THEIR VIEW

# Democracy: where Tocqueville, Tagore and Ambedkar converge

*Constitutions matter but all three thinkers arrived separately at the same insight: liberty must get embedded in civil society*

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The difficulties of the world's oldest and largest democracies, the US and India, raise a question more fundamental than how their constitutions might be 'tweaked.' Can constitutional design by itself protect democracy against those who acquire power through democratic means and then undermine the institutions that brought them to office? Plato identified this vulnerability long ago: democracy can furnish its own destroyers with the legitimacy of the popular vote. The American founders understood the danger and constructed elaborate checks and balances to contain it. Yet, James Madison also understood that institutions ultimately depend upon the people who operate them. No constitutional arrangement can be entirely proof against officials willing to corrupt it or an executive powerful enough to bend the other branches to its will.

Britain suggests a different route to democratic durability. Its democracy rests less on any written constitution than on conventions accumulated through centuries of conflict over sovereign power. Magna Carta, the execution of Charles I, parliamentary supremacy and even the rituals surrounding the monarch mark stages in the long construction of restraints on power. Their force lies precisely in having become customary. What Alexis de Tocqueville called "habits of the mind" have become embedded in civil society. A constitution can be amended or discarded; habits acquired through generations of political struggle are harder to erase.

This suggests that the deepest protection of democracy lies neither in constitutions nor institutions, indispensable though both are, but in a widely shared habit of freedom. Democracy cannot simply be established by fiat, as American interventions in West Asia and Afghanistan demonstrated. Nor can enlightened constitution-makers manufacture it overnight. Political liberty becomes durable when citizens themselves instinctively resist arbitrary power.

This distinction may help explain the potentially divergent prospects of the US and India. American democracy was not born fully liberal. America's 1776 Revolution was initially a struggle against British rule, while the constitutional promise of liberty co-existed with slavery and political exclusion. Liberal democracy had to be enlarged through the Civil War and, much later, the Civil Rights movement. Its institutions are therefore the product not merely of constitutional design, but of repeated struggles over the meaning of freedom. This gives reason to hope that American civil society retains sufficient democratic habits to withstand powerful demagogues.

India's history is more troubling. The Constitution created an extraordinarily ambitious liberal democracy, but its social foundations were less secure. Ambedkar warned that democracy in India was still "skin deep." The national movement mobilized millions, but its overriding objective was independence from foreign rule, not a prolonged popular struggle for individual liberty against indigenous forms of social and political domination. Liberal values were strongly held by leaders such as Nehru and sections of India's 19th-century intelligentsia, but they did not influence broad civil society to the same extent. India's democracy was therefore, to a significant degree, an enlightened construction from above.

The debate between Gandhi and Tagore illuminates the problem. Both conceived *swaraj* (self-rule) more broadly than simply expelling the British, and Gandhi himself pursued important social reforms. Nevertheless, Gandhi gave political independence overriding priority. Tagore feared that replacing foreign rulers with Indian ones would accomplish little unless Indians also liberated themselves inwardly. Political struggle had to become a "battle for the mind": freedom required *atmashakti* (self-power), an inner capacity to resist domination irrespective of whether the ruler was foreign or native. His words were prophetic.

Ambedkar approached the same problem through the entrenched inequalities of caste. Here the contrasting trajectories of northern and southern India are suggestive. In much of south India, non-Brahmin, Self-Respect and related movements challenged established hierarchies from below. They used electoral politics to acquire power, widened access to education and economic opportunity, and altered the social structure itself. They did something constitutional proclamation alone could not: accustomed subordinated groups to asserting equality and resisting inherited authority. This may help explain why the south has resisted political projects of northern origin.

The Emergency itself demonstrates the fragility of India's democratic culture. Its defeat in 1977 is often interpreted as proof of the electorate's instinctive attachment to liberty. The reality was more complex. Opposition drew strength from several currents, including organizations whose commitment to liberal values was questionable. More importantly, the erosion of institutional and personal freedoms has generated less sustained resistance. Constitutional checks are also structurally weaker than in the US: executive and legislative authority are closely intertwined, appointments to key institutions are vulnerable to executive influence and Indian federalism provides weaker counterweights to central power.

Constitutions, of course, matter. Checks and balances, an independent judiciary, federalism, a free press and genuinely competitive elections are essential. But these are defensive walls, not democracy's foundations. Walls may eventually fall if nobody is prepared to defend them.

