

What India Needs Is an FDR-Style 'New Deal,' Not Globalization

Shri Chandrajit Yadav is a former Union Minister of the government of India under Prime Minister Indira Gandhi, and is now chairman of the Centre for Social Justice of India. He was interviewed by Mary Burdman on Aug. 13.

EIR: In the past weeks, our movement has led the wave of new, big demonstrations in eastern Germany, where the population is protesting the disastrous effects that the “globalized” economy has imposed on eastern Germany in the 15 years since the fall of the German Democratic Republic. Unemployment, economic insecurity, and collapse of productive industry is *far* worse now than it was under the G.D.R. government, and everyone knows it.

This process of broad popular reaction against globalization began this year, in the Indian national elections in May 2004. Please describe the Indian population’s rejection of globalization.

Shri Yadav: These demonstrations in eastern Germany are a very good thing. The common people in many countries are now very much aware of the great problems of globalization.

This was the same reaction in India. The common people feel that globalization is only for the rich. The impoverished here in India understand globalization: They see the multinational corporations coming to India, the ready-made clothes, fast food, “entertainment,” and many other products, which are very costly. These are driving away the local products and markets. This is all happening to the cost of the indigenous industry in India.

In every market, you find the “chain” stores, and products. People can see with their own eyes, the bad effect on the population.

Now, the government of India has programs to take care of the smaller and indigenous industries. The center is decreasing the internal duties on products made inside India, to support this production. Their policy is to emphasize support from small-scale industry, rural development, and what are called “cottage” industries.

India had a great tradition of artisans, of highly skilled smaller industries. Today, 40% of employment in India is still by these industries. The multinationals will destroy them. Mahatma Gandhi, during the freedom struggle against the British Empire, called on everyone to burn their imported clothing. This question of economic dependence on imported

products is related historically to the freedom movement, and to the issue of the self-reliance of the Indian people.

During the last decade, more and more artisans have been forced to abandon their work, especially textile weavers. There have been many suicides among these people, or they are forced to go and live in great poverty in the cities, working as rickshaw drivers or other such brutal work.

Indian economists are also recognizing that there must be a balance between smaller industry and heavy industry. With our population and history, we cannot just follow the “heavy industry” Western model.

EIR: In May 2004, there were very important state and national elections in India. The key issue was the economic situation, both national and regional. The former National Democratic Alliance [NDA] government, led by the Bharatiya Janata Party (BJP), had presented its economic policy in its campaign slogan, “India Shining,” centered on the “Information Technology” new economy. But this did not deal with the reality of life for the 600 million Indians who live in the countryside, or in poverty in the cities. Please describe the real conditions of life for the majority of Indian citizens.

Shri Yadav: The NDA government was over-confident of its victory in the last Lok Sabha elections (the 14th Lok Sabha elections). [The Lok Sabha is the lower house of India’s national Parliament.] Indian media and their pre-polls’ and exit polls’ predictions were also in favor of NDA’s victory. Even the Congress Party and its allies were not sure that they would succeed in ousting the NDA from power.

The main reason, in my opinion, for the NDA’s defeat, was that the common electorate, especially farmers and middle class, voted against the BJP-led government. After communal riots in [the state of] Gujarat [in March 2002], the government’s image was badly tarnished, and the minorities all over the country voted against them. The NDA’s slogans of “Shining India” and “Feel Good” lost their “shine” within a month. These slogans became counterproductive, and people started ridiculing them, because peasants in the hundreds were committing suicide in different parts of India, including the state of Andhra Pradesh, India’s fifth most populous state, where the Telugu Desam Party, a close ally of the BJP, was in power for more than nine years.

National and local socio-economic issues were the main

planks of elections; shortage of power, lack of irrigation facilities, bad conditions of rural roads, rising prices, and peasants under heavy debts were burning issues.

After 57 years of our Independence, India stands 127th in the world so far as per-capita annual income is concerned. It is rupees 21,670 (\$480), and in the villages where 70% of the people live, their per-capita income is rupees 7,900 (\$175). In India, 300 million people are living below the poverty line, in inhuman conditions, denied drinkable water, two full meals, and with no roof over their heads.

