

# GLOBAL DEPRESSION AND INDIAN LEFT

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The world has seemingly gone through an abrupt change within the span of only one year or so. Even during the early months of 2008, theoreticians of capitalism were vociferous about the virtues and invincibility of the market, i.e. of the capitalist system. In a nutshell, what they used to preach consisted of the following :

There is no alternative to capitalism in human history. Capitalism is the terminus of history. Marx has been proved obsolete. Capitalism today is very different from what Marx saw in the nineteenth century. Of course, there are possibilities of the crises of overproduction and falling rate of profit, but capitalism has enough capability of overcoming it. Finally, only the market economy can lead to the full flowering of the creativity of man, because man can never be creative without individual profit. The socialist experiment has failed in the USSR and China, necessitating a return to the capitalist system. Hence capital is the emblem of paradise. Serve capitalism and through it, promote industrialization and development of your own country (e.g China) or province (e.g. West Bengal). This is supposed to be the general trend of history.

Since the middle of 2008, tremors began to rock the capitalist world. Thanks to the newspapers and electronic media, the common masses became familiar with the names of companies like Laymen Brothers, Beer Sterns, Bank of America, Goldman Sach, Maryll Lynch etc. The crisis had begun earlier with the bankruptcy of semi-government financial corporations like Mach and May.

The crisis was averted somehow by the dollar aid from the federal Reserve Bank. The fall of Lehman Brothers marked the beginning of that earthquake that brought the crisis beyond the borders of the USA and spread it to the whole of the globe. The impact of the crisis was most severely felt in the USA , Europe and Japan. But the third world was not spared. Countries like China, which based their development strategies on exports to the capitalist world, received a severe blow. Every month witnessed the loss of jobs by lakhs of workers. The recession in the US market cost the job of Indian textile garments workers and dimond polishers. Thus the crisis spread from one part of the world to another.

Nobody knows whether the crisis will surpass the Great Depression that erupted in 1929, or how long it will last. The governments of all the affected countries have been adopting various "packages" to save their systems from crumbling. The basic thrust of the packaging plan, however, was to shift the burden of crisis on to the toiling masses. A government takeover or "nationalization" of some industrial or financial organization is anathema to the neo-liberal regime. But now all governments are resorting to this measure. Government funds are being poured in liberally in the name of preventing unemployment but really with a view to saving the capitalist system. The solution prescribed by Keynes for capitalism in the thirties is now being resurrected, although nobody is able to predict whether this medicine will cure the disease.

Capital employs labour as long as it is necessary for surplus value or profit. Fall in the rate of profit leads to the suffocation of capital. This is the inevitable law of capitalism, independent of the character of the individual capitalist. This law is as much true today as it was in the eighteenth, nineteenth or twentieth centuries. In the nineteenth century, the leaders of world capitalism had a far greater sphere of plunder and capture of new colonies could help it solve its crises of profit. Finally, the division of the world among big powers became more or less complete by the end of the nineteenth century. But the uneven nature of the development of capitalist powers gave rise to the new era of intercapitalist rivalry and rapid spread of imperialism. The first half of the twentieth century witnessed two world wars, and these wars gave birth to two different types of

solutions to the capitalist crisis. One was the smashing of the imperialist fetter in some parts of the globe and the other was change of regime under imperialism. Russian, Chinese and Vietnamese revolutions shattered the imperialist chain in some parts of the world. On the other hand, the British hegemony came to an end in the aftermath of the second world war and the US hegemony came to be established in its place.

What will be the upshot of this crisis? Will the imperialist chain be shattered anew in some parts of the globe, be it in Latin America or India or somewhere else? Will the US dominated system of imperialist plunder be replaced by a Europe dominated system or some collective hegemony? These questions have no ready answer. Yet it can be said that the depth of the present crisis is far greater than the Great depression of the thirties. The crisis management measures are getting exhausted one after another, and what people are witnessing is an unprecedented tide of mass movements against imperialist globalization. It is no longer possible to sell the idea that there is no alternative. People in general have no definite idea as yet about the precise nature of the alternative, but that is unable to prevent them from seeking an end to the present system. The negative aspect of the situation is the confusion reigning among the vanguard and the people about the nature of the alternative. What will be the concrete form of power to the people? Will it be after the Soviet or the Chinese model, or will it discover a new form on the basis of the experience of the Paris Commune? How will the contradiction between market and centralized planning be solved? How will the relation between industry and agriculture and that between the town and the countryside be shaped? How much of the Soviet and Chinese experience is to be accepted and how much is to be rejected?