India's unfinished democratic task is therefore deeper than constitutional reform. The freedom struggle succeeded magnificently in ending foreign rule, but political independence and human freedom are not synonymous. Tagore's "freedom of the mind," Ambedkar's struggle against social hierarchy and Tocqueville's democratic "habits of the mind" converge on the same insight: liberty must be embedded in civil society to survive.

India may require, in a metaphorical but profound sense, another freedom struggle—against the acceptance of arbitrary power. Its object would be to make personal liberty, equality before the law and resistance to regression habits of citizenship. Democracy's ultimate safeguard, rather than the Constitution in a glass case, is a society that has acquired such a deep habit of freedom.

MINT CURATOR

# Takaichi's cockroach remark: Japan remains misunderstood

*Tokyo can't afford to ignore how its words are interpreted abroad*

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Misreadings can play havoc with sensitive yen and bond markets. BLOOMBERG

You might have read that Japanese leader Sanae Takaichi has a new friend. "Japan's PM: I'm so lonely I befriended a cockroach," ran the headline in the UK's *Telegraph* this week. A single tweet of the article has received over 8 million views.

It's a great story with one problem: It is not remotely true.

The saga stems from a Takaichi tweet in which she said that while her official residence has a reputation for being haunted, it was not a ghost that made her scream but a cockroach. Citing a belief in reincarnation, she couldn't bring herself to kill the pest; when she found out that her staff had arranged for an extermination, she expressed mild regret.

Most headlines in the Tokyo media reported on how bizarre the international coverage was, with one asking "translation error, or ridicule?"

You might well ask, who cares? This is Japan, after all, the country about which you can write anything and worry later if it's true, from fictional eyeball-lickers to supposed post-covid-mask smile coaches. Normally, these stories do not have much impact on anything. Except, as this episode shows, official communications can be misread, deliberately or not. Consider what that means for the increasingly sensitive yen and bond markets.

As the Bank of Japan (BoJ) retreats from the bond market, foreign investors are increasingly dictating prices. They own only about 13% of outstanding Japanese government bonds, but now account for up to 30% of purchases of the benchmark 10-year, and dominate the short-term bill market. The foreign-exchange market is of course international, with the carry trade and recent US intervention amplifying that interest.

But the Japanese government still communicates as though domestic institutions are the only audience that matters. It was caught flat-footed earlier this summer when international investors misinterpreted domestic-focused early leaks of a key economic document to mean profligate spending and opposition to BoJ independence. Yields spiked in response.

Communication needs to be crafted with this kind of reaction in mind. Many are just not familiar with the realities of Japan's debt situation—that while gross debt is high, so are its assets, meaning net debt is far more manageable than it looks; that its primary budget deficit is now one the lowest among its peers; that forecasts for debt-servicing costs include both interest and principal, unlike the net-interest figures commonly cited for the US.

I have encountered some who think that the entirety of Takaichi's 370 trillion yen ($2.3 trillion) public-private investment plan is going to be funded by new government bond issuance. Not only is this wildly incorrect, even if the administration wanted to spend this much (and it doesn't), practical constraints mean it would be impossible. It's like betting on land prices expecting the first Trump administration to actually build the wall.

Given that the eyes of the world are on Japan in a way they have rarely been before, the old communications model—in which news is leaked first to the domestic press, with the international reaction an afterthought, if it's thought about at all—needs a revamp.

A growing narrative considers the prime minister to be a spendthrift in a country that is already on the fiscal ropes. This supposed imminent collapse is now an increasingly prominent explanation for the yen still testing 160, despite a reduced interest rate gap with the US, Japan's central bank conveying an increased pace of rate hikes and prospects of tighter Federal Reserve policy receding.

"Is Japan bust? You'd think so reading recent coverage," is an accurate summary from Nicholas Smith, a veteran Japan strategist who recently left CLSA, referring to often hyperbolic reports.

The prime minister also faces a powerful domestic perception, deeply entrenched in the finance ministry and local commentary, that warns of imminent fiscal calamity. It is simple to grasp, and so it travels very easily overseas. If she wants room to pursue her ambitious growth plans, it is a perception she must fight.

AI translation might mean that language is increasingly a solved problem. But while AI can provide context—interpreting that cockroach anecdote or illuminating the realities of Japan's fiscal situation—it won't do it unless asked. Providing that detail is the job of Takaichi's government; hoping for understanding to emerge is a fool's errand. Thanks to her staff, Japan's prime minister may not need to call an exterminator anymore. But there is someone else she might need: an international communications specialist.



