

CULTURE, DEMOCRACY AND DEVELOPMENT

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Working Papers Number 783
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Los Angeles, CA 90095-1477
April 1998

Lecture in NCAER's Golden Jubilee Seminar Series,
New Delhi, 24 April 1998.
To be published in the seminar proceedings.

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ABSTRACT

This paper critically examines the fears of India's cultural nationalists that globalisation will undermine ancient and cherished ways of life, by distinguishing between modernisation and Westernisation. It argues that accepting the material beliefs of the West, which is essential for modernisation, does not necessitate acceptance of its cosmological beliefs entailing Westernisation.

JEL classification: P16, Z1, O1, O53.

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INTRODUCTION

In this 50th year after Indian Independence, the arrival of a government led by the cultural nationalist's of the Bhartiya Janta Party (BJP), after another in a series of elections since the mid 1980's which have delivered hung parliaments, the issues encompassed by the three triads of my title have come to the fore in public debates. Is democracy capable of delivering development? Are the fears of the cultural nationalists that the modernisation that the globalisation of the economy portends will also lead to Westernisation and the undermining of a cherished Hindu way of life, valid? These are the central questions I want to answer in this lecture. These were also the questions I dealt with in somewhat different contexts in my two most recent books¹, so that rather than dazzle you with lots of references I will leave those of a scholarly bent of mind to consult these books for the evidence for many of the assertions I will be making in this lecture.

I. THE HISTORICAL CONTEXT

But I want to begin by putting these debates in a historical context. Despite nationalist and Marxist hagiography, as I argued in an earlier book², modernity, - by which I mean the promotion of modern intensive growth- began with the British Raj in the 19th century. Intensive growth which entails a sustained rise in per

¹ D.Lal and H.Myint (1996): The Political Economy of Poverty, Equity and Growth, Clarendon Press, Oxford; D.Lal (1998): Unintended Consequences- The Impact of factor endowments, culture and politics on long run economic performance, The Ohlin lectures, MIT Press, Cambridge Mass.

² D.Lal (1988): The Hindu Equilibrium- Vol.1: Cultural Stability and Economic Stagnation, Clarendon Press, Oxford,

capita income is to be contrasted with extensive growth which has occurred worldwide for millenia with output growing sufficiently to keep pace with the rise in human population which has been a feature of human history since we came down from the trees. Intensive growth, moreover, is of two types. The **first** is Smithian growth, which occurs even in agrarian economies whose productivity is ultimately bounded by the fixed factor of production-land. In the past Smithian growth was largely due to the extension of the market often under the force of imperial arms, as under the Pax Mauryas and Pax Guptas in India, the Pax Graeco/Roman of the ancient Mediterranean world, the Pax Abbasid of the Arabs, the Pax Sung of the Chinese, the Pax Tokugawa in Japan and the Pax Britannica worldwide in the 19th century. By contrast the **second** type of intensive growth -Promethean- is a European miracle, and depends upon utilising the relatively unbounded energy provided by the natural capital represented by fossil fuels to convert land bound agrarian economies into mineral energy based 'industrial' economies. In an important sense the process of economic development consists essentially of this transformation, and this began with the growth of modern Indian industry -often based on Indian capital and imported knowhow- from the mid 19th century during the classical laissez faire and free trade era of the British Raj.

This nascent process of modernisation was aided and abetted by two important institutional reforms which have cast a long shadow on independent India. The first was the introduction of a legal system based on the Common Law, as well as the gradual extension of representative institutions first at local and then at provincial levels. The second was the creation of a native class of English speaking 'creoles' through the implementation of Macaulay's famous Minute on Education. The future of both the nationalist struggle and post Independence India has largely been determined by the attitudes of and divisions amongst these Macaulay's children through their use or misuse of the legal and political institutions they inherited from the Raj to which they

took like fish to water. As Anil Seal the Cambridge historian of the nationalist movement has put it as regards the representative institutions created by the British : " Associations, like cricket, were British innovations and, like cricket, became an Indian craze"³ Why India should have taken so easily to these foreign Western implants when they were rejected in so many other ex-British colonies, is a question I will come to eventually, but before that I need to outline the dilemma that the two wings of Macaulay's children faced from the outset and which continues to haunt them and India to this day. This is the question of reconciling tradition with modernity. To deal with this I need to provide an account of the role of culture in development.

II. CULTURE AND SOCIAL EQUILIBRIA

Culture remains a murky concept. I have found a definition adopted by ecologists particularly useful.⁴ They emphasize that, unlike other animals, the human one is unique because its intelligence gives it the ability to change its environment by learning. It does not have to mutate into a new species to adapt to the changed environment. It learns new ways of surviving in the new environment and then fixes them by social custom. These social customs form the culture of the relevant group, which are transmitted to new members of the group (mainly children) who do not then have to invent these 'new' ways de novo for themselves.

This definition of culture fits in well with the economists notion of equilibrium. Frank Hahn⁵ describes an equilibrium state as one where self-seeking agents learn nothing

³ A..Seal (1968): The Emergence of Indian nationalism, Cambridge University Press, Cambridge, p. 19.

