

Eötvös Loránd University
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Thesis-Summary

(Tézisek)

by

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“The Entrepreneurial Origins and Evolutions in the Indian Local Government
Systems in the 19th and 20th centuries”

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1. The topic of the dissertation

This dissertation is about how state authority is formed and managed at the lowest level of the State structure in the 19th and 20th Centuries India; and how it is used for the purpose of organising society in its multiple aspects; the entrepreneurial approach to this authority creation. The main thrust of this study is to see if the nominal state structures correspond with the real process of authority creation over three specific periods at the local level: the rule of the East India Company with a back drop of what existed before; the British Crown rule and finally Native rule after 1947, until the final decades of the 20th century. Political consolidation at the primordial level, a level where the productive forces are gathered, was a perennial problem that confronted political regimes of all kinds. This Doctoral dissertation tries to explore the various reasons why a rational local government structure failed to be constructed in India.

At the turn the 18th century (around the year 1800 A.D.) the subcontinent is in the clutches of an elusive force, which opposes to all change, reform, progress or the advance of civilisation. This force is neither political nor administrative, it is a force that stays hidden at arms length behind the nominal structures of state - this is the Brahminic Order. This economic force, clothed in a pseudo spiritual dogma, does not accept defeat; all set-backs are temporary before it redefines its move ahead. It does not distinguish between white or brown, it does not distinguish between tyrannical dictatorship and democracy; where chaos is prized over civilisation, life and death were but a continuous cycle of enslavement. For it the State is but one of the many caste guilds, it is a trade like any other trade which has to fall in line with a hierarchy ordained by the Brahminic Order. The quest of this order was the perpetual quest to totalise power over society and reduce the State to a role of a mendicant, relative to its own position.

Opposed to this dark force of universal deceit and omnipresence of everyday tyranny was a company, the East India Company which was diametrically opposed to all what the Brahminic Order stood for. In its cradle it experienced the same treatment from the British Aristocracy (henceforth called the British Crown). Its history is made up of struggles with a British State which was identical and functioned in a similar fashion to the Brahminic Order; evacuation of resources from the State structure was the name of the game with a constant pressure to shift social and economic responsibility to others. This aristocracy was as parasitical in its nature as was the Brahminic Order. To survive in a chaotic world of political struggles and disorganised trade of high seas, the Company became emphatically Republican

in its structure. In its dealings it knew no racism, no social barriers, and no classes; and was perpetually open to scrutiny through the system of 'joint-holding' company. And it should not be forgotten that this gigantic organism, which entertained a diplomatic network far wider than any European power, knows what it means to give satisfaction to its customers, its investors and millions of its commercial partners, from a humble hand-loomer to gilded banker. In short it knows how to produce value by bringing together a wide variety of economic players. It perfects a model of organisation and waits patiently.

At the beginning of the 1800s therefore two forces clashed, with two very different conceptions of administrative order and duty to the community. For the Brahminic Order the society is geared to serve its particular interests. While, until the double coup d'état by the Brahminic Order and the British crown in 1857, the East India Company battled on different fronts. In this fight and endeavour to make administration a temporal instrument of order and fair play, on the road to economic development and self-realisation, the East India Company makes a systematic, methodical and relentless effort to put the people back on the administrative agenda. For the first in the history of India, the people, the way they lived, their everyday preoccupations, all became a concern for the East India Company.

Perceiving an evident absence of State and Government in the eyes of the people, the Company decides to take the government to the people. The specially trained District Collectors are obliged to be on tour for a big part of their time. They had to be on horseback and pitch their tents close to the villages and converse with the people; to get a first hand knowledge of their problems and do everything to give them confidence. The Company went as far as cultivating opium to reduce the taxation on the peasants, because the peasantry was in a very bad shape after native rule. These Collectors became the human constitution. All this was not done as a charity. The logic of the Company was that if it gave satisfaction to the masses, then, on the long term, there would be every reason to keep the Company in place as the chief administrator. While the Brahminic Order strives towards monopolistic tendencies by constantly integrating opposition under its domination and perpetuating the same asphyctic system, the Company does the opposite.

