India: A Prison House of Nations and Lower Castes

(On the Reasons for Modi's Coup in Kashmir)

Essay on the social and national contradictions of Indian capitalism

and the rise of Hindutva chauvinism

By Michael Pröbsting, International Secretary of the Revolutionary Communist International Tendency (RCIT), 16 August 2019, www.thecommunists.net

CONTENTS

Introduction

Capitalist Backwardness

National, ethnic and religious divisions

Hindutva chauvinism: the reactionary response of the ruling class

Economic and foreign policy problems

Chauvinism and war-mongering as deliberate distraction

Introduction

Modi's barbarous attack on the fundamental rights of the people in Jammu and Kashmir has transformed the region into a hot spot of the world situation. The ultra-reactionary government of India has transformed Kashmir into a huge concentration camp. It plans to subjugate and expel the native population of Kashmir with methods similar to the Zionist aggression in Palestine.

There can be no doubt that this will provoke a new upsurge of mass popular resistance in Kashmir and a wave of solidarity activities throughout the world and in particular in the Muslim countries. Furthermore, the drastic aggravation of the situation will also provoke the danger of another military conflict with Pakistan.

The RCIT and its comrades in South Asia have always sided with the national liberation struggle of the Kashmiri people. We support the struggle for independence and combine it with the perspective of a workers and peasant republic as part of a socialist federation of South Asia. ¹

An important aspect of the liberation struggle in Kashmir is to build an international solidarity movement of workers and popular organizations. In particular, it is urgent to build links with progressive, anti-chauvinist forces in India. Likewise, it is crucial for Marxists in India to make support for the national rights of the Kashmiri people – including the right to secede – a priority in their political work.

Finally, it is obvious that the political situation and the perspectives for class struggle in India are of paramount importance not only for the South Asian sub-continent but for the world situation given the fact that India, with currently more than 1.37 billion people, is about to become the largest country with the highest population in the world within the next years.

In order to fight the class enemy it is necessary to analyze it and to identify its strength and weaknesses. In this context it seems important to us to deal in more detail with the question what are the motives of the Modi government for its brutal attack on Kashmir and why did it launch it right now.

Without pretending to provide a complete and exhaustive explanation we think it is necessary to consider both fundamental, strategic aspects as well as more short-term and tactical motives.

¹ See on: this RCIT: India: Defend the Kashmiri People against Modi's "Israel-Style" Attack! India's ultrachauvinist BJP government abolishes decades-old autonomy rights of Muslim-majority province, 6.8.2019, https://www.thecommunists.net/worldwide/asia/india-defend-the-kashmiri-people-against-modi-s-attack/; Revolutionary Socialists in Kashmir Raise their Voice! Jammu Kashmir Revolutionary Socialists (JKRS) declare their support for the latest RCIT Statement on Kashmir, 9 August 2019, https://www.thecommunists.net/rcit/jkrskashmir-support-rcit-statement-on-kashmir/; Michael Pröbsting: Modi Has Transformed Kashmir into a Huge Concentration Camp, 14 August 2019, https://www.thecommunists.net/worldwide/asia/modi-has-transformedkashmir-into-a-huge-concentration-camp/; RCIT: India-Pakistan: Defeat the War Mongers! Free Kashmir! 27 February 2019, https://www.thecommunists.net/worldwide/asia/india-pakistan-defeat-the-war-mongers-freekashmir/; Michael Pröbsting: Kashmir: Social-Patriotism among the Indian Left. On the opportunistic adaptation of various "Stalinists", "Trotskyists" and "Maoists" to the chauvinistic wave in the wake of the latest conflict between India and Pakistan, 02 March 2019, https://www.thecommunists.net/worldwide/asia/kashmir-socialpatriotism-among-indian-left/; After the Killing of Burhan Wani: Long Live the Kashmiri Intifada! Organize the Workers' and Popular Struggle to End the Indian Occupation! For a Free, United and Red Kashmir!, 21.07.2016, https://www.thecommunists.net/worldwide/asia/kashmir-uprising/; RWO: Pakistan - Prospects for revolutionary class struggle (2102), http://www.thecommunists.net/worldwide/asia/pakistan-action-program/; Resolution on the Kashmir Question (2010), http://www.thecommunists.net/worldwide/asia/kashmir-resolution/

Capitalist Backwardness

At this point we will only provide a short summary of India's peculiar and contradictory socio-economic class character. For a more detailed elaboration we refer readers to a special pamphlet which we have published two years ago. ²

India – like he whole South Asian sub-continent – is characterized by its history of centuries of colonial occupation by the British Empire. This traumatic experience has resulted in long-term social and economic deformations. According to respected economic historians the colonial occupation opened a period of sustained stagnation and super-exploitation. According to Angus Maddisson, "India's per capita income in 1750 was probably similar to that in 1950" (i.e. when India became formally independent). ³ A study by the economic historians Clingingsmith and Williamson calculates that India's share in world manufacturing output collapsed from 24.5% (1750) in the pre-colonial era to only 2.4% in 1938. ⁴

