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Analysis of the Mechanisms of Political-Business Relations in India under Modi's Leadership

Chu Lixin

School of International Studies, Sichuan University, Chengdu, China
chulixin_albert@163.com

Abstract: *Since India's independence, the relationship between politics and business has undergone a complex evolution, resulting in a unique Indian model that profoundly impacts the country's economic development and political landscape. This study investigates the dynamics of this relationship under Modi's administration using the concept of structural power as a theoretical foundation. The research reveals that politics and business are interdependent, creating blurred boundaries of interest exchange. Indian business groups actively engage in politics through political donations, networking with political elites, and influencing administrative bodies. Concurrently, Indian politicians are increasingly involved in commercial activities. Business associations act as intermediaries, facilitating collective action and providing policy recommendations to the government. The primary factors shaping the Indian political-business relationship are its distinctive democratic political system, the growing structural power of business, and the pursuit of national development goals.*

Keywords: *India; Political-Business Relations; Business Associations; Structural Power*

1. Introduction

Since India' s independence, political-business relations have undergone a complex process of transformation, resulting in a distinctive Indian model that has profoundly influenced the country's economic development and political landscape. Indian political culture has long tended to view the government as the leading force in economic development, with the government playing a significant role in industry regulation, market access control, and other areas. This has often placed the private sector at a relative disadvantage when engaging in negotiations with the government. However, India's democratic system provides business groups with opportunities to intervene in the policy agenda, as the government must consider the demands and opinions of interest groups such as corporations and business associations to avoid losing votes and support. Under these circumstances, the private sector can leverage its political influence to maximize its own interests. Moreover, the private sector has contributed to economic growth, job creation, and innovation, enhancing its significance within Indian society. The government needs to collaborate with the private sector to achieve national development goals.

Over the past few decades, India' s political trajectory has gradually shifted toward a pro-business orientation. Compared to the Nehru era, when the state adhered to socialist ideals and emphasized redistributive policies, the Modi administration has focused more on supporting private enterprises to drive economic growth, significantly altering India' s business environment and economic structure. Domestic capital in India has gradually strengthened its political power amidst this incremental transformation. As the Indian economy rapidly modernizes under the leadership of the private sector, the political influence of business groups has increasingly grown, becoming a critical force in driving policy formulation and social change. The enhancement of structural power among Indian business groups is reshaping political-business relations in India.

Based on the above context, this paper will explore the following questions: What are the current state and characteristics of political-business relations in India under Modi' s administration? What are the mechanisms of political-business relations in India? What are the potential main reasons behind the formation of these mechanisms in India?

2. Theoretical Foundations

The discussion of structural power in business originated with Marxists in the 1970s and was later

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elaborated by Charles Lindblom in his work Politics and Markets, where he summarized the core characteristics of structural power, specifically that the privileged position of businesses in capitalism grants them structural power.[1] Structural power theory posits that capitalists can automatically acquire what they seek without taking proactive measures. This theory is based on the premise that, in capitalist societies, businesses and entrepreneurs control critical economic levers, and investors can easily shift investments to regions with relatively higher returns to maximize profits. The state relies on business investment to generate growth, create jobs, and perform various economic functions, linking policymakers' political fortunes to the economic performance of their jurisdiction, at least to some extent. Therefore, politicians, whether to prevent capital flight, sustain healthy economic development, or safeguard their political futures, must consider the preferences of business groups and pursue pro-business policies during the decision-making process. For businesses, the pathways to obtaining structural power include influencing economic performance through increased or decreased investment, which in turn impacts the political performance or electoral prospects of politicians, or directly participating in the political process as key actors.[2] Aseema Sinha further introduced the concept of blurred boundaries. She argues that the state pursues both development and patronage. This duality of the state allows business actors to infiltrate various areas and access points within democratic institutions, public bodies, and regulatory agencies. The boundaries between government and business become blurred, creating a "porous" condition where politicians invest in business activities while entrepreneurs penetrate government sectors, participating in governance and policy-making.[3]