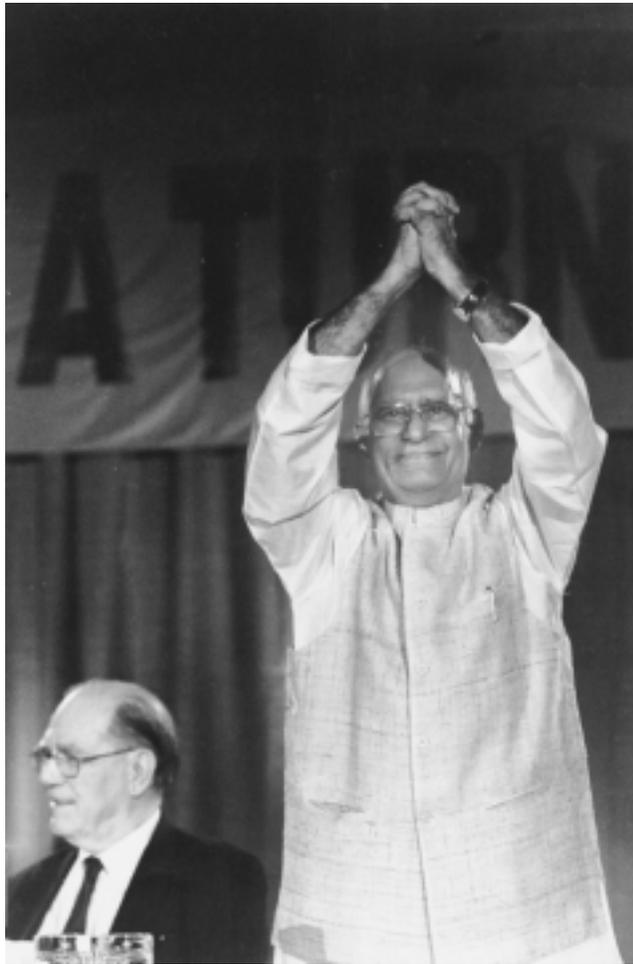
EIR: The Congress-led victory was a great surprise, even to yourself. The first indication of the big political shift going on, was the May 12 election results in Andhra Pradesh, where the BJP-allied Telugu Desam Party was swept from power. Please describe the conditions in Andhra Pradesh, especially of the farmers, which led to this upset. Especially describe the effects of globalization on India, and the impact upon young people just beginning their working lives.

Shri Yadav: The Telugu Desam Party government was also under wrong illusions, like the NDA central government. The assembly was dissolved six months earlier than its term, with an assessment that early election would bring victory to Telugu Desam, but there was a big electoral shock for Chandrababu Naidu, chief of the Telugu Desam, and Chief Minister of Andhra Pradesh. His party was badly defeated, it was almost routed, and the Congress Party was swept back to power. The Andhra electorate, particularly the rural electorate, which constitutes more than 70% of the electorate, had a feeling that the TDP government was an urban-rich-oriented government, was only promoting Information Technology, and was completely blind to rural people's day-to-day problems. The largest number of farmers' suicides took place in Andhra Pradesh.

The Congress Party's local leadership launched a village-to-village movement against TDP government's failures. Chandrababu Naidu was called "the CEO," and he was a great favorite of U.S. computer giant Bill Gates. People nicknamed him "Bill Gates' boy." Naidu symbolized the globalization economy, in which the rich are becoming richer, and middle class and poor are becoming poorer.

EIR: The "mandate of the people" was given to the Congress Party and its allies. Please describe the very important democratic tradition of the Republic of India, and the secular tradition of the Congress. You told me, at the time of the elections, that no one political party can control India: the common people of India, have many times shown they are willing and able to oust a government that does not meet their basic needs. The poor are being awakened, and want to share in the development of India. Please tell us more about this.

Shri Yadav: It has been my political assessment for almost a decade, that India has entered into an era of coalitions, and no single national political party will be in a position to get



Indian political leader Chandrajit Yadav addressed a panel on the role of young people in building a just new world economic order, during the Labor Day Conference of the Schiller Institute in 2003.

the absolute majority, and rule on its own. That is proving correct. The Narasimha Rao government [Congress Prime Minister] ruled without a majority, and somehow managed to survive a full five-year term. After that, the BJP-led NDA government ruled six years with the help of 24 parties, and now Dr. Manmohan Singh's government [Congress Party government] is ruling with six party allies, and another six parties supporting from outside.

The 14th Lok Sabha election gave a clear verdict against the communal party BJP and its allies. It is a clear verdict in favor of secular, progressive, and social justice forces.

