radical narratives and discourses for future path. Here lies the hope for a future. The neo-liberal discourses of development are incompatible with democracy and its ideals. But the danger is that the neo-liberal order uses the radical language of democracy and inclusiveness and the middle class is trapped. There is a need of incorporating those elements of liberal democratic theory of the state that can be found consistent with the non-market, classless society.

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Neoliberalism or neo-liberalism is the 20th-century resurgence of 19th-century ideas associated with economic liberalism and free-market capitalism. It is generally associated with policies of economic liberalization, including privatization, deregulation, globalization, free trade, austerity and reductions in government spending in order to increase the role of the private sector in the economy. From Liberalism to Liberal Social Democracy? Before the end of the 18th century no state devoted more than 3% of national product to redistributive social programs or welfare (Lindert). Even by the late 19th century government and the state in advanced countries were still small. Neo-Liberalism as Talk, but not Decisions or Actions. Certainly in rhetoric the 1980s saw a dramatic shift in tone from conservative politicians, fed by ideas from right-wing free-market think-tanks. Neoliberalism is a convenient myth invented by opponents of any type of pro-market reform or political position that recognizes markets may in the right circumstances be a good thing. NEO-LIBERAL thinkers have spread the myth that state owned public enterprises do not work since people do not take care of things that are not theirs. Public enterprises secure finances from the government treasury and fritter them away. This was the justification for the massive privatization programme resolutely implemented by Margaret Thatcher in Britain in the early 1980s. Mankind had finally achieved nirvana under Western capitalist liberalism. Huntington, on the other hand, posited the theory that the West would face its greatest challenge from an alliance of resurgent Islam and Confucius Communism (China). Some Muslims, in their innocence, responded to the Clash of Civilizations argument with a counter-proposal for a Dialogue of Civilizations. What is the reality of democracy in practice? Political systems in all Western societies are tightly controlled by the elites. People with money manipulate the system to their advantage. Neoliberalism sees competition as the defining characteristic of human relations. It redefines citizens as consumers, whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency. It maintains that the market delivers benefits that could never be achieved by planning. Attempts to limit competition are treated as inimical to liberty. Tax and regulation should be minimised, public services should be privatised. The organisation of labour and collective bargaining by trade unions are portrayed as market distortions that impede the formation of a natural hierarchy of winners and losers. Inequality is recast as virtuous: a reward for utility and a generator of wealth, which trickles down to enrich everyone.