Welfare Regimes in the Global South

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Ideas in the Indian Welfare Trajectory[1]

This article studies the ideas which shaped the development of welfare institutions in India. The analysis is situated in the broader context of the ongoing discussion on welfare regimes outside the OECD. The article suggests we depart from the identification of regime types and ideal type formulation. Instead, it focusses on the role of competing ideas and their institutional anchorage to explain why a specific welfare route was taken. The thesis advanced is that socio-political ideas shape the institutional arrangements of welfare regimes. Agency, context and coherence of ideas matter for their success, but they are also mediated through cultural parameters and pre-existing institutional environments. In the case of India, ideas of social transformation played a strong role in the independence movement, but in the overall policy environment around the foundation of the republic, national unity was favoured over the potential turmoil created by social reforms. The early politics of accommodation have had a lasting impact to this day, despite two later ideational shifts.

1. Welfare regimes in the Global South – an emerging field of study

The welfare regime approach originated in the OECD, for which it was most prominently formulated by Esping-Andersen (1990). Over the past decade, it has been adapted and applied to the study of welfare regimes outside the OECD world (Gough et al. 2004; Rudra 2007; Haggard/Kaufman 2008; Seekings 2008; Gough/Abu Sharkh 2010). In their pioneering work, Gough et al. (2004) have innovatively included new

institutions in their framework and mapped the components of welfare regimes in the South, but they have been less clear on how and why particular regimes evolve. As in Esping-Andersen's work, they assume a complex interdependence between stratification and mobilisation, with institutional conditions, welfare outcomes and an extended welfare mix, which create welfare regime types that become stable over time and, hence, path-dependent (Gough/Abu Sharkh 2010).

The notion of path-dependency is shared by other recent treatises on welfare development in developing contexts, such as that of Rudra (2007). She explains variances between different types of Southern welfare regimes through the influence of policy makers, who have reacted differently to internal as well as external pressures, and thereby shaped path-dependent distribution regimes in the long run. Haggard and Kaufman (2008) analyse strategic alignments and critical junctures in coalitions pressing for redistribution, and the impact of economic performance, as well as that of democratic institutions. They contend that "the effects of institutions are conditional on the distribution of underlying preferences over the policy in question and the strength of the contending social groups in the political process" (Haggard/Kaufman 2008: 15f). Additionally, Seekings (2008) points to the importance of an immigrant working class, the degree of agrarian crisis, the openness of the economy, prevailing norms of welfare provision and electoral competition for the votes of the poor for the development of distinct welfare regimes.

These approaches share the recognition of international influences on national welfare regimes, which have most clearly been formulated by Deacon (2007: 9f). Also, all approaches mention the long-term structuring effects of welfare institutions and agree that actors, at least during critical junctures, can shape institutional development. Yet, they disagree on the key determinants of the welfare regimes in the South. Consequently, they each develop different regime types. This has been viewed as an overemphasis on ideal-type construction by Wehr and Priwitzer (2011). Other issues have received comparatively less attention (Wehr/Priwitzer 2011: 144f): the (semi-) peripheral welfare state has largely remained a black box, the impact of colonial legacies, power constellations and governing functions of social policies have been neglected, and the more diverse actor constellations should be given more attention.

The last point is crucial to the argument developed here: much of the OECD welfare research emphasises either electoral competition between ideologically distinct parties or class coalitions for the discrete shapes which welfare regimes take. However, for the non-OECD we have to consider other models than class based identity formation and coalition building; indeed, we do not necessarily find similar party structures. Instead, identities might centre around clan, kinship or caste, and coalition building needs to take account of this heterogeneity. If we cannot treat the interests of stakeholders in the welfare regime as a given, a point to which I will return later, what then shapes regimes and its institutions? This article proposes to take up this question through a closer look at the ways in which 'ideas' shape welfare regimes. Ideational influences on welfare politics are recognised in the OECD debate as a focal point for, for instance, social-democratic, liberal and conservative (Esping-Andersen 1990) coalition building, despite a lack of a clear notion of 'ideas'. In debates on welfare in the South, the importance of ideational factors has so far been largely absent, the notable exceptions being Rieger and Leibfried (1999) for East Asia and Barrientos (2004) for Latin America.