To worsen matters, British imperialism managed to split the continent in several states when it was forced to formally accept independence in 1947 as result of decades of heroic independence struggle of the people on the sub-continent. This process in itself provoked one of the worst genocides of the 20th century. More than fifteen million people were uprooted, and between one and two million were killed. On the basis of this tragedy the country became partitioned between Hindu-dominated India and Muslim-dominated Pakistan. ⁵

Since then India has become a capitalist semi-colony. It is true that some modern sectors have emerged in India's economy – e.g., IT software development or Indian firms like Cipla and Ranbaxy in the pharmaceutical industry. However, the economy as a whole is by and large still relatively backward, not only compared with imperialist countries but also compared with advanced industrialized semi-colonies like Turkey or Mexico. Only 340 out of 1,155 million people, i.e., 29.4% of India's population, lived in urban areas in 2008. ⁶ In China the share of the urban population was 50.1% in 2010. ⁷

.

² Michael Pröbsting: The China-India Conflict: Its Causes and Consequences. What are the background and the nature of the tensions between China and India in the Sikkim border region? What should be the tactical conclusions for Socialists and Activists of the Liberation Movements? (Chapter V) August 2017, Revolutionary Communism No. 71, https://www.thecommunists.net/theory/china-india-rivalry/

³ Angus Maddison: Class Structure and Economic Growth. India and Pakistan since the Moghuls, p. 18

⁴ David Clingingsmith, Jeffrey G. Williamson: India's Deindustrialization in the 18th and 19th Centuries, Harvard University, 2005, p. 34

⁵ See on this e.g., D.N. Panigrahi: India's partition. The story of imperialism in retreat, Routledge, New York 2004; Joya Chatterji: Bengal divided. Hindu communalism and partition, 1932-1947, Cambridge University Press, Cambridge 1994; Joya Chatterji: The Spoils of Partition. Bengal and India, 1947–1967, Cambridge University Press, Cambridge 2007; Bidyut Chakrabarty: The Partition of Bengal and Assam, 1932–1947, RoutledgeCurzon, London 2004; William Dalrymple: The Great Divide - The violent legacy of Indian Partition, The New Yorker, June 29, 2015 Issue, http://www.newyorker.com/magazine/2015/06/29/the-great-divide-books-dalrymple

⁶ Shirish Sankhe, Ireena Vittal, Richard Dobbs, Ajit Mohan, Ankur Gulati, Jonathan Ablett, Shishir Gupta, Alex Kim, Sudipto Paul, Aditya Sanghvi, Gurpreet Sethy: India's urban awakening: Building inclusive cities, sustaining economic growth, McKinsey Global Institute, 2010, p. 44

⁷ United Nations, Department of Economic and Social Affairs: 2015 Demographic Yearbook, New York, 2016, p. 146

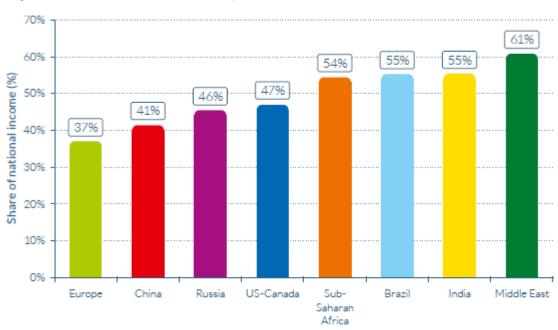
According to the *International Labour Office* India is one of the countries with the largest informal sector. About 2/3 of all wage employees are casual workers. ⁸ According to an OECD report published in 2015, the share of informal laborers in total employment reaches 80% in India. ⁹

It is therefore hardly surprising that nearly half of India's population lives in utter poverty. About 42% of its population has to survive on less than \$US 1.25 per day. ¹⁰ According to *Millennium Development Goals 2014* report issued by the UN, 32.9%, i.e., one third, of the world's 1.2 billion poorest people, live in India. ¹¹

At the same time, India has developed in the past decades into one of the most unequal countries in the world. As we can see in Figure 1, the top 10% of the population concentrate 55% of national income in their hands – a share higher than in any other region in the world (except the Middle East).

Figure 1. Top 10% Income Shares across the World, 2016 12

Top 10% income shares across the world, 2016



Source: WID.world (2017). See wir2018.wid.world for data series and notes.

In 2016, 37% of national income was received by the Top 10% in Europe against 61% in the Middle-East

This leaves the middle 40% of the population with 32% of total income and the bottom 50%, with around half of that, at just over 16%. ¹³ In Figure 2 we can see the dramatic increase of inequality since the beginning of the neoliberal reforms in the early 1980s.

