1991-92 Central Budget

National Gains & Pains (Restructuring With A Wrinkled Human Face)

I. An Unprecedented Budgetary Debate

(1) Never before in the post-1947 history of India any central budget had attracted so much public attention, invoked such a serious national debate and generated that kind of interest of the international business community, as the 54th one pertaining to 1992-93 had done.

(2) This unusual phenomenon has sprung from our given economic situation where the New Economic Policy (NEP) is wrestling with a multi-dimensional economic crisis, generating a new public mood, sharp intra-party debate and world business curiosity.

The NEP, according to its official version, aims at integrating the Indian economy into the world economy by liberalising it from all official controls and regulations and opening it up to the international market forces, thus paving the way for our country to get out of its multi-dimensional crisis. This aim is being realised through economic restructuring or structural adjustments, thereby implying that it is not an ordinary economic change, but a fundamental transformation of the economic structure.

The NEP has been actually initiated by the July 1991-92 budget and its accompanying fiscal trade, industrial, monetary and general administrative reforms to meet the multi-dimensional economic crisis, particularly in the balance of payments position, facing the Indian economy. At that time, there was a general consensus on this policy among the major national parties. The reason was that neither the ruling party nor the major opposition parties could then visualise the full implications of the NEP, as

worked out by India's Finance Minister with the help of the two international financial institutions, the IMF and the World Bank.

The ruling party then adopted the NEP only under compulsion and not out of any conviction. It opted for this policy, because the latter alone could help it in getting the international financial credibility, lost due to the inefficient and corrupt economic management of the Indian economy under its Nehruvian Economic Model. This position of expediency continues even to this day. That is why the ruling party sometimes characterises the NEP as a policy of achieving national self-reliance, sometimes of realising its socialist aim and sometimes of continuing or updating its Nehruvian Economic Model. The illogic of this position lies in the fact that the NEP does not constitute a simple amendment to its Nehruvian Economic Model or a mere change in its ways and means, but actually stands for a new vision, policy and priorities.

Whereas the ruling party has adopted the NEP as a matter of expediency, the major national parties (i.e., the BJP, JD and Left Parties Front) have been quite confused in their respective economic approaches. This confusion can be seen from the about turn in their almost similar standpoint of general support to the July 1991 budget, while opposing in toto the March 1992 budget. The tragedy of the major national opposition parties stems from the fact that, while acknowledging the need for economic restructuring or structural adjustments, arising out of the country's past economic failures, none of them has so far succeeded in putting forth any alternative economic model. Even in the past they had carried on with the Nehruvian Economic Model, while demarcating themselves only by criticising it, here or there.

(3) With the introduction of the 1992-93 budget—which carries forward the NEP to a new stage—the economic differences among the major national parties have taken a sharp turn. The reason for this turn lies in the different perceptions of these parties about the 8 month working of NEP, with pluses and minuses still hanging in the balance. The dominant wing of the ruling party, which initiated the NEP and now has no other choice but to continue it to its logical conclusion, thinks that the NEP would ultimately pull the country out of the economic crisis. The rival wing in the ruling party remains shrewdly non-committal, keeping its option open till the NEP's final outcome. Of the major national opposition parties, each believes that, with the little possibility of the NEP's delivering any goods in the current year and the

persisting high rates of inflation and unemployment, it can extend its mass base by putting the blame for the continuing public hardships on the ruling party. Thus, there has arisen a sharp economic debate among the major national parties on almost every aspect of the new budget—its vision, policy and priorities.

II. On The Budgetary Vision

(4) By the budgetary vision is meant the budget's strategic orientation or reference point in organising the national economy. The Finance Minister's 1992-93 budget speech mentions this point as follows.

"To realise our development potential, we have to unshackle the human spirit of creativity, idealism, adventure and enterprise that our people possess in abundant measure. We have to harness all our latent resources for a second industrial revolution and a second agricultural revolution. Our economy, polity and society have to be extraordinarily resilient and alert if we are to take full advantage of the opportunities and to minimise the risks associated with the increasing globalisation of economic processes. We have to accept the need for reform if we are to avoid an increasing marginalisation of India in the evolving world economy. The economic policy changes brought about by our government in the last eight months are inspired by this vision."

