

# How Neo-Nationalism Has Fuelled the Transformation of Old Welfare-State to New Capital-State

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*—A. P. —*

*This is a two-part review analysis based on the key findings in Oleksandr Svitych’s recent book, The Rise of the Capital-State and Neo-Nationalism, which attempts to provide a political economy approach to the rise of ‘neo-nationalism’ – a populist form of nationalism observed in the contemporary globalised period.*

“Populism is an ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups, the ‘pure people’ versus the ‘corrupt elite’, and which argues that politics should be an expression of the general will of the people.”

– Mudde (2004)

With these words, political economist Oleksandr Svitych, in a recent book The Rise of the Capital-State and Neo-Nationalism, attempts to provide an approach to neo-nationalism from the perspective of political economy. This is the populist form of nationalism observed in the contemporary globalised period.

Neo-nationalism, by Svitych, is defined as an “assertive identity-maintenance project at the intersection of nationalism, populism, and radicalism.”

The socio-economic and socio-political ruptures observed from the interplay of these phenomena re-transforms state-society-economy relations, which according to the author, require an empirical, context-dependent analysis.

Even though the main country-based case studies identified in Svitych's thesis remains restricted to four OECD countries, namely Hungary, Australia, France, and South Korea, the analytical and theoretical contributions from his book's thesis, and the use of Polanyi's work, establish an inextricable link between discontented experiments of free market reforms, declining state legitimacy, and identity-based mobilisation, which has been defining the nature of geopolitics across the globe.

Most studies on the contested phenomenon of populism, including the book titled *Strongmen Saviours...*, have tried to study the "demand side" or the "supply side" reasons or causes for the electoral success of neo-nationalist leaders, and their respective political parties.

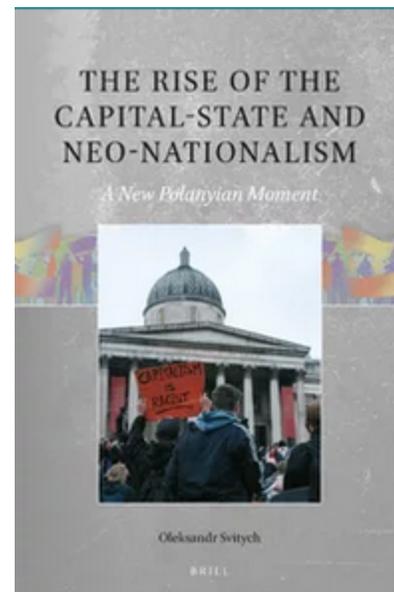
The rise of neo-nationalism across nations from both the developed Global North (from the US to France) and developing Global South (from India to Brazil to Turkey) is observed in different contexts. These are rising unemployment, inequality, weakening labour power, an inefficient functioning of a corrupt bureaucratic state, triggering anti-establishment sentiments, and the role of cultural grievances, perceived ethnic threat, increase in immigration.

Conceptualising populism as a thin-centered ideology driven by nationalist appeals allows to trace such important ideological shifts, according to Svitych. Labelling these shifts as "radical right" or "right-wing populism" conceptually offers a limiting view. There are more underlying factors shaping these shifts.

Oleksandr interprets neo-nationalism as a "societal reaction against the capital state – a polity safeguarding the market order under the auspices of neoliberal globalisation, whereby, three clusters of institutional developments exhibit this uncoupling of the state from society: privatisation and individuation of the provisions for health, education, and welfare; precarisation of work and the weakening power of labour; and financialisation of the economy that redistributed wealth to the top".

The book's thesis makes an important observation in the context of seeing the rise of neo-nationalism/populism as a process of transforming the 'welfare state' into a 'new capital state'. The author defines 'new capital state' as the latest paradigm of state development, distinguished by intensive commodification that favours the interests of capital over public ones.

However, there is a slight disagreement with author Svitych.



The Rise of the Capital-state and Neo-Nationalism by Oleksandr Svitych (Brill, November 2022)

## Also read: The Flipside of Neo-Nationalism

This observation might be partially true for most of the OECD-based case studies cited by Svitych in his book, but in context of scenarios emerging from different countries of the developing global South, say, India or Turkey, which have seen their own tryst with the rise of right-wing populism, they provide a slightly differed 'transformation'. In this case, the old-welfare state has not necessarily given way to a new capital state system. Moreover, it has also seen a 'new form of populist-welfarism' making any such analysis less linear, from what Svitych argues.

For example, in the Indian context, under the rise of the Bharatiya Janata Party (BJP) under Narendra Modi, there is congruence between a significant transformation in the application of the new capital state, which Oleksandr speaks of, and the redistributive welfare state. In this scenario, the prime minister's own name and central government funds are used for the direct delivery of welfare services (or public goods) amidst targeted beneficiaries and the poor for populist-electoral gains.