2. An ideational perspective on welfare regimes

An ideational analysis can draw on previous works from various strands of institutionalism. Firstly, in historical institutionalism we find Thelen's (1999: 397) argument that institutions "rest on a set of ideational and material foundations that, if shaken, open possibilities for change". That ideas are foundations of institutions is a central argument; however, the notion of 'ideas' remains somewhat underspecified. Secondly, ideas are recognised as an important part of culture in a more sociological strand of institutionalism (Rieger/Leibfried 1999; Kaufmann 2003). Kaufmann (2003: 32ff) emphasises that societal processes and phenomena, be they rural-urban migration or income poverty, have to be articulated as social problems, identified as fields for political action and to find resonance among policy makers and their constituencies before they are included in welfare policies by the state. Additionally, culture acts as a filter for ideas on problem definitions and influence which policy solutions are favoured over others

(Kaufmann 2003: 32); they frame the boundaries within which specific social policy development routes are either opened up or closed (Rieger/ Leibfried 1999: 455) according to a 'logic of appropriateness' (Schmidt 2011). 'Culture' in this context can be understood as "(historically specific) habits of thought and behaviour of a particular group of people" (Harriss 2006: 18). Cultures are not static but fluid, and undergo developments and changes. They have to be upheld through practice, and can be internally and externally contested (ibid.: 7).

Lately, ideas have come to the forefront of analysis in 'constructivist' (Hay 2011) and 'discursive' institutional perspectives (Schmidt 2011). These stress that the focus on ideas allows us to shift the emphasis to "an adequate account of postformative institutional change" (Hay 2011: 66) and identify 'path-shaping' logics and dynamics. Institutions, understood as "humanly devised rules that affect behaviour, constraining certain actions, providing incentives for others, and thereby making social life more or less predictable" (Harriss 2006: 14) are "subject and focus of political struggle" (Hay 2011: 68). The nature of these struggles is contingent and "outcomes can in no sense be derived from an extant institutional context itself" (ibid.: 68). Institutions do not necessarily arise because are they are the most effective; their "functionality or dysfunctionality is an open – empirical and historical – question" (ibid.: 68). The focus on ideas in institutional formation and change, hence, breaks with functionalist explanatory models, because it allows us to emphasise different and competing ideas and to study the settings in which one prevails over another.

Ideas do matter in the political processes of institutional formation and change because they inform agents' perceptions of the issue at hand and the choices available to them to react to it; they provide "guides for action" (Béland/Cox 2011: 4). However, agents' knowledge of the institutional context in which they are situated is "at best, incomplete and […] might often prove to have been inaccurate after the event" (Hay 2011: 67). Therefore, agents neither act rationally (because they do not have complete information), nor are their interests a mere reflection of material or social circumstances. Instead, interests, desires, and motivations "are irredeemably ideational" (ibid.: 67), are always historical, social, and political constructions that reflect an agent's perception of his or her situation and aspirations in a context about which he or she cannot establish certainty.

Generally, ideas can be seen to operate at different levels. In the context of this article, ideas will be understood as 'problem definitions', which are concerned with the broader sense in which problems to be solved by certain policies emerge, how they are linked to the objectives to be achieved and the instruments to be applied; as such, "problem definition is a contested process among players with varying levels of power and persuasiveness" (Mehta 2011: 34ff). The study of the influence of ideas also needs to pose the question why some ideas gain more importance than others. Mehta (2011: 35ff) points our attention firstly to agency, that is to individuals and groups that advocate a certain idea, the backing that these enjoy, and the ownership of the idea in the long term. He secondly refers to consistency and context. This concerns the frame provided for an idea, the context in which it is promoted, whether an idea of a social problem also offers a corresponding policy solution, and how it fits into the larger ideational and institutional environment.

These considerations guide the following analysis of ideas in the development of the Indian welfare regime. Herein, the focus is on ideas within policy-making circles, rather than on their communication to a larger public. This is based on Schmidt's (2011: 59) argument that, in 'compound polities' with multiple authorities and federal structures, as we find in India, this level of discussion is crucial for legitimating ideas among policy makers' constituencies as well. Three phases in which ideational shifts occurred are examined in greater detail: independence, economic liberalisation in the 1990s, and the shift to an 'inclusive growth' agenda under the current government. A shift signals that existing ideas are losing relevance and legitimacy and new ideas are coming to take their place (Berman 2011).

3. Ideas in the trajectory of Indian welfare

India constitutes an interesting case for the study of ideas in welfare development because of the strong role that debates on welfare have played from the early independence movement onwards. The delivery of welfare has been of key importance for the perception of the legitimacy of government (Arora 2004: 330). In turn, "the collapse of the welfare functions of

the state [could] become the cause of national unrest" (Kumar 2005: 343). And yet, India's development path has been characterised by persistently high poverty levels and relatively low achievements in literacy and health indicators (Drèze/Sen 2011), which suggests that these high aspirations have not been realised. The Indian case, hence, also points to the question of how particular ideas of welfare find an anchor in existing or emerging institutional settings, and how ideas succeed or fail in altering such settings in the long run.