In India, since Modi's administration, the importance of the private sector has significantly increased, and the political futures of politicians have become closely linked to the economic development levels of the regions they govern. Structural power plays a crucial role in political-business relations. Many key sectors of the Indian economy, such as technology, manufacturing, and services, are highly dependent on private investment and corporate innovation. As a result, the Indian government is strongly motivated to attract private capital to stimulate economic growth and often must consider and accommodate the interests and demands of large corporations and conglomerates. On the other hand, business groups support the government's political-economic agenda and electoral campaigns of political parties through investment and job creation, but this support is typically aimed at influencing government policies to ensure a favorable business environment. Against this backdrop, the structural power acquired by Indian businesses compels decision-makers and policymakers to consider business preferences and proactively create a pro-business environment.

3. Mechanisms of Political-Business Relations in India from the Perspective of Structural Power

With the changing political landscape and evolving policy orientation in India, political-business relations have shown increasing complexity, gradually forming an intricate network of interactions. Overall, the Indian government strives to revitalize the economy through "pro-business policies" and drive the country's rapid development through liberalization, incorporating more considerations favoring business interests in various decisions made by the leadership.

India exhibits a dual characteristic of pursuing both development and patronage. This contradictory duality of the state allows business actors to embed themselves in key nodes of democratic institutions, public bodies, and regulatory agencies. Transactions between private and public actors are legitimized under the shadow of the state, thereby reshaping the blurred boundaries between government and business and forming diverse modes of political-business interactions.

3.1. Business Power Penetrating the Political Sphere

Business power is increasingly infiltrating public institutions, shaping key government bodies, including democratic and regulatory institutions. As business power strengthens its structural influence in politics, parliamentary committees under business influence are witnessing increasingly severe conflicts of interest. Business people exploit their political positions to extract commercial benefits, raising issues relevant to their interests through political agendas and accessing non-public information. For instance, a Telugu Desam Party (TDP) MP from Andhra Pradesh obtained firsthand information about highway construction through parliamentary inquiries, while the business group he represented was seeking collaboration with the National Highways Authority of India.[4]

Lobbying, political donations, networking with political elites, and courting administrative agencies are the primary means by which Indian business power exerts influence in the political arena. During the license era, lobbying was mainly carried out by individuals and companies seeking to gain benefits

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through personal connections with high-level government officials. Currently, lobbying has become more formalized and transparent, with various industry groups and interest organizations employing professional lobbying firms to represent their interests. However, a strong and unified business lobbying group has yet to emerge in India.

In contrast, political donations hold a more prominent position in India. Transactions between private and public institutions are legally conducted under the shadow of the state. Although political donations and corruption overlap to some extent, the two should not be conflated within the Indian context. Corruption is generally defined as the illegal use of public resources for private gain, while donations usually occur within the boundaries permitted by Indian law, seen as a legitimate extension of legal discretion rather than a violation of legal limits.

The Bharatiya Janata Party (BJP) saw a significant rise in political donations between 2003 and 2022. The 2014 Indian general election was widely considered the most expensive election to date, marked by active illegal money transactions, with significant corporate sponsorships playing a crucial role. According to incomplete statistics, the Election Commission and its subsidiaries seized election-related contraband, including 240 million rupees in cash, 13.2 million liters of alcohol, and 104 kilograms of heroin. Congress Party leader Rahul Gandhi criticized Modi for the lack of transparency in the funding sources of his campaign and accused the BJP of trading land at low prices in exchange for substantial corporate donations.[5]

Business elites are often adept at sensing shifts in the political landscape and employ various strategies to connect with influential politicians or emerging power figures, aiming to secure substantial future gains. Business groups that actively network with political elites can experience significant short-term growth. According to the Bloomberg Billionaires Index, the assets of business groups allied with Modi surged dramatically after he was nominated as the BJP' s prime ministerial candidate. On the day Modi' s victory was confirmed, India's stock index soared, with affiliated companies' market value increasing by $800 million, and Gautam Adani' s companies gaining $700 million in value. Within six months of Modi' s election, Mukesh Ambani' s assets grew by $5.3 billion, while Gautam Adani' s assets rose by $1.9 billion during the same period.[6]