The East India Company uses its monopoly to permeate temporal values of administrative efficiency; progressively weeding out tyranny and inconsistencies to help the productive forces to gain confidence in their everyday ability to create wealth, after a Maratha domination that had reduced the country to rubble. Standards and measurements were strictly maintained so that small trades could prosper. The Company went as far discouraging British imports to protect these trades. In short the East India Company becomes 'nationalistic' in its

economic preferences, because increasingly the Company is 'Indian' on the ground. It invents import substitution to avoid a leakage of bullion. While the Brahminic Order increasingly becomes British in its preferences, in its life styles, in its manners and in its outward aspects.

The British State, which was aware of the fire power of the East India Company and the superiority of its economic model, identifies the Company as a potential danger to its own economic model of perpetual burden-shifting. If the Company succeeded in reinvigorating and turning India towards exporting, then the whole model built on pumping emigrants to the Crown Colonies and selling them British products would blow apart; with catastrophic consequences for British power in Europe as well. Let us not forget that at the end of the Napoleonic wars the British state was on the verge of bankruptcy. What was more damning was the 'functionally' republican model that the Company was promoting on the Indian soil, initiated by rebellious elements like Warren Hastings. In the perception of the British government, this would set a dangerous precedence against aristocratic rule. The United States was lost. Revolutionary France was sending continental Europe into flames. The Company had to be stopped before it could do further damage to British prospects in Asia.

The British Crown always identified itself more with the 'leading classes' or traditional structures of governance than with the structure put in place by the East India Company. Even before 1857 the British Crown constantly tried to force the hand of the East India Company to make a place for the Brahminic Order. Whenever they could, the 'leading classes' and the Brahminic Order petitioned the British Parliament to arbitrate between them and the Company; and the Crown most certainly came down in favour of the Brahminic Order because this accommodated well with its own plan to create a class sympathetic to the British interests and British goods. When it took direct control, the Crown undertook a systematic approach to replace what the Company had done, by the Brahminic Order and the Leading Classes. The District Collectors and the Revenue Board, the remnants of the Company times, opposed ferociously to save the District. The consequent weaknesses of the district were reflected in the economic performance that slipped into an endless sequence of famines and mismanagement. But the Crown had no concern for the peasants; its aim was to create an urban class to consume British goods. It uses the District to keep a cap on the discontent in the rural areas. By reversing the policies of the Company it had created the conditions for its own eviction. The Company had created an administrative structure which was light and efficient, while the Crown had transformed it into a heavy machine of 'resource evacuation' that had difficulties adapting to the needs of the country. The British Crown could no longer make a secret of its parasitical existence in India.

The heritage of the British Crown in 1947, at the time of independence, was very heavy because it was loaded with a regenerated Brahminic Order, the over confidence of a Punjab and Bengal nurtured by the British power, desperate to find sturdy allies in the Subcontinent. All the ingredients for the explosion of the country were there, even after partition. Only one man could save the day and it was not Gandhi, he was too dogmatic, it was Jawaharlal Nehru. He is the only one that knows the future India; others only knew their particularised interests. To keep this India, keep his dream alive, he had to make many compromises, appease renegade forces of the past.

A political conception of his India is denied to him by the leader of the Dalit movement, Dr. Ambedkar, who went on to write the Constitution of free India. He considered the Village Panchayats (village governments) as bastions of social conservatism and was not willing to give them any power. And as a result, Local Government gets only one sentence in the Constitution of 1950. Determined to plough through, Nehru puts all his hopes in the economic Plans (Five Year Plans) to translate his dreams into reality. But as he had feared, the Bengalese and the Punjabis never gave-up the hope of dominating the country; one by the Communist ideology the other by a functional domination of the state structure. Nehru is thus forced to disengage himself from his 'rural dream' to continue the path paved by the British Crown, in favour of the urban middle-classes and the resurgent feudal elements. The fate of the local institutions looked sealed, and even the demolition of the District was considered. A giant in the international arena, Nehru becomes a dwarf at home. Nehru dies a bitter man as far as local institutions were concerned.