In this process, it is not only the national level, on which this article focuses, which is of importance. The international environment, state and local settings play a role as spatial scales in which "social strategies and struggles for control and empowerment" (Swyngedouw 1997: 141) take place, and which are themselves subject to shifts and reconfiguration in socio-spatial power relations. Nevertheless, any paper which concentrates on developments in India as a whole does injustice, to a certain degree, to developments at state and local level. Huge regional variations in historical, political and economic developments have existed and persist between and within India's states and cannot be discussed here in greater detail (see Harriss 2006).

3.1 Welfare institutions before independence

Before turning to the reconfigurations in welfare around the time of independence, this section provides information about welfare arrangements in pre-colonial and colonial India, hence the setting from which the larger debates on welfare emerged. The pre-colonial order in the field of welfare had rested on three pillars of solidarity: extended families, villages and religious or caste communities (Muzumdar 1964: 5). Within the village, especially in Northern India, different groups were linked to each other in reciprocal, yet hierarchical, duty relationships of the jajmani system (Guha 2007: 202). Social relationships were governed by customary, non-contractual rights based on the principles of status and fairness (Platteau 1991: 119f). These rights partially excluded those not living within the village, such as mobile craftsmen, landless labourers, the outcast(e)s and the indigenous tribal population (Jürgenmeyer/Rösel 2009: 207).

Castes,[2] as endogamous groups, had an all-pervasive influence on the social, economic and ritual life of the individual, as caste determined

rights and duties within and between groups, marriages, the professions, and access to education (Jürgenmeyer/Rösel 2009: 208). Castes are a source of strong internal solidarity and trust (Muzumdar 1964: 5f; Harriss 2006: 21ff), but the relation between castes involves extreme forms of economic and social exclusion. Next to ritual authority exercised by high castes, the control over agricultural land was an important source of power at the local level. In the South, where a small group of Brahmins held control over substantial portions of arable land, "caste, wealth and power tended to converge" (Frankel 2005: 6). In many parts of Northern India lower ranking peasant castes were strong in number and landholding and could exercise power as dominant land-owning castes, or 'landed communities.' Those who owned large shares of land among these communities held authority – equal to those of high-ranking castes – over the poor peasantry for whom they acted as patrons providing "minimal economic security in return for personal deference and loyalty" (ibid.).

The arrival of colonialism, on the one hand, opened up the rigid determination of occupations by caste when the colonial industries and the military offered jobs and upward social mobility to some of the most oppressed groups (Frankel 2005: 6). On the other hand, the arrival of industrially manufactured goods displaced, for instance, craftsmen, who became subject to a new mode of economic exploitation, as part of the incipient working class. For many, the disruptions in the economic order led to loss of economic self-sufficiency, which Kaufmann (2003: 45) sees as the origins of state action in the field of welfare. Yet, this did not provoke a reaction from the colonial administration; the English, who had been among the first nations to install a system of poor relief at home, perceived the problem of the rural poor as a result of their backwardness, untouchability and of 'Indianness' itself (Corbridge et al. 2005: 52f). The administration's efforts to establish social security hardly went beyond the "small segment of the population whose contentment was particularly important for the colonial powers to stabilise their rule" (Loewe 2009) – in particular the administrative service and selected groups of manufacturing workers.

3.2 The social question emerges: India's independence (movement)

The long-standing belief that the welfare arrangements should be left to the different (religious) communities was finally challenged by the Indian

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independence movement's key organisation, the Indian National Congress, in 1917 (Muzumdar 1964: 50, 56). Under the leadership of (Mahatma) Mohandas Gandhi, Congress developed into a mass organisation, started to overcome its earlier urban bias, and embraced a social reform agenda in which the question of self-government was tied to the demand for more just government for India's people (Kumar 2005: 338). Congress, hence, identified foreign rule as a cause of poverty and starvation, and the primary solution to this problem was seen in self-governance.

Despite this shared analysis, different ideas were advocated by important intellectual leaders of the independence movement within Congress, such as Gandhi and Jawaharlal Nehru, and outside by Bhimrao Ambedkar, leader of the 'untouchables' or Dalits. The question of which ideas prevailed over others was partially decided in the formulation of the 'best of all constitutions' (Kaviraj 1997: 22) of the Republic of India. It can be seen as the culmination of the institutionalisation of new ideas, in a long process during which colonial rule and the corresponding ideas had gradually lost legitimacy and were followed by those promoted by the independence movement. The Indian Constitution was discussed for nearly three years by more than 300 members of the Constituents Assembly (CA) before it was passed in November 1949.

Gandhi, besides foreign rule, blamed poverty on a decline in morals and lack of education. India was to be rebuilt through its villages, which needed to be cleared from the defects of untouchability, the oppression of women, illiteracy, drug abuse, and diseases, through local reform and individual change triggered by education (Muzumdar 1964: 25). In a "glorification of village life" (Frankel 2005: 10), he evoked a picture of the moral superiority of village knowledge over modern materialism. Part and parcel of his ideas was the rejection of industrialisation and the call for self-rule, *swaraj*. This included economic self-reliance, *swadeshi*, of the Indian village, as well as of the country as a whole, based on village cooperative economies. Another key component of his strategy was the refusal to attack the existing class structure in the cause of national independence and unity (ibid.: 33ff). Gandhians argued that, if the reconstruction through villages and education came into full play, the economic and social inequalities would largely disappear peacefully through a "strategy of gradualism" (ibid.: 11, 44).