Compared to the frequent changes and unpredictability of political party leaders, India's administrative bureaucracy is marked by stability, with appointments that are not subject to rotation due to changes in government.[7] Additionally, bureaucrats possess a high level of expertise, and their accumulated knowledge over time lends significant weight to their opinions and recommendations within political circles. Business conglomerates often employ various strategies to cultivate ties with senior bureaucrats. First, to maintain effective communication with the government, many large conglomerates establish liaison offices in New Delhi specifically tasked with obtaining policy information, relaying it to their company headquarters, and conducting lobbying efforts to secure government approvals for new factories, capacity expansion, foreign exchange acquisition, and other matters. Second, they build favorable relationships with senior bureaucrats through social activities, such as hosting gatherings and dinners. Third, they offer lucrative positions, such as policy consultants, to senior bureaucrats approaching retirement, aiming to secure their influence and expertise.

3.2. Politicians Involved in Business Activities

As business actors increasingly enter legislative institutions, Indian politicians have also started openly engaging in commercial activities. In the early years of liberalization in 1991, most business figures opted to enter Parliament through the Rajya Sabha (Council of States). More recently, the number of business representatives in the Lok Sabha (House of the People) has also significantly increased. In 1991, approximately 14.2% of Lok Sabha members were engaged in occupations such as "merchants" or "traders," which rose to 26.2% in 2014 and remained high at 25.88% in 2023. [8] Similar trends have been observed in the Rajya Sabha (Council of States) and across various political parties.[9]

A growing number of politicians are getting involved in and investing in new enterprises, primarily focusing on small and medium-sized businesses. Real estate is particularly popular among many political figures, while the media industry is especially favored in southern India. Even if the leaders of political families do not directly hold shares, their family members often own stakes in multiple companies through cross-shareholding arrangements. For instance, Supriya Sule, a Member of Parliament from the Nationalist Congress Party, has facilitated her family members in acquiring substantial assets in the media, aviation, and infrastructure sectors. Within her family's operations, there is significant cross-shareholding among the companies they own, further entrenching their influence across various business domains.[10]

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Large corporations in India often hire retired government officials as consultants, leveraging their accumulated connections and influence within government circles to access resources, creating a unique "revolving door" phenomenon between politics and business in the country. This phenomenon not only highlights the close ties between politics and business but also reflects potential conflicts of interest in resource allocation, policy formulation, and regulatory processes. For instance, former Indian diplomat Nirupama Rao, who held key positions in the Ministry of External Affairs, served as Foreign Secretary, Ambassador to the United States, and Ambassador to China, setting multiple records as the first woman to hold various diplomatic posts in India. After her retirement, Rao was appointed as an independent director by several publicly listed Indian companies, including Adani Ports and Special Economic Zone Ltd., owned by Gautam Adani, one of India's most prominent and wealthiest business magnates.[11] Similarly, former Reserve Bank of India Governor Bimal Jalan joined the boards of multiple large private enterprises after leaving public office.[12] Former Finance Minister Arun Jaitley, known for his close ties with various companies during his political career, was also hired as a legal advisor by several corporations after stepping down from public office.[13]

The widespread existence of the "revolving door" phenomenon between politics and business in India facilitates the flow of information and the sharing of resources between the government and the business community. This interaction helps companies better understand and adapt to the policy environment, promoting compliance and sustainable development. On the other hand, it raises concerns that public policy might be influenced by private business interests. Retired government officials who join the private sector, particularly those who held influential positions in policy-making and regulatory roles, may leverage their government background and networks to provide private enterprises with advantages in policy formulation, contract acquisition, and regulatory approvals. This could result in policy biases favoring specific business groups, potentially undermining the fairness and transparency of government policies and eroding public trust in the impartiality of government decisions.