⁸ ILO: Non-standard employment around the world: Understanding challenges, shaping prospects, pp. 68-69

⁹ OECD: In It Together. Why Less Inequality Benefits All, Paris 2015, p. 296

¹⁰ OECD: Divided We Stand. Why Inequality Keeps Rising, Paris 2011, p. 48

¹¹ United Nations: The Millennium Development Goals Report 2014, p. 9

¹² Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman: World Inequality Report 2018, p. 43

¹³ Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman: World Inequality Report 2018, p. 126

Figure 2. Top 1% and Bottom 50% Income Shares in India, 1951–2014 14

25%
20%
Bottom 50%

15%
10%
Top 1%
1950
1960
1970
1980
1990
2000
2010

Top 1% and Bottom 50% income shares in India, 1951-2014

Source: Chancel & Piketty (2017). See wir2018.wid.world for data series and notes

In 2014, the Bottom 50% national income share was 15%.

Inequality and backwardness is particularly obvious in the rural areas, where more than 900 out of 1,300 million people live. Again we see a massive concentration of wealth in the hands of big landowners. According to the official governmental census, no more than 4.9% of farmers control 32% of India's farmland. A "large" farmer in India has 45 times more land than the "marginal" farmer. 101.4 million - or 56.4 per cent - of rural households own no agricultural land at all. ¹⁵

As we have pointed out somewhere else, India's capitalist class also possess some multinational corporations which operate on the world market. Likewise, India does play a role in regional and world politics given its huge size. However, viewed in its totality (the "rich totality of many determinations and relations" as Marx said ¹⁶), we have come to the conclusion in our works that India, as a result of its backwardness, did not become an imperialist Great Power. It is more precise to characterize it as a semi-colonial Intermediate Power. ¹⁷

¹⁴ Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman: World Inequality Report 2018, p. 125

¹⁵ Sumit Chaturvedi: Land reforms fail, only 5% of India's farmers control 32% land, May 18, 2016 https://www.rediff.com/business/special/special-land-reforms-fail-only-5-of-indias-farmers-control-32-land/20160518.htm

¹⁶ Karl Marx: Grundrisse [Outlines of the Critique of Political Economy (Rough Draft of 1857-58)]; in: MECW 28, pp. 37-38

¹⁷ See on this, in addition to the pamphlet *The China-India Conflict: Its Causes and Consequences*, Michael Pröbsting: Semi-Colonial Intermediate Powers and the Theory of Sub-Imperialism. A contribution to an ongoing debate amongst Marxists and a proposal to tackle a theoretical problem, 1 August 2019, https://www.thecommunists.net/theory/semi-colonial-intermediate-powers-and-the-theory-of-sub-imperialism/

National, ethnic and religious divisions

India is characterized not only by massive social inequality and economic backwardness but also by deep national, ethnic and religious divisions. Contrary to the myth nurtured by bourgeois secularists and Stalinists who advocate "national unity and integrity", India is not a nation state and never has been so. The extremely uneven process of modernization and economic reinforcement in some areas while remaining backward and poverty-stricken in many others, is a result of the long history of colonialism as well as of the more recent semi-colonial capitalism. In short, capitalist backwardness, caused by imperialist domination and bourgeois bigotry made the creation of a united and homogenous Indian nation impossible.

Today India is riven by numerous national, ethnic and religious divisions. The constitution's Eighth Schedule, as amended by Parliament in 1992, listed eighteen official or Scheduled Languages. They are Assamese, Bengali, Gujarati, Hindi, Kannada, Kashmiri, Konkani, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanskrit, Sindhi, Tamil, Telugu, and Urdu. ¹⁸ Since then four more languages have been added to this list.

According to official statistics about 43 percent of the population speaks Hindi as their mother tongue. Bengali, Marathi, Telugu, and Tamil rank next, each the mother tongue of about 5 to 8 percent. Gujarati, Urdu, Kannada and Odia are the mother tongue of about 3 to 5 percent. Malayalam, Punjabi, Assamese and Maithili are mother tongue of about 1 to 3 percent and other languages are spoken by less than one percent each. (See Table 1)

¹⁸ James Heitzman and Robert L. Worden (Eds.): India: a country study, Federal Research Division, Library of Congress, September 1995, p. 182