Obviously, the above vision emphasises the need for carrying out all-around structural reforms in order "to take advantage of the opportunities and to minimise the risks associated with the increasing globalisation of economic processes" or "the evolving world economy" for ushering in "a second industrial revolution and a second agricultural revolution" in the country. This means that it considers "globalisation of the economic processes" or "the evolving world economy" not as a matter of fundamental change in the world reality (requiring all nation-states to undertake structural changes in its light), but as a useful world development whose opportunities need to be utilised and risks minimised for national gains. In other words, it does not regard globalisation as the emergence of a new world system which should be upheld in all our thinking, saying and doing, but only as means to attain our national aim and aspirations.

(5) As regards the major opposition parties, they look at globalisation as of no great consequence and continue to either stick to their respective traditional visions or are getting them renovated in new forms.

Thus, the BJP has recently projected a new vision, Swadeshi (which emphasises preference for nativism in contrast to everything foreign), though its Lok Sabha leader, L.K. Advani, during his recent US tour, had lent general support to the NEP. But the projection of even a new vision has not helped it in ending the confusion among its ranks. Accordingly, while the BJP President, M.M. Joshl calls the budget as inflationary and anti-people, another top BJP leader, A.B. Vajpayee, characterises it as positive, with L.K. Advani taking the middle position.

The communist vision of upholding the labour and smashing the capital and the JD vision of uplifting the backward castes and downgrading the higher ones stay on as usual, with added emphasis on national sovereignty and self-reliance.

However, none of the above visions raised its little finger when the country has been piling up foreign debt year after year in the post-1947 period (including the year 1990 of the JD rule, supported by the BJP and the Left), reaching a total foreign liability of 72 billion by 1991.

(6) The facts now provided by various types of developments clearly indicate that globalisation today is neither an economic factor nor an ethnic phenomenon, but a new historical stage in the movement of human society. The peculiarity of this stage is the globalisation of the major human problems concerning environment, security, economy, politics and culture—thus making the nations interdependent. This peculiarity has been shaped by the post-1945 scientific-technological revolution which itself is a product of the interaction between Man and Nature.

The globalisation of the major human problems demands the step by step integration of all types of national processes into the global process which, in turn, requires corresponding changes in all types of traditional propositions, styles and structures.

For example, the danger from the environmental degradation and the threat from the nuclear weapons to human species has laid the basis for common international strategies concerning environmental protection and the security management of different nations. The new environmental and security needs, coupled with the newly advanced production and communication technologies have further enhanced the economic and cultural interaction among nations. The increased economic interaction among nations has brought forth a common world currency or a basket of world currencies. It has created the need for the free convertibility of every national currency, deregulation of national

economies, free trading regional groupings, free flow of trade, capital and labour on the international scale, etc. The widening cultural interaction among nations has given further push to the movement of information, science, art and literature across the national frontiers.

The need for common international environmental and security strategies impels nations to join international organisations, like the UNO. The need for a common world currency and the free flow of trade, capital and labour creates the urge among the nations to build international economic institutions, such as the IMF, WB, GATT, G-77, UNCTAD, etc. The need for common international norms and standards drives the nations into forming the international cultural bodies, e.g., UNESCO.

When the nations join international organisations, they automatically relinquish some of their national sovereignty. Membership of the UN requires some obligations on the part of a country, namely, not to attack another UN member, to respect human rights, to pay UN dues, etc. Similarly, the IMF membership restricts a country not to change its exchange rate without the Fund's consent, and so on.

Thus, in the present day world, no one is fully sovereign in the absolute meaning of the term. The US, the mightiest country in the world, discusses its deficit problems with the G-7 countries. Its President, George Bush, recently went to Singapore, Australia, Korea and Japan in order to get trade concessions. Even the real exchange rate of our rupee is finally decided by the international market (or Hawala rates), while our sovereign state only fixes its unreal official exchange rate. Capital, technology and ideas can no longer be stopped at the national frontiers or confined within the national bounds. It is in this sense that the old reference points, like national sovereignty, national self-reliance, economic independence, national defence, etc., continue to lose their rigour and thus require restructuring.

(7) From whatever angle one may look at the present world, the globalisation is becoming the dominant fact of human life.

III. On The Budgetary Policy

(8) By the budgetary policy is meant the measures by which the budget envisages to fulfil the NEP's aim of integrating Indian economy into the world economy by liberalising it from all official controls and regulations and thus opening it up to the international market forces. In other words, how it proposes to

organise the restructuring process in order to remove imbalances in different areas of the Indian economy.

(9) The main budgetary initiatives in regard to structural adjustments in the 7 major areas of the economy are as follows.