Gandhi was in a very prominent position; nationally and internationally he attracted a large fellowship. However, Gandhi was neither himself a member of the CA, nor was the group that advocated Gandhian structural and economic reforms strongly represented. Gandhi's ideas called for a path to democracy without reference to modern British, Continental or American traditions, but to ancient India. That the latter should guide a modern nation did not fit with the aspirations of the many urban and Western educated members of the Assembly. The Gandhian idea of decentralised village councils was rejected in favour of a federal structure with a strong centre. This was partly a legacy of the late colonial Government of India Act of 1935, and a concession to pressure groups that had formed around commonly spoken languages. The politics of accommodation and class conciliation fell back on Ganhdi also when the federal states, not the central parliament and government in Delhi, assumed the rights to rule on education, local government, land reform and land revenue assessment, to name just the most important fields. Nehru, who was to become India's first Prime Minister, was a close friend and follower of Gandhi. Yet, his reform agenda was quite different: Nehru advocated what he called a "third way which takes the best from all existing systems – the Russian, the American and others – and seeks to create something suited to one's own history and philosophy" (cited in Frankel 2005: 3). Nehru aimed for a socialist society through the development of modern industries in state led economic reform (Kohli 2010: 502f). With regards to the agrarian sector he advocated the development of cooperative organisation too, but neither collectivisation nor Gandhi's idealised village economies. Nehru's, and his fractions', handwriting could clearly be seen in the Constitution of the Republic of India, which was to be "sovereign, socialist, secular, [and] democratic" . They succeeded also in officially abolishing the *zamindari* – revenue collectors who had gained full rights to land under British rule. Nevertheless, on the other hand, the list of Fundamental Rights entailed the right to property within 'reasonable restrictions.' In the central question as to what extent property should be protected. conservatives in the CA prevailed (Kaviraj 1997: 4; Frankel 2005: 79f). This deal had been struck by Sardar Patel, another key Congressman, and conservative opponent to Nehru (Guha 2007: 105). While the idea to reverse some of the most grave injustices introduced under colonial rule found a majority in the CA, Nehru and his fraction had too little clout

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to overturn older inequalities in landholding. The right to property had serious implications for future social and economic reforms, which had to be carried out in compliance with the Fundamental Rights.

Ambedkar, who was the President of the Drafting Committee of India's Constitution, and its Minister of Law, opposed the views of both Gandhi and Nehru on the causes of exploitation and poverty. For him, they lay in the domestic caste system; colonial rule had eased rather than worsened the situation. He called for the abolition of untouchability and condemned the caste system as such. He succeeded in the first, as the constitution officially abolished untouchability, but not in the latter. To achieve the objective of equality for those who had been historically excluded from economic and social domains, and who continued to face discrimination, he suggested a clear set of policy instruments: ensure formal equality, laws that penalise discriminatory actions, and adequate representation in legislatures, education institutions and public services (Ambedkar 2008). These were all legislated, including welfare measures for those former untouchable castes and indigenous tribes, which were listed in a schedule of the constitution (and are hence called Scheduled Castes and Scheduled Tribes (SC/ST)).

Ambedkar also called for far reaching economic reforms and a strong state that could intervene to ensure the economic independence and welfare of marginalised groups (Ambedkar 2008). However, social objectives such as a commitment to "promote the welfare of the people, […] the right to an adequate means of livelihood", and the aim to minimise inequalities between individuals and groups in income, status, between castes and regions – became part of the 'Directive Principles of State Policy'. These are – unlike the Fundamental Rights – not directly legally binding. Ambedkar could not meet his ambitions, as he laconically said himself, because he "was not the only member of Drafting Committee" (cited in Drèze 2010: 510). Hence, only the questions of 'untouchability' and 'indigenousness' had gained momentum among the politicians at the time and moved to centre stage of the social question. Their earlier exclusion and continuing discrimination was successfully framed as an injustice that demanded a remedy through state action. No special provisions were made at the time for other reasons of marginality, such as gender, religious minority groups or regional origin – even after lengthy debates and despite the awareness of them (Guha 2007: 111f).