Table 1. Official languages in India 19

Language	Number	Percentage
Hindi	52,83,47,193	43.63
Bengali	9,72,37,669	8.03
Marathi	8,30,26,680	6.86
Telugu	8,11,27,740	6.70
Tamil	6,90,26,881	5.70
Gujarati	5,54,92,554	4.58
Urdu	5,07,72,631	4.19
Kannada	4,37,06,512	3.61
Odia	3,75,21,324	3.10
Malayalam	3,48,38,819	2.88
Punjabi	3,31,24,726	2.74
Assamese	1,53,11,351	1.26
Maithili	1,35,83,464	1.12
Santali	73,68,192	0.61
Kashmiri	67,97,587	0.56
Nepali	29,26,168	0.24
Sindhi	27,72,264	0.23
Dogri	25,96,767	0.21
Konkani	22,56,502	0.19
Manipuri	17,61,079	0.15
Bodo	14,82,929	0.12

In terms of religion Hindus represent 80.5% of the population, Muslims 13.4%, Christians 2.3%, Sikhs 1.9% and other religious groups with less than one percent each. (See Table 2)

Table 2. Religions of India and key social indices of the major religious groups 20

Religion	Proportion
Hindus	80.5
Muslims	13.4
Christians	2.3
Sikhs	1.9
Buddhists	0.8
Jains	0.4
Others	0.6

Another important division is the notorious caste system. While this is primarily relevant for the Hindu population, it has to a certain degree also infiltrated Sikhism, and even Christianity. There are four large caste groups (*varna*) – the *Brahman*, *Kshatriya*, *Vaishya*, and *Sudra* – as well as the so-called *Untouchables*, the *Dalits*. However, more relevant are the *jatis*, the mostly regionally based sub-castes.

¹⁹ Census Of India 2011, Paper 1 of 2018, Language, India, States And Union Territories (Table C-16), Office of the Registrar General, New Delhi, 2011, p. 15. This does not include the state of Jammu and Kashmir.

²⁰ Niraja Gopal Jayal: Representing India. Ethnic Diversity and the Governance of Public Institutions, Palgrave Macmillan, New York 2006, p. 21

There are estimated to be 2000–3000 *jatis* in India today, the size of each ranging between 5000 and 15,000. ²¹

According to the latest official census, the so-called *Scheduled Castes* (which consist mostly of Dalits) represent 16.6% of the total population. (See Table 3)

Table 3. Percentage of Scheduled Castes Population ²²

	1971	1981	1991	2001	2011
Total	14.8	15.7	16.5	16.2	16.6
Rural	16.4	17.3	18.0	17.9	18.5
Urban	8.8	10.6	12.0	11.8	12.6

Another severely discriminated group are the *Adivasi*, the indigenous peoples. In the official language they are called *Scheduled Tribes*. According to the latest census in 2011 they represent about 8.6% of the total population. (See Table 4)

Table 4. Percentage of Scheduled Tribes Population 23

1961	1971	1981	1991	2001	2011
6.9	6.9	7.8	8.1	8.2	8.6

The so-called *Backward Classes* – an official category which includes members of Scheduled Castes, Scheduled Tribes, and other low-ranking and disadvantaged groups (sometimes referred to as *Other Backward Classes*) – are officially recognized in India's constitution. ²⁴ There are disputes about the exact number of these layers. However, according to a report of the *Mandal Commission* – a government-appointed commission (officially the *Second Backwards Classes Commission*) – in 1980, the "*Backward Hindu Castes*", the *Scheduled Castes*, the *Scheduled Tribes* and the Non-*Hindu Communities* (mostly Muslims) constituted altogether more than 82%. (See Table 5)

²¹ Niraja Gopal Jayal: Representing India. Ethnic Diversity and the Governance of Public Institutions, Palgrave Macmillan, New York 2006, p. 27

²² Census of India 2011: Analytical Report on Primary Census Abstract, Madhya Pradesh, Series 24, Madhya Pradesh MADHYAM 2014, p. 259

²³ Statistical Profile of Scheduled Tribes in India 2013, Ministry of Tribal Affairs, New Delhi, p. 2

²⁴ James Heitzman and Robert L. Worden (Eds.): India: a country study, Federal Research Division, Library of Congress, September 1995, p. 787

Table 5. The Mandal Commission: caste groups as a percentage of India's population 25

Caste groups % of India's population

Forward Hindu Castes and Communities 17.58%

Backward Hindu Castes and Communities 43.70%

Scheduled Castes 15.05%

Scheduled Tribes 7.51%

Non-Hindu Communities 16.16%

In summary, India's capitalist society is riven by deep national, ethnic, religious and caste division. The Indian state is not only a capitalist state organizing the exploitation of surplus value of the working class. In addition, it is also a "prison house of nations and lower castes" which ensures the brutal oppression of large sectors of the population.

When we add to this the massive social and economic backwardness mentioned above, it is evident that India constitutes a *colossus on clay feet*. It is inevitable that such contradictions are potentially explosive in a period of capitalist decay characterized by increasing domestic and foreign political tensions.