3.3. Business Associations as Lubricants in the Political-Business Relationship

Indian conglomerates tend to form business associations to coordinate collective actions to secure their interests. By using the framework of business associations, they can effectively align individual interests with the broader interests of the business community, enhancing moral legitimacy and improving efficiency. There are three main reasons why the business community increasingly values collective action: First, India's economic reforms have given rise to a large number of emerging business entities, primarily small and medium enterprises, which have yet to establish clear communication channels with the government. Therefore, they rely on business associations to effectively articulate their interests. Second, conglomerates seek to establish institutionalized platforms rather than relying solely on personal connections with political leaders to exert political influence. This approach stems from the significant losses conglomerates have suffered due to past political instability, particularly when over-reliance on a specific political party has often made them casualties of political conflicts. Establishing institutionalized platforms helps mitigate the potential risks associated with supporting a single party, such as electoral defeat or public opinion pressures. Third, as the scope of government responsibilities continues to expand, the need for timely, professional information and consultative analysis has also increased. A single conglomerate is often unable to gather the latest information across various industries or provide timely and reliable analysis reports to government departments. The business community, therefore, needs to consolidate resources and function collectively to provide effective information to the government as leverage to influence policy decisions.

Overall, compared to individual conglomerates, business associations have distinct advantages in terms of member scale, influence, communication channels with the government, and moral legitimacy, making them a crucial avenue for the Indian business community to influence politics. As business associations continue to grow and expand, they have attracted an increasing number of enterprises. Although the dominance of large business groups has somewhat diminished in this process, they still occupy significant positions. Meanwhile, small and medium-sized enterprises hope to collaborate with larger companies to present their interests to the government, collectively building a more cohesive community of shared interests.

India currently has three major business associations: the Confederation of Indian Industry (CII), the Federation of Indian Chambers of Commerce and Industry (FICCI), and the Associated Chambers of Commerce and Industry of India (ASSOCHAM). These business associations play a vital role not only in facilitating exchanges, visits, and information sharing but also in providing the government with effective policy recommendations. They organize large-scale summits, creating new avenues for political-business interactions, and regularly publish economic reports and data analyses for the public.

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These associations have provided crucial information and support to the Modi government, aiding in the formulation and implementation of policies.[14]

Business associations play a pivotal role in shaping the policy framework for business, offering recommendations to the government and other stakeholders to create a more favorable policy environment for business development. Through the regular publication of policy analysis reports, these associations actively participate in the policymaking process. Among their most crucial activities is the submission of annual budget proposals to the national government. Before the government formulates the annual budget, the Confederation of Indian Industry (CII) gathers feedback from its various affiliated industry associations and dispatches representatives to meet with senior officials of the Ministry of Finance, thoroughly presenting the perspectives and suggestions of these associations. This initiative is highly regarded by the government.

Moreover, CII provides in-depth analysis and unique insights into the government budget through reports such as the “Annual Budget Analysis” and “Key Policy Issues Analysis.” The Federation of Indian Chambers of Commerce and Industry (FICCI) has also published the India Defense Procurement Guide and organized training courses related to defense procurement, inviting officials from the Ministry of Defense to offer briefings, thereby laying a solid foundation for future bidding processes.

4. Key Factors Shaping the Mechanisms of Business-Government Relations in India

India’s political system and economic environment, shaped by a complex historical and contemporary context, have gradually given rise to a distinctive democratic political structure. This multi-layered democratic framework provides abundant opportunities for political engagement, resulting in blurred boundaries between business and government and reshaping the relationships among business, government, and society on multiple levels. The increasing structural power of business also compels the Modi administration to account for commercial interests in its decision-making processes. Conversely, to overcome the constraints of colonial history and feudal legacies, the Indian government has, through long-term developmental practices and accumulated experience, begun to rely on large conglomerates to advance the nation’s growth objectives.