(a) In the fiscal sphere, the keynote of the 1991-92 budget had been to restore fiscal discipline by controlling the fiscal deficit in absolute and relative terms as share of the GDP, reducing the non-plan expenditure and rationalising the tax structure.

The 1991-92 fiscal target to reduce the fiscal deficit from 8.4% to 6.5% of the GDP has been achieved. But, the budget remains off the target on the revenue deficit which has hit an all-time record (i.e., 15.1%) in terms of its ratio to total expenditure. Non-plan expenditure has been overshot by 0.5% above the budget estimate. Tax structure has been rationalised.

The targets for 1992-93 show that the budget continues the process of fiscal reform.

It proposes to further reduce the fiscal deficit from 6.5 to 5% and the revenue deficit from 15.1 to 11.7% of the GDP. But, it does not disclose how it will be done.

On the expenditure side, there is an increase of 5.3% in total expenditure over that of 1991-92, i.e., a 6.5% fall in real outlay.

On the receipts side, the share of direct taxes in the total taxation goes up from 22% to 24%. There is a reduction in the volume of the market borrowings from Rs. 7,500 crore in 1991-92 to Rs. 5,000 crore in 1992-93. Public sector contributes Rs. 2,500 crore by the sale of its shares.

As regards balance of payments problem, there has been an improvement in the position as compared with the situation last year. The foreign exchange reserves have gone up from Rs. 2,600 crore in July 1991 to Rs. 11,000 crore in February 1992.

Though the general fiscal performance has been satisfactory, the details show several points of concern.

For example, the reduction in fiscal deficit, has been achieved at the cost of 8% cut in the 1991-92 capital expenditure, while the revenue expenditure has been increased by 10%.

There was a 7% cut in plan spending in 1991-92.

In 1992-93 budget, the revenue expenditure goes up by 7%, while capital expenditure increases only by 0.2%.The plan provision is too meagre. There has been no real increase in plan expenditure during the period 1991-93.

Like the 1991-92 budget, the new one does nothing to cut revenue expenditure.

(b) In the industrial sphere, the 1992-93 budget provides a number of growth impulses. These are: 1% cut in the lending rates, the possibility of easier credit due to cut in statutory liquidity ratio from 38.5 to 30%, the ending of import compression, lower import duty on capital goods, tax concessions (abolition of wealth tax on shares and debentures of companies as well as other productive assets), reduction in income tax rates, no change in corporate taxation, incentives for exports and foreign exchange remittances, strengthening of the capital market, partial convertibility of the Rupee, greater scope for foreign investment, etc.

The public sector gets less next year than it had in this one. But it is required to contribute more to the centre in terms of dividends and plan resources. However, this may not turn out a realistic expectation as the public sector has failed to generate the expected resources this year.

The 1992-93 budget does not effectively deal with two important areas, i.e., the structural adjustments in the public sector and the exit policy, except making a reference to the national renewal fund (with a grant of Rs. 200 crore plus an additional grant to be provided through the sale of PSU equity). No doubt, these are difficult issues, but have to be properly addressed if restructuring of the economy is to be made meaningful.

(c) In the sphere of trade, the reduction in import duties, the replacement of the system of exim-scrips by the partial convertibility of the Rupee, the ending of import compression, the legalisation of the import of gold, etc., may provide a boost to the Indian exports. In 1991-92, the export performance had been dismal.

(d) In the financial sphere, the 1992-93 budget restructures the income tax on a rational basis. The income tax exemption limit is raised from Rs. 22,000 to Rs. 28,000, with only three tax rate slabs, i.e., 20% tax rate at the entry level, 30% above Rs. 50,000 and a maximum of 40% above Rupees one lakh. A new scheme subjecting retail traders with an annual turnover below Rs. 5 lakh to a presumptive flat tax of Rs. 1,400 each per annum is introduced. Following Raja Chelliah Committee recommendations, the Capital Gains Tax is simplified. Wealth tax limit is raised to Rs. 15 lakh, while shares are exempted. No change is made in corporate tax structure. Numerous concessions are introduced in the direct tax system, such as to handicapped dependents, women in employment, old people over 65 years,

authors, play writers, artists, sportsmen and the victims of Bhopal gas disaster. The income tax benefits of voluntary retirement are extended to the private sector as also to the public sector. In respect of partnership, double taxation of the firm as well as individuals is eliminated and only the firm is to be taxed except for the salary and interest incomes of partners. The cooperative societies, including the cooperative banks, are exempted from income tax payment.

