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Inclusive Democracy: The Solution Of Multidimensional Crisis And An Expected Economic Model For Sustainable And Inclusive Development In India

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Abstract: *There is a major dimension of the present multidimensional crisis, which extends to the economic, ecological, cultural and general social level, is the political crisis. The spread of democracy is important, but we must not overlook the challenges and dangers. India's social, economic and political woes continue due to the Indian politicians, intellectuals, social organizations, academicians and the youth's inability to achieve political inclusion even after seventy-five years of independence. In the context of India, inclusive democracy means sharing of power and authority by all caste/ethnic, gender, linguistic, religious, cultural and regional groups through caste/ethnic, linguistic and regional autonomy and sub-autonomy, proportional representation and special measures under a federal structure of government by using the processes of round table conference, right to self-determination, referendum and constituent assembly.*

Studies of three democratic countries (India; Brazil and South Africa) provide solid evidence for the affinity of democracy and inclusive growth. During the next few years this consortium of think tanks from India, Brazil and South Africa will continue to explore the proposition that democracy provides the most effective and desirable vehicle for growth and development in complex, plural societies in the developing world.

As long as the level of consciousness of a majority in the population has been raised to adopt the principles included in a program for an inclusive democracy—and the majority of the population has every interest in supporting such a program today—we think that the above proposals are feasible, although of course there may be significant local variations from country to country and from area to area, depending on local conditions.

Key words: Inclusive democracy, Multidimensional crisis, Economic Democracy, Political Democracy.

There is no doubt today that a major dimension of the present multidimensional crisis, which extends to the economic, ecological, cultural and general social level, is the political crisis, namely the crisis which concerns not the relations between social individuals, as the other dimensions of the crisis, but our interaction, as social individuals.

Seventy years of almost uninterrupted democratic rule in India have done little to reduce the political, social, and economic marginalization of India's popular classes. The democratic liberalization sweeping the world is making transitions more civil. But it is not enough to establish electoral democracy. Several policy interventions are required to realize a range of rights under democratic government. Yet despite undoubted benefits, the transition to democracy in many countries remains imperiled, insecure, and fragile. The spread of democracy is important, but we must not overlook the challenges and dangers.

Multidimensional Crisis in India- India's social, economic and political woes continue due to the Indian politicians, intellectuals, social organizations, academicians and the youth's inability to achieve political inclusion even after seventy-five years of independence. One can easily get the version of our democracy from a councilor election in any metro city.

In slum pockets, politicians freely distribute sarees, dinner party; take voters for a local site seeing, offer Rs 500 note and liquor bottle to win election. Unscrupulous people who fund election want to only loot public exchequer in the name of construction of roads, real estate development, infrastructure development, mining and social works etc.

Ministry of Mines, GOI, has found illegal mines for major minerals at 2496 and for minor minerals at 28055 places across the country. Precious minerals worth thousands of crores have been looted from these mines across the country. All kinds of development schemes meant for the poor continue to leak. Former Finance Minister Mr. P. Chidambaram in one of his budget speeches said we have no dearth of funds but we lack in deliverance.

India has the highest number of children under five years of age who don't receive health care according to the US based global independent humanitarian organization report "Save the Children." About 10 million Indian children die every year from easily preventable diseases as per the report. Many state governments have made initial posting of doctors in rural areas compulsory. Without medicines, trained nurses and equipment, doctors cannot save lives anywhere. Lack of advanced medical research and



opportunities exclusion in India has compelled bright medical practitioners to shift to developed nations for expertise. Britain's National Health Service (NHS) has 30,000 doctors of Indian origin out of total 80,000 doctors.

In the last eight years, malnutrition in India has reduced by just 1% as per the National Family Health Survey. Every second child under six years of age in India is underweight. Being the second fastest growing economy in the world with 121 crore people, India struggled to win fourteen medals and is placed below 47 nations in the medal tally in the Tokyo Olympic Games (2021). India's economic and social indicators' score slips below sub-Saharan countries.