3.3 Competing ideals and limiting structures:
Welfare in early independent India

Many decisions that shaped the post-independence order were not determined through the constitution. They were made during the first years after independence with Nehru as Prime Minister – a period of "politics in pursuit of ideals" (Kohli 2010: 502) under a "Gandhian-socialist collaboration" (Frankel 2005: 15ff): Despite all differences, both factions within Congress agreed that economic policy should lead to the progressive removal of inequalities and create a new set of cooperative motives for economic activity. Both Gandhians and socialists held prominent positions in the leadership of Congress, and Congress had won the first national elections with an absolute majority. The theoretical discussion above suggested that agency is central for ideas to gain influence. With a view to post-independence India one could hence expect that there were good chances for the reformers to pursue an agenda of social change. In the following, several reasons why these were not realised are discussed.

Firstly, the composition of Congress changed; with the arrival of universal suffrage, Congress needed to strengthen its support base in the rural areas. It chose the easiest way: the inclusion of the landed communities who could organise large personal followings or 'vote-banks' (Frankel 2005: 21ff, 30f). This setting harboured two problems: a) the local loyalties and kinship ties were stronger than the affiliation with the party – in consequence the parties were rather more dependent on their rural middlemen, than these on the parties. And, b) the organisation along caste and kinship ties had a tendency to hamper the political power of the marginalised, who did not organise around a potentially shared experience of exploitation.[3] In these circumstances, "universal suffrage and an open electoral process 'by themselves' could not create conditions of popular pressure from below to accomplish peaceful implementation of social reforms" (Frankel 2005: 23, emphasis original). The momentum of agency was lost and the accommodative party structure subsequently inhibited the possibilities for democratic pressure for social reform.

Secondly, Nehru and other reformers reluctantly gave in to the Gandhian principle of class conciliation: it was the dread of caste and class-based social unrest as well as religious and linguistic communal violence which loomed large at independence, as well as the experience of Partition

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that convinced "even committed socialists" (Frankel 2005: 22). The political struggle after independence, hence, sought to accommodate "linguistic, religious, and caste sentiments and structures as the only way to accelerate national integration, enhance legitimacy of the political system, and maximise the possibilities for peaceful adjustments of social conflicts that arise during the development process" (ibid.: 20). In other words, radical social reforms were sacrificed for the sake of the nation's (and Congress') unity in the overall policy environment in the early years after independence. But, as outlined above, the chances to take up a more radical reform agenda had significantly deteriorated.

Thirdly, the urban industrial and rural reforms failed to reach large sections of the workforce: neither did the predominantly publicly run industries ever grow enough to absorb the large labour surplus (Kohli 2010: 502), nor did the agrarian reforms sponsored by the central government in the 1950s and 60s change the basic economic and social structures; rather, they "perpetuated and aggravated income disparities in rural areas" (Frankel 2005: 584). Yet, the central government could do little to change the continuity in land holding, as the power to legislate further reaching land reforms had been entrusted to the states. Consequently, a domestic consumer market did not develop, which impeded further growth of industries (Gosh 2004).

Fourthly, the administration was to bear a large colonial legacy: Patel ensured continuities in personnel and structure from the British colonial Indian Civil Service (ICS) to the post-independence IAS (Frankel 2005: 80f). The ICS maintained law and order in the British ruled territories of India and served as its 'steel frame' (Brass 1994). Its successor, IAS, was not readily equipped and devoted to the tasks of socio-economic planning and development required by the new government. This meant that a key institution for the implementation of any change perpetuated ideas of the old regime.

Fifthly, the state's early welfare activities were limited. They mainly catered for the small industrial working force, the civil service and SC/ST for whom special provisions had been made in the constitution. Employment-based social protection was only available to those workers who were organised and who possessed a voice in the political systems. The early social programmes for rural areas were community based development

programmes, rather than individual and citizenship focused. When tax-financed welfare programmes were expanded in the 1970s, they largely remained targetted at the 'deserving poor'. This lead to multiple beneficiary groups of welfare provision, which tended to organise along target group lines. Yet, even when programmes were universal in spirit, they often profitted groups with more voice and better political ties rather than the poorest (Ehmke 2011a). Social policy was an ad hoc instrument for groups that were able to stage a political voice for their needs (Gosh 2004: 293f). Consequently, a 'plethora' of measures was introduced but lacked effective implementation (Dev et al. 2001: 14). The social programmes for the majority of the population remained residual in character (Haan/Sabharwal 2008), and "social policy which ensured the provision of basic needs to the entire population was never a priority" (Gosh 2004: 293).

