Most theories of globalization have as their point of reference experiences in the developed world, thereby confining the debates to time-space compression or distancing for example, or to quarrels about whether the world is becoming homogenous or heterogeneous. Such theoretical efforts are indicative of both the preoccupations of metropolitan academia, and also the lack of a cohesive theoretical thrust from the leftist intellectuals which takes into account developments in contemporary forms of global capitalism. The sometimes contradictory ways in which the diverse effects globalization are experienced or utilized in different parts of the developed world have come to academic and theoretical attention only very recently. Considering that the majority of the established canon of literature on the subject has been written by academics in the West, this is perhaps not surprising. However, as indicated in the assumption that globalization is merely an extension of Western norms of modernity to the developing world, the almost total absence of any attempt to tackle the long-standing relationship between the West and the rest is worth noting, as is the similar neglect of social movements in several parts of the contemporary world which question the values underpinning aspects of globalization, and by doing so challenge the legitimacy of Western dominance (Marfleet, 1998, p. 69).

This article is an attempt to begin the process of addressing this theoretical lacuna by bringing into sharper focus three significant aspects of contemporary India: the rise and political legitimation of religious fundamentalist nationalism, the growing popularity (if not influence) of social movements, and the much celebrated software industry which is emblematic of the apparent ‘forward thinking’ entrepreneurship riding on the crest of the Indian government’s economic ‘reforms.’

Linking these apparently disparate spheres, it will be argued, is the orthodoxy of neo-liberalism; in other words, interpreting such developments is well nigh impossible without taking into account theories of global economy and the power relations within contemporary global society engendered, among others by information technology. As Gill (1990) has pointed out, “the prevailing orthodoxy of the ruling forces is based on the doctrine of economic liberalism, with its stress on efficiency and competition and the primacy of the private sector in economic and social life” (p. 292). Such a “transnational historic bloc,” he argues, “is rooted in material as well as ideological structures which have global reach, and which are strongly associated with the political programme of transnational capital” (p. 293). Given the conditions of contemporary global capitalism, classical theories of imperialism appear anachronistic, and need to be modified to take into account the transnational nature of the capitalist interests. This is not the place to enter the debates concerning the role of the nation-state, whether or not it can be said to play any meaningful role in a globalized world. To discard the
Software Industry, Religious Nationalism, and Social Movements

Notion of imperialism completely however, is to miss the point, as well as the opportunity to engage with issues such as for whom is the world shrinking? How does one address the constitution of the global elite, those who champion the cause of and benefit from the "pathways of global capital" (Dirlik, 1994, p. 63), those with the freedom of movement across national borders, a state of affairs which makes Bauman (1998) claim that "rather than homogenising the human condition, the annulment of temporal/spatial distances tends to polarize it" (p. 18). The questions which require to be addressed, as a pre-requisite to revising classical theories of imperialism, include those more relevant to the theme of this conference: mainly, what are the relations of power within information-society, inherent in its relations of production? and what are the social, political and economic repercussions of information capital for those in the margin, especially in the developing South, who are not participants in or members of the information society?

Apart from the links between global capitalism and separatist movements, this theoretical venture will seek to contribute to debates concerning cultural imperialism, or what is sometimes known as neo-imperialism, which at the moment are mostly restricted to opposing camps supporting either the notion of ownership and control of media technology, or the idea of the semiotic democracy of audience consumption and interpretation. I have argued elsewhere for a reassessment of the criteria of this debate (Harindranath, forthcoming). This essay will seek to reinforce the argument that a proper investigation of cultural or neo-imperialism must include an estimation of the 'local' sites of economic and political power within the context of global capitalism. In many ways the present essay constitutes preliminary attempts at connecting the (disparate) material and political conditions of the developing world (in this case, India) with the global spread of neo-liberal ideology. The argument therefore should be considered as work in progress, more speculative than final. Before going into the main arguments, however, a caveat: the phenomenal growth in IT training and software development in India is treated here as indicative of the changes in Indian economy and society resulting from the economic 'reforms' of the early 1990s. In other words, while the following section explores the dimensions of the information technology revolution in India within the context of globalization, it is to be considered as symptomatic of the trans-nationalization of capitalism and its consequences such as international division of labour, polarization of local populations into those who are part of global capitalist development and the majority of the population in the South who continue to be marginalized, and the creation of a global elite which calls into question older forms of analysis which split the world into imperial powers and exploited regions.