The irony is that when India is not in a position to feed so many people, it allows its people to produce one Australia's population per year. Over decades, crores of Bangladeshi nationals crossed over to India permanently which has become the cause of ethnic strife in North East India. The National Population Stabilization Fund projects India will have 1613.8 million people by 2050 and will beat China by 200 million extra mouths.

The UNESCO's Global Monitoring Report found one third of world's non-literate people in India. Looming ignorance and illiteracy form unshakable vote banks for the politicians to ride on to power. Politicians instead of generating revenue through hard work and scientific planning resort to easy means. Liquor consumption in Maharashtra has increased 15 times in the last 15 years and the sale of liquor has touched Rs 17,000 crore which generates revenue of Rs 5,000 crore for the state.

In Bihar revenue from liquor sale had increased from Rs 319.70 crore in 2005-06 to Rs 1,098 crore in 2009-10 after the state government had given license to 6,000 shops under policy one liquor shop per three panchayats. After the new liquor policy 20,000 liquor joints had come up across Bihar. The revenue craze breaks families, causes productivity loss, damages health and creates social unrest. Countries need to keep in mind the vision of development that is sustainable, equitable and democratic, said Nobel Prize winning economist Prof Joseph Stiglitz.

Plugging the loot and leakage is possible if an inclusive democratic process starts in this country with the active participation of civil society, good politicians, conscious citizens and the youth force. Inclusive democracy only can bring quality public representatives who can distribute growth benefit, achieve financial inclusion, strengthen governance mechanism, improve public services, fine tune policy and achieve sustainable growth.

Concept about 'Inclusive Democracy'- 'Inclusive democracy' is one of the recent phenomena. Takis Fotopoulos finds democracy is incompatible with concentration of power. He writes, "Inclusive democracy is a new conception of democracy, which, using as a starting point the classical definition of it, expresses democracy in terms of direct political democracy, economic democracy (beyond the confines of the market economy and state planning), as well as democracy in the social realm and ecological democracy" (Fotopoulos 2001). He further writes, "An inclusive democracy, which involves the equal distribution of power at all levels, is seen not as a utopia (in the negative sense of the word) but as perhaps the only way out of the present crisis."

Inclusive Democracy is a political theory and political project that aims for direct democracy, economic democracy in a stateless, moneyless and marketless economy, self-management (democracy in the social realm), and ecological democracy.

- **Inclusive Democracy** = Direct Political Democracy + Economic Democracy
+ Sociological Democracy + Ecological Democracy.

According to the Human Development Report 2000, the concept of "inclusive democracy" allows distribution of political power to minorities and guarantees full participation by all citizens.

Economic Democracy- Although it is up to the citizens' assemblies of the future to design the form an inclusive democracy will take, but it is important to demonstrate that such a form of society is not only necessary, so that the present descent to barbarism can be avoided, but feasible as well. This is particularly important today when the self-styled 'left' has abandoned any vision of a society that is not based on the market economy and liberal 'democracy', which they take for granted, and has dismissed any alternative visions as 'utopian' (in the negative sense of the word). It is therefore necessary to show that it is in fact the 'Left's' vision of 'radical' democracy which, in taking for granted the present internationalised market economy, may be characterised as utterly unrealistic. But We think it is equally important to attempt to outline how an alternative society based on an inclusive democracy might try to sort out the basic socio-economic problems that any society has to deal with, under conditions of scarce resources and not in an imagined state of post-scarcity. Such an attempt may not only help supporters of the democratic project



form a more concrete idea of the society they wish to see but also assist them in addressing the 'utopianism' criticisms raised against them.

The major problem that an alternative economic organisation based on an inclusive democracy face is how to achieve an allocation of scarce resources that meets the needs of all citizens and at the same time secures freedom of choice. Here, we may distinguish between two main types of proposals:

1. The socialist-statist proposals, which take for granted the present institutional framework of the internationalised market economy and aim to enhance the institutions of 'civil society' so that political and economic power can be counterbalanced by autonomous (from the state and the market) movements and institutions.
2. The libertarian-socialist proposals, which fall under either worker-oriented models or community-oriented models.

