

No Way Forward

The scene is familiar : The ruling circles express concerns, the Opposition parties make noises about unprecedented price rise and food inflation, and finally all stakeholders reconcile themselves with the inevitability—price-rise. All of them are helpless because they think it's one more natural calamity over which they have no control. Nor could they antagonise the omnipotent market god. The official left like the right is equally enthusiastic to accept it as *fait accompli* and for the far left the less said the better because they believe in revolution, not minor irritants like price-rise. True, politically and organisationally they are too insignificant to launch any meaningful mass mobilisation against market operators that are in the main responsible for continuing inflationary pressure that affects every segment of the society. It is the accepted ritual to hold a series of discussion with different interest groups in pre-budget exercises to assess the market heat and ultimately what comes out is how to woo the corporates. This year too saw nothing new in Union Finance Minister's hectic parleys with different parties and he blamed it on severe drought conditions that lasted for long last year, for food inflation. But at the same time he didn't forget to praise India's growth momentum against the backdrop of global recovery. The hard reality is that consumption in India and China together is just 12 percent of global consumption. Even if they grow faster and show resilience in a situation of global gloom, it is simply not enough to project a happy tomorrow. The increase in international crude oil and other commodity prices is the bitter truth, no doubt, but it is simply an excuse, rather a well-structured excuse, to hike prices of petroleum beyond tolerable limits and at the same time assuring the public that it won't affect the common man much.

Forces on the left, including the naxalites think it is no longer possible to build up mass movement on the most pressing issue of price rise, albeit it is precisely the burning question of price-rise of food items that once helped the broader left expand their horizon.

In this bizarre world of demand and supply there are academic financial economists who in their divine roles as presumed objective experts, while writing op-ed special articles in well-circulated newspapers, testifying in public panels, taking position as advisers for decision-makers of political parties and governments or when being interviewed by the electronic media on topics such as financial turmoil, fail to do justice to the socially and economically disadvantaged because of their private financial affiliations. This is the stunning revelation of a recent working paper published by the Political Economy Research Institute of the University of Massachusetts Amherst. What is true globally is equally true for India as the Union Finance Minister derives comfort from the fact that India grows and globalises successfully without tears.

Home-grown experts increasingly occupy sacred positions in ivory tower itself, but also in the general print media and in political panel discourses. They often convey the impression that they have the right to offer last words on anything financial as 'independent' and 'neutral' opinion. These experts not only are connected to corporates, they are also connected to public entities and national and international financial institutions. It's now an open secret that the so-called objectivity of these people is compromised by their work in the private sector. They have an in-built bias that acts against public interest.

With the budget round the corner these experts seem to be working overtime to project India as a great economic power which it is not, and analyse the all possible scenarios while strengthening the myth of free market more vigorously than ever before and suggesting

more of the same—some sops for the poor. And as usual politicians of all hues depend on ‘expert advice’ that to some extent moulds public opinion.

These days mass movements are in the main organised by NGOs and some localised people’s initiatives that have their own limitations. Research scholars could tell when last time workers and employees in the organised sector, not to speak of the unorganised sector, resorted to massive protest movement, regionally or nationally, threatening the vested interests. Those who are supposed to advance collective bargaining on behalf of the toilers, just avoid their responsibility at this critical juncture in view their organisational weakness and political bankruptcy. Without a sustained campaign against market mechanism and systematic deregulation it is next to impossible to hold the fort even for the non-parliamentary left.

Interestingly, China’s development plan highlights new priorities in the domestic sector, rather than higher growth rates. They are trying to increase domestic demands through consumer subsidies and rising incomes. But Indian policy-makers are doing just the opposite—abolishing all kinds of subsidies and lowering incomes. De-regulation is the buzz word and for ordinary people the coming budget may be one more natural disaster. □□□