Software Development and Disorganic Capitalism

In recent years India has become one of the centres for software development, an industry actively encouraged especially by regional governments in the south of the country, with its own 'Silicon Valley' in Bangalore. It has been noted (Heeks, 1996) that the much vaunted Indian software industry is geared more to meet export demands than to contribute to the domestic market: "there has been an overwhelming preoccupation with software exports to the detriment of a viable domestic software industry" (Kohli, quoted in Heeks, p.72). The major growth in the industry took place in the period between the mid-1980s and the mid-1990s, when, according to government of India economic surveys, the balance of payments deficit remained high despite (or because of?) economic liberalizations. The effects of liberalization on the software industry itself is mixed: the loosening of import restrictions, for instance contributed to the increase in net foreign exchange outflow during the late 1980s, although the net software export earnings grew steadily subsequently, closing the gap in the deficit in software trade (Heeks, pp.78-79).
Two aspects of the software trade ought to be noted here, both identified by Heeks (chapter 2). Firstly, given that a significant proportion of India’s export of software development is carried out ‘onsite’ for the client, rather than offshore in India (75 and 25 percent respectively), contributing to an international locational division of labour. Providing work onsite has the advantage of not having to deal with expensive hardware, but discourages the building of a technological infrastructure in India. Secondly, a majority of customer services provided by Indian companies is relatively less-skilled programming, rather than systems analysis or design, creating an international skill division of labour, which inhibits the development of higher skills or product innovation in India. The nature of the relationship with the overseas client (often compounded by the fact that several Indian software companies rely exclusively on the contracts of one overseas company) makes Indian software workers susceptible to changing labour laws and political climates.

The locational and skill-based division of labour, is expressly maintained by multi- and transnational companies, drawing labour from the peripheries and in the process creating a labour force across developing countries competing for work. As Sivanandan (1982) explains, the labour polarization and migration is an extension of imperialist relations: “multinationals had already moved into these countries [in Far East and South Asia] by the 1970s and some industrialization was already under way. What accelerated that movement, however, was the tilt to cheap labour, as against a developed infrastructure, brought about by revolutionary changes in the production process” (p. 150), changes engendered, among others, by new information technologies. Ironically, the emphasis on export facilitated by the economic ‘liberalization’ in countries like India, under the auspices and active encouragement of international institutions such as the World Bank, has resulted in the concentration on goods and services driven by low wages, as for instance in the case of India’s software industry. As Ahmad (1996) notes, however, such transitional gains are at the “expense of balanced social and economic growth, since lopsided investment concentration in export-oriented sectors necessarily involves withholding investment from areas of domestic economy that might enhance mass purchasing power” (p. 45). This can be seen in the phenomenal growth of the economic and social power of a newly emergent middle class in India, while the rural population and the urban working class continue to be neglected. The social consequences of this have been enormous, as will be discussed later in this article.

To Sivanandan, capitalism in the periphery is ‘disorganic,’ resulting in increased poverty and repressive regimes; and capitalism in the silicon age compounds these ills. “They [the peripheries] have not emerged into capitalist production but been flung into it .... Whereas, in the centre, the different aspects of capitalism (economic, cultural, political) have evolved gradually, organically, out of the centre’s own history, in the periphery the capitalist mode of production has been grafted on to the existing cultural and political order” (Sivanandan, 1982, pp. 157, 158). The consequence of this unnatural, unorganic ‘superimposition’ of capitalist culture and economy therefore, is ‘disorganic development.’ By his reasoning, the economic struggles in the peripheral regions confuse the formal lines of class, manifesting in other forms of mass movement, sometimes religious, at others sectarian, not necessarily class revolutions. We will have occasion to return later to mass movements in India.