The real question about economic democracy is whether "there are mechanisms of economic coordination and regulation which allow an element of competition between self-managed enterprises, and which at the same time promote social and environmental goals arising from society-wide democratic processes in economic affairs.

Economic democracy, defined as the equal sharing of political and economic power respectively. All that is meant, as it becomes clear by 'new economic networks' (trade union committees, health and safety projects, initiatives for socially responsible fair trade, etc.), is "socialising the market through mechanisms embedded in independent democratic associations sharing practical knowledge, rather than the state.

'Inclusive Democracy' in the Context of India- In India, 'inclusion' has been seen in a number of ways. The Indian constitution of 1950 outlawed social exclusion through the caste system, and this has been coupled with aggressive affirmative action. Economic inclusion has included traditional redistribution, including land reform that has not gone very far; and the development of a safety net which comprises the national rural employment guarantee scheme, a subsidy for food grains, and a public sector distribution system.

The more interesting and sustainable aspects of inclusion in India involve growth and private activity. As economic growth has accelerated, the question of who participates in this growth has emerged. Another aspect of inclusion in India has been demand-led. The phenomenal expansion of private schooling across a range of income categories from the poorest upwards is a powerful example. Parents are 'voting with their feet' to provide their children with access to English-language education, which they know, is vital for economic success.

Hence; in the context of India, inclusive democracy means sharing of power and authority by all caste/ethnic, gender, linguistic, religious, cultural and regional groups through caste/ethnic, linguistic and regional autonomy and sub-autonomy, proportional representation and special measures under a federal structure of government by using the processes of round table conference, right to self-determination, referendum and constituent assembly.

Need of a New Model of Economic Development for India- Whether a new development approach is discernible in the India, a middle-income developing country is not yet clear. The country is uneven in its stage of development, and more information is needed about major economic sectors. More broadly, the country displays a desire for market-driven development. However, this is coupled with a historically large state, and a preference for the state to play a major role in strategies for growth as well as the inclusion of more and more people in the modern economy and society. To what extent this is what has traditionally been described as a mixed economy, or the development of new form and content in the developing world, remains to be seen. At the same time, some of the interesting new developments do not always include the state. Thus 'private coping', such as the growth of private schooling for poorer people in India (where it is massive) is one example of how market dynamics are responding to demand.

A second area is the impact of employment. Contrary to the many well-meaning and often state-driven or foreign-funded ideas of how to help the poor, it is clear that employment is often the best way out of poverty and into a world of skills and new opportunities, albeit – initially – at a very low level. The 90 million people moved out of poverty in India over the past 20 years provide a striking illustration that faster economic growth and more market opportunities offer the most sustainable and empowering route out of poverty.

A country's future is often determined by leaders' attitudes to the outside world and the policies and strategies that flow from that. It is also determined by the vision which leaders offer their citizens. If poorer



people or formerly excluded groups feel they are now part of the development story, their attitudes change, they dream bigger for themselves and their children, and in so doing can drive their society to greater heights. The skill of leadership is to make sure that people are encouraged to think big and that the new opportunities in education, employment and urbanisation are available and working to best effect for as many people as possible.

An Expected Economic Model of “Inclusive Democracy”- The proposed system here aims at:

1. Meeting the basic needs of all citizens, and
2. Securing freedom of choice in a marketless, moneyless and stateless ‘scarcity–society’.

The former requires that basic macro–economic decisions have to be taken democratically, whereas the latter requires the individual to take important decisions affecting his/her own life (what work to do, what to consume, etc.). Both the macro–economic decisions and the individual citizens’ decisions are envisaged as being implemented through a combination of ‘democratic planning’ and an artificial ‘market’. But, while in the ‘macro’ decisions the emphasis will be on planning, the opposite will be true as regards the individual decisions, where the emphasis will be on the artificial ‘market’. So, the system consists of two basic elements:

1. a ‘market’ element that involves the creation of an artificial ‘market’, which will secure a real freedom of choice, without incurring the adverse effects associated with real markets; and
2. a planning element that involves the creation of a feedback process of democratic planning between workplace assemblies, community assemblies and the confederal assembly.