Indira Gandhi, who takes on the baton, is the only person that knows her father's experience, his struggle to govern and control a system that escaped all attempts of apprehension. She does not understand why he, with so much love of the people, with so much charisma, succumbs to the fatale spell of the system. She decides to confront the system by giving the people all economic support to emancipate and she makes the District the guardian of this emancipation. Never in the history of India did the people receive so much from their government. The people worshiped her as an incarnation of hope. Her leadership was marked by a massive erosion of the feudal power. In her fight to give her people a chance, the period of Emergency (1975-1977) was only a side show. In spite of a big part of the elite going against her, the people give her a massive mandate in less than three years after her forced resignation; she thought democracy at the local level was the duty of the State and it worked for her. What irony that such a colossus should fall to the bullets of Punjabi fundamentalists.

Her son Rajiv Gandhi wanted to complete what his mother had begun. He wanted to build a coherent state structure to make local democracy a real vehicle for the wishes and aspirations of the people to pass to their rulers. For him, without local democracy there was no real democracy in the country. He also came to the conclusion that political power was still as fragile as in the time of Ashoka the Great. The two layers above the local level were but 'paper tigers' as he chose to describe them. With a mathematical punctuality he too faced a tragic end. The leaders who followed made a 'creative' transition through a balance of payments crisis in 1990-1991 to wipe the table clean and establish nominal political structures at the local level that would soon take the country back more than a century, to the time when the Crown took over from the Company in earnest.

These structures were nominal and became a way to leverage pork-barrel politics to keep the rural areas under the spell of quick gains, leading to the commoditisation of democratic empowerment. What Jawaharlal Nehru, Indira Gandhi and Rajiv Gandhi wanted as a counter power to feudal pressure and the Brahminic Order became a commodity. Indira Gandhi repeatedly said that intentions do not count, what counts is the results on the ground. Almost two hundred years after Warren Hastings, Indira Gandhi succeeded in doing something that few leaders had succeeded, in feeding her people before they could make their democratic voice heard. Indira Gandhi was a rare leader like Warren Hastings, but this does not mean that Local Government had no future in India; on the contrary, the path to its future is traced, it was part of her heritage. Warren Hastings had decided that tinkering would take him nowhere and so did Mrs. Gandhi. Both knew that in the absence of strong political power or political consensus among the governing elite, administrative pillars have to be strong to hold the weight of the edifice.

2. Conceptual Framework

Simply put, a conceptual framework is a set of information and thoughts which are interrelated; it allows us to situate knowledge of a particular theme or subject. It is a stock of organised information that acts as a basis further reflection on a particular theme that can take place. Local government is interrelated with local administration, about the state's organisational capacity to implement the political objectives and manage the individual needs of the composing members of society. The State might delegate its governmental and administrative tasks to intermediate bodies, in which case the main sub-level actors have to be considered. In this particular context all the important actors, in the period considered, come

from different backgrounds: we have a Brahminic Order which nominally is a pseudo-religious force leaning heavily on a predisposed social system (caste system); we have a British Crown represented by feudal preoccupations; we have an East India Company which is obsessed by organisational efficiency to retain its economic viability; and finally we have an Indian village which is oppressed into a 'communistic' form to survive and uphold a parasitical hierarchy above. The thesis makes 'entrepreneurialism' the common denominator to bring all these various strands and influences together, to make them into a coherent ensemble.

All these elements battle to survive, keep their position and if possible increment it. The struggles take place at the local level because the economic intensity is there, the productive level is there. This local level of the state-structure also becomes a sort of 'clearing house' where each one tries to convert its influence to gain political and economic advantage. The Brahminic Order, which has a social and religious hold on a population which is uneducated and susceptible to manipulation, uses its base to attain overall supremacy. The British Crown has a feudal conception of the empire and wants to impose feudalism at the local level in India and is fundamentally against all risky administrative innovations. On the functional side, we have a commercial Company which had identified its organisational capacity and does everything to use this talent to impose itself in whatever it deals with. Underneath all this positioning we have a village constantly insulating itself from the outside influences, not because of any particular ideology or advantage, just because it wants to survive. All these efforts have an entrepreneurial expression because each of these actors tries to leverage its power to attain something which is greater than the immediate means at its disposition.

