

THE BALANCESHEET

Bharat Jhunjhunwala writes :

The congress-led United Progressive Alliance government has completed four years. On assuming the mantle of Prime Minister, Dr Man Mohan Singh had put 'reinventing governance' on top of his agenda. The major step taken by him in this direction is enactment of the Right to Information Act. Government employees had agitated for keeping file notings outside purview of the Act. However, Dr Singh stood firm. Despite its shortcomings the RTI Act provides a great leverage for getting information from the Government. Previously one could send letters that remained unreplyed. Now one can force the Government to provide the information. The negative role of Dr Singh in governance is implementation of the Sixth Pay Commission without increasing accountability. Even the beneficial recommendations of the Fifth Pay Commission such as evaluation of the performance of Government Officers by an independent external agency have been given a go-by. Rather Dr Singh's Government has moved to increase the complexity of laws and given more leeway to Government employees for extracting rents. One example will suffice. Yashwant Sinha had introduced one-page 'Saraal' form for filing Income Tax returns. These have been cancelled and replaced with more complicated 5-page forms.

The economy has been doing apparently well. The special achievement of this government is in outward FDI by Indian companies such as acquisition of Corus and Jaguar by Tatas. Many small Indian companies are buying companies many times their size. This has been possible only with Government support. But the domestic economic management has generally been negative. The high growth rate was more due to fortunate external circumstances of large FII and FDI coming into the country. Dr Singh has failed miserably in handling the increase in the price of oil. Dr Singh assumed that the increase in price will be short-lived and sought to insulate Indian public from the same. In the process the financial burden on the Government has risen leading to fleeing of foreign investors and slowing of economic growth.

Maybe there is vote politics for introducing quota for backward castes in IITs and IIMs. But this will certainly break the elite character of these institutions. But this is too inadequate to meet the challenge of the day. On the negative side, there is lack of progress in releasing education from the clutches of Government teachers. The Government educational establishment has so far failed in providing quality education to poor.

At the global level, Dr Singh's achievement has been in stumping the Doha round of the WTO. The rich countries produce food at higher price than Indian farmers. Yet they are able to export it cheap because of the huge subsidies provided by their governments. The rich countries want to destroy Indian food security by making Indian people dependent on cheap subsidized food imports. He has also failed to reform the unequal global economic order. A large number of developing countries are slipping in the present dispensation. Nehru provided a vision of the Non-Aligned Movement. That has become infructuous with the collapse of Russia as a global power. However, the need was to replace NAM with

another grouping of the developing countries-a larger G20 perhaps. Dr Singh has failed to present the world with such a vision. Instead of trying to develop alliances with other developing countries against the tyranny of the rich countries, he has steered India towards making an alliance with the rich countries. In the result, India today stands with the rich countries against a large number of developing countries. Dr Singh has also failed in giving a boost to South Asian cooperation. Nepal has given a clear signal of showing inclination towards China. There are increasing tendencies of growth of anti-Indian sentiments in Pakistan. America's presidential hopeful Barack Obama has said that Pakistan is using American anti-terror funds to prepare for a war against India. Anti-Indian sentiments continue to rage in Bangladesh as well.

Now the income from Employment Guarantee Scheme is almost like a free handout. Most workers have to do no work. Most projects do not lead to generation of durable social assets. Works like making check dams in convenient but useless locations are undertaken. The loan waiver is explicitly 'free'. Dr Singh has put in place no strategy whatsoever for generation of employment. Big companies are eating away employment of the poor. Dr Singh has made virtually no effort to raise incomes of the farmers.

On the whole Dr Singh has failed to make dent in any of the problems at the roots. The entire effort is to soften the negative impact of bad policies. □□□