

Between hope and despair

LIFE AND LETTERS

SHAM LAL

Ironically, the barbed wit with which George Bernard Shaw puts across his ideas often blunt their edge. The very laughter his gags provoke gives his views an air of levity. This is why the surface success of a book like *The Intelligent Woman's Guide to Socialism* was a failure in a deeper sense. The book sold very well but there were few takers for the wild and prickly ideas it sought to promote.

The bourgeoisie, and even the radical intelligentsia, dismissed his case for complete equality of incomes, irrespective of a person's skill or talent, as a wry joke. The workers loathed his advocacy of compulsory service for all. As for his notion that the job of running a government was so exacting that those best qualified for it would have to be forced to take it up against their will, there was no place in it for polling or for the scum who manage to get elected to high offices because of their knack of conning the voter.

Thus, most of the ideas, which for Shaw made up the body and soul of socialism, came out of his head only to find a permanent home in the pages of a bestseller. They never went into action. It was just as well; otherwise they would have been badly mauled in the hurly burly of electioneering. Even Beatrice Webb poked fun at Shaw for preaching "a curiously abstract utopia which eludes criticism because of its very unreality".

This sketchy account of the sorry outcome of Shaw's attempt to sell his brand of socialism to a wider public has some relevance in the present context in which two eminent Indian economists, Amit Bhaduri and Deepak Nayyar, taking a cue from the Irish playwright, base the title of their critique of the liberalisation process which started in this country five years ago, on his book.

The heat and dust raised by the recent changes in the complexion of economic policy is clear from the contrary assessments of what is going on. The pro-reform group, citing the record annual rate of growth in gross domestic profit of 5.6 per cent in the Eighth Plan, will like the country to believe that it has never had it so good. At the other extreme, a radical economic journal stated only the other day that "Manmohan Singh's budgets have cut the development process at its roots".

That the two authors lack Shaw's style and bravura in their recently published book, *The Intelligent Person's Guide to Liberalisation*, is a handicap of sorts. But they have managed to turn it into an advantage insofar as they are able to concentrate on their argument and do not expend their spirit on displays of verbal fireworks. The crucial question for the intelligent person — and this critic can be pardoned for the impudence of passing himself off as one even though he gets scared at the very sight in any economic treatise of what Shaw calls "algebraic hocus-pocus" — is whether what they say is convincing enough.

A critique of economic policy has little value for the lay reader so long as it stays at an abstract level. Indeed, an

vailing climate of opinion in the country concerned, or, to put it differently, in the light of the balance of political forces at the time.

It is banal to point out that the dramatic change in the direction of economic policy could not have been made unless the severe foreign exchange crunch in the summer of 1991 had brought the country dangerously near the point of having to default on its debt repayment obligations and risking a further slump in its credit rating.

Nor could it have been so smooth an affair unless the collapse of all command economies a little earlier and the spectacular results produced by China's transition to a market economy had made liberalisation look more and more like the wave of the future.

The two authors' exercise in educating the public on the why and wherefore, and the promises and perils, of liberalisation would have been more rewarding if they had dealt at somewhat greater length with the history of the pre-reform period, the woefully slow rate of growth, the corrupt working of the maze of bureaucratic controls, the massive losses made by the public sector, and the disillusioning truth about the economic waste and stagnation in the former Soviet Union revealed under *glasnost* after 1986.

It is a pity that the authors refuse to look too closely into this dismal story and blame the debacle of so many socialist economies on the lack of self corrective mechanisms provided by democratic societies. This all too simplistic explanation cannot pass muster. The ruling parties in all socialist societies indeed prided themselves on an ongoing process of self criticism with a daily flow of feedback information from communist cells in every factory, *kolkhoz*, school, university and research institute.

Even South Korea and Taiwan were by no means models of democracy during the boom period when they were transformed into highly industrialised nations. They even made no attempt to hide the authoritarian character of their regimes. Nor is the changeover to a more liberal order in China today taking place under a democratic system. Just as the transition to a bourgeois system in Japan in the 19th century was paradoxically promoted by a feudal regime, the transition to a semicapitalist economy in China is being speeded up by a communist party enjoying monopoly of political power.