The cornerstone of the proposed model, which also constitutes its basic feature differentiating it from socialist planning models, is that it explicitly presupposes a stateless, moneyless and marketless economy, which precludes the institutionalisation of privileges for some sections of society and the private accumulation of wealth, without having to rely on a mythical post–scarcity state of abundance. In a nutshell, the allocation of economic resources is made, first, on the basis of the citizens’ collective decisions, as expressed through the community and confederal plans, and, second, on the basis of the citizens’ individual choices, as expressed through a voucher system.

The main assumptions on which the model is based are as follows:

1. The community assembly—the classical Athenian ecclesia—at the municipality level is the ultimate policy–making decision body in each self–reliant community;
2. Communities are confederated and their coordination is achieved through regional and confederal administrative councils of mandated, recallable and rotating delegates (regional assemblies/confederal assemblies);
3. Productive resources belong to each community and are leased to the employees of each production unit for a long–term contract; and the aim of production is not growth but the satisfaction of the basic needs of the community, in a framework of freedom of choice, and those non–basic needs for which members of the community express a desire and are willing to work extra for. In this context, efficiency takes on a new meaning, implying effectiveness in satisfying human needs, instead of the usual meaning of minimising cost or maximising output in meeting money–backed wants.

It is important to draw a clear distinction between, on the one hand, basic and non–basic needs and, on the other, between needs and satisfiers; that is, the form or the means by which these needs are satisfied. Both these distinctions are significant in clarifying the meaning of freedom of choice in an inclusive democracy.

- Basic and non–basic Needs: However, what constitutes a ‘basic’ need and how best it can be met cannot be defined in an ‘objective’ way. So, from the democratic viewpoint, there is no need to be involved in the debate between Universalist and relativist approaches to needs. In the framework of an inclusive democracy, what is a need, a basic need or otherwise, can only be determined by the citizens themselves democratically. Therefore, the distinction between basic and non–basic needs is introduced here because each sector is assumed to function on a different principle. The ‘basic needs’ sector functions on the basis of the communist principle: from each according to his/her ability to each according to his/her needs. On the other hand, the ‘non–basic needs’ sector is assumed to function on the basis of an artificial ‘market’ that balances demand and supply in a way that secures the sovereignty of both consumers and producers.
- Needs and Satisfiers: As regards the distinction between needs and satisfiers, this distinction is adopted here not just because of the usual argument that it allows us to assume that basic needs



are finite, few and classifiable and that, in fact, they are the same in all cultures and all historical periods. Although it may be true that what changes over time and place is not the needs themselves but the satisfiers, from our viewpoint, the distinction is useful for clarifying the meaning of freedom of choice. Today, there is, usually, more than one way of producing a good or service that satisfies a human need, even a basic one (types of clothing, etc.). So, freedom of choice should apply to both basic and non-basic needs. In fact, in an inclusive democracy, a priority decision that citizens' assemblies will have to take regularly concerns the quantity and quality of satisfiers that satisfy basic needs. But, what is the best satisfier to meet each particular need should be determined individually by each citizen exercising his/her freedom of choice.

- Basic Vouchers (BVs) are used for the satisfaction of basic needs. These vouchers, which are personal and issued on behalf of the confederation, entitle each citizen to a given level of satisfaction for each particular type of need that has been characterised as 'basic', but do not specify the particular type of satisfier, so that choice can be secured. To ensure consistency as regards basic needs satisfaction throughout the confederation, the definition of what constitutes a basic need, as well as the level at which it has to be satisfied, should be determined by the confederal assembly, on the basis of the decisions of the community assemblies and the available resources in the confederation.
- Non-Basic Vouchers (NBVs) are used for the satisfaction of non-basic needs (non-essential consumption) as well as for the satisfaction of basic needs beyond the level prescribed by the confederal assembly. NBVs, like BVs, are also personal but are issued on behalf of each community, rather than on behalf of the confederation. Work by citizens over and above the 'basic' number of hours is voluntary and entitles them to NBVs, which can be used towards the satisfaction of non-essential needs. However, while with basic needs there should be no discrepancies in the degree of their satisfaction, so that the basic needs of all citizens in the confederation are met equally (as they should in an economic democracy), there are no corresponding compelling reasons for an equal satisfaction of non-basic needs across the confederation. In fact, community coverage of non-basic needs is just an extension of the individual citizen's freedom of choice. Therefore, if in a particular community people wish to put more or less work in for the production of non-basic goods and services, they should be free to do so.