This, ultimately, led to a continued reliance upon the traditional forms of social security, i.e. within families and religious communities or castes. The redistributive capacity and the horizon of solidarity of these institutions is acknowledged to be limited. The continued reliance on them points to the acceptance of inequalities, roots of which can be found in the caste system and in the strong tradition of the communal organisation of welfare in general. Several authors have claimed that India's pre- and post independence order showed a "high level of social tolerance for high and growing asset inequality, persistent poverty and low levels of human development among vast sections of the population, especially in the rural areas" (Gosh 2004: 293; also see de Haan/Sabharwal 2008: 71f). Cultural habits and those of thought and behaviour formed a pattern in which the acceptance of inequality was high. It paved the way for a welfare trajectory that did not challenge these inequalities. Culture also played a role in terms of the larger democratic culture. Kaviraj argues that the underlying societal and cultural 'grammar of politics' did not keep pace with the speed with which the modern nation-state was erected by its elites. He points out that, "even if the state could insulate itself completely from societal influences, ordinary people would respond and react to the new state according to rules of experience generated from their dealings with earlier forms of power" (Kaviraj 1997: 123). Hence, i.e. traditionally influential local strong men continued to be important in the new democratic order.

To sum up, within the larger policy environment, preference was given to stability of rule and the unity of India to the detriment of radical social transformation. Social reforms that would have changed the basic inequalities were seen as a potential source of social unrest and were put on hold when Nehru and other socialist-minded Congressmen embraced the idea of class conciliation, which had originally been advanced by Gandhi. The stability of rule also justified the reliance on the hardly reformed IAS as a local outpost of the Delhi government in rural India. This implied that those representing the new state were those who had stood for the old state too. Local power structures were additionally preserved – rather than democratically transformed – through the reliance on local party brokers from the landed communities. The consequence was a smooth transition of pre-independence patron-client-relationships into the new order, which seriously compromised the potential for social reform through democratic processes. Pre-independence loyalties also remained powerful, because they continued to be the primary sources of welfare for the large majority of Indians in the absence of social reform. Overall, the ideas of social reforms continued to fill the five year plans of the Indian government, but they did not succeed in transforming key institutions for their delivery.

3.4 From *license raj* to liberalism

Berman (2011: 107) points out that ideologies change in a two-stage process: in the first stage the existing ideology is called into question and thereby opens up a space for its successors to fill. Once this process has started, the second stage, the development of (competing) alternative approaches, begins. The Nehruvian socio-economic order remained largely unchallenged under the rule of his daughter, Indira Gandhi. The ideas of state-led industrial development and *swadeshi*, economic self-sufficiency in the sense of import substituting policies (ISP), only came under pressure in the mid 1980s, then the first phase started. The economic regime was deemed to be exhausted by (liberal) reformers within and outside Congress. At the time, India was experiencing stagnating growth rates and had increased its foreign debt to finance its imports up to a point that was increasingly deemed unsustainable. The problem definition staged was that the public control over large shares of industries, the import substituting policies and the strict regulations on domestic private companies

and foreign capital – called *license raj* – were hindering economic progress. The domestic critics of the old regime could count on international support too; during the peak of the Washington Consensus, privatisation and liberalisation were the clear policy preference of, or condition for loans by, the international financial institutions. Alternative problem definitions, as, for example, by Frankel (2005: xi), argued that it was the failure of Congress not to have carried "out agrarian reforms and institutional changes at the core of the great Nehruvian experiment", which weighed heavily on the development path of India. It was the resulting lack of domestic demand, not the lack of openness of the economy or *license raj*, also argues Gosh, that caused the crisis. This analysis, however, neither enjoyed international backing nor was it strong in public debates at the time.

Still, the change of this fundamental policy orientation, and the embrace of liberalisation did not come to India easily. As early as 1985, the Congress Prime Minister Rajiv Gandhi proposed a liberalising path, but his 'pro-rich' policies were successfully rejected by the still numerous socialist Congressmen. In 1989 Congress lost the national elections and when it returned to power in 1991, after the assassination of R. Gandhi during the electoral campaign, it was in a minority government under the leadership of Narasimha Rao. His government, and the then Finance Minister Manmohan Singh, still met opposition to the plans of liberalisation and the resort to IMF lending to solve the balance of payments crisis. Only after the collapse the Soviet Union, India's ideologically and economically important partner, was the opposition from the left temporarily silenced. The event instantly reduced the viability of a socialist development path. The IMF credit was sanctioned and followed by Asian Development Bank and World Bank lending, while the parliamentary opposition of the left and the right was too weak to produce an alternative government or policy solutions.

India, however, did not experience radical liberalisation, due to a broader public resistance form urban and rural middle classes who were the main beneficiaries of fertiliser, power and telecommunication subsidies (Frankel 2005: 591). Also, the public sector unions that feared large scale job losses and the rural administration that did not want to give up their patronage networks successfully resisted. Other groups were not equally successful in shielding the programmes from which they benefited; for instance, the spending on employment programmes was reduced (Gosh

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2004). As elsewhere, liberalisation was accompanied by a shift to human development policies as well as safety nets, and away from the provision of subsidised food. There was a swing to programmes that do not necessarily focus on the traditional poor, but specifically on the losers of the liberalisation process (Dev 2007: 134). According to Gosh (2004: 290), the growth path on which India embarked after 1991 was "openly based on the demand stimulus emanating from certain sections of capital and what could be called 'labour aristocracy' comprising middle-class professionals and more skilled workers" and meant "very substantial increases in income accruing to a small minority in the population". She points out that between 1993/1994 and 1999/2000 rural employment generation remained below rural population growth, per capita food grain consumption declined and the provision of public service worsened (ibid.: 291).

