discourse and the rising ethnic tension in the country, ethnic identities of many people tended to get hardened. Such groups, in turn tended to get drawn into liberation movements which promised to promote and safeguard their interests within a separate state.

Thus, the forces of modernization as they evolved in Sri Lanka seemed to have reinforced the pre-existing primordial identities with education playing a critical role in cultural divisions. All this has contributed to the process of a pseudo-modernization in Sri Lankan context.

Note

(1) JVP, or the People's Liberation Front, emerged in the late 1960's as a distinctly rural, Sinhalese youth movement in Southern Sri Lanka. It sought to challenge all other established political parties with various ideological positions.

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CHAPTER 3
INSTITUTION BUILDING IN SOUTH ASIA: DILEMMAS AND EXPERIENCE

T. K. Oommen
Jawaharlal Nehru University, New Delhi, India

Implied in the very phrasing of the theme of this paper that we are *not* referring to institutions such as family, marriage, caste or similar other institutions which gradually evolve over a period of time. That is, we are talking about institutions of state and civil society which are to be built - to be deliberately inducted and sustained.

South Asian societies have many things to boast of as compared with ex-colonial states elsewhere - democratic states, independent judiciary, vibrant press etc. And yet, the crisis of institutions looms large in all of them and hence I shall focus on the dilemmas of Institution Building.

The space we are referring to is the Indian Civilizational Region. The temporal context is provided by the emergence of national states as successor states to a colonial state after the biggest and one of the longest anti-colonial struggles in history. In the colonial era anti-state mobilization was a legitimate collective enterprise, to attack state-related institutions was an act of heroism. However, there was no consensus about the nature of the anti-colonial movement.

The macro-holists believed that the anti-colonial collective action enveloped the entire population. The central thrust of this collective action was that everybody wanted to be emancipated from the subjecthood of the colonial state to the citizenship of the national state. In this view, the specific deprivations of particular collectivities as motive force for participation was relegated to the background. In contrast, the micro-nominalists emphasized precisely the specific interests of particular collectivities - the peasantry, industrial workers, women, youth, Muslims, Sikhs and the like. In this rendition, there was nothing like an anti-colonial struggle informing it of collective orientation enveloping the entire population. Each of the constituent elements plumbed for their benefits and improvements which in turn called for the creation of appropriate institutional mechanisms so as to effectively bargain with the colonial state (Oommen 1985).

If the macro-holists were 'mobilisationists' determined to demolish the colonial state lock, stock and barrel, the micro-nominalists were 'institutionalists' who bargained for wresting their rights, and entitlements from the colonial state. This contestation, posed the original dilemma of institution building for

South Asian States. I suggest that this tension re-surfaced in South Asian states after the initial short-lived euphoria about national states. The'nationalist' expectancy namely that the state will succeed in keeping the wide variety of primordial collectivisms under suspended animation to build the'nation' did not come through. Some became vociferous critics and others acute partisans of the state. In this process the possibility of building a set of institutions which have legitimacy in the eyes of all got eroded.

The second dilemma which borders on ambivalence may be situated in the evolution of South Asian civilizational consciousness. The anti-imperialist struggle was not simply a political mobilization. It was as much a castigation of the Western civilization. For example, in India Bankim Chandra Chatterjee's Anand Math, (1) Maithili Saran Gupta's Bharat Bharati (2) and M.K.Gandhi's Hind Swaraj, (3) sacrilized indigenous values and institutions and demonized most of the British institutions and values. And yet, the values and institutions sought to be inculcated and institutionalized through Indian Constitution at their core are modern, indeed western.

The third dilemma is to be located in the time-orientation enunciated by the national states. For South Asian states the cut-off periods of history vary, in spite of their common civilizational history. The cut-off point of history depends on which religious collectivity constitutes their dominant population. In this sense'national' reconstruction is neither a new beginning nor a new revolution but the re-conquest and recovery of an appropriate past. In India and Nepal the date of re-conquest begins some 3500-5000 years ago - the time of Aryan advent (Oommen 1990, pp. 17-33). For Sri Lanka it is as far back as 3rd century B.C. For Bhutan 7 century A.D. and for Burma 11 Century A.D. That is, when the dominant variety of Buddhism became the 'national' religion. For Pakistan and to a certain extent for Bangladesh the cut-off point of history is more recent, the medieval period, when Muslim rule was firmly established in the sub-continent (Weiss 1986; Chakravarty and Narain 1986). This nostalgia for the past does not sit well with the agenda for the future namely building institutions for the running of a modern state. Most of the new institutions are western in content even if they have indigenous parallels.