⁴see P.Colinvaux (1983): The Fates of Nations, Penguin, London. This was the definition adopted in Lal (1988) and in Lal (1998).

⁵ F.Hahn (1973): On the Notion of equilibrium in economics, Cambridge University Press, Cambridge.

new so that their behavior is routinized. It represents an adaptation by agents to the economic environment in which the economy "generates messages which do not cause agents to change the theories which they hold or the policies which they pursue." This routinized behavior is clearly close to the ecologists notion of social custom which fixes a particular human niche. On this view, the equilibrium will be disturbed if the environment changes, and so, in the subsequent process of adjustment, the human agents will have to abandon their past theories, which would now be systematically falsified. To survive, they must learn to adapt to their new environment through a process of trial and error. There will then be a new social equilibrium, which relates to a state of society and economy in which "agents have adapted themselves to their economic environment and where their expectations in the widest sense are in the proper meaning not falsified".

This equilibrium need not be unique nor optimal, given the environmental parameters. But once a particular socio-economic order is established, and proves to be an adequate adaptation to the new environment, it is likely to be stable, as there is no reason for the human agents to alter it in any fundamental manner, unless and until the environmental parameters are altered. Nor is this social order likely to be the result of a deliberate rationalist plan. We have known since Adam Smith that an unplanned but coherent and seemingly planned social system can emerge from the independent actions of many individuals pursuing their different ends and in which the final outcomes can be very different from those intended.

It is useful to distinguish between two major sorts of beliefs relating to different aspects of the environment. These relate to what in my recent Ohlin lectures I labelled the material and cosmological beliefs of a particular culture. The former relate to ways of making a living and concerns beliefs about the material world, in particular about the economy. The latter are related to understanding the world around us and mankind's place

in it which determine how people view their lives-its purpose, meaning and relationship to others. There is considerable cross-cultural evidence that material beliefs are more malleable than cosmological ones. Material beliefs can alter rapidly with changes in the material environment. There is greater hysteresis in cosmological beliefs, on how, in Plato's words, "one should live". Moreover the cross-cultural evidence shows that rather than the environment it is the language group which influences these world-views.⁶

This distinction between material and cosmological beliefs is important for economic performance because it translates into two distinct types of "transactions costs" which are of importance in explaining not only 'market' but also 'government or bureaucratic failure'.⁷ Broadly speaking transactions costs can be distinguished usefully as those costs associated with the efficiency of exchange, and those which are associated with policing opportunistic behavior by economic agents. The former relate to the costs of finding potential trading partners and determining their supply- demand offers, the latter to enforcing the execution of promises and agreements. These two aspects of transactions need to be kept distinct. The economic historian Douglass North and the industrial organization and institutionalist theorist Oliver Williamson have both evoked the notion of transactions costs and used them to explain various institutional arrangements relevant for economic performance. They are primarily concerned with the cost of opportunistic behavior, which arises for North, with the more anonymous non-repeated transactions accompanying the widening of the market, and for Williamson, from the asymmetries in information facing principals

⁶ see C.R.Hallpike (1986): The Principles of Social Evolution, Clarendon Press, Oxford.

⁷ D.Lal (1998): "The Communications REvolution and Economic Performance", paper prepared for Nemetria's Vith conference on "Ethics and Economics", Foligno, Italy.

and agents, where crucial characteristics of the agent relevant for measuring performance can be concealed from the principal. Both these are cases where it is the policing aspects of transactions costs which are at issue, not those concerning exchange.

To see the relevance of the distinction in beliefs and that in transactions costs for economic performance and in explaining the source and outcomes of the dilemmas of Macaulay's children, it will be useful to briefly delineate how broadly speaking material and cosmological beliefs have altered since the Stone Age in Eurasia.

III.CHANGING MATERIAL AND COSMOLOGICAL BELIEFS

(i) On Human Nature:

Evolutionary anthropologists and psychologists maintain that human nature was set during the period of evolution ending with the Stone Age. Since then there has not been sufficient time for any further evolution. This human nature appears darker than Rousseau's and brighter than Hobbes' characterizations of it. It is closer to Hume's view that "there is some benevolence, however small...some particle of the dove kneaded into our frame, along with the elements of the wolf and serpent." For even in the hunter gatherer Stone age environment the supremely egotistical human animal would have found some form of what evolutionary biologists term "reciprocal altruism" useful. Co-operation with one's fellows in various hunter- gatherer tasks yields benefits for the selfish human which can be further increased if he can cheat and be a free rider. In the repeated interactions between the selfish humans comprising the tribe, such cheating could be mitigated by playing the game of "tit for tat". Evolutionary biologists claim that the resulting "reciprocal altruism" would be part of our basic Stone Age human nature.

Archaeologists have also established that the instinct to "truck and barter", the trading instinct based on what Sir John Hicks used to call the "economic principle" - "people would act

economically; when an opportunity of an advantage was presented to them they would take it"⁸- is also of Stone Age vintage. It is also part of our basic human nature.