Hindutva chauvinism: the reactionary response of the ruling class

The *Hindutva* ("Hinduness") chauvinism is the ultra-reactionary response of extreme right-wing forces to the contradictions of the Indian society. This concept is the ideological core of the so-called *Sangh Parivar* (the Sangh family) of which Modi's *Bharatiya Janata Party* (BJP) is the main political party. Historically, the nucleus of this current has been the *Rashtriya Swayamsevak Sangh* (RSS). This organization has been founded in 1925 and advocates an extremely right-wing, if not semi-fascist, ideology. Its goal is an Indian capitalist state in which the *Hindu Rashtra* ("Hindu nation") fully dominates and subjugates all other groups. To make things clear: Hindutva chauvinism is an unashamed form of Hindu supremacism. Vinayak Damodar Savarkar, a founder of this ideological current, once said: "*I want all Hindus to get themselves re-animated and reborn into a martial race*". ²⁶ Such an ideology of drunken militarism is the instrument with which these reactionary forces hope to cloak the inner contradiction of India. ²⁷

٠

 $^{^{25}}$ Niraja Gopal Jayal: Representing India. Ethnic Diversity and the Governance of Public Institutions, Palgrave Macmillan, New York 2006, p. 30

²⁶ Quoted in Dibyesh Anand: Hindu Nationalism in India and the Politics of Fear, Palgrave Macmillan, New York 2011, p. 105

²⁷ For background reading to India's Hindutva chauvinism see e.g. India Today: Hindu vs Hindutva. The Great Debate, 29 January 2018, pp. 33-63; Jyotirmaya Sharma: Hindutva. Exploring the Idea of Hindu Nationalism, HarperCollins Publishers India, Uttar Pradesh 2015; Dibyesh Anand: Hindu Nationalism in India and the Politics of Fear, Palgrave Macmillan, New York 2011; Ornit Shani: Communalism, Caste and Hindu Nationalism. The Violence in Gujarat, Cambridge University Press, Cambridge 2007; Katharine Adeney and Lawrence Sáez (Eds.): Coalition Politics and Hindu Nationalism, Routledge, New York 2006; S.P. Udayakumar: "Presenting" the Past. Anxious History and Ancient Future in Hindutva India, Praeger Publishers, Westport 2005; Kancha Ilaiah: Why I am not a Hindu. A Sudra Critique of Hindutva Philosophy, Culture and Political Economy, Samya, Calcutta 1996; ; V.D. Savarkar: Essentials of Hindutva (1923)

Since Kashmir has always been India's only Muslim-majority state, the RSS/BJP has made this region an important issue of its chauvinist policy from early on. ²⁸ Hence, the abolition of Article 370 has long been a staple of the BJP's political platform. It has put forward this demand in numerous election manifestos including the last one for the 2019 elections. ²⁹

It is in the spirit of such a reactionary chauvinist ideology that BJP supporters hail Modi's move as "liberation". Fanatic BJP activists have chanted slogans like "Kashmir azaad ho gaya aaj" ("Kashmir has been freed today") and "Aab Hindu Rashtra banega" ("We will now build a Hindu nation") at rallies after 5 August. An Indian journalist quotes the gleeful reaction of a sympathizer of the BJP: "Now the Muslims will become Hindu out of fear or they will go to Pakistan or they will face..." 30

Modi himself said in a speech defending the abolition of Article 370: "I have complete faith, under this new system we all will be able to free Jammu and Kashmir of terrorism and separatism." ³¹

To "free Jammu and Kashmir of terrorism and separatism" can not mean anything else than to "free" the region from most of its population. Everyone with a minimum knowledge of history knows that Kashmir was incorporated into India in 1947 without consulting its people. They were promised that a referendum would be hold in which they could express their will about being part of India. Unsurprisingly such a referendum was denied until this very day for one simple reason: everyone knew the outcome! The huge majority of the people in Kashmir never wanted nor will they ever desire to be part of India!

This is why the Indian state had to transform Kashmir – which has a population of not more than 8 million people – in one of the most militarized regions of the world with about 750,000 soldiers and police. As the Malaysian journalist Karim Raslan aptly formulated, "the colonised have become colonisers." ³²

Modi's phrase of "freeing Kashmir of terrorism and separatism" effectively is the cover for the RSS/BJP's longstanding plan of the Hinduization of Kashmir. The government wants to silence, humiliate, subjugate and finally expel the Muslim population from the region. Let us not forget the chauvinist slogan of the BJP: "Hindustan mein rehna hai to hindu ban kar rehna hoga" ("If you want to live in India, you have to be a Hindu"). 33

²⁸ Sumit Ganguly: Modi Crosses the Rubicon in Kashmir, Foreign Policy, August 8, 2019 https://www.foreignaffairs.com/articles/india/2019-08-08/modi-crosses-rubicon-kashmir