The fourth dilemma that the South Asian states face in institution building is the dilemma of displacement versus accretion. In the West the central tendency was to displace the pre-modern institutions with the advent of modern ones. In South Asia the tendency is to retain the old, at least partly, and add the new ones to the existing stock. This means two sets of institutions - the old and the new - tend to co-exist and compete for space and resources. A viable solution could have been selective invocation of the relevant institutions depending on the context. But often this did not happen. For example, certain kinds of dispute processing could have been more efficiently done by indigenous institutions and certain diseases could be better treated by non-allopathic systems of medicine. Instead of developing this kind of

institutional pluralism, class and locality were allowed free play tending to reinforce these competing institutions - modern institutions for the well off and urban dwellers, traditional institutions for the rural poor. Thus instead of building sectoral specific institution the policy tended to cater to client particularity eroding the equalitarian orientations and public accessibility expected of institutions of democratic polities.

Fifthly, the process of institutional differentiation followed a different trajectory in South Asia. In the West it was characterized by gradual autonomization of different institutional complexes the state and church, the state and market and the state and civil society. But in South Asia this trajectory is different. When the first revolt occurred some 25 centuries ago between the Brahmin priests and Ksahtriya princes it did not eventuate in the bifurcation between the spiritual and the temporal realms. But alternate modes of life and new visions of the world emerged - Hinduism, Buddhism and Jainism became alternate and totalistic visions of life.

This tendency and quality seem to partake South Asian institutions to this day. In turn, this means that institutional boundaries are often fuzzy, crossing the boundaries are not always taken to be inappropriate, division of labour between institutions not always neat and tidy. This can absorb a lot of role-conflicts within institutions but it also fosters inefficiency and non-accountability. Further, fuzzy boundaries can foster institutional expansionism leading to conflicts between institutions. The current judicial activism in some of the South Asian polities is a manifestation of this.

The distinct orientations of institutions and movements are often ignored or not understood in South Asia. Most state-sponsored institutional innovations are labeled as movements! For example, the launching and building of cooperative organizations, family planning and community development programmes and local self-government institutions are all called'movements'. This labeling by the state is not innocent but highly functional in acquiring the requisite legitimacy for these programmes and institutions. Movements are people's ventures, participatory in its tenor. But to the extent the purpose is not simply to create awareness and further conscientization but also to achieve targets, the labeling and treating of these ventures as if they are movements is not functional. Further, when they part-take their real character i.e. act as institutions they are believed to be and cognized as degenerated entities and enterprises. In this process not only that institutions do not achieve their accredited purposes but also get stigmatized. Institutions, organizations, bureaucracies are all disparaged and disvalued.

In contrast, movements are put on a high pedestal. Consequently, institutional entrepreneurs are dismissed as organization men, mere bureaucrats. Successful institutional entrepreneurs do project their enterprises as movements; they became charismatic personalities. But this poses new problems. With their exit institutions faced succession crisis often leading to

the demise of the institution. Further charismatic leaders not infrequently have taken calamitous policy decision and nobody could question them. This eroded legitimacy of institutions.

Finally, the nature of South Asian society itself poses a dilemma in the process of institution building. To say that South Asian societies are complex societies is an understatement. I suggest that these are four-in-one societies, i.e. four analytically distinct elements are intertwined in their making. First, like all other societies, they are stratified: Class, gender, age and such other differences exist in them. But most of them are also culturally heterogeneous societies. Heterogeneity need not necessarily bring about intergroup inequality, but often it does. To complicate matters, South Asian societies are also hierarchal thanks to the institutionalized inequality brought about by the caste system. These three features are not mutually exclusive and often additive. But there is a fourth feature which can co-exist along with any of the three listed : South Asian societies are *plural* in the sense in which J.S.Furnivall used the term (Furnivall 1948). A plural society is one in which the internality of some of the segments is questioned: Mohajirins and Ahmedias in Pakistan, Muslims and Christians in India, Chakma Buddhists in Bangladesh are such examples. To build institution in such a society is an extremely intricate enterprise because we are referring to those institutions which are expected to be arbiters of justice and promoters of equality. The hierarchal and plural character of South Asian societies pose intractable problems in this context.