(ii) Agrarian Civilizations:

With the rise of settled agriculture and the civilizations that evolved around them, however, and the stratification this involved between three classes of men - those wielding the sword, the pen and the plough- most of the stone age basic instincts which comprise our human nature would be dysfunctional. Thus with the multiplication of interactions between human beings in agrarian civilizations many of the transactions would have been with anonymous strangers who one might never see again. The "reciprocal altruism" of the Stone Age which depended upon a repetition of transactions would not be sufficient to curtail opportunistic behavior.

Putting it differently, the 'tit for tat' strategy for the repeated Prisoners Dilemma (PD) game amongst a band of hunter-gatherers in the Stone Age would not suffice with the increased number of one-shot PD games that will arise with settled agriculture and its widening of the market. To prevent the resulting dissipation of the mutual gains from co-operation, agrarian civilizations internalized restraints on such 'anti-social' action through moral codes which were part of their 'religion'. But these 'religions' were more ways of life as they did not necessarily depend upon a belief in God.

The universal moral emotions of shame and guilt are the means by which these 'moral codes' embodied in cultural traditions are internalized in the socialization process during infancy. Shame was the major instrument of this internalization in the great agrarian civilizations. Their resulting cosmological beliefs can be described as being 'communalist'.

The basic human instinct to trade would also be

⁸Hicks (1979), p. 43

disruptive for settled agriculture. For traders are motivated by instrumental rationality which maximizes economic advantage. This would threaten the communal bonds that all agrarian civilizations have tried to foster. Not surprisingly most of them have looked upon merchants and markets as a necessary evil, and sought to suppress them and the market which is their institutional embodiment. The material beliefs of the agrarian civilizations were thus not conducive to modern economic growth.

(iii) The Rise of the West:

The rise of the West was mediated by the Catholic Church in the 6th-11th centuries, through its promotion of individualism, first in family affairs and later in material relationships which included the introduction of all the legal and institutional requirements of a market economy as a result of Gregory the Great's Papal revolution in the 11th century.⁹ These twin Papal revolutions arose because of the unintended consequences of the Church's search for bequests- a trait that goes back to its earliest days. From its inception it had grown as a temporal power through gifts and donations -particularly from rich widows. So much so that, in July 370 the Emperor Valentinian had addressed a ruling to the Pope that male clerics and unmarried ascetics should not hang around the houses of women and widows and try to worm themselves and their churches into their bequests at the expense of the women's families and blood relations. The Church was thus from its beginnings in the race for inheritances. The early Church's extolling of virginity and preventing second marriages helped it in creating more single women who would leave bequests to the Church.

This process of inhibiting a family from retaining its property and promoting its alienation accelerated with the answers that Pope Gregory I gave to some questions that the first Archbishop of Canterbury, Augustine, had sent in 597 AD concerning

⁹see H.J.Berman (1983):Law and Revolution, HARvard Univ. Press, Cambridge, Mass.

his new charges. Four of these nine questions concerned sex and marriage. Gregory's answers overturned the traditional Mediterranean and Middle Eastern patterns of legal and customary practices in the domestic domain. The traditional system was concerned with the provision of an heir to inherit family property, and allowed marriage to close kin, marriages to close affines or widows of close kin, the transfer of children by adoption, and finally concubinage, which is a form of secondary union. Gregory amazingly banned all four practices. Thus for instance there was no adoption of children allowed in England till the 19th century. There was no basis for these injunctions in Scripture, Roman law or the existing customs in the areas that were Christianised.¹

This Papal family revolution made the Church unbelievably rich. Demographers have estimated that the net effect of the prohibitions on traditional methods to deal with childlessness was to leave 40 per cent of families with no immediate male heirs. The Church became the chief beneficiary of the resulting bequests. Its accumulation was phenomenal. Thus for instance in France one third of productive land was in ecclesiastical hands by the end of the 7th century!

But this accumulation also drew predators from within and without to deprive the Church of its acquired property. It was to deal with this denudation that Pope Gregory VII instigated his Papal revolution in 1075, by putting the power of God - through the spiritual weapon of excommunication-above that of Caesar's. With the Church then coming into the world, the new Church-state also created all the administrative and legal infrastructure which we associate with a modern polity, and which provided the essential institutional infrastructure for the Western dynamic that in time led to Promethean growth. Thus Pope Gregory the Great's Papal revolution lifted the lid on the basic human instinct to 'truck and barter', and in time to a change in the traditional Eurasian pattern of material beliefs with their suspicion of markets and merchants. This in time led to modern

economic growth.