On one level, it is difficult to disagree with Sivanandan’s attempt to understand the present conditions of global capitalist production, and the relations of exploitation generated by new technologies. His basic premise is that it is a continuation of colonial forms of exploitation, intensified by recent technological revolutions, and by labour migration between peripheral regions themselves. The crucial point to note here is that it is no longer necessary for capital to import labour, since “it can move to the labour pools of the Third World, where labour is captive and plentiful –
and move from one labour pool to another, extracting maximum surplus value from each, abandoning each when done” (Sivanandan, 1998/9, p. 8). Sivanandan’s argument echoes Amin’s (1977) thesis that the principal site of capitalist exploitation of labour has moved from the centre to the periphery, and that consequently the site of class struggle has also moved to the periphery, “where capital is at its rawest and most extravagant, the struggle may not be just class but mass” (Sivanandan, 1998/9, p. 8).

As an argument for the consideration of the present stage of global capitalism in terms of the structures of unequal or uneven development in the peripheries, Sivanandan’s thesis is an impressive demonstration of the continuing validity of the centre-periphery distinction. It provides the foundation for the analysis of the political and social aspects of global society, and with it, the role of new technologies of communication in the legitimation and maintenance of neo-liberal ideology. As Ahmad (1999) notes, however, Sivanandan’s thesis — perhaps as a reaction against the emphasis on the ‘semiotic’ by Stuart Hall and others — is almost exclusively predicated on the economic: “Technological change facilitates, but it does not determine. The economic is surely the base, but the actual balance of force among contending classes and class forces, in any given ‘conjuncture,’ is determined not merely by the economic but politically and historically” (p. 14). Secondly, in emphasizing the continuing exploitation of the peripheral regions, Sivanandan reproduces earlier conceptions of imperialism. Is it still valid to think of Europe and North America as the capitalist ‘centre’ benefiting from the exploitation of the other parts of the globe, especially in the context of the “decentering of capitalism nationally,” the “transnationalization of capital [whose consequence] may be that, for the first time in the history of capitalism, the capitalist mode of production appears as an authentically global abstraction, divorced from its historically specific origins in Europe” (Dirlik, 1994, pp. 49, 51)?

Within the confines of the themes of this essay, the essential features of the software industry in India, and the various divisions of labour and global — local relations it highlights, can, on the one hand be considered in the context of global economy, in which multinational companies have the pick of low level skilled programmers across the globe. On the other hand, in order to locate these developments in broader social and political contexts it is necessary to firstly, address the issue of nationalist politics and secondly consider the various oppositional movements which seek to challenge both the national elite as well as global forces.

The Politics of Ethnic Nationalism

Globalization theorists who depict neo-liberalism and economic reforms as enabling the free flow of capital — and by implication, the free reign of the market — perceive the resulting economic forces as having the power to erode traditional inter-state boundaries and borders (Ohmae, 1995). Such perceptions of the power of market forces weaken the nation-state not confined to those celebrating liberalism, but also includes those who are broadly critical of the ideology of the market, and to whom the powerlessness of the state, especially in the South, is further indication of the inexorable logic of global capitalism and further cause for concern. To the latter, the spread of transnational corporations, in tune with global institutions, has contributed to the restriction of policy options of national governments in the developing world. As Weiss (1997) argues, such “globalists therefore predict the convergence on neoliberalism as an increasing number of states adopt the low-taxing, market-based ideals of the American model” (p. 4). Whereas Weiss wants to present an alternative, more optimistic argument highlighting “the adaptability of states, their differential capacity, and the enhanced state power in the new international environment” (Weiss, 1997, p. 4), I want to present two theses with different explanations for the rise of ethnic nationalism particularly in Asia and Africa. These expla-
nations not only demonstrate the relatively Eurocentric nature of many of the globalization theories, as mentioned earlier in this article, but also underline the relationship between political and economic power in the peripheries.