4.1. Unique Democratic Political System

India’s democratic political system is distinguished by its multi-party system, federal structure, universal suffrage, and constitutional safeguards, which collectively shape its political landscape and significantly influence business-government relations. Firstly, the multi-party system disperses political power, requiring parties to negotiate and compromise in policymaking. To secure political support, parties actively engage with business interests, prompting business groups to use financial sponsorship and lobbying to influence policy, creating mutual dependencies between businesses and political parties. Secondly, India’s federal structure, which allocates power between the central and state governments, provides diverse policy influence channels for business groups. States develop economic policies tailored to their specific characteristics, allowing business groups to strategically operate across states, leveraging intergovernmental dynamics and policy variations to optimize their strategies and thrive in a complex political and economic environment. Thirdly, universal suffrage ensures a broad electoral base, enabling business groups to influence government decisions through elections and political activities that advance their interests. By supporting specific parties or candidates, businesses participate in political campaigns and impact policy formulation.

Over the past seventy years, India’s democratic politics has fostered diverse stakeholders actively involved in policymaking, particularly since the 1991 economic reforms that made society more open and accommodating toward business. This unique democratic structure has cultivated a distinctive “porous” business-government relationship, blurring the lines between commerce and politics. The multi-layered democratic framework creates opportunities and challenges for power interactions between business groups and the government. While corporate participation enhances business flexibility and responsiveness to market changes, the government must balance fair competition with social responsibility in its policy and regulatory roles, preventing power misuse and safeguarding overall societal interests.

4.2. The Growing Structural Power of Business

With economic globalization and market liberalization, the economic power of Indian firms,

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particularly large corporations and multinationals, has significantly increased, thereby enhancing their structural power. These firms leverage their scale to exert growing influence on domestic political-business relations. Their structural power enables them to choose investment locations domestically and globally and to shape local economies and key national industrial policies. This power is rooted in their scale, capital strength, and position in global supply chains, making them indispensable partners for the government in economic development and policy goals. This influence fosters close, often interdependent relationships between local governments and businesses, blurring the lines between regulator and regulated.

First, firms' investment choices directly impact regional economic development by creating jobs, upgrading local industries, and stimulating related supply chains. To attract and retain such investments, governments often offer incentives like tax breaks and land-use benefits. Frequent interactions between business leaders and government officials further embed commercial interests in policy-making, rendering the process porous and susceptible to influence from various business groups.

Second, large firms play a crucial role in formulating national industrial policies. Positioned at upstream or critical points in value chains, their production decisions and innovation capabilities directly affect national competitiveness and sustainability. Consequently, the government often considers their input to ensure that policies align with market needs and promote industrial health, thereby strengthening corporate influence in political-business interactions.

Third, multinationals' global operations complicate India's foreign policy decisions. These firms' international activities impact not only national economic interests but also diplomatic relations and international stances. This interdependence further blurs the boundaries between government and business, reflecting corporate interests in public policy.

Fourth, media commercialization significantly shapes contemporary political-business dynamics in India. Media control by business elites influences public perceptions on economic growth, political stability, and national security. This control allows business groups to bypass traditional political mobilization, directly swaying voter behavior and supporting favored politicians while undermining rivals. This deepens the entanglement of business and politics, positioning corporate interests at the core of the political agenda and further blurring political and commercial boundaries.

Despite the growing clout of business, capital interests have not achieved a dominant position in India. Democratic institutions, public sector authority, and social constraints continue to check the rise of corporate power, preventing a complete shift towards business interests as predicted by structural power theories. As Kohli notes, the nature of Indian democracy—where most voters are poor—means that "the Indian government can never fully become the servant of Indian business." [15] The "dual-track" nature of Indian democracy, with electoral processes relatively independent from decision-making, remains a defining feature of its high-growth era post-1980. Caste, identity, and patronage remain central to electoral politics, compelling politicians to connect with voters on non-economic grounds. Pro-business policies attract private investment and drive growth, theoretically influencing election results.[16] However, in India, this link remains weak, with identity and patronage still dominating voter-politician connections, thereby limiting the scope of corporate influence.