This does not mean that the two authors' scepticism about the shape the liberalisation process has taken here is altogether unjustified. The sudden jumps in the salaries and perks of new managerial and professional classes mock the millions who often do not have even enough to eat. The speculative soaring of urban land prices to levels matching those in Paris and New York rules out any sane development



Liberal strides towards difficult times

The pathology of democratic politics makes its own rich contribution to the new climate of amorality of which the series of financial scandals, both at the Centre and the states, is only one symptom, the others being the increasing fragmentation of political life of which the H.D. Deve Gowda government is but a pathetic embodiment, the gradual eclipse of a national perspective, and the all too conspicuous presence of lumpens on the political stage.

In a touching passage at the very start of their exercise, the two authors write: "Unless we are able to establish a clear link between the two perceptions — that of the ordinary people and that of the economic technicians — we run the danger of trying to manipulate public opinion behind a smokescreen of high sounding economic technicalities." Surely, they cannot be such innocents as to be unaware of the dread logic of populist pressures as these work in a large, diverse and unequal society like ours.

caste and ethnic constituencies, and their leaders use their rural background and semi-literacy as clinching evidence of their concern for those who have no work, no home and in some cases not even easy access to clean drinking water.

What chance have economic technicians like Bhaduri and Nayyar, with all their anxiety to see a more just and equitable socio-economic order take shape here, used as they are to speaking in the language of mandarins to their peers in elite universities in western Europe and the United States, against the Laloo Prasad and Mulayam Singh Yadavs and Kanshi Rams in building a rapport with the common people? How can they compete with them in whipping up sectional passions?

While most people tend to look at each policy decision in the light of its likely impact on their present living conditions and future prospects, economic technicians, each with a particular theoretical axe to grind, are more

village but also between different regions and have been able to do very little about it. Their main worry is what to do with the 50 million or so surplus workers in grossly overmanned government offices and factories.

It is all too facile to tell the government here not to succumb to pressures from the international lending agencies, drive harder bargains with prospective foreign investors, abolish the subsidy on fertilisers which helps the rich farmers and earmark the money thus saved for irrigation projects in dry areas, invest much more in education, health care and housing for the poor and leave such public sector units as continue to incur losses to fend for themselves.

The point is to quantify the extra money that needs to be invested and say where this will come from. Which party today will risk supporting cuts in defence expenditure, with a hostile neighbour busy promoting an insurgency in Kashmir for years and in the face of a score of militant outfits, some with secessionist aims, active in other parts of the country? And as the shortage of capital needed for investment in the infrastructure gets more desperate, how does the government negotiate with multinationals from a position of strength?

It takes a lot of more wishful thinking than an amateur observer of the global scene like me, in the face of accumulating evidence of a reason grown cynical and high technology and surplus capital, in the hands of a few affluent societies, turned into a new means of domination and oppression, can summon to share the authors' faith in more rational economic and political policies in societies in the throes of unprecedented turmoil. I am tempted to agree more with those who hold that development in affluent societies is one side of the same coin of which the other is the destitution and cultural disruption of many third world societies.

Nor do recent political developments here, with the home minister declaring blandly that he can do nothing to end the growing nexus between politicians and criminals, and the finance minister showing no concern over the rising tide of consumerism among elite business and professional groups, provide any solid ground for the hope voiced by the two authors in the emergence of a saner political culture.

With one partner or another in an extremely loose ruling coalition going into tantrums every day and the prime minister busy most of the time in patching things up, it is indeed quixotic to talk of any culture which means shared values. As things are, there is indeed every danger of the political process becoming more and more of an obstacle race.

If their guide to liberalisation ends on an optimistic note, it is because the two authors still feel nostalgic about the Enlightenment, with its unswerving faith in the sway of reason in human affairs, and look forward to the