To return to Sivanandan for a moment, one of the main aspects of the present conjuncture in the history of global capitalism that he identifies is the "technological revolution which has given virtual primacy to information as the chief economic resource, freeing capital from the exigencies of labour and allowing it to roam all of the globe on the back of free market economics and neo-liberal ideology" (1998/9, p. 9). Rather than withering away, however, the state according to Sivanandan acts in concert with corporate capital — "businesses are in the business of government and governments are in the business of businesses and, together, they are killing off whole populations" (1998/9, p. 9). Under the rhetoric lies the claim that the national ruling bourgeoisie is complicit with transnational capital, acting to remove any restrictions to it. It ought to be noted here that this complicity of the national (local) elites is a crucial issue often ignored by the debates concerning cultural imperialism. which considers non-Western ethnic or national cultures as unitary and whole, and consequently the argument is confined to the influence of Western media on representative audience samples, as for example Liebes and Katz (1993). Moreover, to examine imperialism — media, cultural, or technological — as restricted to ideologies and ignoring the economic aspects which underlie them is to merely nibble at the surface, and is one of the reasons why the debates about cultural/media imperialism remain split into two seemingly irreconcilable camps.

What is important in the context of the present article however, is the co-option of the local ruling elites into the exclusive club of the international bourgeoisie as one of the direct consequences of globalization and the adoption of neo-liberal policies. The weakening of the power of the nation-state therefore is not in spite of the efforts of local elite, but through their active participation. As Sivanandan argues, the removal of import restrictions and the privatization of public utilities free up the nation-state for the corporations: "now the national cannot call the state its own. Whatever the form of government in the Third World ... the state is in hock to TNCs and their agencies" (1998/9, p. 11). Amin (1997) makes a distinction between on the one hand, the role of the national bourgeoisie in the nation-building exercises during independence movements in the late 1940s and 50s, when the global market was international than global, and on the other, the rise of ethnic politics in contemporary Asia and Africa whose backdrop is the recomposition of national systems of production into global systems, and the "utopians of administering the system by means of unilateral submission to the so-called regulation of the market" (p. 67).

The consequences of such complicity of the national elites with transnational capital have been profound. With regard to the power of the state itself, not unlike Weiss's questioning of the notion of the retreat of the state in the face of growing globalization, Ahmad (1996) claims that the "new national bourgeoisies, like globalized capital itself, want a weak nation-state in relation to capital and a strong one in relation to labour" (p. 47). The indigenous elite, in other words, support economic liberalization and the opening up of the avenues for collaboration with TNCs, but at the same time are happy to utilize domestic conditions of production such as cheap labour and the local infrastructure. To Ahmad this structural dialectic of the penetration of capital and the simultaneous intensification of the nation-state produces contradictory effects in realms of culture and ideology .... Those same saffron yuppies who are opening up the Bombay Stock Exchange and the computer industry of Bangalore for foreign capital organize their own lives around the fetishism of commodities bequeathed to them by advanced capitalism but are also the ones
most vociferous in propagating the discourse of authenticity and cultural differentiation in the name of ... Hinduism in order to forge proto-fascist nationalisms for the working people of their own nations (Ahmad, 1996, p. 47).

The ideologies of ethnic or religious exclusivity are thus seen to be acting in accordance with the economic interests of global capital, while simultaneously proclaiming national identity on the basis of cultural difference. The 'saffron yuppie' is evidently happy to live with the apparent contradiction between inventing the past to recreate religious fundamentalist ideology on the one hand, and on the other a celebration of scientific and technological advances, as indicated by the euphoria caused by India's recent nuclear tests, as well as by the reification of new technology. Both the nation and the state are thus necessary for capital - the former to 'wean away' the workers from progressive, anti-imperial forms of nationalism, and from forms of collective action, and the latter to ensure the organization of labour regimes, legal systems, and so on.