²⁹ Andrew Whitehead: Article 370: India's move on Kashmir will fuel resentment, BBC, 5 August 2019, https://www.bbc.com/news/world-asia-india-49233608

³⁰ Quoted in Dibyesh Anand: Kashmir Is a Dress Rehearsal for Hindu Nationalist Fantasies, August 8, 2019, https://foreignpolicy.com/2019/08/08/kashmir-is-a-dress-rehearsal-for-hindu-nationalist-fantasies/; see also Tim Sullivan: Modi clamps down on Kashmir, and India loves him for it, 2019-08-15 https://apnews.com/edc2707ebcbc4e4c90106cf1b61f3a0b

³¹ Quoted in Amrit Dhillon: Modi's vision of a Hindu India advanced by Kashmir changes, 2019-08-09 https://apnews.com/f1394da1b04e4611aa4f8ea70b8bad15

³²: In Kashmir, the colonised have become the colonisers. India's soul is at stake, 12 Aug, 2019 https://www.scmp.com/week-asia/geopolitics/article/3022398/kashmir-colonised-have-become-colonisers-indias-soul-stake

³³ This has also been recognized by prudent observers among bourgeois journalists like Ayesha Ray who noted that "this latest order aims to accomplish the insidious goal of creating a predominantly Hindu majoritarian state." (Ayesha Ray: India's colossal blunder in Kashmir, The Conversation, 08/10/2019, https://theconversation.com/indias-colossal-blunder-in-kashmir-121657)

Economic and foreign policy problems

Such whipping-up of fanatical chauvinism does not only serve Modi's plans for Kashmir itself. It is also necessary because the Indian bourgeoisie faces a number of urgent problems. As we have pointed out somewhere else, the capitalist world economy is on the verge of another Great Recession. ³⁴ Such an economic crisis could hit India particularly hard given the backward nature of its economy.

It is true that India has been hailed in the past years as an economic success story. But one should bear in mind that the official growth figures of India's GDP have been massively exaggerated by the government – according to Modi's former chief economic adviser Arvind Subramanian by about 50%! ³⁵ Furthermore, most of the economic gains has been appropriated by the super-rich for mostly parasitic and speculative goals instead of a widely spread process of productive capital accumulation in order to modernize the society and its economic fundament.

This year has been marked by a significant decline of growth. Official GDP growth is at a five-year low while unemployment is at a multi-year high. Business investment has stalled, consumers are reining in spending while bank and non-bank lending to companies and households slowed to a crawl. In order to avoid a recession the Reserve Bank of India has cut interest-rates already four times this year. ³⁶

The government's room for manoeuvre is limited because India's public debt is already high. While the official budget deficit amounts to 3.39% of GDP this year, this has been achieved only by "creative accounting" as the euphemism goes. According to the economist Jairaj Devadiga, the real deficit is at least at 4% of annual output if not much more. India's public debt is officially around 70%. But, again, real figures are much higher. ³⁷

In addition, India's economic problems have been worsened by Trump's aggressive sanctions and war-mongering against Iran. New Delhi has been one of Iran's biggest oil buyers, importing 23.5 million tonnes over the past year. However, due to Washington's sanctions, they had to cut off this to a large degree. ³⁸

However, this did not help India to escape Trump's aggressive policy of punitive tariffs. Washington recently removed India from its so-called "Generalized System of Preferences" program which will

³⁴ See on this e.g. RCIT: World Perspectives 2019: Heading Towards a Volcanic Political Eruption. Theses on the World Situation, the Perspectives for Class Struggle and the Tasks of Revolutionaries, on 2 March 2019, https://www.thecommunists.net/theory/world-perspectives-2019/

³⁵ I Arvind Subramanian: India's GDP Mis-estimation: Likelihood, Magnitudes, Mechanisms, and Implications, CID Faculty Working Paper No. 354, June 2019

William Pesek: Modi's Kashmir detour spells trouble for India's economy, 2019-08-10 https://www.asiatimes.com/2019/08/article/modis-kashmir-detour-spells-trouble-for-indias-economy/

³⁷ Jairaj Devadiga: The Indian government cannot be trusted to tell the truth about its finances, 11 Aug, 2019 https://www.scmp.com/comment/opinion/article/3021516/indian-government-cannot-be-trusted-tell-truth-about-its-finances

