In the decades since independence, India’s achievements have fueled a narrative of a country on the rise. In awe-inspiring displays since 1951, hundreds of millions of Indians have gone to the polls every five years to select their leaders. Starting in the 1980s, India also captured the world’s imagination as a potential economic superpower. Indian students excelled at top American and British universities. Indian information technology companies and customer-service agents on telephone helplines became commonplace. Soon, Indians occupied positions of great prominence at leading international companies. In 2004, U.S. presidential hopeful John Kerry tried to shock his fellow Americans by asserting that internet connectivity in the southern Indian city of Bangalore was superior to that in many American cities and towns. And although India’s GDP growth began collapsing in 2018, India’s image as a rapidly emerging player on the global stage persisted. Internationally recognizable and acclaimed Indians grew in number. Analyzing the COVID-19 crisis in 2020 and after, doctors of Indian origin were ubiquitous commentators on American television.

International observers and Indian pundits have long predicted that democratic India’s plodding economic “tortoise” will outpace authoritarian China’s cocky “hare.” The world’s largest democracy as an economic
superpower is a tantalizing prospect—not just for Indian citizens but for the world, which would gain a crucial counterweight to the Chinese economic and geopolitical juggernaut.

The story in this book starts at the hopeful moment when India gained its independence from British colonial rule in 1947. After the horror of the bloody partition of British India into the new Indian and Pakistani states, desperately poor and largely illiterate Indians were anxious to move on. Death rates were falling because of improved management of famines and more widespread availability of medicines that had controlled disease epidemics in Europe. With lower death rates, the number of young Indians looking for jobs surged. Indian leaders and policymakers had one task above all: to create jobs for vast numbers of people. The political response to the employment-creation challenge is the central thread that holds this book together.

From the start, jobs grew slowly. By the second half of the 1960s, frustration with life’s hardships provoked widespread anger. Unable to pacify that anger, Prime Minister Indira Gandhi began moving toward authoritarianism in the late 1960s, culminating in “Emergency Rule” from June 1975 to March 1977. Although the formality of democracy returned after twenty-one months, the fabric of social trust and the spirit of democracy continued to erode. Corruption lodged itself at the highest levels of government, abuse of the state’s coercive power grew, and violence to advance narrow interests and win arguments became commonplace. Short-term focus on headline-grabbing policies caused a neglect—even abuse—of the public goods essential for good jobs and human welfare: education, health, vibrant cities, a fair judicial system, and a clean environment.

Even as India’s poor job creation and high inflation persisted, East Asian nations, armed with heavy investments in human capital and urban development, established internationally competitive economies that generated near-full employment.

Starting in the mid-1980s, a small group of Indians amassed fabulous fortunes. Simultaneously, the direst forms of poverty began declining. But hundreds of millions of Indians continued to live precarious lives, keeping their heads just above basic sustenance levels. Persistent social
anger fed criminal networks and sustained “angry Hindu” mobs. Hindu nationalism marked a further tear in the social fabric as violent mobs sought new performance arenas.

Today, as of the writing of this book, it is seventy-five years after Independence, and India’s democracy and economy are broken. V-Dem, an academic think tank based in Sweden, categorizes India as an “electoral autocracy,” a nation that holds elections but where the rule of law and freedom of speech have fallen to unacceptably low levels. COVID-19 revealed the fragility of the Indian economy, which crashed as the first wave of the disease struck. Of the hundred million jobs that disappeared, twenty-five million or more may never come back. More jobs disappeared in the pandemic’s second wave. These losses have piled on to a large backlog of unfulfilled demand for jobs, and as new batches of young Indians enter the job pipeline, they face the specter of a precarious future. “India has an employment crisis” is a common refrain.

This book is a history to inform the present. Although I have written the book from the perspective of successive Indian leaders, my tale is one of continuous erosion of social norms and decay of political accountability. Weakened norms and accountability have made the rules and institutions of democracy a plaything of the privileged and powerful; cooperation is severely lacking in the delivery of quality education, health, and urban spaces for all; justice is no longer blind and rampant environmental damage is ferociously amplifying the damage from the ongoing climate crisis. And since restoration of norms and accountability requires accountability, India is in a classic Catch-22 situation.

It is easy, but incorrect, to lay the blame for India’s troubles on its abhorrent caste system. India is in a Catch-22 because it fell victim to universal moral failures: corruption, blurring of lines between criminals and politicians, and social violence. Once key events injected these affictions into politics and society, it became easier to keep making the wrong choice at every opportunity for change.1

India can emerge from this trap only by recognizing that the economy is a moral universe whose inhabitants flourish when social norms foster trust and long-term cooperation. The economy is not a machine with people as cogs and gears that respond benignly to clever shifts in policy
INDIA IS BROKEN
levers by skilled engineers. Without trust and cooperation, the best policies and technologies will disappoint endlessly.

The book narrates India’s story chronologically to ensure that I do not use hindsight to second-guess choices made by leaders and officials. The chronology also places a spotlight on particular moments at which events and choices critically shaped the future. While the personalities and words of leaders loom large, I often use vignettes from creative ethnographic writings to portray how Indians—especially young Indians—live. I also draw on Indian cinema for its invaluable social and cultural commentary. Statistical charts clear the fog of false narratives and discipline the analysis, an approach I learned during my quarter century as an international civil servant.

I hope anyone interested in modern Indian history or, indeed, in the history of economic development will find the book accessible and informative. When I write, I always wonder what questions my students will ask. To students everywhere, I hope you will find some of your questions answered and that you will be intrigued by new ideas. To scholars, I have tried to fairly represent your work and suggest avenues for more research.

I was born and raised in India but have lived and worked in the United States for nearly forty years. Some years ago, I had to give up my Indian citizenship to become a U.S. citizen. When I called my father to tell him of the emotional rupture I felt, he unhesitatingly reassured me, “You will always be an Indian at heart.” It is that Indian-at-heart you hear in these pages.