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The crisis in India



U.S. President Jimmy Carter was not the only chief executive in deep trouble this month. In New Delhi, Morarji Desai resigned as prime minister on July 16 less than eight hours before a crucial vote of no-confidence in the Indian Parliament threatened to topple his 18-month-old ruling Janata Party government.

Desai's resignation, the sudden emergence of many aspirants to the office of Prime Minister, and the crumbling of the Janata Party, have sequentially thrown the country into a deep crisis. For nine days, President Sanjiva Reddy has presided over a state of nongovernment, calling on every self-proclaimed "majority" candidate to form a government. None have thus far succeeded.

India is in for a period of extended instability. Whatever government is formed—if one is formed at all—will be a caretaker regime with all parties eyeing midterm national polls by the end of this year. Polls could occur as early as October, before any of the parties is prepared organizationally to make a powerful show of force. With every major political party a ruling party on the state level, observers in New Delhi grimly view a prospect for further fragmentation of the political scene, and behind that the threat of a greater role for the armed forces in maintaining law and order in the diverse and vast Indian nation.

Fundamentally, the collapse of the Desai government and the crumbling of the Janata Party was caused by a deep lack of confidence in the government expressed by the Indian population on two major fronts: economic policy and the outbreak of massive communalism. Forces

Desai's sinking ship to rally opportunistically into the Opposition, but the problems of the nation remain unsolved.

From one end of the political map to the other, India has gone from John Kenneth Galbraith's characterization of "functioning anarchy" to the Council on Foreign Relations' more recent 1980-description of "controlled disintegration." Every political party is splintered, with the only unifying characteristics being political chaos and disintegration at the central government and state government level. The Indian economy is in the throes of decay and collapse. Rising inflation, severe shortages of power shutting down industrial production across the country, waves of strikes even within the industrial police forces have crippled the country. A national railway strike appears imminent by the end of July.

Law and order have broken down, with continuous outbreaks of communal and caste violence—particularly Hindu-Muslim clashes; and deployment of the army, as in the case of gun battles between the army and striking paramilitary police in several regions, has set dangerous precedents.

The present crisis is neither surprising nor unanticipated by those who have watched India closely in the past years. It is a product of the failures of Indian leadership—under adverse international conditions—to solve the fundamental paradoxes of economic development which have been evident since the late 1950s. India's first Prime Minister Jawaharlal Nehru laid down both a standard of brilliant leadership and a foundation for a modern industrial economy, one which during his 14 years of rule clearly lifted India out of the ranks of what are today's Zaires and Bangladeshes into a nation with at least the potential to become rapidly a major industrial power in the world.

The fulfillment of that potential—the solution to the problems of massive backwardness and rural poverty, which endure despite India's modern steel, machine tool and nuclear power plants—was left to the successors of Nehru but, despite some good efforts from Mrs. Gandhi, his daughter and Prime Minister herself for 11 years until 1977, the problems were never solved on any fundamental level.

Whatever progress there was in the past has been in danger of complete destruction at the hands of the raving ruralists, who make up a large part of the ruling Janata party. Nehru's legacy has been under attack these past 18 months: industrialism itself has been questioned as a goal for India, and science has been denigrated in favor of the "appropriate technologies" of the World Bank-sponsored agencies. The present threat to the Nehru legacy is seen most clearly in the dangerous rise in communal and cast violence over the past period, marked by riots which took a toll of hundreds of lives in some incidents.

In this section

This week *Executive Intelligence Review's* Asia report presents a special package on the situation in India, based on the recently concluded tour of that country by *Executive Intelligence Review* special correspondents Paul Zykofsky and Leela Narayan. The report covers the current political crisis in India, which saw the collapse of the Desai government just as our correspondents concluded their visit, and includes an exclusive interview with former Prime Minister Indira Gandhi, the person who has emerged in the crisis once again as the key individual leader in India today. Accompanying reports provide an in depth view of the Indian economic situation, including an on-the-scenes look at some of India's most advanced industrial plant and equipment and at the climate for foreign business in India today.