Work Allocation: As the satisfaction of basic needs cannot be left either to the mercy of the artificial 'market'. Rotation of work is suggested here as an exceptional means to balance demand and supply of work and not as an obligatory rule imposed on all citizens. As regards the allocation of work in the non-basic needs sector, alternatively, on the basis of the instructions of the central planners, as in 'actually existing socialism'. Instead, work would be allocated on the basis of the preferences of citizens as producers and as consumers. Thus, citizens, as producers, would select the work they wish to do, and their desires would be reflected in the 'index of desirability' which would partially determine their rate of remuneration.

Of course, given that labour is only part of the total resources needed for the production of non-basic goods and services and that the non-basics sector is the responsibility of each community, in practice, problems of scarcity of various --other than labour --resources may be created.

Production Targets and Technology: All workplaces, both those producing basic or non-basic goods and services, are under the direct control of workplace assemblies which determine conditions of work and work assignments. As regards production targets in particular, we have to distinguish between the various types of production.

As regards basic goods and services, the overall production targets for the confederation would be determined by the confederal assembly, in the procedure described above. The specific production levels and mix for each workplace would be determined by workplace assemblies, on the basis of the targets set by the confederal plan and the citizens' preferences, as expressed by the use of vouchers for each type of product. Thus, production units could claim a share of the community resources that would be available (according to the confederal plan) for their type of production, which would be proportional to the vouchers offered to them by the citizens as consumers.

As regards non-basic goods and services, producers of non-basic goods and services would adjust at regular intervals their production levels and mix to the number of vouchers they received (i.e., to demand), provided, of course, that resources would be available for their type of activity. This implies that,



apart from the confederal plan, there should be community plans addressing resource allocation in the non-basics sector; their main aim would be to give an indication of the availability of resources to workplace assemblies so that they could determine their own production plans in an informed way that would avoid serious imbalances between supply and demand, as well as ecological imbalances.

As regards intermediate goods (equipment, etc.), which are needed for the production of basic and non-basic goods, producers of such goods would arrange a product mix determined 'by order'. Thus, production units of final goods would place orders with producers of intermediate goods on the basis of the demand for their own products and the targets of the plan. So, the confederal and community plans should also include targets for intermediate goods as well as decisions about the crucial question of resource allocation through time (resources to be devoted for community investment on infrastructure, for community research and development, etc.).

Finally, an important issue that arises with respect to production refers to the question of whether a new economic system based on economic democracy presupposes, in principle, the discarding of present technology which—as with any technology—is directly related to the social organisation in general and the organisation of production in particular. It is therefore obvious that the change in the aims of the economic system that the introduction of economic democracy implies will be embodied in the technologies that will be adopted by the community and workplace. Of course, this does not exclude the possibility that the new technologies might contain parts of the existing technology, provided that they are compatible with the primary aims of a community-based inclusive democracy.

In a dynamic economic democracy, investment on technological innovations, as well as on research and development in general, should constitute a main part of the deliberations of the confederated community assemblies. The advice of workplace assemblies, as well as that of consumers' associations, would obviously play a crucial role in the decision-taking process.