But it also led to a change in the traditional Eurasian family patterns which were based on various forms of 'joint families' and family values, which essentially removed the lid on the other opportunistic basic instincts which the shame based moral codes of Eurasia had placed. To counter the potential threat this posed to its way of making a living- settled agriculture- the Church created a fierce guilt culture in which Original Sin was paramount, and morality was underwritten by the belief in the Christian God. ²

In this context it is worth noting the important difference between the cosmological beliefs of what became the Christian West and the other ancient agrarian civilizations of Eurasia. Christianity has a number of distinctive features which it shares with its Semitic cousin Islam, but not entirely with its parent Judaism, and which are not to be found in any of the other great Eurasian religions. The most important is its universality. Neither the Jews, nor the Hindu or Sinic civilizations had religions claiming to be universal. You could not choose to be a Hindu, Chinese or Jew, you were born as one. This also meant that unlike Christianity and Islam these religions did not proselytize. Third, only the Semitic religions being monotheistic have also been egalitarian. Nearly all the other Eurasian religions believed in some form of hierarchical social order. By contrast alone among the Eurasian civilizations the Semitic ones (though least so the Jewish) emphasized the equality of men's souls in the eyes of their monotheistic Deities. Dumont has rightly characterized the resulting profound divide between the societies of Homo Aequalis which believe all men are born equal (as the philosophes, and the American constitution proclaim) and those of Homo Hierarchicus which believe no such thing.

The classic statement of this Christian cosmology was St. Augustine's "City of God". His narrative of a Garden of Eden, a Fall leading to Original Sin and a Day of Judgment with Heaven for the Elect and Hell for the Damned has subsequently had a tenacious

hold on Western minds. Thus the philosophes of the Enlightenment displaced the Garden of Eden by Classical Greece and Rome, and God became an abstract cause- the Divine Watchmaker. The Christian centuries were the Fall. The Enlightened were the Elect and the Christian Paradise was replaced by Posterity.¹⁰ This seemed to salvage the traditional morality in a world ruled by the Divine Watchmaker. But once Darwin had shown him to be blind, as Nietzsche proclaimed from the housetops at the end of the 19th century, God was dead, and the moral foundations of the West were thereafter in ruins. But the death of the Christian God did not end secular variations on the theme of Augustine's Heavenly City. Marxism, Freudianism and the recent bizarre Eco-fundamentalism are secular mutations of Augustine. But none of them have succeeded in providing a moral anchor to the West. Such an anchor is of importance to the economy because the 'policing' type of transactions costs associated with running an economy are increased in its absence.

There is also the growing collapse of the Western family. It was presaged by the overthrowing of the traditional family patterns of Eurasian civilizations by Gregory I's individualist family revolution. This would have destroyed the Western family much earlier were it not for the subsequent fierce guilt culture the Church promoted in the Middle Ages, which kept the traditional morality in place. But with the exorcising of both guilt and shame as illegitimate moral emotions in the West, there are fewer moral bulwarks left to shore up the family.

Another consequence of Gregory I's family revolution was that the social safety nets provided by the family in most Eurasian societies were from an early date partly provided by the State in the West.¹¹ This nationalization of welfare accelerated in this

¹⁰see C.L.Becker (1932): The heavenly city of the 18th century philosophers, Yale University Press, New Haven.

¹¹see A.Macfarlane (1979): The origins of English individualism, Blackwell, Oxford.

century, leading to vast transfer states. The accompanying erosion of traditional morality in the West is manifest in various social pathologies- such as widespread family breakdown, high levels of illegitimacy and divorce, proliferation of single parent families, soaring crime rates and the perpetuation of an urban underclass.

It is these accompanying social effects of modernisation in the West, concerning equality and the family which disturb so many of Macaulay's children, who have had two distinctive responses to modernisation.

IV. NEHRU VS GANDHI

The two wings of Macaulay's children can broadly be classified as socialist and traditionalist, and can be identified with their towering nationalist leaders- Nehru and Gandhi. In their own ways both sought to reconcile India's ancient cultural traits with modernity.

Nehru while embracing modernisation found a particular thread in Western cosmologies- Marxism- which had become dominant from the late 19th century, useful in reconciling tradition with modernity. In its economic ideas, from the days of Dadabhai Naoroji through Gokhale to Nehru the modernizing element of this new English-speaking caste chose to adopt only the radical and not the classical liberal elements in English economic thought. This is partly understandable as a natural revolt by nationalists against the dominant economic ideology of the metropole at the time- which in mid to late 19th century Britain was the classical liberalism of "laissez-faire". But there was more to their embrace of the collectivist and anti-market strand of Western economic thought. As their chief spokesman Nehru, memorably put it in his Autobiography, "right through history the old Indian ideal did not glorify political and military triumph, and it looked down upon money and the professional money-making class..Today (the old culture) is fighting..against a new and all-powerful opposition- the bania (Vaishya) civilization of the capitalist West. But the

West also brings an antidote- the principle of socialism, of co-operation and service to the community for the common good. This is not so unlike the old Brahmin ideal of service, but it means the brahmanization- not in the religious sense of course- of all classes and groups and the abolition of class distinctions". A more succinct expression of the ancient Hindu caste prejudice against commerce and merchants- the lifeblood of a market economy- would be hard to find. This socialism espoused by the English-speaking caste seemed to combine tradition with modernity, whilst allowing this caste to behave as the Brahmins of old. But its stewardship of the economy has been a disaster.

Most poignantly, except for those agile enough to become 'rent-seekers', these economic policies have above all damaged the prospects of their progeny. In India, during the years of the Nehruvian dynasty the English-speaking caste sought to place many of its progeny abroad, thereby demonstrating by its private actions the bankruptcy of its public policies. Even the recent partial liberalization has markedly changed the perceptions of the young of this class about the possibility of a fruitful life in India. In the long run this is the greatest prize that liberalization offers, as on it will depend not only the health of the economy but also of the polity.