It's noteworthy to observe how the prime minister, just before the upcoming state assembly elections, announced, in rallies across Madhya Pradesh and Chhattisgarh, the government's plan to extend the 'free-ration' PMGKAY programme by another five years. The programme, introduced in 2020 during the COVID-19 lockdown, seeks to offer ration to 80 crore poorer beneficiaries across India. It was a key factor in allowing critical electoral support for the BJP in the last state assembly elections in Uttar Pradesh.

### **The missing wood from the trees**

Another set of key points deserving further exploration in Oleksandr's work pertains to the operational behavior of other neo-nationalist regimes. This centers on the observed 'change' in the everyday political ethics embraced by the citizenry, especially those in unquestioning, blind support of a populist leader or regime.

It is important to highlight how a persistent rise in Modi's own popularity – and his consolidation of power across the nation, from one national election to another – was accentuated by the emotive politics of andha-vishwas weaponised through a rhetorical narrative push, using tools of information technology and state-propagandist media. This could be understood in the context of the rise of the political right, and the Modi-Shah regime's complex experiments with the everyday political ethics of being built around the tradecraft of seducing the emotive majority.

In his recent work on Indian neo-nationalism's rise under Modi, Ajay Gudavarthy wrote about an interesting aspect, as reviewed earlier, of viewing the 'emotive' influence of Modi's popularity amongst the larger Indian electorate, especially the Hindi-belt, despite the nature

of social or economic issues that afflict the same majority. This is established by understanding that the right invests in *morality*, and what a majority works with *is everyday ethics*.

Also read: The Political Ethics of the Indian Political Right

Beyond that, the everyday ethics of being and what may help explain the average Hindu voter's motivational rationality can be studied by viewing the application of *Dharma*, *Dharam*, *Kama*, *Karma* in the way these influence one's daily life, in terms of motivation and cultural propriety.

The Brahmanical cloak, originally intended to provide guidance, has become deeply politicised by the current regime led by Modi-Shah and [indirectly] the RSS. In their pursuit of establishing a Hindu Rashtra, there is a concerted effort to influence these symbols for the 'emotive (Hindu) majority' to take pride in themselves or to assert majoritarian victimhood, as projected by Modi in his representation of both self and the nation.

The role of Hindutva in defining the nature of faith and applied religious discourse for one to practice its majoritarian belief and assertion by 'Cleaning India', 'teaching minorities a lesson', 'establishing masculine muscularity in a hyper-nationalist wave', is all part of a political project that builds itself on a new morality, ethics of being for emotions (rage, anger, violence) to be experienced and realised.

### **On technology, conservatism in belief systems, and their role in neo-nationalism**

As per the new capital-state theory put forth by Svitych, neo-nationalism unfolds as a protective counter-movement against the erosion of old economic and social structures, creating another iteration of Polanyi's "double-movement" dynamic.

The rise of the capital-state, therefore, and the subsequent economic, social, and political discontent gave rise to counter-movements of both the Left and the Right form of neo-nationalism waves.

There is surely agreement here, and the author's analytical observations remain consistent with some of the non-western 'neo-nationalist' cases too.

Neoliberal, supply-side economic policies, which accentuate inequality and dismantle the fundamental social and economic protections of a welfarist state, have, in many nations, given rise to or produced neo-nationalism through the emergence of the new capital state.

The outcome of these processes could be seen in the strengthening of ethnic-nationalist sources of collective identity, for instance, Hindutva in India's case; Orthodox Islam in Turkey; Evangelical Christian beliefs in Brazil and the US, for shaping right-wing populism, and a revival of civic-based values to reassert national identity through a class-based narrative, allowing for left-wing populist movements.

However, the normative axis of the book misses a robust critique of 'liberal foundations' and principles that may be less relevant in the context of Indian polity or society.

Another empirical gap in the book's thesis, which stems from a normative void, is the weak link established between the actions of the political Right in 'narrativizing' an alternative 'truth'. This addresses the emotive majority's desire to immortalise acquired knowledge of the past in the pursuit of discovering a 'new' truth. The book falls short in fully exploring this dynamic, particularly in understanding it as part of the complex techno-political relationship the Right shares with contemporary tools and mechanisms of the current information order, such as digital technological infrastructure, which the Right effectively weaponises on a day-to-day basis.

The rise of conservative religious-moral belief systems has been a key contributing factor in driving neo-nationalist movements, particularly in the context of contemporary political drive of populism in developing nations such as India, Turkey, and Brazil. The normative vision and ideas of conservative ethics or morality are channelled through new forms of symbolism, manipulated through media and information flow. This dynamic is particularly crucial for the Modi-Shah double engine in India, not only in the acquisition and centralisation of power but also in its consolidation through emotive narrativisation over the last decade.

The media – much like other pillars – have been weaponised for this neo-nationalism project which warrants further scrutiny.

The next article builds the thesis of neo-nationalism's causal linkage, and its effect, with different determining factors, particularly in the context of nations identified outside the scope of Olenksadr's work, which focuses on four selected OECD nations.

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