The ideological shift of the 1990s marks the change from development to growth as the primary aim of economic activities, and from state-led economic planning to greater market reliance. It only became possible after the domestic opposition was de-legitimised by the collapse of the Soviet Union. The new paradigm of liberalisation could additionally count on large and financially strong international backing in the international financial institutions. An alternative analysis that stressed the lack of domestic demand and the need for further reaching agricultural reforms as a basis of economic growth, could not find a majority in a situation in which the structural settings that had prohibited such reforms under Nehru had not significantly altered.

3.5 Another juncture? Welfare under the UPA government since 2004

This prioritisation of growth has lately been called into question and might signify yet another ideological shift. In 2004 the centre-right National Democratic Alliance (NDA) government, which had been in power from 1999 onwards, surprisingly lost the elections to the United Progressive Alliance (UPA), a coalition of several left and regional parties and Congress. While the NDA had pointed to high growth rates and claimed that India was 'shining' under its rule, the UPA campaigned around the needs of the *aam admi*, the common man, which it promised to take up. The credo of 'inclusive growth' was aimed at the rural and urban poor. Apparently

these did not perceive of themselves as beneficiaries of the high growth rates of the preceding years; neither had growth trickled down. In 2004 they voted the NDA out of office. In 2009 the UPA was re-elected, supposedly due to one of its flagship social programmes, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the biggest employment programme in the world, with around 55 million participating households in 2010/2011 (Ehmke 2011b). Under the UPA government, although not always on its initiative, there has indeed been a shift towards a rights-oriented and citizenship-based social policy (Dev 2007: 134). The social rights-based paradigm has been heralded as a change and as a sign that "India's underprivileged majority is not completely marginalised in this elitist political system" (Drèze 2010: 511). Yet, the real challenge is not the adoption of an act, but its implementation on the ground (Drèze 2010: 511); in this respect much remains to be done (see Khera 2011). As we have seen with earlier periods, the idea alone may not be sufficient if it meets, for instance, an environment in which other policy objectives are more important, or the domestic opposition is too strong. In some ways, the institutional constraints that the UPA government faces are much the same as earlier, but there are also differences: the international policy environment has also seen a swing to an increased attention to social policies and a loss of legitimacy for the Washington Consensus (Deacon 2007). And, during the international economic and financial crisis of 2009/2010 the domestic opposition from the corporate sector joined those hailing MGNREGA, despite this sector's earlier sharp criticism (Khera 2011). Lastly, the continued high growth rates make it less difficult for the government to finance social programmes. However, on the other hand, several observers doubt the commitment of the government to inclusive growth policies (Patnaik 2011; Chandrasekhar 2011). Not the least because Manmohan Singh, the current Prime Minister, acted earlier as Finance Minister and key organiser of liberalising policies. Additionally, the rights based policies are seen to have been enacted due to civil society pressure and the strength of left parties in the first term of UPA. These parties have not been part of the coalition since 2009. Additionally, the concept of 'inclusiveness' is seen as incoherent and lacking indicators, as opposed to that of 'growth' (Chandrasekhar 2011). Hence, it remains yet to be seen whether the ideological swing from a primarily growth oriented approach to more

inclusive economic and social policies has enough agency and can advance a coherent problem definition to effectively alter those structures which have so far been successful in maintaining raising levels of inequality and their societal acceptance.

4. Conclusions

The article set out to study the role of competing ideas and their institutional anchorage in order to explain why a specific welfare route was taken in the case of India. It started with the premise that, in colonial India, social phenomena such as poverty were not yet perceived of as problems that required state action. It was only the independence movement that identified poverty and exploitation as social problems, with roots in both foreign rule and domestic cultural practices. Yet, different ideas about the causes and the policy solutions existed among important leaders and their followers. Ambedkar successfully portrayed untouchability (and indigenousness) as forms of social exclusion that required state-led remedies, for which he presented clearly formulated and coherent policy solutions. He thereby, and also through his prominent position in drafting the constitution, succeeded in giving weight to this core concern. The abolition of untouchability, however, could also count on broader support in India and internationally. The abolition of the caste system, on the other hand, lacked such support and it was opposed to Gandhi's idea of class conciliation, which was later also taken up by Nehru and other socialists. Yet, Nehru influenced the post-independence order through his insistence on a strong socialist oriented secular central state.