Moreover, the Indian state retains a dominant role in the economy, imposing constraints on capital. It controls key sectors and resources, limiting private entry into strategic areas such as energy, banking, and infrastructure. Growth driven by service industries has been exclusionary, offering limited formal employment opportunities, with the private sector employing a smaller proportion compared to the public sector. Through macroeconomic policies on taxes, investment, and trade, the state indirectly regulates private sector activities to protect national interests, promote social equity, and achieve long-term developmental goals.

4.3. The National Development Imperative for Growth

Globally, rapid capital accumulation is considered foundational for industrialization and modernization. In the pursuit of rapid economic catch-up, late-developing nations have often relied on state-owned enterprises and conglomerates to drive growth. In its early post-independence years, India attempted to emulate the Soviet state-owned enterprise model, hoping to replicate its success. However, this effort failed due to the unsuitability of the model to India's unique socio-political context and the constraints imposed by economic structures, laws, and regulations inherited from British colonial rule.

As a developing country, India faces complex economic challenges. On one hand, the colonial economic model—designed to serve British interests—remains deeply entrenched, stifling national development and economic vitality. On the other, policies such as land acquisition regulations and labor welfare measures, while ostensibly aimed at benefiting the Indian populace, are often exploited by political parties and interest groups to consolidate power and gain voter support. These policies, cloaked in the guise of "socialism," are frequently used to manipulate resources for political and economic gain rather than genuine public welfare.[17]

These issues have led to significant problems: land acquisition is often hindered by landlords and smallholders, stalling efficient land use; labor markets are controlled by entrenched "labor aristocracies," limiting flexibility; and state-owned enterprises suffer from severe bureaucratization, resulting in inefficiency and a loss of innovation capacity.

The Modi administration has recognized these challenges and taken steps to address them. It has sought to prevent wealth outflows through trade deficits and emigration, focusing instead on enhancing domestic firms' competitiveness and innovation to retain wealth within India. Simultaneously, Modi's government has opposed traditional interest groups that hinder economic progress, opting instead to empower more efficient and cooperative domestic entities, particularly emerging conglomerates.

India's political-business relations cannot be reduced merely to corruption or interest exchange. This development model, centered around the private sector, represents a strategic choice forged through years of experimentation by successive governments to overcome colonial and feudal constraints in pursuit of national growth. A case study of the Adani Group's confrontation with Wall Street short-seller Hindenburg Research illustrates this dynamic.

In January 2023, Hindenburg Research released a report targeting the Adani Group, wiping out over half of the conglomerate's market value. Gautam Adani, once Asia's richest man, saw his fortune plummet by nearly $60 billion, dropping from 3rd to 24th on the Forbes rich list, while rival Mukesh Ambani reclaimed the top spot in Asia with $84.5 billion.[18]

The fallout saw India lose its position among the world's top five stock markets, and protests erupted nationwide, with opposition parties demanding an investigation into the alleged fraud and price manipulation. The Adani empire's collapse threatened to destabilize the fundamentals of India's economy. Bloomberg warned that continued declines in Adani's asset values could severely damage investor confidence, posing a major setback to India's growth narrative.[19]

The significance of this controversy lies in the intricate ties between Adani and the political establishment, especially Prime Minister Modi, highlighting India's unique growth trajectory. Adani's strength stems from aligning the fate of his conglomerate with India's economic destiny. Over the past decades, Adani's investments in capital-intensive sectors such as airports, power plants, and data centers, have been central to Modi's economic agenda. Adani's ventures often target resource-scarce regions, creating thousands of jobs, thus tightly interweaving corporate interests with national development goals.

