

Bankruptcy of Social Democracy

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The late 70s and 80s were the days of the “Kerala model of development”. Social democratic academics from within and outside India made a beeline to sing paeans for this miracle economy which apparently attained first world physical quality of life without passing through the tortuous path of industrialization. Scholars came from outside and wrote about this phenomenon in reputed international journals. Governmental level delegations came from other Indian States as well as from neighboring countries like Nepal to study the same with the idea of replicating it in their own States and countries. The underlying political objective was to underscore the great role of social democratic welfare measures and land reforms in achieving this bloodless revolution. The discussions and eulogies went on for a considerable time until the model died a natural death towards the mid 1990 due to purely natural reasons.

These natural reasons are well known now. The fundamental characteristics of the Kerala economy like the highest per capita debt, chronic crisis of the agrarian sector resulting in large number of suicides by farmers and farm workers, utter dependency on outside areas for the most essential commodities like food grains, the utter unpreparedness of the public health system to face any serious crisis, starvation deaths among the lowest deciles of the population and rampant alcoholism and crimes against women are exposed as the hallmarks of the economy and society. The famous model vanished like a line drawn on water.

But social democracy is not at all willing to learn from the past or to admit defeat. The craving for shallow populism is as strong as ever. The 50th anniversary of the first CPI ministry in the State and the first anniversary of the present social democratic alliance government became occasions for extolling the “achievements” of social democracy. Though feeling shy about reviving the “Kerala model” what people hear now is the success of the present government in resisting the neo liberal model of development. The edit page article titled “One Year of LDF Government” by Prof Prabhat Patnaik, who is also the vice chairman of the Kerala State Planning Board, in *The Hindu* (June 26, 2007) is clearly illustrative of this new angle populism. What he has done is characterizing cosmetic adjustments as basic policy changes as compared to the previous Congress led government’s policies of pushing hard the neo liberal agenda.

Agrarian crisis engulfing the whole State for the last more than a decade is basically a structural one. Cash crop agriculture, which over the past several decades has become the mainstay of the sector, is crucially dependent on the multinational corporations and Indian big businesses like the Tatas. The market is tightly controlled by them at both ends. And it is highly unequal in nature. The market is structured in such a way that the millions of primary producers are always at the mercy of the corporates who enjoy unlimited capital power and organizational strength when compared to the hundreds of thousands of disparate small and medium scale farmers. The farm crisis is manifested in a multitude of ways. The producers have no control over their products and there is

almost no value adding processes for their products. There is no attempt to market their products in such a way that the producers are assured of a fair share. The gap between the raw material prices received by the farmers and the prices received and paid for the end products is enormous. For instance, take the example of coffee. Nestlé's instant coffee is marketed at more than Rs 1200 per kg and one kg of instant coffee needs only 2 kg of coffee beans which gets the grower less than Rs 100. This is equally true for most of the commercial agriculture practiced in the State. If Nestle is controlling coffee Tata is controlling coconut and Cadburys is controlling vanilla and cocoa. It is this ground situation that is trapping an ever growing number of farmers into vicious debt trap which leads to suicides.

Another important structural reason behind the agrarian crisis is the ever increasing dependency on chemicals for maintaining the output levels in the cash crop sector. This ever strengthening vicious grip by multinational chemicals giants is telling on the health of the soil and people and cost escalation of agricultural inputs is a matter of routine. On the one hand with each passing year the amount of chemicals required to maintain output level drastically increases resulting in proportionate increase in the cost of agriculture. The input market is always behaving against the farmers because it is operated by the chemicals giants and the primary producers have no control at all over the input prices just as in the case of the outputs. Going back to organic farming is the only way out of this trap and such a move is essentially a matter of restructuring the sector itself. It is also a political challenge to the power of multinationals.