Clearly, a strong central government prepared to take on the serious tasks of real economic development, preferably in an international environment favorable to such developmental efforts, is urgently needed in India at this moment. The Janata rule of Prime Minister Desai, which had released the forces of chaos and then established them as part of the government, now has fallen victim to its own destructive policies. The people of India, however, seek political stability and economic progress, and it appears unlikely, when given the opportunity to express themselves at the election poll, that they will give the Janata any further mandate to continue its present rule over India.

The crisis at this moment

The political current of the moment leaves India with few options to actually solve this crisis. At the time of this writing, all parties are agreed—with the sole exception of Mrs. Gandhi—that elections must be put off for as long as possible, preferably until early next year. Prime Minister Desai, a tough old man who has refused to step down from the leadership role of his party, and who is currently bidding to form a new government himself, now contends with his former Deputy Prime Minister and Finance Minister, Charan Singh, as to who will form that interim government. Mrs. Gandhi, who has kept a low profile during the entire crisis, has actually been lending support to Charan Singh's bid to form a new government. Under the circumstances, someone must emerge within the next few days with a viable majority in the parliament, or the President will be forced to call elections that no one really wants. Right now it is a game of "chicken" to see who—Desai, or Charan Singh and their supporters—blinks first before going over the election precipice.

At this moment, the lineup in the 539-man lower house (the Lok Sabha) is as follows. The Janata, composed primarily of the Hindu chauvinist Jan Sangh, Desai's Congress (O) and an assortment of others, still holds the largest single bloc of 210 seats with Desai leading it; Charan Singh's breakaway group, the Janata (Secular), holds approximately 110 seats; the Congress (S), the non-Gandhi wing of the splintered Congress party, holds 76 seats; the Congress (I) of Mrs. Gandhi holds 71 seats; and the rest are divided among smaller regional parties and the two major leftist parties, the Communist Party of India (CPI) and the Communist Party—Marxist (CPM), both of which rule on the state level. With 270 seats required for a majority, intense horsetrading and exchange of money is now going on as the main contenders compete to determine who will form a bloc for the new government. While Desai holds the largest single bloc, Singh claims the support of Congress S and I, leaving the swing factor of the smaller parties in the middle to ultimately determine

the outcome of this "Phase I" of the political crisis in India.

The background of the present crisis

In truth, the present crisis finds its origins in the events of 1973-1974, which saw India hard hit with the effects of the oil crisis and a severe economic and political crisis in the nation. Morarji Desai is known to harbor deep suspicions that he has been "destabilized," as Mrs. Gandhi had similar suspicions—both equally correct—that her government was destabilized in 1974.

At that time, long-standing anti-Congress elements—all of which later formed the Janata—combined with right-wing Congress elements led by Desai (who had been pushed out of the party in a big battle in 1969) in order to launch a massive campaign against Gandhi's government. The campaign included acts of terrorist violence, provoked strikes that paralyzed an already crippled economy, and calls for police and army disobedience to government direction—a China-type situation, as Mrs. Gandhi herself characterized it at the time.

The Gandhi government responded with the June 1975 declaration of the State of Emergency, temporarily stalling the crisis but fundamentally failing to resolve the economic hardship in the country. This failure was most directly reflected in the adoption by the government of economic formulas slipped into the Gandhi administration by the International Monetary Fund and the World Bank. Mass sterilization campaigns were one of these measures.

The March 1977 general elections saw the massive defeat of the Congress and the ascension of the Desai government. From the very start the Desai government was unstable: it brought together the forces who ran the 1974-75 operation from the outside into the government. It was doomed from its first day in office, but it took 18 months for the population's grave misgivings to be reflected in the actions of the politicians.

