

## **The Dialectics of Authoritarianism\***

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We are seeing in India at present a remarkable inversion of reason. The more the common people suffer from the impact of Modi's demonetization, the more he is lauded for the "courage" shown by him in undertaking it. An economic measure should be, and normally is, judged on the basis of how it benefits the people, and any measure that brings distress to the people is derided for that reason. What we find in the present case however is just the opposite: the more demonetization brings distress to the people, the more it is applauded for its wisdom and courage. And this is done not just by the usual crop of dyed-in-the-wool reactionary BJP ideologues; it is done by many commentators, including by even a group of senior NRI academics who have argued in this fashion and thereby resorted to such an inversion of reason.

To be sure, if those who argue in this fashion had shown that demonetization would be beneficial in the long-run, and on that basis argued that the difficulties of the people would be only transitional, then there might have been some point to their encomiums for Modi. They could then argue with some justification that Modi had to be lauded for his courage in risking the people's ire during this period of transition. But none of the applauders of Modi's "courage" have refuted, or even attempted to refute, the critics who have shown that demonetization cannot possibly achieve the goals that the government had mentioned in justification of it. The question of its being beneficial in the long-run therefore simply does not arise. The praise for this measure by those who laud it is thus established on the basis of little else but the sheer fact that it has brought distress to the people. This is why their claim constitutes a case of a pure and simple inversion of reason.

The present case of inversion of reason is even worse than what Bertolt Brecht had satirized when he had written: "The government it seems has lost the confidence of the people; why doesn't it dismiss the people and elect another?" The present case is not one where the government loses the confidence of the people and yet retains power in the name of the people; it is a case of the government causing acute distress to the people, and being lauded for this very fact.

Such an inversion of reason is fundamentally anti-democratic. It arises from a shift of focus from the people to the leader. This shift reduces the people, at best, to the status of a mere backdrop against which the leader's heroics get a chance to be displayed. Since the focus is on the leader, who, as the cynosure of all eyes, must display his heroics, the tendency on his part inevitably is to "shock and awe", to dazzle everyone by taking extreme decisions which are both shocking and awe-inspiring. And precisely because these decisions are extreme, causing severe hardships to the people, their very extreme nature makes them appear particularly heroic.

The shift of focus from the "people" to the "leader" therefore necessarily takes the business of decision-making outside the bounds of "rationality". "Rational" decisions are based on careful calculations, which seek to maximize some objective (or what economists call an "objective function") within a set of constraints that are given. "Rational decisions" of course are not synonymous with "good" or "moral" or "ethical" decisions. When an "investor" maximizes his economic gains by indulging

in speculation, he is acting “rationally”, even though speculation is not necessarily a “desirable” or wholesome activity. But a leader attempting to “shock and awe”, to establish his “heroic” image, to justify his being the cynosure of all eyes, does not make careful calculations. He prides himself over the fact that he does not make careful calculations but has the courage to take decisions which others are too timid to take. In short, he prides himself on his irrationality.

To be sure, even a “rational decision” may appear irrational in retrospect. This is because in taking the “rational decision”, the constraints may have been wrongly comprehended, or the efficacy of particular instruments in achieving objectives may have been wrongly estimated, and so on. In short, there may be data errors because of which decisions taken “rationally” on the basis of the available data may turn out in retrospect to be irrational. But such “irrationality”, arising from data errors underlying even the most careful calculations that are supposed to produce “rational decisions”, is very different from the eschewing altogether of careful calculations and of rational decision-making, and their replacement by “shock and awe”. Authoritarian regimes of the sort that Narendra Modi is leading tend to be “irrational” in this fundamental sense: they are irrational not in the sense that their “rational” decisions turn out to be erroneous because of data errors, and hence apparently irrational in retrospect, but because they decry “rationality” as timidity, as being unworthy of the leader donning the mantle of a hero.

The question is often raised: what was Narendra Modi’s motive for introducing such massive demonetization? I have often been asked this question in meetings where I have spoken on the subject of demonetization. Those asking this question agree that the effect of demonetization would be to decimate the “informal sector”, which accounts for nearly half of the total output of the economy and over eighty percent of its total employment, without making a dent on the black economy or on terrorist activities, which supposedly were its primary targets. In fact their question acquires pertinence, in their view, for this very reason: since such a decimation of the “informal economy” will extract a huge electoral cost from the BJP government, why did Modi undertake this massive demonetization?

The answer which those asking this question want is expected to lie in one of two possible realms: either that there were “data errors” vitiating his rational decision-making for achieving his stated objectives, or that he had some other unspecified objective (i.e. an objective function different from what he has publicly professed). In either case it is assumed that he was acting “rationally” rather than with heroic “irrationality”. But the attribution of “rationality” to such a decision is itself unwarranted. Nobody decides, on the basis of rational calculations, to demonetize overnight as much as 86 percent of the currency of a country that is predominantly currency-using. Such decisions are necessarily “irrational”, undertaken in the quest of a heroism that is a necessary feature of an authoritarian regime, i.e. of a regime where the “people” have been supplanted by the “leader” as the focus of attention.

A hallmark of this “irrationality” is the utter refusal to amend, adjust, or make alterations in the policy in the light of the people’s distress, or even to discuss with others what can be done to mitigate this distress. A “rational” decision is one that is necessarily open to amendment. As the data errors become manifest, a rational decision taken to achieve some objective gets amended, as it becomes clear that it would not be able to achieve this objective at all, or to the anticipated extent. But an

“irrational” decision does not get amended, since it is not based on any rational calculation, but is meant only to highlight the heroism of the leader. Modi’s refusal to talk to political parties on ways and means to alleviate the people’s distress, or to modify the original measure to alleviate this distress, is itself a symptom of “irrationality”. Obviously it is his prestige rather than the people’s distress that takes priority in his view. The focus in short is on the “leader” rather than on the “people”.

This shift of focus is typically accompanied by the claim that the “people” themselves appreciate the heroic act of the “leader” even when it causes them hardship. For instance, an argument advanced not just by the BJP ideologues but by several others, including even the senior NRI academics mentioned earlier, goes as follows: since there are no serious protests by the people, despite their distress, against the government’s demonetization, the people are accepting this measure for the greater social good it brings about.

This argument however is obviously infirm. Just as the absence of protests against oppression does not indicate an acceptance of oppression, likewise the absence of protests against the demonetization measure does not suggest that this measure is accepted. Why there are no protests even when people are distressed is a matter that has to be separately investigated. But the absence of protests certainly does not constitute a vindication of the measure itself.

And to the extent that the absence of protests indicates a belief in the measure’s worthwhileness, it only suggests that the inversion of reason surrounding demonetization does not remain confined to the ruling elite but penetrates even segments of those who are distressed by it. Many of them too, since they cannot believe that such distress can be imposed upon them gratuitously, come to think that their suffering must be serving some higher purpose. And having accepted this they too laud the very government that has imposed distress upon them for its audacity. The government’s “shock and awe” in short does succeed, at least up to a point, in instilling “awe” in segments of those who are the victims of it.

Unless this bubble of “shock and awe” is pricked, and people made aware of the fact that their distress serves no higher purpose, but rather constitutes only a gratuitous imposition upon them, the shift of focus from the “people” to the “leader” will set up a dialectics of transition from democracy to authoritarianism that is extremely dangerous.

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