Another important feature of the Indian political situation is that people are asserting [themselves] against regional as well as social injustice. Socially, educationally, and economically exploited people are asserting for their share in the governance of the country in the administration, and in the fruits of the development.

These are good lessons for all political parties. This will compel national parties to be more friendly to the poor in the

Call for Second Freedom Struggle for India

On July 18-19, the national Social Justice Movement, led by former Union Minister Chandrajit Yadav, held a special meeting in New Delhi, which put out a Resolution and memorandum of demands. These were signed by more than 25 Members of Parliament of almost all parties, and submitted to Prime Minister Dr. Manmohan Singh and Mrs. Sonia Gandhi, Chairperson of the National Advisory Committee.

The Social Justice Movement will organize a mass rally in November in New Delhi in front of Parliament, and will mobilize especially youth and women for this movement. The meeting called upon the youth of India to join the Second Freedom Struggle to build New India based on justice, equality, and self-respect.

The Social Justice Movement Resolution welcomed the results of the 14th Lok Sabha elections. The move towards coalition politics, the resolution states, “clearly brings out that the common voter, especially the farmers, the working class, artisans and the weaker sections of the society, have become aware of the importance of their vote and they vote for only those parties whom they think is the protector of their class interests. This is a welcome sign to make democracy meaningful.

“It is clear that even after 56 years of independence, the national policies and programmes, their priorities and implementations, have failed to address the basic needs and expectations of the common people, especially the scheduled castes/tribes, backward classes, minorities, farmers, labourers, and artisans. The main reason for this failure is that the upper castes and the feudal elements have

domineering hold over the present system, and the lower 85% of the society have very little say or participation either in the governance or the administration of the country.”

The present system has failed to protect and promote the interest of the lower 85%, the resolution states, leaving people without good water, shelter or sufficient food. Nearly 60% of men and 85% of women are illiterate. Farmers are heavily indebted, and artisans and farm labourers impoverished. About 15-20 crores [150-200 million] youth are unemployed, leading to increasing crime. The upper 15%, however, have increasing control over the administration of power, education, and media.

“Economic globalization is merely strengthening capitalism and is inimical to the interests of the poor.” In this situation, regional divisions, and communal and divisive forces have been strengthened.

“The social justice movement is firmly of the view that the present system needs to be changed fundamentally. But this would not happen by begging. For this, 85% of the people have to forget their differences, and to fight unitedly at the national level for the second freedom struggle. This will be a fight for systematic change. This will require hard work and sacrifices made during freedom struggle.”

The resolution calls for united work among the Other Backward Castes (OBC) and the Scheduled Castes and Scheduled Tribes, and the cooperation and help of the progressive elements amongst the upper castes to establish a new order for India. It calls for great expansion of education, especially for opening places for the poor and women; for 1,000 rupee subsistence for unemployed youth, a free ration card, free treatment for the poor in private and specialty hospitals, and writing off the debt burden of all OBC with landholdings of less than three acres.

future, and also to formulate their priorities in favor of weaker sections of societies.

The Preamble of the Indian Constitution makes a pledge to extend justice—social, economic, and political—to all citizens of India, but they have not yet got it. Several constitutional provisions relating to the socio-economic uplifting of scheduled castes, scheduled tribes, and backward classes and minorities, who constitute 85% of the Indian population, have not been implemented.

This is leading to dissatisfaction and disinterest in these classes. It is also resulting in political fragmentation, regionalism, and casteism. Communal and reactionary forces very often exploit the dissatisfaction of weaker sections, and take political advantage out of it.

EIR: What specifically are the needs of India’s huge rural sector, and what are the plans to increase food production and rural welfare?

Shri Yadav: In India what is emerging is an alarming situation, that by 2020 India’s population will be 134 crores, or 1.34 billions. [Since ancient times, Indian mathematicians and scientists have used special numerical terms for great numbers, including lakh for 100 thousand, and crore for 10 million.]

Over 237 million of these would be in the school-going age of between 5 to 14; some 846 million would be in the working age of 15 to 59, and 132 million in the 60 plus age group. That is, every third person would be a dependent and 6 out of 10 Indians (a rise of 42%) would need new jobs.

Also India would need 300 million tons of food grain, over 80 billion cubic meters of water, and housing for over 265 million families. Currently India has over 80 million educated jobless youth, and India is now producing more than 200 million tons of food grains. These are serious problems!