The arrival of new technologies in India, along with the burgeoning of the software industry and those aspiring to become part of the vast skilled and semi-skilled labour force for the industry, are therefore confined to the urban elite. While economic 'reforms' and liberalization have demonstrably contributed to the growth of indigenous companies and foreign collaborations, the most significant outcome has been the rise of a new entrepreneurial middle class (as opposed to the old one comprising mainly salaried government employees) who have become part of a jet-setting international bourgeoisie - a transnational class sharing similar economic, information and cultural capital. These are the new compradors, reaping the benefits of organizing the local labour force in collaboration with TNCs. These are the members of the 'network society' or the information society, having both the economic means as well as the technology to be members of a transnational community.

This community excludes the reserve labour force and the rural population in India (and in most developing countries). The main issue here is the increasing marginalization of the majority of the Indian population from the emergent middle class economy, as illustrated by the boom in the software sector. Does this indicate the presence of two different economies in India - one 'post-Fordist' driven by new technologies, and the other pre-capital and rural? And do these different economic systems engender differences in life-styles and value systems? Given this context, it is useful to ask, with Amin (1997) "why, in circumstances where capital is becoming increasingly internationalized, are the peoples of the world not responding to this by internationalizing themselves, that is, by affirming their class allegiance across national boundaries?" (p. 53). Amin attempts to analyze this development "from the standpoint of the movement of capital accumulation, which governs all contemporary systems, both local and global" (Amin, 1997, p. 53), and his emphasis is different from that of Ahmad's.

Amin's thesis regarding the differences between industrialization of the centre and the periphery is analogous to Sivanandan's claim that capitalist forms of production were thrust upon the developing world during colonialism: for Amin, the most significant difference between the two zones is that while in the centre the more organic development of industrialization, accompanied by colonial expansion, emigration, and Fordism enabled "the historic capital/labour compromise, eased by the reduction of the labour reserve" (1997, p. 57), the Third World by contrast had none of these advantages, resulting in the non-absorption of "the reserve of the rural and informal economies. "This is because competitiveness today requires production techniques which make such absorption impossible, and because the safety-valve of emigration does not exist" (Amin, 1997, p. 58). Without the ideology of national liberation which succeeded in bringing together multi-ethnic communities during the anti-colonial struggle, the presence of an active workforce
and an enormous labour reserve contributes to the emergence of centrifugal forces in the form of ethnic or religious fundamentalism. The national unity of the states in the peripheries is thus called into question: “In India, for example, the compradorization of the bourgeoisie ... has placed the unity of the state at risk. It has reinforced regional irredentisms, manipulated by cliques whose aim is to control local politics, and thrown into question the pan-Indian alliance of the ruling classes” (Amin, 1997, p. 70). As Ahmad (1996) argues, in India “political promiscuity has now become acceptable .... These alliances cannot give political stability since they are purely opportunistic and not based on any mutuality in ideology,” as demonstrated by the bizarre alliances between political parties of different hues in the elections being held in India now.

New Social Movements

Ethnonationalisms are not the only forms of collective movements in India. Along with the organized workers’ movements and labour unions are more semi-organized movements and spontaneous uprisings, mostly based on one issue, from caste to the building of dams. For Amin, the alternative to capitalist globalization is the recomposition of socialist perspectives globally, not the statist form of Marxist-Leninism, but the challenge of ‘new socialism’ which would be internationalist, and would “contribute actively to the recomposition of regional groupings capable of opposing the internationalism of peoples to that of capital” (Amin, 1997 p. 76). The oppositional movements in active in India are, as Omvedt (1993) argues, more social with economic connotations in their demands rather than primarily economic, since unlike working class movements, the emphasis is not on wage issues, or directly against the owners of property. Following an exhaustive account of the history and development (since 1972) of anti-caste, women’s, peasants,’ and environmental movements, she claims that “conventional ways of looking at the movements in ‘class’ terms have to be considerably rethought, and that they all are essentially movements of exploited sections in the same way that the “working class movement” has been a movement of the exploited” (p. 305).