The setting up of the Agriculturists Debt Relief Commission to look into the debt woes of the farmers is no doubt a positive welfare measure but as such it remains a non-starter. As far as agricultural marketing is concerned there is no need to invite MNCs and other corporate interests to take over the marketing. They are already controlling the market structure. Neo-liberalism (why not call it neo-colonialism?) is fully established in the agricultural market and the attempt of the government ought to focus on how to break this stranglehold and develop alternative marketing structures in its place. As far as one knows, there is no such agenda with the social democratic government. Debt relief or even taking over the farmers' debts to usurers is no real solution to the ongoing crisis. Structural recasting which will eliminate the need for taking debts is the only real solution. As long as such structural reorganization does not occur the farmers will continue to take debts because they have no way out. That is why in spite of the setting up of the Debt Relief Commission suicides of farmers and farm workers are continuing with no respite. In fact, after the announcement of monetary compensation for the families of suicide victims there was an immediate spurt in the number of suicides in the cash crop areas. In this case it was the hope of the dependents getting 50,000 or 1 lakh rupees which can only be a purely temporary alleviation of the misery which is all round.

Kerala's food dependency is a continuously rising phenomenon. This is especially so in the case of rice, which is the staple food, and vegetables. Paddy fields continue to be converted to cash crop areas or real estate. Wayanad is a classic example. Paddy is fast disappearing from there and is being substituted by banana and ginger which are purely for sale in the market. Wherever bypasses or

new road works are initiated hectic activity immediately commences to fill up paddy fields because of the rise in real estate value. There may be rules and regulations prohibiting conversion of paddy fields but no body is bothered about such niceties. Conversion of paddy fields is merrily going on year round. Local administration is adept at turning a blind eye to violations. A majority of the local administration bodies are controlled by the ruling social democratic political parties but it does not make any difference to violations. Concerning replacing paddy by cash crops like ginger and banana there are simply no rules and regulations in existence. Here it is the logic of cash income alone that is determining the conversion. Fixing an assured price for paddy becomes irrelevant because the cash advantage of converting paddy land to other purposes like real estate for construction is far more advantageous than maintaining it for paddy cultivation. Real prices are soaring almost all over the State. The market for land has become a speculative one.

The much acclaimed land reforms in Kerala has a sordid side to it too. "Land to the tiller" was the central slogan of the CPI of yesteryears. The predominantly Dalit agricultural workers were given to understand that they are the tillers of the soil and naturally enough they expected land when landlordism is abolished. Similarly the predominantly upper caste tenants were convinced that abolition of landlordism will automatically result in their empowerment. When the actual reforms came the agricultural workers were neatly sidelined and the tenants empowered. Those who poured out their blood in the struggle in Vayalar had to be satisfied with tiny plots of 5-10 cents of land or with paltry monetary compensation. The result was that the Dalits remained landless for all practical purposes. The Adivasis whose lands were expropriated by the exodus of settlers also remained landless. That is why Dalit and Adivasi writers and intellectuals characterize the land reforms in Kerala as bogus and *a gross betrayal*. The social democrats undeniably sided with the upper caste tenants in their famous land reforms.

Tata, with a documented estate size of more than 75,000 acres of highly fertile land in Munnar, is the biggest landowner in the State. It is common knowledge that the Tatas are the biggest forest encroachers in the State. Not only the Tatas, but all medium and large plantations have significantly encroached upon the forest land and this is one main reason behind the massive depletion of the forest wealth of Kerala. An honest resurvey of the medium and large plantations will bring out this fact beyond doubt. The land reform Act put the plantations outside its scope by virtue of labeling them as industries. This is in spite of the fact that the big plantations were originally leased out to colonial and native planters on long term lease agreements by the feudal powers which could be renewed as and when the lease agreements expire. This historical fact was ignored by the social democrats. In fact, even after the land reforms were enacted and forest protection laws were put in place enormous encroachments were perpetrated by the big planters with impunity.