I suggest that if we view these dilemmas in conjunction we will get some enlightenment about the crisis of institution building in South Asia. With this general expose of the dilemmas of institution building let us look at the experience of the largest and the most complex of South Asian polities, namely India. I shall attempt to do this with reference to three institutional complexes - state, civil society and the market. (4)

Broadly speaking, there were two competing models available for emulation when India attained political freedom. One model was that of the capitalist democracies of the West. In the West a binary distinction was postulated - the state and the rest of the elements in society - in the beginning. The crystallization of differentiation between market and civil society occurred in the context of the ongoing process of democratization in Western societies. Gradually civil society acquired the requisite autonomy and striking power to challenge the erring state and market. Thus in the liberal democracies of the West a balance between the institutions of these three vital elements gradually emerged.

The trajectory of social transformation was entirely different in the post-colonial democratic and in socialist states, whose polities were essentially state-centric. In the case of the socialist states the party-state has fused the three institutions into one. The demise of the socialist state was substantially aided by the challenge posed by civil society. In ex-colonial democratic states such as India the process of autonomization of the different spheres began with the challenge posed by the civil society to the state.

Broadly speaking there were two competing models available for emulation when India attained political freedom. One model was that of the capitalist democracies of the West. These democracies had evolved gradually based on the principle of separation between the state, market and civil society. The underlying assumptions of this separation were the following. First, the state is an agency of coercion and is motivated by power. Therefore, the process of acquiring and exercising power should be well-defined and checked through legal mechanism. Second, economic activity is motivated by material incentives, and is to be regulated by the market mechanism in terms of free exchange. Third, civil society is the space for the free voluntary activity for the citizens, between the state and market, the zone in which a variety of political actions could be initiated to moderate the potential authoritarianism of the state and the likely rapacity of the market. In the West, state, market and civil society emerged successively and each of these spheres acquired a certain level of autonomy.

In contrast to the separation principle of capitalist democracies the socialist societies functioned on the institutional principle of fusion of the state, market and civil society. Here, the party-state monopolized all powers and regulated the market and civil society. From the command economy of the socialist state the market disappeared and civil society was absorbed by the state. The conjoint activities of the one-party system and its numerous front organizations came to be christened as people's democracy.

Independent India opted for what came to be referred to as the 'third way' that is, combining political democracy, one of the distinctive features of capitalist states, with a planned economy, the hallmark of the socialist states. This was indeed a challenging experiment in that the best of both the models were attempted to be fused. However, it was the planned economy and the associated state-centrism which assumed saliency in the first quarter century of independent India. The state intended to promote economic development with an accent on distributive justice and also initiated a series of measures to introduce and institutionalize participative democracy in the context of planned development. The process of institution building was conditioned by this ideological slant. The state in India wanted to retain its centrality not only in initiating planned economic development but also in launching and sustaining the civil society. In doing so it attempted to fuse state, market and civil society.

It may be noted here that the vibrancy of civil society is occasioned by the aberrations of the Indian state of which four are particularly gruesome. First, the declaration of internal emergency during 1975-76. Second, the manner in which operation Blue Star was conducted in 1984 to flush out Sikh militants from the Golden Temple. Third, the failure to bring to book expeditiously those who indulged in anti-Sikh riots in 1984. Fourth, the failure to prevent the

dismantling of the Muslim shrine, Babri Masjid, in 1990. On the other hand, it should also be kept in mind that these instances are caused by and/or are instances of the virulence of the institutions of the civil society itself. That is, state authoritarianism and the violence of the civil society are two sides of the same coin. On the other hand, a democratic civil society and a democratic state reciprocally reinforces each other.

It is far from my intention to suggest that institutions of civil society emerged in India only quarter of a century after India attained political freedom. In fact, the Indian'national' state and India's civil society are twins, if by the latter one denotes a separate space of activity independent of the former. I shall illustrate this point invoking the example of Self-Employed Women's Association (SEWA).

The origin of SEWA, a non-governmental organization functioning in Ahmedabad (Gujarat) can be traced to the Textile Labour Association (TLA) which was affiliated to the Indian National Trade Union Congress (INTUC). The INTUC functions as the labour front of Indian National Congress (INC) which has been the most dominant political party in India until recently. A women's wing of TLA was started in 1954 and by 1968 it had initiated a wide range of training programmes to augment the income of working women drawn from the lowest economic stratum. The women's wing of TLA became SEWA in 1971, the first self-employed women's organization in India. SEWA formally broke off from TLA in 1980 when it differed from the latter's position with regard to the anti-reservation struggle. The anti-reservation struggle was a political action initiated by the upper castes/urban middle classes opposing the extension of the policy of protective discrimination to the Other Backward Classes (OBCs), that is, those who are ritually clean but socio-economically backward. While TLA supported it, SEWA opposed it, thereby expressing solidarity with the OBCs (Sreenivasan, 1992).