Dnyanesh Kamat: India's new government will loosen ties with 2019-06-28 https://www.asiatimes.com/2019/06/opinion/indias-new-government-will-loosen-ties-with-iran/; Alison Modi Tahmizian Meuse: India shuns Iranian as 2019-05-24 oil claims victory, https://www.asiatimes.com/2019/05/article/india-shuns-iranian-oil-as-modi-claims-victory/; Nidhi Timothy Gardner: Exclusive: Amid rising trade tensions with U.S., India wants to extend Iran oil sanctions waiver - sources, March 7, 2019 / https://www.reuters.com/article/us-usa-iran-sanctions-india-exclusive/exclusive-amidrising-trade-tensions-with-u-s-india-wants-to-extend-iran-oil-sanctions-waiver-sources-idUSKCN1QO0TA

clearly have negative effects of the South Asian economy. In retaliation, New Delhi imposed tariffs on almonds and 27 other American products, including apples and walnuts. ³⁹

These developments point out to a more fundamental development which is of decisive importance for India. Since the end of the Cold War between the US and the USSR, New Delhi has looked for a rapprochement with Washington. This was met with certain success and India has played in recent years a prominent role in the plans of U.S. imperialism in the region. As a result there have been joint military exercises and plans for an Indo-US strategic partnership. This has been particularly relevant when India and China came close to a war in the Sikkim border region in summer 2017. ⁴⁰

However, as the RCIT has repeatedly pointed out, the present historic period that began in 2008 has been characterized by a dramatic acceleration of global tensions. ⁴¹ We have recognized for some time now the onset decline of U.S. imperialism, the rise of China as a new imperialist power, and the consequential, accelerating Great Power rivalry. ⁴²

Against this background, the hopes of Modi's government for a closer alliance with the Western imperialist powers against China experienced huge obstacles. The rapid decline of the U.S., a process which has been accelerated without doubt by its erratic and dumb President, as well as the rise of China has forced India to defend itself against the partly aggressive and partly unstable policy of Washington and, at the same time, to look for a modus vivendi with Beijing. Such diplomatic maneuvering has been symbolically reflected by the fact that Modi participated in two trilateral

20

³⁹ VOA: Trump to End India's Preferential Trade Status, June 1, 2019, https://www.voanews.com/south-central-asia/trump-end-indias-preferential-trade-status; Samantha Maldonado: India tariffs threaten California almond industry, 2019-06-28 https://apnews.com/3bb6130746da48978106b9e05b46f525

⁴⁰ See on this our pamphlet mentioned above *The China-India Conflict: Its Causes and Consequences*.

⁴¹ For the RCIT's analysis of the present historic period see e.g. RCIT: Advancing Counterrevolution and Acceleration of Class Contradictions Mark the Opening of a New Political Phase. Theses on the World Situation, the Perspectives for Class Struggle and the Tasks of Revolutionaries (January 2016), Chapter II, http://www.thecommunists.net/theory/world-perspectives-2016/; Michael Pröbsting: The Great Robbery of the South. Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital. Consequences for the Marxist Theory of Imperialism (Chapter 14), RCIT Books, Vienna 2013, https://www.thecommunists.net/theory/great-robbery-of-the-south/.

⁴² See on this e.g. our recently published book by Michael Pröbsting: Anti-Imperialism in the Age of Great Power Rivalry. The Factors behind the Accelerating Rivalry between the U.S., China, Russia, EU and Japan. A Critique of the Left's Analysis and an Outline of the Marxist Perspective, RCIT Books, Vienna 2019. The book can be read online or downloaded for free here: https://www.thecommunists.net/theory/anti-imperialism-in-the-age-of-greatpower-rivalry/. On the RCIT's analysis of China and Russia as emerging imperialist powers see the literature mentioned in the special sub-section on our website: https://www.thecommunists.net/theory/china-russia-asimperialist-powers/. Concerning China, we refer readers in particular to Michael Pröbsting: The China-India Conflict: Its Causes and Consequences. What are the background and the nature of the tensions between China and India in the Sikkim border region? What should be the tactical conclusions for Socialists and Activists of the Movements? 18 August 2017, Revolutionary Communism https://www.thecommunists.net/theory/china-india-rivalry/; Michael Pröbsting: The China Question and the Marxist Theory of Imperialism, December 2014, https://www.thecommunists.net/theory/reply-to-csr-pco-onchina/; Michael Pröbsting: China's transformation into an imperialist power. A study of the economic, political and military aspects of China as a Great Power, in: Revolutionary Communism No. 4, http://www.thecommunists.net/publications/revcom-number-4. Concerning Russia, we refer readers in particular to Michael Pröbsting: Lenin's Theory of Imperialism and the Rise of Russia as a Great Power. On the Understanding and Misunderstanding of Today's Inter-Imperialist Rivalry in the Light of Lenin's Theory of Imperialism, August 2014, http://www.thecommunists.net/theory/imperialism-theory-and-russia/; Michael Pröbsting: Russia as a Great Imperialist Power. The formation of Russian Monopoly Capital and its Empire - A Reply to our Critics, 18 March 2014, Special Issue of Revolutionary Communism No. 21 (March 2014), https://www.thecommunists.net/theory/imperialist-russia/

meetings at the G20 summit in Osaka – one with Japan and the United States, the other with China and Russia. ⁴³

Chauvinism and war-mongering as deliberate distraction

All these economic and foreign policy problems provoke huge challenges for the Modi government, despite its landslide victory at the recent elections. One must not forget that the BJP won mass popular support at the elections not so much with his Hindu supremacist fantasies – this is rather crucial for the fanatic hard-core supporter base – but rather with promises of rapid growth and increasing income. Faced with such economic difficulties, the BJP government will not be able to deliver its promises.