The post-independence order clearly inherited some burdens from its (pre-)colonial predecessors. But, as Hay (2011:68) suggests, the outcome of the struggle on institutions, in this case India's colonial institutions, is not predictable. For instance, the constitution removed some of the obstacles to greater equality that had been introduced under the British, the *zamindari*, while older inequalities in land-holding were not successfully challenged. The federal organisation of the country and the IAS carry colonial legacies. However, that they were preserved in the new regime was the outcome of the strength of contending groups in the CA and the shared fear of social

and political turmoil. The latter was very prominent after the experience of partition and led to a situation in which the larger ideational and institutional environment favoured stability of rule and the country's unity over far reaching social and economic reforms.

Similarly, family and communal organisation of welfare emerged as major traditions from pre-colonial times, but not as a functional legacy. They also remained powerful because employment-based social security never reached the majority of Indians. It led to the continued reliance on strong solidarity within groups, which acted as an obstacle to the formation of a common horizon of solidarity and citizenship-based social policies (see also Harriss 2006: 21ff). Strong local and kinship ties and caste loyalties remained a motif in electoral politics, and led to coalitions with complex actor constellations in which the unequal distribution remained unchallenged for a long time.

This article emphasises that the juncture around the liberalisation in 1991 does not signify an abrupt change enforced by external events, but a gradual process in which problem definitions shifted. Only after the collapse of Soviet Union could the domestic opposition be broken. The event called the viability of a socialist development path into question and delegitimised the traditional path of state-led planning. This shift also shows that domestic welfare arrangements are prone to international influences. Similarly, the recent swing to 'inclusive growth' policies can profit from the fact that the legitimacy of the Washington Consensus has been crumbling. The latest ideational change to 'inclusive growth' policies has already begun to alter the institutional landscape of welfare in India through the introduction of citizenship-based social policies legislated under the UPA government. Seekings (this issue) claims that party politics in India have become more competitive over the past years. This could signify a shift in voting patterns from traditional ties to issue politics. Whether this can be the mechanism by which an ideational change succeeds in altering the cultural acceptance of inequalities and the institutions maintaining these until now, is still an open question.

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2   The term 'caste' for the structuring principle of the Hindu society has its origin in the Portuguese casta. The Hindu term is jati and stands for the group into which one is

born. Relationships between castes became rigid when they were incorporated into the hierarchically graded social order of the four varna, which henceforth established an ideology of rule of and for brahmans (Jürgenmeyer/Rösel 2009: 201f). The varna, in a descending order of purity/ impurity, are: brahmans, priests; kshatriya, warriors; vaishya, traders and farmers; shudra, craftsmen and servants. Outside the order are the casteless, the a-varna, aka the untouchables or Dalits, literally broken people. The term 'untouchable' refers to the social practice in which caste Hindus would literally not touch members of the a-varna.

3 On the other hand, Kaviraj (1997: 8ff) points out that the listing of a number of scheduled castes and tribes in the constitution also formed new grounds of solidarity and agitation for, for example, the Dalit community. Caste is not a static social structure, but it has been significantly altered during its transition to post-independence India and caste mobilisation in electoral politics (ibid.: 17).

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Abstracts

This article studies the ideas which shaped the development of welfare institutions in India. The analysis is situated in the broader context of the ongoing discussion on welfare regimes outside the OECD. It focusses on the way in which socio-political ideas shape the institutional arrangements of welfare regimes. Agency, context and coherence of ideas matter for their success, but they are also mediated through cultural parameters and pre-existing institutional environments. In the case of India, ideas of social transformation played a strong role in the independence movement, but in the overall policy environment around the foundation of the republic, national unity was favoured over the potential turmoil created by social reforms. The early politics of accommodation have had a lasting impact up to now, despite two later ideational shifts.

Thema des Artikels sind die Ideen, die zur Ausgestaltung der indischen Wohlfahrtsinstitutionen beitrugen. Die Analyse steht im Kontext der Debatte um Wohlfahrtsregimes außerhalb der OECD. Der Fokus liegt auf der Untersuchung konkurrierender sozialpolitischer Ideen und ihres Einflusses auf institutionelle Arrangements. Wirkung, Kontext und Kohärenz sind von Bedeutung für die Durchsetzungsfähigkeit von Ideen, doch diese wird auch von kulturellen Praktiken und bestehenden Institutionen beeinflusst. In Indien spielten Ideen zur sozialen Transformation eine große Rolle in der Unabhängigkeitsbewegung. Zur Zeit der Unabhängigkeit beherrschte jedoch das Ziel nationaler Einheit die politische Agenda, einschneidende soziale Reformen wurden wegen ihres Unruhepotenzials zurückgestellt. Die Folgen dieser Politik der nationalen Einheit reichen bis in die Gegenwart, trotz zweier späterer ideeller Wechsel.

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