But there was a second solution to the conundrum faced by the early nationalists of reconciling tradition with modernity. Vivekanand, Tilak but above all Gandhi were as much Macaulay's children as the radical modernizers. Gandhi -as he outlined in Hind Swaraj- eschewed modernization and sought to preserve the ancient Hindu equilibrium. He was implacably opposed to western education, industrialization and all those 'modern' forces which could undermine this equilibrium. Above all, even though he was unequivocally against untouchability, he nevertheless upheld the caste system and its central feature of endogamy- a fact that at least Mayawati and her Bahagun Samaj Party (BSP) have noted. He wished to see a revival of the ancient and largely self-sufficient village communities which were an essential part of the Hindu

equilibrium.

His ideas still continue to resonate, as witness some of the professed economic beliefs of the BJP and the extraordinary speech by the ex PM Narasimha Rao in the special Lok Sabha session. But this is a means to perpetuate poverty. The modernizers were right to believe that the only way to ultimately eliminate India's age old structural poverty was to convert an agrarian economy condemned to diminishing returns because of its dependence on a fixed factor- land- into a mineral based energy using economy through industrialization. The problem was with the means they adopted.

If both the socialist and the traditionalist panaceas of Macaulay's children have failed India, perhaps the time has come to free ourselves of them and their influence? This is what seems to implied by Mulayam Singh Yadav's recently stated desire to eliminate the role and influence of English in our national life.

V. MODERNISATION AND WESTERNISATION

Assessing the role of English in national life leads directly to the issue of whether modernisation requires westernisation. There are three important points to be made. First, as is apparent from the surge in learning English as the second language of choice worldwide- from culturally nationalist France to China- it is now the world 'lingua franca' in large part because it is now the international language of science and commerce. These are the instruments of the modernity on which future prosperity is increasingly seen to depend in a globalised economy. India has a headstart in this respect given its colonial educational heritge. It would be senseless to give this up.

Second, as the experience of the Austro-Hungarian empire, as well as the continuing resistance of many non-Hindi speaking states in India attests, in multilingual states, if the language of any group is adopted as the official language that immediately puts its speakers at an advantage, and will be fiercely resisted by other groups. To allay these discords, like the Austro-

Hungarians many ex-colonial nationalist states have kept the old Imperial 'lingua franca' as the official language. The same pragmatic consideration continues to apply to India, and seeking to eliminate the colonial 'lingua franca' is likely as in Austro-Hungary to lead to the vernacular nationalism which will destroy the Union.

The third point is more complex. It concerns Macaulay's children. As we noted, the cross-cultural evidence shows that rather than the environment it is the language group which determines cosmological beliefs. Therein lies the rub for Macaulay's children. For the full-fledged members of this caste, for whom English has become their first language, their cosmological beliefs are likely to conform more closely to those of their linguistic cousins in the West than their vernacular countrymen. They are Westernised in a way that those for whom English is a second or third language are not.

But if modernisation requires a knowledge of English for instrumental reasons, does that mean that Westernisation will follow willy nilly? There has been an influential body of thought in development studies which has claimed this necessary connection. But this is to assume that material beliefs determine cosmological beliefs. Even though in the rise of the West the two were conjoined, there is little reason to believe this is the case as the important case of a modernised but non-Westernised Japan has shown.

Unfortunately in India there continues to be great confusion amongst the intellegentsia on this point which is reflected in the two diametrically opposed panaceas that its Macaulay's children have prescribed for its ills. The roots of this confusion go back to the early days of the nationalist struggle. All the early leaders of the movement were Macaulay's children, and their nationalism echoed the creole nationalism that overthrew colonial rule in the America's - both in the North and the South. The major complaint of the 'creoles' against the 'penisulares' was that even though in every respect- language,

descent, customs, manners and even religion- they were indistinguishable they had an inferior status because of the accident of their birth.

In India, Macaulay's children too had an inferior status, despite being English in every respect except "in blood and colour." Like the American creole elites they first sought to remove these restrictions on their advancement, eg. by agitating for the ICS exams to be held in India, and when these fell on deaf years, they sought to exclude **their** peninsulares from their colony with the cry of full Independence. There was however a division we noted between the modernising and traditionalist elements in this English speaking caste. Both groups implicitly believed that modernisation and Westernisation were linked. But whereas the Nehruvians - who despite lip service to marrying Indian with Western culture-accepted the implication and sought to implement a particular secular Western set of cosmological beliefs, the Gandhians (whose cultural successors include the various Hindu nationalist groups) have sought to resist modernisation for fear it would lead to Westernisation.

But there was another choice which was to modernise without Westernising- a process in which the role of English would be instrumental. For the myriad district and lower level service functionaries whose first language remained their vernacular the English they spoke as a second or third language already fulfilled this role. They were not infected by Western cosmologies like the English speaking caste. Even though not Westernised they could have been modernisers. It was fateful that, during the nationalist movement, it was Gandhi-that other Macaulay's child- who mobilised them politically. For unlike the modernisers, Gandhi was above all concerned with maintaining a refurbished Hindu equilibrium. But by equating modernisation with Westernisation he created a backlash not only against the cosmological views of the West but also its material beliefs. Many of the views of both the Hindu nationalists and many in the Janta Dal also reflect this confusion.