Several actions of the Desai government contributed to its collapse. It was an anti-Indira Gandhi government, sometimes resorting to extreme harassment of the former Premier, even ordering her arrest, only to demonstrate its utter inability to prosecute her. The prime anti-Gandhi grouping in the Janata Party is a funny marriage. It involves the Social Democrats, such as George Gernandes, a member of the Second International and a proponent of "Small is Beautiful" economic policies, as well as the Jan Sangh/Rastriya Sevak Sangh—rightwing Hindu revivalists. The Jan Sangh is the parliamentary wing, while the RSS is a secret society based on Hindu rituals and occult practises with semi-secret membership. Over the last year, law enforcement officials have in several instances compiled dossiers showing RSS members working with their ostensible

enemies, the Muslim Jamaati Islami, to set off Hindu-Muslim riots across northern India. Elements within the Janata Party leadership, seeing ground lost to the RSS and dissatisfied with Desai's dependence on this tendency, merely capitalized on the anger and fear voters had communicated to their political leaders on the communal question. When Parliament opened in July, in one week 106 Janata party members abandoned the party, openly attacking the Jan Sangh tendency. Deputy Prime Minister Charan Singh, a rich farmer with the backing of the Bharatiya Lok Dal (BLD) grouping, has since joined this group.

The Gandhi factor

There are undoubtedly tremendous opportunities for national leadership which are being wasted even by Mrs. Gandhi. Despite Mrs. Gandhi's attacks on the Janata Party, if national polls are held this October, even she may not do so well. This would not be a reflection on her personal popularity—that remains unmatched—but on the weakness of her organization, the Congress-I. In the year and a half it has been in the Opposition, the Congress Party has splintered into over six pieces. Now there are two large pieces, the Congress-I (Mrs. Gandhi), and the Congress-S, led by former Foreign Minister Swaran Singh. In March of this year, both came very close to unity, but talks collapsed around personality clashes. Mrs. Gandhi has since campaigned across the country and spoken out strongly on issues, but organizationally the Congress-I machine is very weak and splintered. It underwent further factionalization in June when another respected top leader, Devaraj Urs, left the Congress-I to form his own Congress.

A united Congress election stand is the only combination that could produce a majority government at national level, yet that is no where in sight. The passage by Parliament of a Special Courts bill overriding the constitution, and the expulsion of Mrs. Gandhi from Parliament last December, are both actions which Congress unity could have prevented. Yet political opportunism remains supreme in the Indian Parliament. The next few months will tell whether Mrs. Gandhi and others who represent the industrialization outlook of India's founding fathers will rise to tasks of providing both political stability and a clear program of economic development to rally the nation forward into the future. The path backward—the one Iran is now on—is certainly as clear as the other road open to India at this crucial moment in its history.

—Dan Sneider and
Leela Narayan

India's foreign policy: staunchly nonaligned

When the Janata Party government was installed in March 1977, great hopes were expressed in Washington and London that here would be an Indian government which would extricate India from its alleged position in the Soviet sphere of influence. Expectations were built that Indo-Soviet friendship could at last be diluted and replaced in some form with a regional role for India in a Washington-London-Peking axis.

With the Desai government crisis, the same Anglo-American policymaking bodies are expressing renewed anxiety. The lead editorial in the July 21 *New York Times* succinctly explained these fears: "If Mrs. Gandhi should ever return to power, her country's nonalignment would again tilt toward Moscow." This presumes that the Desai 'genuine nonalignment' somehow has tilted the other way, and betrays continuing Anglo-American fantasy about India's policies.

If it had been left to Desai's impressionable Foreign Minister A.B. Vajpayee, the State Dept. version of "genuine nonalignment" might have been successfully implemented. What has occurred however is far different. Desai, Mrs. Gandhi, and the mainstream political leaders of India all make foreign policy on a pro-Indian platform. India is not pro-Soviet, as the British and American policymakers fear, or pro-U.S., as they may desire.

Economic development has been the key negotiating issue in all foreign policy. It has been this issue that has led even the Janata government to question some of the fundamental beliefs in the U.S. vis-à-vis India, and to push Indo-Soviet relations forward.

The last four months of foreign policy developments should have taught some lessons to those dealing with India. In March, following China's attack on Vietnam, Soviet Prime Minister Alexei Kosygin visited India. He received one of the warmest welcomes ever by the Indian public, and toured key industrial centers. Kosygin spoke out freely on the Chinese threat, detailed his perceptions of India's economic difficulties, and made numerous Soviet aid offers to resolve them. Among the Soviet offers were increased oil supplies to make up for shortfalls in Iranian oil supplies, a nuclear plant six times the size of the U.S. built Tarapur plant,