However, another picture of India, is that it has well-developed and -reputed science and technology institutions and universities. India is one of the five countries of the world who are on the top in Information Technology. Fifteen percent of Indian wealthy people live more luxurious lives, compared to many developed countries. Three years before, India was producing annually 100,000 cars, but now it is producing 1 million every year. It is expected that in coming years it will do much better, as these obvious disparities are creating an unbalanced society.

EIR: Please describe India's foreign policy, including towards Pakistan, China, Russia, and the United States.

Shri Yadav: India since independence became a Non-Aligned country in its foreign policy. Its first Prime Minister, Jawaharlal Nehru, was one of the main organizers and founding father of the Bandung Conference [which took place 50 years ago in Indonesia]. The main feature of Indian foreign policy was to work for world peace and disarmament, friendship with all countries, a world without nuclear weapons, solidarity among developing countries, and continuance of its anti-imperialist policies.

One major achievement in foreign policy was that it was based on national consensus. Even other political parties, such as the Janata Party government in 1977, and the BJP-led NDA government during the last six years, followed the same foreign policy, with a little tilt towards the U.S.A.

One burning example of our foreign policy consensus is that even when the NDA was in power at the center, the Indian parliament passed an unanimous resolution condemning President George W. Bush's Administration, and the attack on Iraq. In spite of great U.S. pressure, the NDA government did not send the Indian army to Iraq.

One major achievement today is that India is friendly to all major powers in the world, such as the U.S.A., France, Germany, Russia, and China. A significant development taking place, is that India and Pakistan are negotiating their bilateral problems, including Kashmir, across the table. Now, the people of India and Pakistan are optimistic about being good neighbors, with hope that the relationship between both countries will so much improve that they can develop their trade and visit each others' countries. Finding a solution on the border problem between India and China is moving very smoothly; SAARC [South Asian Association for Regional Cooperation] has become active, with a possibility to move jointly to help each other.

This shows that India's foreign policy has a sound foundation supported by peace-loving people. India is now aspiring to be a member of UN Security Council. Many important

countries have come forward to support the claim of India.

EIR: An interesting editorial in the national newspaper *The Hindu* on June 26, said that Prime Minister Manmohan Singh is following the ideas of the American President Franklin Roosevelt, to deal with the enormous crisis in Indian agriculture. "The Prime Minister commits the Government to respond to this crisis in much the same fashion as a great American President Franklin D. Roosevelt put together a New Deal in the early 1930s to rescue the domestic economy from the ravages of the Great Depression. The Manmohan Singh version of the New Deal will make interventions at every link of the production and marketing chain in agriculture."

Lyndon LaRouche, in his economic and political campaign, is striving to bring back the policies of FDR, as the only ones which can solve the great economic problems facing the United States, including the "shock therapy" against its industry, the collapse of infrastructure, and the huge income gap between the well-off 20% and the "forgotten men and women"—actually 80% of the population. How will the policies of FDR work in India?

Shri Yadav: The Indian Prime Minister Dr. Manmohan Singh is an eminent economist. On the basis of its "Common Minimum Program," his government is committed to the welfare of the common people. In the new budget, an emphasis has been given on Indian agriculture. Agricultural economy has been given a fillip by focusing on rural credit, mechanization, water management, shops for agro-processing firms, and facilitating the availability of venture capital for agro-product start-ups. A scheme has been worked out to provide one job in every poor family, and also 100 days of gainful employment in each family.

The government has also launched the "food-for-work" program, with rupees 8,000 crores [80 billion rupees]. This program is to employ people to build essential rural infrastructure—canals, roads, and other projects—for 4-5 hours a day, and they are paid in grain, rice or wheat.

Rural credit will be doubled over the next three years; government has already announced a higher price for farmers' products. Subsidy in fertilizer, and tax reduction in agricultural implements including tractors, have been provided. On the basis of this common program, our daily newspaper *The Hindu* compared Dr. Manmohan Singh's new economic program with President Roosevelt's New Deal.

People have great hope from Manmohan Singh's government, although inflation has crossed 7.5%, which is the highest during last five years. In general, prices are also rising due to a rise in petroleum prices. India imports more than 60% of its oil, and when international prices go up, India is badly affected.

We know that Lyndon LaRouche is actively working to bring back the policies of FDR in the present world context. FDR's New Deal policies are even today relevant to build a new world based on justice, equity, and human dignity.