The maximum import duty is reduced from 150 to 110% and the general duty on capital goods from 80 to 60%. Duty concessions are given on pesticides and to the petro-chemical industry as also to the film industry and glazed newsprint.

The reduction in import duties is counter-balanced by the raising of excise duties (on such items as ingot steel bars, rods, cigarettes, watches and on certain plastic items) which are likely to impose a net burden of the order of Rs. 2,210 crore on the people.

The liberalisation of gold regime by permitting returning Indians and NRIs to import 5 Kgs of gold per head with an import duty of Rs. 450 per 10 gm and the introduction of a gold bond scheme is likely to reduce gold price as also its smuggling and Havala transactions.

The partial convertibility of the Rupee—with 60% of foreign exchange accruals to be exchanged at market rates and 40% at the official rate—removes to a considerable extent the uncertainty about the official exchange rate changes and leaves things to the market.

The reduction of the incremental statutory liquidity ratio from 38.5% to 30% and one-third cut in borrowings for the next year is likely to gradually bring the public debt under control.

A further liberalisation of the Foreign Exchange Regulations Act is on the cards.

All the said measures will help the affluent. The withdrawal of section 80L exemption and the concession concerning relief for new house construction will cause discouragement among the small and middle level persons.

(e) In the sphere of agriculture, the 1992-93 budget does not suggest any tangible policy measures, except paying lip service to agriculture as the bedrock of our development. The fertiliser subsidy totalling Rs. 5,000 crore is provided. An Agri-Business Consortium is announced to be set up for small farmers. Seeds for vegetables, pulses, oil seeds, flowers, etc. are exempted from import duty. Specified pesticides and intermediates are given

import duty concessions.

(f) In the sphere of human resources, the 1992-93 budget adopts an indifferent attitude. Often called as social sector, it has even been ignored in the budget speech. The outlays for education have been reduced both in relative and absolute terms. While the 1991-92 budget plan had provided Rs. 287 crore for elementary education, the 1992-93 one allocates Rs. 284 crore. In health, while the 1991-92 budget plan had allotted Rs. 301.90 crore, the 1992-93 one provides Rs. 302 crore. Given the 12% inflation rate, there is thus a fall in real terms, both in education and health outlays.

(g) In the sphere of poverty alleviation schemes, the 1992-93 budget takes an unsatisfactory position. All schemes pertaining to this item get a raw deal. The Jawahar Rozgar Yojana is provided Rs. 2,046 crore by the 1992-93 budget compared to Rs. 2,100 crore in 1991-92 (BE). The food subsidy is down by 12.3%. The rural development gets Rs. 2,610 crore from 1992-93 budget in contrast to Rs. 2,702 crore in 1991-92 (BE). The small-scale industries receive Rs. 335 crore in 1992-93 budget as against Rs. 350 crore in 1991-92 (BE). The Industry Ministry's two declared schemes to generate 24.5 lakh additional employment in the small scale and agro-rural sector and 177 centrally funded integrated infrastructural development centres in backward districts do not find any place in the budget.

(10) However, the above-mentioned structural adjustments are getting threatened by a highly critical problem, namely, inflation. Significantly, the budget speech lacks any comprehensive strategy to combat inflation, though the 1991-92 Economic Survey pictures it as the number one problem, now posing a challenge to the Indian economy. With menacing inflation, the 1991 budgetary exports and growth rate targets had also gone haywire.

(11) Looking at the 1991-92 budgetary policy from all angles, it can be seen that, while its general thrust is towards the opening up of the Indian economy, its human face is marked by wrinkles.

IV. On The Budgetary Priorities

(12) By the budgetary priorities is meant the preferences exercised by the budget to mobilise its revenue and make allocations to various heads in order to realise its vision and policy. Obviously, the budgetary priorities are a powerful indicator of the government's political-economic motivation.

(13) As regards the structure of the 1992-93 budgetary

revenue (totalling Rs. 1,13,689 crore), it is made up of three components—the tax revenue (Rs. 56,456 crore), the non-tax revenue (Rs. 19,232 crore) and the capital receipts (Rs. 38,010 crore). The tax revenue comes from the direct and indirect taxes. The non-tax revenue consists of the resources received from the sale of the public sector's shares and the surplus generated by the PSUs. Capital receipts mainly comprise of borrowings.