The field was then left clear for the modernisers cum Westernisers, symbolised most powerfully in the iconic figure of Jawaharlal Nehru. It is instructive to see why it is the Western cosmology they imbibed- Marxism- which has had such inimical effects on the material prospects of Indians.

To put this in context a useful distinction made by the English political philosopher Michael Oakeshott needs to be kept in mind. He distinguishes between two major strands of Western thought on the State: the State viewed as a civil association, or alternatively as an enterprise association. The former view goes back to ancient Greece, with the State seen as the custodian of laws which do not seek to impose any preferred pattern of ends (including abstractions such as the general (social) welfare, or fundamental rights), but which merely facilitates individuals to pursue their own ends. This view has been challenged by the rival conception of the State as an enterprise association --a view which

has its roots in the Judaeo-Christian tradition. The State is now seen as the manager of an enterprise seeking to use the law for its

own substantive purposes, and in particular for the legislation of morality. The classical liberalism of Smith and Hume entails the former, whilst the major secular embodiment of society viewed as an

enterprise association is socialism, with its moral aim of using the State to equalize people. Equally, the other major ideological challenge to classical liberalism in this century, Fascism (national socialism), also viewed the State as an enterprise association. Both involved collectivist moralities as a reaction to the morality of individualism.

Till the rise of centralised nation states in Renaissance Europe, few states had the administrative means to be 'enterprising'. Once the administrative revolution of the 16th century expanded the tax base and the span of control of the

government over its subjects lives three types of 'enterprises' have been pursued by states. A religious version as epitomized by Calvinist Geneva and in our own times by Khomeini's Iran. A productivist version consisting of 'nation-building' and a distributionist version promoting some form of egalitarianism. Each of these 'enterprises' conjures up some notion of perfection, believed to be "the common good".

Socialism and the various variants of Marxism have their cosmological parentage in the Christian cosmology. As in Augustine's "City of God", Marxism, looks to the past and the future. There is a Garden of Eden- before 'property' relations corrupted 'natural man'. Then the Fall as 'commodification' leads to class societies and the impersonal conflict of material forces leading to the Day of Judgment with the Revolution and the millennial Paradise of Communism. This mutation in Western cosmology also leads to Oakeshott's distributivist "enterprise" view of the State . But it should be noted that whilst recently this 'enterprise' view based on the Judeo-Christian cosmology has dominated Western political thought there is the older Greek current which looks to the State as a 'civil' association which was associated with the Scottish Enlightenment, and which has greater relevance for India than the Judaeo Christian version which has so poisoned the minds of Macaulay's children.

Finally, as Japan has shown, the Rest do not have to make the Faustian compact of the West where the instrumental rationality promoted by its individualism led to the Industrial Revolution but in the process destroyed its soul. Japan has been able to alter its material beliefs by adopting the institutions of the market, and transforming its ancient hierarchical social structures by basing them on acquired rather than ascribed status through the fierce meritocratic competition based on educational attainment. It has also not had to give up its traditional forms of family nor its other cosmological beliefs based on shame. The same opportunity is open to India to adopt the West's material but eschew its cosmological beliefs.

VI. THE FAMILY

The ultimate fear of the cultural nationalists is that modernisation will undermine traditional mores concerning marriage and the family. The resistance to the purported cultural pollution coming over the satellite channels, and the shenanigans concerning the Miss World contest reflect this fear. But is it justified?

Since Marx and Engels there has been the view that with modernisation the traditional extended family identified with pre-industrial societies is doomed. Modern families will become more and more like Western families: with love marriages, nuclear families and a cold hearted attitude to the old. There are others who maintain that as the Western style of family seems to go back at least to the Middle Ages in Northern Europe, this modern family pattern was not merely the consequence but the cause of the Western industrial revolution. Research by the Cambridge anthropologist Jack Goody ¹² casts serious doubts on both these positions.

First, as the historical evidence shows that the Western family revolution predated the Industrial revolution, clearly the latter could not have caused the former. Second, as Goody shows at length, the purported advantages of the Western system, leading to a greater control of fertility, were to be found in many other Eurasian family systems which, however, did not deliver industrial revolutions.

But that the Western Christian world particularly in its North Western outpost deviated from what had been the traditional family pattern in Eurasia from about the late 6th century seems undeniable. The major difference was that in the West the Church came to support the independence of the young: in choosing marriage partners, in setting up their households and entering into contractual rather than affective relationships with

¹² Jack Goody (1990): The Oriental, the Ancient and the Primitive , Cambridge University Press, Cambridge.

the old. They promoted love marriages rather than the arranged marriages common in Eurasia. Friar Lawrence in "Romeo and Juliet" egging on the young lovers against their families wishes is emblematic of this trend. But why did the Church promote love marriages?