For Modi, Adani represents a preferred partner over traditional industrial giants like Mahindra, Tata, or rising tech leaders such as Biocon and Infosys, for several reasons. First, Adani's revenue is predominantly domestic, minimizing foreign control risks. By contrast, other companies are more reliant on international markets, vulnerable to global economic fluctuations. Second, Adani maintains a low proportion of publicly traded shares, preserving control and reducing the risk of external shareholder interference. This internal control structure allows the Modi government to collaborate more confidently with Adani, making strategic decisions with minimal external pressure. Third, Adani's businesses often dominate their markets, bolstering bargaining power and competitiveness. These enterprises typically rely on government concessions and financial support, further tightening their ties with the state, enabling Modi's administration to steer economic development more effectively.

Adani's success also stems from demonstrated operational excellence, such as the efficient management of Mundra Port—now India's highest-performing port—and rapid project execution, as seen with the Mumbai airport redevelopment, where Adani accomplished in one year what had stalled for two decades.[20] These factors position Adani as a quintessential example of India's "state-aligned capital."

The rise of Adani, closely linked to Modi's tenure, has drawn scrutiny due to their opaque relationship. While Adani's prominence predates Modi, the conglomerate's alignment with Modi's administration has bolstered its growth. Despite Modi's reputation for prioritizing ideals over personal gain, the potential for corruption remains. Within a landscape marked by political dynasties, oligarchic dominance, and inefficient state enterprises, Modi and the BJP rely on loyal conglomerates like Adani to fund operations,

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drive policy, and achieve focused economic outcomes.

For Adani and similar entities, government concessions in market access, tax incentives, land use, and policy support are critical to scaling and competitiveness. Adani's expansion strategy capitalizes on these advantages, reinforcing its market standing in key sectors. Despite accusations of misconduct, ratings agencies have maintained their outlook on Adani, citing its substantial shareholding and entrenched positions in strategic industries like energy and transport as insulating factors that sustain its long-term investment appeal.

Modi's collaboration with conglomerates like Adani consolidates economic control, strengthening central authority but also deepening societal divisions, exacerbating oligarchic dominance, and constricting opportunities for smaller enterprises. As India's economic growth plateaus, these internal contradictions may surface, potentially straining Modi's relationship with Adani, particularly over contentious issues like Mundra Port.

5. Conclusions

This study examines the mechanisms of political-business relations in India since Modi's administration and analyzes the primary driving factors, arriving at the following key conclusions:

Post-liberalization, India's political and economic institutions have increasingly integrated business interests, a trend reinforced by the Modi government's pro-business stance. Within India's unique democratic framework, state institutions are being deeply infiltrated by pervasive business groups, resulting in a porous and ambiguous boundary between politics and business. Indian politicians invest in business ventures, while business leaders actively participate in politics. To secure extraordinary profits, businesses engage in lobbying, political donations, networking with political elites, and influencing administrative bodies. Business associations serve as intermediaries in political-business interactions, offering a platform for collective corporate action and policy advocacy.

Three main factors shape the mechanisms of India's political-business relations: the unique democratic political system, the growing structural power of business, and the national development imperative for growth. India's multi-layered democratic structure provides numerous opportunities for political engagement, blurring the lines between business and government, and reshaping relations across business, government, and society. The increasing structural power of business necessitates that the Modi administration consider business interests in its policymaking. Through long-term developmental practice and experiential learning, Modi's government has leveraged large conglomerates to drive national growth objectives.

In summary, the evolution and development of India's political-business relations is a complex and multifaceted process, influenced by the interplay of political, economic, and social factors. This dynamic not only reflects the shifting landscape of Indian political economy but also offers crucial insights into India's developmental model and societal transformation. Both the Bharatiya Janata Party (BJP) and the Indian National Congress (INC) recognize economic growth and development as urgent priorities, with the private sector-led capital serving as the primary engine. The structural power of business has continued to strengthen with the support of the Modi government, but it remains within controllable limits. The evolving political-business relations will continue to shape India's modernization trajectory, holding significant implications for both India and the global economic order.

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