Imperialism took advantage of the booming market condition of the post war period and tried to keep the working classes submerged in the ideology of consumerism and self-centrism. It met at least with a partial success as far as the advanced capitalist countries and the upper echelon of the third world people were concerned. Now the deepening of the crisis has propelled a rethinking on the part of the working class of the capitalist countries. They have begun to study *Communist Manifesto* and *Das Capital* afresh. The idea that socialism is the only alternative is spreading among the working class. In India, a small section came to be formed in some sectors including that of information technology, who even began to feel ashamed of their Indian identity, and their ways of thinking, mode of living and even dreams came to be fashioned after the US model. They even forgot the feeling that they were receiving wages that were one fourth of the American worker even by putting in the same amount of effort. Now the impact of the crisis is forcing them to rethink. At least a small section is now bound to feel that their future is linked with those Indians whose per capita daily expenditure is less than twenty rupees and who constitute 80 percent of the population. This thinking has begun to spread among students and youths also.

At the time of the outbreak of the Lehman crisis, the three economists Manmohan Singh, P Chidambaram and MS Aluvaliah asserted that the impact of the crisis on the Indian economy would be negligible. They have been proved wrong. The index of industrial production came down in October 2008 by 0.4 percent compared with October 2007. India's is not yet a basically export-oriented economy, although much effort has been put in this direction in the last seventeen years. Besides, popular opposition has not allowed the government to implement economic reforms in the way they had wanted to. This explains why the crisis is not as deep as in Europe or the USA. But in the textile production sector about 7 lakh workers lost their jobs only in last November and the sale of automobiles has plummeted rapidly. It was argued that the information technology sector of India stood on a sound footing and there would be no problem there. But the Satyam scam has demonstrated how the stewards of this sector have built their edifice on the Foundation of deceit and has cheated countless investors.

Now it is being heard that the Government of India is going to pour in a lot of funds to save Satyam from collapse.

When capital earns enormous profits, it is projected as the result of the 'genius and perseverance' of capitalists and they are worshipped as gods. But when they stumble, the state comes to their rescue. This is the universal picture that can be witnessed as much in the USA as in India. Not only the USA, but China also has poured in a lot of money in order to save the US market, and the Government of India has already spent a lot of money.

The Satyam scam has laid bare the real appearance of the capitalist system. Cheating the investors, the income-tax department, the employees and even the customers such a large-scale fraud was not possible without government assistance. It is quite possible that similar stories lie hidden in the modus operandi of top houses. This is the real character of Indian capitalism. The so-called mainstream political parties of India are co-sharers and defenders of this cheating business.

The reform programme adopted more than seventeen years ago led to an almost complete halt to investment in agriculture, and a severe contraction of government facilities in education and health. The outcome has been that the provision of food, education, housing and medical treatment has become enormously more expensive. In consequence, even with a growth rate of more than 8 percent per annum, large numbers of working people have felt the brunt of crisis, which is going to be aggravated under the impact of global economic recession and its impact on the Indian economy. 93 percent of Indian working people belong to the unorganized sector, and they are already crisis-affected. The rest, including workers of tea gardens and jute mills, fall within the organized sector. These workers are now in utter distress. The number of those workers of the organized sector who had been in a relatively advantageous position and were fed with dreams of decent flats, nano cars, English- medium private schools, resplendent private hospitals, occasional air-trips , expensive hotel dinners in week-ends etc. is going to face a contraction. On the other hand, the gap in income and expenditure between the top 5 percent and the lower 80 percent will be further accentuated.

Maintenance of the rate of profit requires metropolis to exploit peripheries more intensively. This exploitation is furthered by means of the reform programme, SEZ and other devices. The regions rich with minerals, forests and other natural resources, e.g. the vast central Indian plateau (Madhya Pradesh, Chhattis-garh, Jharkhand, Orissa, Maharastra and parts of Andhra Pradesh ) and adjacent regions, constitute the focus of this plunder. But the dimension of the crisis is so high that ruthless investors have to face stubborn resistance, which is accentuating the crisis. In Tantapasi of Singbhum, Kalinganagar of Orissa and Singur of West Bengal, the masses have foiled the Tatas. Similarly in Jharkhand and Chhattisgrah, the people have built up resistance throughout the length and breadth of the state .

One negative aspect of the situation is the division among the struggling leftist forces. The basic reason for this division is the difference in respect of question on forms and nature of struggles, assessment of the situation and the nature of alliances and fronts to be formed against the principal enemy. There are besides various other questions that are legacies of history. But this division notwithstanding, it is observable that they have large areas of unity, and often they are seen fighting on the same side of the battle line in the struggle against globalization, special economic zones, displacement and state terrorism. This situation has been created by spontaneous development of mass movements. Under these circumstances, conditions have emerged for joint work by struggling leftists on the basis of a common minimum programme. If the situation can be consciously utilized, the mass upheavals erupting in various parts of the countryside

**will receive orientation directed towards the building up of a really independent India free from foreign control. □□□**

[Translated from original Bengali by Anirban Biswas]