

## Is What We have “Crony Capitalism”?\*

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Fascistic elements exist in every modern society, but usually as fringe, marginal or minor elements. They move centre-stage only when they get the support of monopoly capital which provides them with ample money and media coverage; and this happens when there is a capitalist crisis that substantially increases unemployment and puts a question mark on the hegemony enjoyed by monopoly capital until then. The role of the fascistic elements in such a situation is to provide a diversion of discourse, so that the basic distress of living under a capitalism afflicted by crisis, is sought to be covered up through the spread of hatred and antagonism against some hapless religious or ethnic or linguistic minority; in addition of course there is the use of State repression when fascistic elements come to power, as well as the unleashing of their own fascist thugs as vigilante groups against the targeted minority, and against thinkers, intellectuals, political opponents and independent academics.

India conforms entirely to this pattern. There is however an additional element associated with the rise of fascistic groups to political power. Within monopoly capital it is a newly emerging element, the “new monopoly bourgeoisie”, that acquires a particularly close relationship with the fascistic groups. Daniel Guerin, the well-known French anarcho-Marxist, had argued in his book *Fascism and Big Business*, that in Germany the newly-emerging monopoly capitalists in spheres like steel, producer goods, armaments and munitions had provided particularly solid backing to the Nazis in the 1930s, compared to the older monopoly capitalists engaged in spheres like textiles and consumer goods. To say this is not to suggest that the latter group did not support the Nazis; in fact Michael Kalecki the well-known economist talks of the Nazi regime as a partnership between fascist upstarts and big business without drawing any distinctions within the latter. It is a fact however that the new monopoly groups provide much more pro-active, much more aggressive support to the fascistic elements. Likewise in Japan, it was the emerging new group of monopoly capitalists, the Shinko Zaibatsu firms such as Nissan and Mori, that was far more aggressive in supporting the Japanese military-fascistic regime in the 1930s than the old Zaibatsu consisting of houses like Mitsui, Mitsubishi and Sumitomo who had earlier been in the forefront of Japanese industrialisation. Again it is not a question of the old monopoly houses not supporting the fascistic regime; they obviously did (Mitsubishi after all was involved in ship-building). And this support was the reason why the post-war American occupation regime in Japan under General Douglas MacArthur also disbanded the old zaibatsu houses (it is another matter that they resurfaced in a different guise subsequently). But it was the new monopoly houses whose support for the military-fascistic regime was total, absolute and far more aggressive.

Here again India conforms entirely to this pattern. The new monopoly houses like the Adanis and the Ambanis have been far more pro-active in their support for the Modi regime, and have in turn benefitted immensely from such support, compared to the old and established monopoly houses, though the latter have not been in anyway reluctant to extend their support, with the head of the Tatas even visiting the RSS headquarters in Nagpur to underscore that house’s proximity to the Hindutva regime.

The Modi government's close nexus with the new monopoly elements in particular and with monopoly capital in general has often been described as "crony capitalism". This description however understates the closeness of the nexus between the fascistic elements in power and monopoly capital, especially new monopoly capital. It misses the specific, sui generis nature of this relationship that is better described as a corporate-Hindutva alliance. It amounts to using a blanket term that is applicable to all of modern capitalism to the specific situation of ascendancy of fascistic elements, and thereby misses its specificity.

In fact all capitalism is crony capitalism in a certain sense: there are certain "rules of the game" that have to be followed, but within those rules discretion is exercised in favour of "cronies". For instance, for getting a contract, an applicant must fulfil certain minimum criteria, but among all who fulfil these criteria those who have the right "connections" or have the right public school education, or the right "background", get the contract. The award of contracts under capitalism in other words is never entirely blind; but this lack of blindness, this systematic practice of favouritism, occurs within a certain set of "rules of the game".

Under monopoly capitalism of course this relationship between monopoly capitalists and the state becomes far closer. Rudolf Hilferding in his opus *Das Finanzkapital* had talked of a "personal union" between banks and industrial capital and the formation on this basis of a "financial oligarchy", and had suggested a similar "personal union" between the "financial oligarchy" and the State. Executives of multinational corporations are appointed to senior State positions; and likewise senior State personnel shift smoothly to multinational corporations in senior executive positions. State policy thereby gets tailored to take care of the interests of monopoly capitalists. All this however still occurs within certain "rules of the game" which continue to be maintained, no matter how tilted in favour of the monopoly capitalists.

Even when the CIA staged a coup in Guatemala to topple Jacobo Arbenz whose land reforms had hurt the United Fruit Company of the US, or when the CIA and MI-6 staged a coup against Premier Mossadegh of Iran because he nationalised the oil industry, thereby displacing the British oil company, Anglo-Iranian, from the pre-eminent position it had occupied till then, the aggressive States were acting in defence of the interests of particular monopoly capitalists; but there was no disowning of the "rules of the game" and no owning that a coup had been staged to defend particular monopoly interests. In fact, to this day the British government formally denies having anything to do with the coup that toppled Mossadegh and brought the Shah of Iran to power.

The emergence of fascistic elements to power however changes all this. It entails a fundamental shift, namely a jettisoning of the "rules of the game". This is clearly evident in the Indian case. When the prime minister asked the French government to accept a newly created firm by Anil Ambani as the local manufacturer of the Rafael aircraft, there was no question of any global tender, and no question of satisfying any minimum criteria. In fact even the public sector manufacturer was by-passed, for which no explanation was ever offered. Likewise when, despite the Hindenburg revelations, no inquiry is ordered into the affairs of the Adani group, what we have is an abrogation of the "rules of the game". It is reported that the BJP government is planning to select some firms and build them up to be "winners" in competition with other countries' firms, which is indicative of a very close nexus between monopoly

capital, especially new monopoly capital, and the State. There will be no “rules of the game” that will be followed in picking these potential “winners”; it will simply entail State help for building up the empires of monopoly capitalists with whom the Hindutva elements have entered into an alliance.

On the other side, the new monopoly elements reciprocate by ensuring that the Hindutva government gets full media support. It is hardly surprising that the remaining stray TV channel that had been somewhat independent of the government is bought up by the Adanis so that the process of garnering unanimous media support for the corporate-Hindutva alliance is completed.

It would be a patent understatement to call this entire process, reminiscent of what Mussolini had called “afusion of state and corporate power”, as merely a case of “crony capitalism”. In fact any talk of “crony capitalism” itself presupposes that there is a “pure”, “non-crony” capitalism which normally prevails but which is transgressed under the rule of the Hindutva elements. There is in fact no such animal; all capitalism is “crony capitalism”, but the relationship between the state and capital changes over time and becomes much closer under monopoly capitalism. Capitalism in the period of fascistic rule represents however, a further qualitative transformation of this relationship, where the rule itself is exercised by a corporate-Hindutva alliance.

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