Recently there were some measures initiated by the CPM led government to evict encroachers and demolish illegal constructions. Some structures were demolished and the land taken over. This initiative gained a lot of support from the people. Initially, the targets were tourist resorts in Munnar. But when it came

to touching the Tata Tea estate there problems developed. The chief minister himself is quoted as saying the land presently occupied by Tata Tea is theirs because there are boards proclaiming it! Specious arguments like there has to be a satellite survey etc were advanced to block any recovery from Tata Tea. This means that any recovery from big plantations is not really on the agenda of the social democrats. In other words, such double dealing shows the utter bankruptcy of social democracy.

Even a cursory glance at any tourism enclave in the State, whether it is beach tourism, backwater tourism or mountain tourism, reveals blatant violations of existing rules and regulations aimed at environmental protection. If one takes Kovalam in Thiruvananthapuram district there are large number of constructions that violates the provisions of the Coastal Zone Regulation Act. There is even government owned big hotels violating the CRZ Act. Irrespective of the color of their flags all the mainstream political parties in the State are vociferous in their demand for amending this Act to suit the conditions in the State. The argument is that commercial tourism is the fastest growing sector in the State and any strict implementation of CRZ Act will adversely affect the development of this vital sector. Commercial tourism in the third world, which is well exposed as one of the most explicit forms of the neocolonial offensive, is the darling theme of social democrats of all variety in Kerala. Tourism projects directly owned by parties like CPM are also on the anvil.

Economists like Prabhat Patnaik assert that one year of LDF rule in Kerala proves that an alternative to neo-liberalism is possible. One of the conclusive evidence that he cites is the Smart City project contract with a Dubai based multinational company. The previous Congress led government had initiated the negotiations against which the CPM was continuously agitating both within and outside the State Assembly. It was at that time characterized by the social democrats as a total surrender to multinational capital. After the LDF government came to power one year back they lost no time in re-opening the negotiations and signed the contract with the multinational company with marginal alterations in the terms of the contract. The Congress leadership correctly pointed this out but the CPM leadership and intellectuals insist on their often repeated argument that the contract is altogether different and is evidence to their basic policy that development is not above politics. According to them the contract signifies that an effective alternative to neo-liberalism is very much possible. When Patnaik asserts it, it is nothing more than one more social democratic intellectual parroting the official lies propagated by the party. He seems to be forgetting that incessant repetition of a lie cannot convert it into truth.

A much trumpeted achievement of the State relates to the public health services. This service sector is in total shambles now. The death of more than 60 new born babies in the SUT hospital in Thiruvananthapuram city due to unhygienic conditions and the collapse of the public health services throughout the State in the wake of the recent epidemic fever (an estimated number of more than 10 lakh people were affected and hundreds died) tells the story very clearly. The government hospitals and primary health centers lack even the most common and essential medicines and equipments and are deplorably

understaffed. In common parlance the popular impression is that the government hospitals breeds diseases rather than curing them. The conditions are so much visible that the government is compelled to admit it and give the excuse of what is called expenditure crunch. Interestingly this expenditure crunch affects the health services and educational services more than anything else. In other words, it is the common man who is affected not the rich. The rich can afford to go to specialty hospitals and private high cost educational institutions. Both these sectors, the pronounced hallmarks of the demised Kerala model stands ripped off the rags.

As far as the dictum “development is not above politics” is concerned the social democrats in West Bengal who are controlled by the same central committee and politburo are able to tell us many more things than their comrades in Kerala.

There they murder the farmers and Adivasis protesting against the acquisition of thousands of hectares of land for the Tatas and Salim group of Indonesia. A state of civil war exists in Nandigram and in Singur protesters are raped and killed.

People in Kerala know fully well who Tata is. He is the biggest land grabber. Who is this Salim group, about whom the social democrats are so much concerned? It is a business group who solidly supported the overthrow of the popularly elected Sukarno government and the resultant unprecedented blood bath perpetrated in modern world history by the military dictatorship of Gen Suharto. The CPM always claims that only after examining the credentials of multi nationals minutely they will be allowed entry. Does it mean that a business group that wholeheartedly supported the killing of millions has excellent credentials? Will they please answer this query? □□□