Distribution of Income: The effect of the proposed system on the distribution of income will be that a certain amount of inequality will inevitably follow the division between basic and non-basic work. But this inequality will be quantitatively and qualitatively different from today's inequality: quantitatively, because it will be minimal in scale in comparison to today's huge inequities; qualitatively, because it will be related to voluntary work alone and not, as today, to accumulated or inherited wealth. Furthermore, it will not be institutionalised, either directly or indirectly, since extra income and wealth—due to extra work—will not be linked to extra economic or political power and will not be passed to inheritors, but to the community. Exchanges between Communities: Self-reliance implies not only an economic but also a physical decentralisation of production into smaller units, as well as a vertical integration of stages of production that modern production (geared to the global market) has destroyed. Therefore, the pursuit of self-reliance by each community will help significantly in balancing demand and supply. Still, as self-reliance does not mean self-sufficiency, despite the decentralisation, a significant amount of resources will have to be 'imported' from other communities in the confederation. Also, a surplus of various types of resources will inevitably be created that may be available for 'export' to the other communities.

These 'exchanges' refer to both basic and non-basic production. As regards the exchanges in basic goods and services, these would be taken care of by the confederal plan. Although most basic needs would be met at the community level, the resources needed for the satisfaction of basic needs would come both from the local community as well as from other communities. Also, the satisfaction of basic needs involving more than one community (e.g., transportation, communications, energy) would be coordinated through the confederal plan. So, as regards BVs, there should be no problem with respect to their exchangeability between communities.

Allocation of Resources: The fundamental problem of the strategy leading to a allocation of resources is how to create such institutional arrangements for economic democracy that are compatible with an institutional framework that is still a market economy. As the confederal allocation of resources, the system involves two basic mechanisms for the allocation of resources:

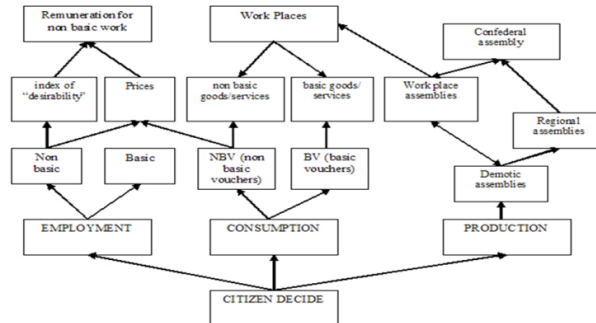
1. A democratic planning mechanism for most of the macro-economic decisions, and
2. A voucher system for most of the micro-economic decisions. The voucher system, in effect, creates conditions of freedom of choice by replacing the real market with an artificial one.

The shift of tax power to the municipalities, which should be a basic demand of a new democratic movement, would allow community assemblies to determine the amount of taxes as well as the way in which taxes would be charged on income, wealth, land and energy use, as well as consumption. Community assemblies could, at annual intervals, meet and discuss various proposals about the level of taxation for the

year to come; in relation to the way the money collected by the municipality should be spent. This way, community assemblies would in effect take over the fiscal powers of the state, as far as their communities are concerned, although in the transitional period, until the confederation of municipalities replaces the state, they would also be subject to the state fiscal powers.

Similar measures could be taken as regards the present state powers with respect to the allocation of financial resources. The introduction of a community banking system, in combination with local currencies, would give significant power to community assemblies to determine the allocation of financial resources in the implementation of the community's objectives (creating new enterprises, meeting ecological targets, etc.).

Finally, assemblies would have significant powers in determining the allocation of resources in the municipalised sector of the community, namely, the municipalised enterprises and the community social services. As a first step, community assemblies could introduce a voucher scheme with respect to social services. At a later stage, when a significant number of municipalities have joined the confederation of inclusive democracies, community assemblies could expand the voucher system to cover basic needs of all citizens, at the beginning, in parallel with the market economy—until the latter is phased out.



Conclusion- In conclusion, nobody should have any illusions that the implementation of a transitional strategy toward economic democracy will not receive a hard time from the elites controlling the state machine and the market economy. However, as long as the level of consciousness of a majority in the population has been raised to adopt the principles included in a program for an inclusive democracy—and the majority of the population has every interest in supporting such a program today—We think that the above proposals are feasible, although of course there may be significant local variations from country to country and from area to area, depending on local conditions. Without underestimating the difficulties involved in the context of today's all-powerful methods of brain control and military and economic repression that the state and market elites possess, we think that the proposed strategy is a realistic strategy on the way to a new society.

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