

Shadow Boxing

AFTER ITS RECENT DEHRADUN conclave the Bharatiya Janata Party (BJP) is criticising the economic agenda of Congress Party for its failure to tackle price rise and ever increasing incidence of farmer's suicide, albeit both parties differ little on economic policy orientation of the country.

It has alleged that the package announced by the Congress for farmers is low in substance and high in publicity. The question to be raised is why prices are declining? It seems the culprit is free trade in agriculture which forces the domestic prices to follow the declining global trends. The price of wheat, for example, showed an upward tendency recently but imports deprived Indian farmers of the gains that would have accrued. Thus the BJP should have asked that the country should not embrace the model of free trade in commodities in which a large number of people are making their livelihood. Instead it was necessary to adopt a policy of protectionism in sectors such as weaving, rasvanti, agriculture, etc. No, they are not thinking in that direction.

The second factor leading to decline in agricultural prices is that world population is increasing only slowly. This is leading to stagnation in the demand of agricultural commodities while production is increasing rapidly. The excess of supply over demand is leading to lower prices. The solution to this problem is to shift Indian farmers from agriculture to the services sector. It is necessary for the government to establish centres in every district to provide training in sunrise service sectors such as online legal services, medical transcription, call centres, etc.

The BJP Executive like the left has expressed deep concern at the rising prices. The present rate of inflation is around 5% per year which is marginally higher than the 3-4% rate of the previous years but is yet low by historical standards. The main reasons for the recent price rise are high prices of imported petroleum products and rising global interest rates. The BJP should set a more modest objective of protecting the poor from its impact. The government can reduce the rates of tax on items consumed by the common man such as coarse cloth, match boxes and bicycle tires; and raise it on items of luxury such as chocolates and automobiles. The rise in the collection of Corporate Taxes indicates that big companies are making huge profits by selling their goods at high prices. Textile mills are making merry while the handloom weaver is dying. The BJP should demand that separate indices for price rise be prepared for the common man and the rich and the former alone should be controlled. No, they won't demand that because they basically represent the big business.

Not surprisingly the Executive has supported the government's decision to set up Special Economic Zones but demanded that jobs be provided to those whose lands are acquired. While the demand is in the right direction, there is a need to think farther. The question is why can the facilities of SEZs not be provided in

general areas? If the facilities sought to be provided in the SEZs are 'good' then let them be universalised. If they are 'bad' then the concept should be reexamined in its totality. The main problem is governance.

There is one glaring area of silence in the Executives' deliberations that needs mention. The common man is wholly intimidated by the corrupt government employees and Ministers alike. But while the Ministers are accountable once every five years, the bureaucrats are beyond the reach of the people. ✍✍✍✍