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India

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## Unions Send Message To Besieged New Delhi

by Ramtanu Maitra

The Vajpayee government in India, getting weaker by the day, may encounter serious threats from the country's leading trade unions in the coming months. On April 16, nearly 10 million employees of state-run companies staged a one-day strike protesting the central government's "anti-labor" policies—the very same day that 14 million Italian unionists staged a general strike throughout that nation. The Indian strike brought the country to a virtual halt; although it was peaceful, the participation of public sector units, insurance, and banking, sent a chilling message to Delhi.

The strike call was given by all the major Indian trade unions, including the Bharatiya Mazdoor Sangh confederation run by Prime Minister Atal Behari Vajpayee's Bharatiya Janata Party (BJP). The massive response not only expresses general resentment against the BJP-led government's economic policies, but also indicates the erosion of its authority.

In recent months, the three-year-old Vajpayee government has sharply lost public support, beginning last October with New Delhi's quick endorsement of the United States' "war against terrorism." India, assured by Washington, had

come to believe that the United States would play a key role in helping to prevent cross-border terrorism in Kashmir, and thus, help resolve this long and costly problem. India mobilized 700,000 troops to the border to send a message both to Pakistan and the Indian people: Unless the cross-border terrorism is stopped, India will go to war against Pakistan to take control. The Indian people cheered the move, hoping that it would bring results.

But instead, the United States found Pakistan, and its President Gen. Pervez Musharraf in particular, to be its essential ally to fight the U.S. anti-terror war in Afghanistan. Whether the United States ever had any serious commitment to prevent cross-border terrorism in Kashmir, is a matter of conjecture by pundits. What is clear is that it warned India about amassing its troops along the India-Pakistan border. A few carrots were also dangled in front of New Delhi, in the form of some arms sales and the prospect of a strategic military partnership. But meanwhile, United States okayed Musharraf's move to extend his unelected Presidency by another five years through a controversial public referendum.

It has since dawned upon the Indians that the U.S. definition of war against terrorism is quite different from what New Delhi was promised. Even if the United States wins such a war, the security situation may not change at all in the subcontinent; if it does not succeed, things may get worse. Many Indian forces concluded that the Vajpayee government had deluded them.

In early March, the BJP received a major electoral setback. In the four state assembly elections, including the most populous state of Uttar Pradesh, the party was routed. All politicians are aware that to keep control on the national level, the ruling party must have control over Uttar Pradesh. As the BJP scrambled to form a state government there as a junior partner to the Bahujan Samaj Party, a massive Hindu-Muslim riot broke out in the BJP-run state of Gujarat. The mass killing and the brutality, beamed into average Indians' living rooms through television, almost brought the government to its knees.

A riot of this size, which killed almost 1,000 people and refuses to die down even after a month and a half, has shaken up investors, as it has shaken up most Indians, who had begun to believe that large Hindu-Muslim riots were events of the past. The last riot of comparable size occurred in 1992, when the 16th-Century Babri Mosque was torn down in Ayodhya, Uttar Pradesh, by a mob of Hindu chauvinist hooligans.

### **Economic Boondoggle**

In the 1990s, economic reformers (privatizers and International Monetary Fund "free-trade" ideologues) in India were claiming that the reform process itself had created such a wide-ranging economic interest among the masses, that occurrence of large riots and such social catastrophes had become virtually impossible. While these reformers are busy eating their words, India's image as a tolerant and democratic

country has taken a massive beating. Prime Minister Vajpayee's anguished cry—"I am ashamed"—at the riot-torn Muslim refugee camps in Gujarat, has failed to convince Indians, or anyone outside. His subsequent inability to discipline the party he heads on the Gujarat riots, is a clear indication that India is now governed by a weak leader.

A regional survey prepared recently by the Hong Kong-based Political and Economic Risk Consultancy (PERC), shows that India is perceived as by far the most vulnerable of all countries in Asia, in terms of external threats. PERC surveyed more than 1,000 businessmen in 13 Asian countries to come to that conclusion. "The most notable feature of the overall scores was that India was the only country where such risks were perceived to be very high," it said.

In this context, the April 16 general strike is of great significance. The Vajpayee government claims that it is pushing through reforms to re-establish India in its rightful economic place. But T.K. Bhaumik, a senior policy adviser at the Confederation of Indian Industry (CII), touched the right chord when he told reporters that "in this kind of political climate, any talk of reforms is a joke."

The quality of India's infrastructure remains as abysmal as it was before the Vajpayee government took over. This is true in all areas: roads, ports, power and telecommunications. A UN study placed India 69th of the 75 countries ranked on telephone lines per 100 inhabitants; 73rd on road quality outside of major cities; 57th on port facilities and inland waterways; and 47th on the quality of air transport infrastructure.

It is evident that such an abysmal state of infrastructure cannot attract Western, or Eastern, investors. But, that is not all. A recent report, "National Human Development Report—2002," prepared by India's Planning Commission, says that India's alleged high growth in the 1990s, triggered by reforms, resulted in less human development than during the 1980s! They pointed out that some major Indian states have fallen further behind. The currency, the rupee, is steadily losing value, increasing the size of national debt by the hour.

The threat that Indian labor faces, is that the "reformers" still absurdly claim that the vast stagnant Indian economy can be magically transformed into a vibrant one, through the wide application of information technology—the familiar "New Economy" hoax—and that such transformation demands that India open up its economy further. This means lowering tariffs, getting rid of subsidies which keep many under-performing enterprises alive, and selling off public sector units. For three years, the Vajpayee government has spent more time on "reforming" than building infrastructure and creating new jobs. Now, with Delhi under siege, the "cowboy" reformers may have a field day, and promise the beleaguered BJP a way out of the maze it has gotten itself into. The Indian unions have already seen this threat of a weakened government's "last stand" against labor.