It has been thought that romantic love far from being a universal emotion was a Western social construct of the age of chivalry in the Middle Ages. Recent anthropological and psychological research however confirms that this is erroneous- romantic love is a universal emotion.¹³ Moreover it has a biological basis. Neuro-psychologists have shown that it is associated with increased levels of phenylethylamine an amphetamine-related compound. Interestingly the same distinct biochemicals are also to be found in other animal species such as birds which also evince this emotion. However, it appears that this emotion is ephemeral. After a period of attachment the brain's receptor sites for the essential neuro-chemicals become desensitized or overloaded and the infatuation ends, setting up both the body and brain for separation- divorce. This period of infatuation has been shown to last for about 3 years. A cross-cultural; study of divorce patterns in 62 societies between 1947-1989 found that divorces tend to occur around the fourth year of marriage!

A universal emotion with a biological basis calls for an explanation. Socio-biologists maintain that in the primordial environment it was vital for males and females to be attracted to each other to have sex and reproduce and also for the males to be attached enough to the females to look after their young until they were old enough to move into a peer group and be looked after by the hunting -gathering band. The traditional period between successive human births is four years- which is also the modal period for those marriages which end in divorce today . Darwin

¹³see Jankowiak (ed):Romantic Passion; and Fisher:Anatomy of Love.

strikes again! The biochemistry of love it seems evolved as an 'inclusive fitness' strategy of our species.

The capacity to love maybe universal but its public expression is culturally controlled. For as everyone's personal experience will confirm it is an explosive emotion. Given its relatively rapid decay, with settled agriculture the evolved instinct for mates to stay together for about four years and then move on to new partners to conceive and rear new young would have been dysfunctional. Settled agriculture requires settled households. If households are in permanent flux there could not be settled households on particular parcels of lands. Not surprisingly most agrarian civilizations sought to curb the explosive primordial emotion which would have destroyed their way of making a living. They have used cultural constraints to curb this dangerous hominid tendency by relying on arranged marriages, infant betrothal and the like, restricting romantic passion to relationships outside marriage. The West stands alone in using this dangerous biological universal as the bastion of its marriages as reflected in the popular song "love and marriage go together like a horse and carriage".

The reason for this Western exceptionalism goes back to the earliest period of the Christian Church, as we have seen. But the Church also had to find a way to prevent the social chaos which would have ensued if the romantic passion its greed had unleashed as the basis for marriage had been allowed to run its course in what remained a settled agrarian civilisation. First it separated love and sex, and then created a fierce guilt culture based on Original Sin. Its pervasive teaching against sex and the associated guilt it engendered provided the necessary antidote to the 'animal passions' that would otherwise have been unleashed by the Church's self-interested overthrowing of the traditional Eurasian system of marriage. But once the Christian God died with the Scientific and Darwinian revolutions, these restraints built on Original Sin were finally removed. The family as most civilizations have known it became sick in the West, as the

Western humanoids reverted to the 'family' practices of their hunter-gatherer ancestors.

Within Western cosmologies there was, however, another way to deal with the death of the Christian God, rather than rely on these continuing secular variations on Augustine's "City" to provide the moral cement of its society. These were the views associated with the Scottish Enlightenment- in particular of its most eminent sages: David Hume and Adam Smith.

Hume, unlike the philosophes, saw clearly that Reason could not provide an adequate grounding for morality. As Nietzsche was to later say so trenchantly about utilitarianism any such attempt would be unsuccessful because : "moral sensibilities are nowadays at such cross purposes that to one man a morality is proved by its utility, while to another its utility refutes it". Kant's attempt to ground a rational morality on his principle of universalisability- harking back to the Biblical injunction "therefore all things whatsoever ye do would that men should do to you, do even so to them"- founders on Hegel's two objections: it is merely a principle of logical consistency without any specific moral content, and worse it is as a result powerless to prevent any immoral conduct that takes our fancy. The subsequent ink spilt by Western moral philosophers has merely clothed their particular prejudices in rational form.

By contrast Hume clearly saw the role of morality in maintaining the social cement of society and that it depended on a society's traditions and forms of socialization. Neither God nor Reason needs to be evoked (or can be) to justify these conditioned and necessary habits. This is very much the view about ethics taken by the older non-Semitic Eurasian civilizations whose socialization processes are based on shame.

However, as this account shows, there is no reason whatsoever for the rest of the world to follow this peculiar and particular Western trajectory. It is not modernisation but the unintended consequences of Pope Gregory I's family revolution which have led to the death in the West of the Eurasian family

values the Rest rightly continues to cherish. The Rest do not have to embrace this cosmology. Moreover, even Macaulay's children can heal their fractured souls by embracing the Scottish sages: Hume's morality based on tradition and Smith's material beliefs based on the market. This classical liberalism provides a means of modernizing without succumbing to the moral emptiness of the current Western cosmology.

VI. DEMOCRACY AND DEVELOPMENT

This leads on to the final question I would like to address in this lecture: is there any necessary link between democracy and development?