To Omvedt, these social movements ‘re-think Marxism,’ challenging state power, and incorporating elements of both social and economic struggle. Their contributions are therefore twofold: they simultaneously confront the various dimensions of the state’s complicity with transnational capital while championing the cause of local struggles. As I have argued elsewhere, the academic significance of such movements has to be acknowledged in the way they challenge existing theories (especially ‘postcolonial theory’) which emphasise the discursive and the semiotic over the social and the historical (Harindranath, 2000). In the context of the capital – labour relations central to globalization, in which, as argued earlier, the labour in the peripheral countries compete for employment, labour’s traditional weapon of strikes appears to be weakened. This is where, according to Omvedt, single issue movements like the ones she describes provide the opportunity to challenge and in some cases, even undermine the hold of transnational companies in countries like India. Another supporter of new social movements, Sklair, echoes these sentiments: “where the TNCs have been disrupted to the extent that their hegemony has been weakened and even where, in some cases, they have been forced to change their ways and compensate those who have grievances against them, it has usually been due to local campaigns of disruption and counterinformation against TNC malpractices that have attracted worldwide publicity” (p. 299).

The balance of contending forces - the dominant classes, civil society, the military – bureaucracy -- that has contributed to the formation of India as a bourgeois republic sets it apart from even the neighbouring Pakistan, as Ahmad (1995) argues in his critique of Alavi’s (1972) conception of postcolonial state formation. The unique combination of bourgeois nationalists and peasant workers which made up the independence movements in
India under bourgeois hegemony was subsequently reflected in the postcolonial state, unlike in Pakistan, where "parliamentary democracy was never secure, communism never legalized, commitment to independent development never made, precisely because the state that emerged out of Muslim separatism had neither a developed national bourgeoisie nor an organized working class" (Ahmad, 1995, p. 19). India's new social movements need to be theorized against this background, as having evolved into social movements from, or in addition to organized unions. Their genesis, historical development, and political expediency need to be balanced with their potential for facilitating genuine change.

Some single-issue movements have now begun challenging the political power of the dominant classes by contesting in parliamentary and regional elections, as in the case of the Dalit movement forming a party, the BSP. In other instances, as for example the farmers' recent burning of imported foodstuffs, there have been 'grassroots' direct action against government policies. However, even in such instances these social movements and spontaneous uprisings "do not, like those of the industrial working class, take on capitalism head on" (Sivanandan, 1998/9, p. 16).

For both ethnic nationalism and the new social movements what is crucial is the presence of an enormous labour reserve which remains excluded from the main working force. As discussed earlier, there are historic reasons for the non-absorption of the rural reserve into capitalist production in the periphery. India's software industry, as symbolic of economic liberalization, has contributed to the further marginalization of the traditional working class and the rural population, as labour has become globally competitive, with skills determined by new technologies of production. Socially and economically, the new 'information class' in India is closer to the international bourgeoisie than to the majority of the local population. One of the consequences of this has been the undermining of any credible progressive national identity, which in turn has facilitated the development of ethnic/religious forms of nationalism on the one hand, and 'single issue' social movements which challenge the legitimacy of the bourgeois state on the other. In terms of theory development too, such consequences of contemporary forms of global capitalism are extremely significant, calling for a revised stance from the critical left which takes on board the horizontal divisions in global society. Older notions of cultural imperialism for instance, which merely reproduced the centre-periphery paradigm of earlier critical theory, need to be reconstituted, not so much as challenging the cultural imperialism thesis itself as including within its ambit such themes as 'flexible production' and the international division of labour, the rise of fundamentalist politics, grassroots resistance movements which are not merely resistant in terms of 'reading,' and so on. What is urgently required is an inclusive critical theory which is alive to the complex and truly global dimensions of transnational capitalism.

References


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