The specific problems of lower class self-employed women are low and unequal wages (as compared with those of men), unstipulated working hours, declining share in the work force, informalization and the like. To solve several of these problems it was necessary to seek support from the state be it in the form of passing appropriate legislations or creation of adequate infrastructural facilities. However, to achieve these objectives it was necessary to organize, conscientize and involve women in appropriate institutions. But the agenda of SEWA is gender- specific as it confronts the men's world, which in turn had two contexts - the public and the private. In the public context harassment by police and extortion of exorbitant rates of interest by money lenders are important. In the private context the problem is to create favourable conditions in the family so that women can gain control over the income they generate. This is in turn leads to the focusing of attention on harassment of women resorted to by their male kin to extort their income (Sreenivasan 1992).

A few very interesting points emerge from the analysis of SEWA. First, the liberal understanding that civil society occupies the space between the state and the family is not necessarily correct; family can also be part of the theatre of civil society. This is turn obliterates the distinction between the private and the public. The private can remain private only if the inhabitants of that space perceive that agencies which are functioning in that ambit are just and fair to all the elements within it. Therefore, to negotiate the private realm institutions of civil society are necessary.

Second, it is wrong to characterize the state or the civil society as monoliths and their functioning as pro-or anti-to each other. To do so is to write off their democratic potentials and responses. For instance, SEWA seeks and often gets help and cooperation from the higher echelons of the state and its institutions. On the other hand, SEWA is at loggerheads with the lower level officials of the state from whom it seeks protection through intervention of senior officials.

Third, the enemies of civil society are not always external, they could as well be from within. This manifests itself in two different ways in the case of SEWA. SEWA and its parent body TLA took opposite positions in the context of struggles in Gujarat by the OBCs to wrest a better deal from the government. This led to the parting of ways between the two. The other internal enemy of SEWA was the male kin of the employed women in that they were stumbling blocks in achieving one of its crucial objectives, namely, increasing women's control over the income they generate.

We have seen that SEWA is not necessarily and always anti-state. In contrast, the movement for civil liberties was/is explicitly anti-state; it emerged as a response to the authoritarianism of the Indian state during 1976-77. That is why I referred to the vibrancy civil society attained in India by mid-1970s. And yet, civil rights, to be meaningful in the Indian context, ought to be viewed comprehensively so as to include economic rights given the precarious economic condition in which a substantial section of the Indian populace live (Dhagamvar, 1989). This in turn means two things. First, struggle for civil rights include fights not only against the state but also against employers (individuals and firms) who are likely to deny the economic rights of their employees. Second, several vulnerable sections in Indian society such as women, children, lower castes, tribes, and so on, became prime players in the struggle. Admittedly, their deprivation is not confined to the economic or political contexts but emanates from the cultural context as well.

However, an analysis of the membership of the people's Union for civil Liberties (PUCL) demonstrates that it was the urban middle class which initiated the struggle in India whose primary concern is with political rights. But given the structure of deprivation faced by the poor and marginalized, those who are mobilized into collective actions are mainly drawn from the lower class, the lower castes, tribes, the rural poor and women. This results in a

division of labour between the initiators of collective action and the collective actors, the urban middle class confines itself mainly to verbal articulations, publications and speeches, investigative reports regarding 'atrocities' committed by the 'terrorist' state. In contrast the majority of those who participate in public protests, demonstrations and meetings are the victims of state and private agencies. This calls for a clear distinction between state violence on the one hand and the violence emanating from the civil society on the other. While the latter should be detected, controlled and punished, the former is not to be tolerated at all from a responsible and democratic state. Admittedly then, the human rights struggles in India are clearly actions undertaken within the ambit of civil society even when their objective is economic. They empower the tribes, the oppressed castes, the rural poor, women and several other similar categories. The kind of institutions to be built in this context should have the resources to mediate between the state and the felt needs of the people.

As we have seen civil society tried to assert its autonomy although feebly, in independent India right from the beginning. But the story of the market is almost the reverse. The Bombay Plan of 1944 conceived by a few Indian industrialists wanted state intervention in planning, financing and in managing industrial development. Thus even before independence the economic nationalism of the big bourgeoisie in India promoted state intervention. However, two points may be noted here. One is that the all-India bourgeoisie was seeking protection from its foreign colonial counterpart through the state as the presence of the latter would continue even after the political withdrawal of the colonial power. The other point is that the small bourgeoisie of different linguistic regions (nations) also wanted protection from the Indian state against the all-India big bourgeoisie. This is an important dimension of conflicts between 'little nationalism' and great nationalism' in India (Guha 1979).