A number of cross-sectional statistical studies claim to have found such a relationship. But the statistical proxies used for the political variables in these studies do not inspire much confidence, which are further plagued by the econometric problem of identification. In our recent book¹⁴ Myint and I found no relationship between the form of government and economic performance during the 30 year economic histories of the 25 developing countries that we studied. Rather than the polity the initial resource endowment, in particular the availability or lack of natural resources was a major determinant of policies which impinged on the efficiency of investment and thereby the rate of growth. This was basically due to the inevitable politicisation of the rents that natural resources yield, with concomittant damage to growth performance. By contrast resource poor countries, irrespective of the nature of their government, were forced to develop their only resource- their human subjects. Thus the economic performance of resource poor countries like the Far Eastern Gang of Four tended to be much better on average than that of those with abundant natural resources like Brazil and Mexico. Countries like India and China whose factor endowments fall in between these extremes swerved between following the policies of

¹⁴ Lal-Myint (1996) op.cit.

their resource abundant and resource poor cousins, with a resultant indifferent intermediate economic performance. The difference in performance was further explained by the other major determinant of growth- the volume of investment. Thus whilst the efficiency of investment in India and China during both their dirigiste and more economically liberal periods was about the same, China's investment rate has been about twice India's resulting in its growth rate also being twice as high.

If differences in the polity cannot explain differences in economic performance, is there any reason to prefer one type of polity over another- in particular democracy over some authoritarian alternative? As usual de Tocqueville is both succinct and prescient. In his Ancien Regime he wrote:

" It is true that in the long run liberty always leads those who know how to keep it to comfort, well- being, often to riches: but there are times when it impedes the attainment of such goods; and other times when despotism alone can momentarily guarantee their enjoyment. Men who take up liberty for its material rewards, then, have never kept it for long...what in all times has attracted some men to liberty has been itself alone, its own particular charm, independent of the benefits it brings; the pleasure of being able to speak, act, and breathe without constraint, under no other rule but that of God and law. Who seeks in liberty something other than itself is born to be a slave".

Democracy, therefore, is to be preferred as a form of government not because of its instrumental value in promoting prosperity- at times it may well not- but because it promotes the different but equally valuable end of liberty. However, as the experience of many countries- not only in the Third world - attests, democracy is a frail flower, and India is unique in having successfully nurtured it in such a vast, diverse and poor country. The assault on it during the Emergency merely succeeded in showing how deeply rooted it had become in the Indian soil.

This success needs an explanation. It is to be found in the political habits of different cultures which have been

formed as much by the geography of the territory where the relevant culture was formed than any ideology. Thus, China in its origins in the relatively compact Yellow river valley, constantly threatened by the nomadic barbarians from the steppes to its north, developed a tightly controlled bureaucratic authoritarianism as its distinctive polity which has continued for millenia to our day. By contrast Hindu civilisation developed in the vast Indo-Gangetic plain, protected to a greater extent by the Himalayas from the predation of barabrians to the North. As I argued in The Hindu Equilibrium, this geographical feature (together with the need to tie down the then scarce labour to land) accounts for the traditional Indian polity which was notable for its endemic political instability amongst numerous feuding monarchies, and its distincitve social system embodied in the institution of caste. The latter by making war the trade of professsionals saved the mass of the population from being inducted into the deadly disputes of its changing rulers. Whilst the tradition of paying a certain customary share of the village output as revenue to the current overlord, meant that any victor had little incentive to disturb the daily business of its newly acquired subjects. The democratic practices gradually introduced by the British have fit these ancient habits like a glove. The ballot box has replaced the battelefield for the hurly-burly of continuing 'aristocratic' conflict, whilst the populace accepts with a weary resignation that its rulers will through various forms of 'rent-seeking' take a certain share of output to feather their own nests.

There is no intrinsic reason why this particular form of polity should be inimical to development, as long as the rulers adhere to the principles of good government so lucidly set out by the sages of the Scottish Enlightenment- Smith and Hume. A good government on this classical liberal view looks upon the State as a civil association, which promotes opulence through promoting natural liberty by establishing laws of justice which guarantee free exchange and peaceful competition. It should not seek to promote some enterprise of its own or seek to legislate a

particular morality. The reason for India's relative economic failure lies not in its polity but in the Nehruvian era's embracing of the view of the State as an enterprise association-promoting the enterprise of Fabian socialism.

This seems to be changing, but there still does not appear to be a firm enough understanding, particularly amongst the intelligentsia, of promoting the view of the State as a civil not enterprise association amongst our rulers. One important way to achieve this would be to adopt in the sphere of economic policy what seems to have been attained in defense and foreign policy- a cross party consensus which allows continuity in policy. As the example of numerous liberalising developing countries has shown, for successful development, a team of technocrats broadly committed to an open market economy needs to be given its head, for at least a decade and protected from political cross-winds. India has such a team in place, the only remaining question mark is whether it will be allowed to complete the reform process above the political hurly-burly. If it is, there is no reason why India should not be able to combine prosperity with liberty.

1.J.Goody (1983): The Development of the Family and Marriage in Europe, Cambridge Univ. Press, Cambridge.

2.see J. Delumeau (1990): Sin and Fear: The emergence of a western guilt culture 13-18th centuries, St. Martin's Press, New York.