3. Results and original contribution

The contribution of this doctoral thesis to the field of historical investigation and evaluation of India's History is manifold. It starts by showing that the dialectic of colonialism in the context of 18th Century India and onwards is multi faceted. It tries to go beyond the simple 'easiness' of opposing the British Colonial power on one side with oppressed Indian population on the other side. The thesis provides the analytical tools with which one should probe deeper to isolate the authentic lines of demarcation. By introducing economic and administrative aspects to the interpretation, this study was able to isolate four distinct actors among others: the Brahminic Order, the British Crown, the East India Company and the

Indian Village. From here, a pattern of relations were isolated to distinguish two camps: the parasitical entities and the productive entities, and further forces of conservatism and forces of change. This thesis thus goes on to explaining that colonialism was not a *dialectic* of native versus foreign forces, it was multifaceted. The study was therefore able to explain why institutional development and local government in particular have difficulty laying roots in the Indian soil although regimes changed over time. Although nominally everything might look neat and pristine nothing is what it looks to be. This thesis tries to provide the beginnings of an analytical model to understand the history of modern India as opposed to a sequential model.

This thesis goes to demonstrating that in a country like India, where social and cultural divisions are abound, political and administrative authority of the state cannot be diluted. Nowhere is the 'Hobbesian' monopoly of state authority more needed than at the local level because of the intricate connection between social hierarchy and feudal pressure at this level. In the absence of this state monopoly over the administrative structure, the whole apparatus gets splintered, with the risk of each of these parts appropriating state authority to serve its own interests, to cement the social divisions established and entertained by the Brahminic Order. What the splintering and dilution of state authority does is to play into the social trap set-up by the Brahminic Order. As the power of the temporal State structure weakens or diminishes then the Brahminic Order automatically fills up the vacuum. And once this happens, the political state begins to becoming a shell controlled by a pseudo socio-spiritual entity. And when this happens, all attempts to impose reform or change become futile. Suffocation, more suffocation...always suffocation, was repeated with an unending reincarnation. The momentary ideology of the state remains on the surface, without a realistic consequence to the subterranean forces of the community and society at large.

This is what Ashoka the Great, very quickly in his reign, realised as he endeavoured to expand his empire. This is what the Mogul rulers realised, as they tried to hold together an anaemic and splintering empire. A frustrated Aurangzeb made a last-ditched attempt to save the empire by making his rule more autocratic, but it was only a stir in the tea cup. A trading company from a far away land realised that the whole society was coming under suffocation and there was nothing for it sell. Rather than folding camp and sailing back home it tried and succeeded in curtailing the advances of the Brahminic Order by applying the same techniques. The East India Company created the District and made it into the temporal bastion of state reach and state power. In every object and aspect of state the Company brings temporality to scale back the devastating influence of the Brahminic Order. Structural efficiency is its only

ideology, because only that can bring relief to the much oppressed people and largely depressed economy.

The combined alliance of the Brahminic Order and the British Crown brought the 'Honourable' Company to its knees but the District outlived, by proving its functional and entrepreneurial value. The reconstituted feudal lord tried to twist Nehru's hand to destroy the District, leading to a gross-mismanagement of the economy and the collapse of a moral colossus. Like the East India Company, Indira Gandhi clearly identified the enemy of temporal rule. To push back this encroachment she gave unparalleled powers to the District, leading to spectacular results. As it could be expected she became the enemy to destroy. Her son, Rajiv tried to take her fight a step further but he too succumbed, taking with him the hopes of millions. Narasimha Rao and Manmohan Singh, who followed, re-prepared the ground for a massive splintering of the State authority at the District level, by reducing the overview of the District in favour of 'voluntary organisations' and 'Consultants.' This prepared the return of the Brahminic Order to the helm with an unprecedented leeway; the consequences are yet to be seen. Here a historian's experience can be prized above all other instruments of analysis. While others could aimlessly point to this or that immediate reasons for the turn of events, a historian has the advantage of knowing the full cycle, the pattern, he need not calculate the probabilities of this or that eventuality; a way twice trodden becomes a path to be recognised as such. The agents of political power might be radically different from one and other, but as far as they walk the same path, a historian has the tranquillity of mind, of knowing where the path will lead. What is interesting is that for more than two hundred years, an administrative unit created by a commercial company continued to play a central role in the history of India.