This is another important reason why the Modi government has struck against Kashmir right now. The provocation of a domestic political crisis with the well-known accompaniment of "threats of attacks of jihadi terrorists" as well as the threat of war with Pakistan is a deliberate distraction from the looming social and economic crisis in India. We note as an aside that the racist wave of lynching in the name of cow protection or the new exclusionary citizenships serve exactly the same purpose.

Modi was forced to resort to such military provocations in February this year when he threatened to attack Pakistan. The resulting chauvinist hysteria was a crucial factor for the BJP to avoid electoral defeat.

In the current situation, the BJP government calculates that the climate of such a chauvinist hysteria could serve as a fig-leaf for neoliberal austerity attacks of the Modi government against the Indian working class and poor peasants.

In addition, provoking the danger of war and terror could by also used by the Modi government as a pretext to attack democratic rights and to create an authoritarian regime with Bonapartist features.

In summary, Modi's barbarous attack against the people in Kashmir is caused both by short-term problems of the Indian ruling class as well as more fundamental contradictions of backwardness of Indian capitalism. Such backwardness and contradictions determine the extremely reactionary character of the chauvinism of the ruling class. At the same time it is the only way to mobilize a reactionary segment of the society in order to cloak the increasing contradictions.

The Hindutva chauvinists of the BJP are determined to serve the interests of the capitalists in such a situation by launching massive social and democratic attacks against the Indian working class as well as against national minorities under the monstrous fig-leaf of building the *Hindu Rashtra*.

However, such a strategy comes at a high price. First, a permanent domestic civil war against national, ethnic and religious minorities as well as against the working class inevitable provokes political

⁴³ Suyash Desai: Approaches to Indo-Pacific: India and US, 2019-07-22 https://www.asiatimes.com/2019/07/opinion/approaches-to-indo-pacific-india-and-us/; Rupakjyoti Borah: Not the US, not China. India holds the cards in the Indo-Pacific, 12 Jul, 2019 https://www.scmp.com/week-asia/opinion/article/3018184/not-us-not-china-india-holds-cards-indo-pacific; Pepe Escobar: Russia-India-China share a room with a view. 2019-06-29 https://www.asiatimes.com/2019/06/article/russia-india-china-share-a-room-with-a-view/

tensions, sharp class struggles and armed resistance. It will furthermore provoke military conflicts with powerful states.

Second, as contradictory as it might sound, Modi's aggressive chauvinist policy is in reality a highly defensive conception. Due to its backwardness and its inner contradictions, India's ruling class is forced to focus all its resources to consolidate its domestic rule. A strategy of civil war from above against national and social minorities will only increase this. Against such a background, any hope for India's bourgeoisie to transform the country into an imperialist power is completely doomed. India can not overcome its status as a semi-colonial Intermediate Power.

We think that a revolutionary strategy for Marxists in South Asia has to take into account these multiple features of India's capitalism which we have outlined in this brief analysis. They constitute the basis for the application of Trotsky's program of Permanent Revolution in the current period. Trotsky, Lenin's most important collaborator in organizing the socialist October Revolution and later the founder of the Fourth International, emphasized that the democratic tasks – such as the oppression of nations and lower castes – can only be resolved by the revolutionary struggle of the popular masses under the leadership of the working class vanguard which results in the expropriation of the bourgeoisie and the establishment of a workers and poor peasant republic.

"With regard to countries with a belated bourgeois development, especially the colonial and semi-colonial countries, the theory of the permanent revolution signifies that the complete and genuine solution of their tasks of achieving democracy and national emancipation is conceivable only through the dictatorship of the proletariat as the leader of the subjugated nation, above all of its peasant masses." ⁴⁴

Indeed, only a broad alliance of the workers, poor peasants and oppressed nations fighting for the socialist revolution can ensure the destruction of India as a "prison house of nations and lower castes"!

The RCIT and its comrades in South Asia look forward to collaborate with other revolutionaries in order to elaborate such a program and to build a party in India as well as internationally. Because without such a party, the workers and popular masses cannot organize a socialist revolution and liberate themselves from the shackles of exploitation and oppression!

-

⁴⁴ Leon Trotsky: The Permanent Revolution (1929), Pathfinder Press, New York 1969, pp. 276