MY VIEW | IT MATTERS

# How Indian tech majors should deploy their war chests

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I have written before about the rough quarters ahead for India's large IT players like Tata Consultancy Services (TCS), Infosys and Cognizant: from outcome-based pricing and shrinking fees to a thinning fresher pipeline. And the fact that smaller players are upstaging them on artificial intelligence (AI)-based business. Persistent Systems grew over 16% in the last quarter while Coforge grew revenue by over a third, partly by acquisition. To some of the majors, this must seem like *déjà vu*: of when they outflanked larger rivals that have since bitten the dust—such as Patni and Covansys during the Y2K years. Except they are at the receiving end now, not dishing it out.

But there is a second flank, one that India's IT majors are better placed to open than they get credit for. Each carries a debt-free balance sheet and tens of thousands of crores in cash and short-term investments. Infosys alone holds reserves of tens of thousands of crores. TCS's current assets clear its liabilities by a wide margin. Wipro is debt-free too. A war chest that size was built for exactly this kind of discontinuity, and the smartest use of it may not be in defence of their existing services business at all.

The obvious approach is acquisitions and the obvious objective is not more delivery capacity, since that is precisely what AI is commoditizing. The more interesting targets sit adjacent to the core business: firms that verify, audit and govern AI output rather than simply generate it. I have argued that enterprises will increasingly need 'forensic plumbers' capable of tracing failures through AI-enabled systems, and that judgement, the ability to remove plausible but wrong explanations, is becoming scarce even as fluent answers become abundant.

An IT major that acquires two or three firms which specialize in AI code review, model risk validation or compliance-grade agent monitoring would be buying exactly that scarce resource at a moment when very few enterprises have built it internally. Vibe coding tools can generate output quickly; almost nothing in the toolchain verifies it before it ships. Acquiring that verification layer rather than another generator of plausible pull requests is a fundamentally different and harder-to-commoditize business. The same logic extends to vertical shops: a firm that has encoded a regulator's expectations into software is worth more right now than one that generates unchecked code. Coforge's and Persistent's own acquisitions already show inorganic capability-building works; there is no reason the strategy stops at tier-two companies.

Plus, there also exists the strategic alliance route. TCS has struck a partnership with Anthropic to build a dedicated unit deploying Claude across its business, extending into TCS iON's training programmes and Diligenta's UK pensions operations. Infosys partnered with Anthropic to build agentic systems into its Topaz platform, and separately with OpenAI, as has HCLTech. The logic is straightforward. Frontier AI labs need enterprise distribution, sector-specific compliance expertise and client relationships built over decades; they have world-class models, but comparatively little experience navigating a bank's risk committee or an insurer's regulator. Indian majors have exactly that experience, plus balance sheets and delivery organizations that can scale globally. It is a genuinely complementary pairing, and explains why these deals are being announced now, faster than most observers expected.

**Infotech players which acquire capabilities that AI cannot easily learn can expect to revive their performance**

The arrangement, however, has a specific risk that IT majors should price in before celebrating. Anthropic has already launched its own AI services venture backed by Blackstone, Hellman & Friedman and Goldman Sachs, aimed at mid-sized companies; OpenAI is pursuing a similar vehicle. Both moves signal that model providers see enterprise implementation, not just model licensing, as territory worth owning directly. A partnership that looks complementary today can look like training data for tomorrow's inhouse competitor once the lab has learnt enough about enterprise delivery. The majors have seen this pattern before, in a different form, every time a client used an outsourcer to learn a capability well enough to bring it inhouse. There is no reason for the pattern to reverse.

While the pursuit of acquisitions or lab alliances remains valid, that trend argues for pursuing the right ones. Alliances that grant an AI lab distribution and relationship access without building anything proprietary for oneself are like a bridge loan against one's own long-term relevance. Acquisitions that only add headcount replicate the overheads that outcome-based pricing is now punishing. The deals worth pursuing are the ones that leave the acquirer holding something that a client or a partner lab cannot easily replicate: a proprietary verification layer, a regulatory data-set built over years, or a vertical's compliance muscle memory that took a decade to acquire and can't be trained into an AI model overnight.

The firms sitting on the largest war chests have considerably more strategic space than their quarterly numbers suggest. The sector's next few years will be determined by which company spends its cash resources on the kinds of capability that AI cannot quickly absorb instead of what AI is actively making cheaper to replace. That is a narrower path than it looks from the outside. Not every IT major will find it before its cash pile stops offering an advantage and starts looking like the sign of a firm that couldn't figure out what to do with its own success.