4. Acknowledgements

The opportunity to do research, put one's thoughts together and write the dissertation is an individual effort, of hours of self-imposed solitude and persistency. It is also an effort by the research community of a university that nurtures and guides the researcher in a very practical and vital manner. When I arrived at the Eötvös Loránd University I was foreign to everything. To my great happiness, I very soon felt at home. Professor András Balogh, who was about leave to become Hungary's ambassador in Thailand, took time to advise me on how to go about with the preparations. As for the Department of Modern History it soon became my home as it had been earlier at Oxford where I did my A-levels; The University of

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Tézisek

BYRAPPA Ramachandra

Doktori (PhD) disszertáció

“A vállalkozói szemléletek eredete és ennek fejleményei az indiai
önkormányzati rendszerben a 19. és 20. században ”

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1. A disszertáció témája –röviden (részletesebben az angol nyelvű tézisben)

A doktori disszertáció témája, hogy a 19. és a 20. századi Indiában az állami hatalom hogyan képződik az önkormányzati rendszerrel együtt, és ez a hatalom hogyan lett használva a társadalom szervezésében. A fő iránya a tanulmánynak az, hogy a nominális struktúrák hogyan igazodnak a tényleges hatalomhoz három időszakban, vagyis a Kelet-indiai Társaság, a Brit Korona és a függetlenség utáni időben. A tanulmányom képet akar alkotni arról, hogy miért nem alakult ki egy ésszerű önkormányzati rendszer Indiában. A disszertációhoz tartozik az is, hogy a szereplők hogyan használják a vállalkozási módszereket saját céljuk eléréséhez.

2. Fogalmi keretek

Egy hatalmi káoszban, vagy egy változó helyzetben célszerű vizsgálni minden olyan fontos szereplőt, akik az állami hatalom megszerzésére törekednek, vagy akik beleilleszkednek saját céljaik eléréséhez. Ez a folyamat rávilágít a vállalkozási szellemre. Két fajta vállalkozói törekvést érint a tanulmány, a pusztító struktúrákat és a konstruktív alapokat, illetve ezeknek a hatását az önkormányzat hosszú távú fejlődésére. Ezeknek a szereplőknek a számát a tanulmány hatékonysága érdekében négyfelé osztottam: a Kelet-indiai Társaság, az indiai falu, a brahmin rend és a Brit korona. Ennek a négy szereplőnek a hatalmi játszma az önkormányzati rendszer folyamatára csapódik.

3. Eredmények

A doktori disszertáció igyekszik kilépni a duális gyarmati dialektikából. A kolonizációs beavatkozás multidimenzionális és nem idegenek és helyiek harca- több szálú és több rétegű. Az adminisztrációs és gazdasági folyamatok szálainak kibogozása azt mutatja, hogy voltak igazi ellentétek a Brit Korona és a brahmin rend (helyi elit) között. Érdekes módon nem léteztek ellentétek az indiai falu és a Kelet-indiai Társaság adminisztrációs káderei közt. A tanulmányom egy magyarázat arra, hogy az indiai adminisztráció, a gazdaság és az állami rendszer miért fulladt ki időszakosan. Feltűnő volt számomra, hogy a brahmin rend még jobban terjeszkedik akkor, amikor az állam és a társadalom gyengélkedik. Minden arra mutat, hogy a nominális állami struktúrák lehetnek racionálisak, de felületesek maradnak, így bármiféle reformot akar végrehajtani a központi hatóság, csupán próbálkozások maradnak. Csak a Warren Hastings és a Kelet-indiai Társaság által létrehozott területi egység -„District”- maradt talpon, ami történelmileg egy vállalkozás funkcionális, rendteremtő eszköze. Racionális önkormányzati rendszer hiányában az egész indiai állami rendszer veszélybe kerül, ha gyengül az alapot adó „District”.