That is, the national state which succeeded colonial state invariably started with adequate legitimacy as an agent of economic intervention and development. Understandably, the Indian state had initiated a series of measures to achieve this objective. The two earliest measures were the instituting of the Planning Commission in March 1950 and the passing of the industries (Development and Regulation) Act of 1950. The first was an instrument to initiate the process of long-term economic development and the second was intended to curb monopolistic tendencies and to avoid wastes emanating from undesirable competitions between private industrial houses.

The state in India was an active actor in the affairs of the Indian economy from 1947 till 1990. The announced aim of this involvement was to bring about economic development and distributive justice. But neither of these goals have been achieved. According to the Economic Survey of 1994-95 the rate of return from the public sector enterprises remains a measly 3 per cent. The restrictions put on the private companies did not also produce the intended

results as licensing favoured the big business houses. On the other hand, in spite of the emphasis on distributive justice, not only did the disparity between the rich and the poor increase, but even the absolute proportion of the population below the poverty line increased. These developments justified the liberalization of the economy, thereby conceding autonomy to the market. That is, while the institutions of civil society wrested their autonomy from the state, autonomy was invested on the institutions of market by the state.

The implications of the progressive reduction in state-centrism and autonomization of civil society and market are to be noted. First, the state is increasingly compelled to share its sovereignty not only with other spheres within the domestic polity but also is constrained to undergo an erosion of its sovereignty vis-a-vis the Breton Woods Institutions. This is evident from the success with which the World Bank, the International Monetary Fund (IMF) and such other agencies can impose their conditionalities on the Indian state. Second, while the market in India has achieved a certain degree to autonomy vis-a-vis the state, the Indian market's autonomy is substantially eroded by the global market. Third, civil society has to fight its battle at two fronts - the state and the market - both formidable adversaries.

What general lessons can be drawn from these analyzes? In the West a binary distinction was postulated - the state and the rest of the elements in society - in the beginning. In fact, the economy (market) was considered to be the principal element in the civil society. When state domination got eroded in the West, it was the market which gained autonomy first. This autonomization of the market facilitated substantial accumulation of wealth by the national bourgeoisie.

The crystallization of differentiation between market and civil society occurred in the context of the ongoing process of democratization in Western societies. Gradually, civil society acquired the requisite autonomy and striking power to challenge the erring state and market. Thus, in the liberal democracies of the West a balance between the institutions of these three vital elements gradually emerged.

The trajectory of social transformation was entirely different in the post-colonial democratic and in socialist states, whose polities were essentially state-centric. In the case of the socialist states the party-state has fused the three institutions into one. The demise of the socialist state was substantially aided by the challenge posed by civil society. In ex-colonial democratic states such as India the process of autonomization of the different spheres began with the challenge posed by the civil society to the state. In these polities civil society itself was perceived as an entity distinct from that of the market, the linkage of the latter with the state being clear and loud. While the autonomization of the civil society was partially inspired by the Western model the trajectory of this process was different. The last sphere to acquire autonomy is the market and its autonomization is occurring under conditions

of globalization. In turn, the autonomy gained by the three different spheres is also getting curbed. The worst affected in terms of the erosion of autonomy indeed is the market, followed by the state, with civil society being the least affected. Admittedly, the process of institution building in each of these sectors is affected by these largest forces.

Notes

(1) Anand Math was first published in 1882 in Bengali. The first English translation appeared in 1904. The Central characters in the novel are Hindus who constitute into bandit gange and plunder for altruistic purposes, the 'national' cause. It is essentially an invocation to the Hindu psyche to restore the ancient glory of India which was essentially Hindu in character (Chatterji, 1904)

(2) Bharat Bharati published in 1912 (in Hindi) was instrumental for the mobilization of peasantry against the British, especially in the Hindi belt. The book was couched essentially in imageries and idioms glorifying the Hindu past.

(3) *Hindi Swaraj* was first published in 1908 and it was not only an analysis of why the British enslaved India but was also an indictment of Western civilization and a plea for restructuring Indian society based on its ancient wisdom contained in Hindu Texts (Gandhi, 1908).

(4) This section borrows heavily from my Kalinga Lectures 1996, a shortened version of which was published in Oommen 1996, pp.191- 202.

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