In the first component (i.e., the tax revenue), the corporate tax and the personal income tax constitute about 24%, while the remaining 76% is contributed by the indirect taxes (duties on goods and services), directly hitting the people, especially the poor.

As a whole, the tax revenue forms 50% of the new budget, while, separately, the direct taxes furnish 12% and indirect ones 38%. Thus, 38% of the government's revenue comes from the common people, the majority among whom hardly make their two ends meet.

Admittedly, the indirect taxation is a regressive type of taxation, avoided by all civilised countries. It is inflationary, creates high cost economy, makes exports uncompetitive and encourages smuggling by making high priced illegal imports more profitable.

India is one of the highest indirectly taxed economies of the world. Interestingly, the new budget handles this problem by reducing import duty, amounting to Rs. 2,023 crore, on the one hand, and increasing the excise duty, totalling Rs. 2,211 crore, on the other.

India needs a just, simple and viable tax system. The new budget introduces some positive changes in the income tax mechanism, but leaves out the highly important point of broadening its net. It is ridiculous that, out of a 250 million people with surplus purchasing power in our country, only 7 million pay the income tax. Only the widening of the direct tax base really enables India to lower its indirect taxation.

Tax evaders and embezzlers, constituting the black money holding stratum, rule the roost in our country. The outstanding amount of income tax and corporation tax stood at Rs. 6,694 crore on March 31, 1990, while the wealth tax and gift tax arrears constituted about Rs. 2,000 crore. The arm of law and order is helpless before the offenders, because they are strongly entrenched in India's power brokerage structure. This amounts to a perverse incentive pattern which breeds dishonesty and harms the establishment of a fair and just society.

With regard to the revenue coming from the public sector, its

contribution has been negative to our national exchequer so far. The overall returns from this sector hardly constitute 2-3% of the total investment which itself carries the debt servicing costs from 10 to 18 percent.

Taking up the third component of the revenue receipts, i.e., the capital receipts (mainly the borrowings), they have now become the biggest drain on our meagre national resources. This year, the debt servicing alone has cost India Rs. 27,500 crore, i.e., about 25% of the total expenditure, which will go up to Rs. 32,000 crore the next year. A part of the borrowings is being now simply used for making fiscal adjustment.

(14) As regards the structure of the 1992-93 budgetary allocations to various heads, its three components, i.e., the interest payments, defence and subsidies, make up 68% of the total non-plan expenditure. This spending pattern has continued as a typical sample of the Indian budget since long. The remaining non-plan expenditure is consumed by nearly 25% over-stretched administrative services. Such a designing is bound to negatively affect the budget's developmental and financial aspects.

Of the three major revenue consuming budgetary items, the defence has been the chief retarding factor in the post-1947 Indian economic process—having risen from a small size of Rs. 168 crore in 1951 to its present gigantic magnitude of Rs. 17,500 crore—a growth of over 100 times, while there has been a 15-fold increase at the current prices in the world military expenditure during the past four decades.

According to the Swedish International Peace Research Institution's 1990 Year Book, India has been the biggest importer of arms and weapons systems in the Third World. Only during 1985 and 1989, India did import armaments worth $18 billion which was 33% of India's total expenditure of foreign exchange during the same interval. In this specific time, Pakistan imported arms worth $3 billion. It was armament import of this extent and the galloping defence expenditure that forced the Indian economy to negotiate more and more borrowings and resort to ever-widening deficit financing. The increasing deficit financing has introduced inflationary spiral in the Indian economy. The chronic inflation, in turn, has made the Indian economy a high cost one, retarded its exports and caused its perpetual balance of payments crisis.

Curtailing the defence expenditure has since long become the essential need of the Indian economy. According to expert opinion, India's defence budget is over-expended and needs at

least 20% cut, taking into consideration its present security needs. But India's regional hegemonic foreign policy rules out all options, other than perpetuating a powerful military machine, to manage the national security system and thus treats the defence expenditure as a 'holy cow'.

Another drag on the budgetary revenue is the network of subsidies. The common belief that subsidies only form part of the central budget is a very narrow definition of the term. In actual fact, there are many forms of subsidies—invisible (e.g., subsidised transport, differential rates of bank interest, etc.), those provided by the states (e.g., cheap power to farmers or industrialists, subsidised housing, etc.), those maintained by the centre (e.g., food and fertiliser). According to one estimate, both the central and the state subsidies were in the vicinity of Rs. 58,000 crore in 1990. Thus, they perhaps eat up the amount equal to the entire tax revenue of the centre and flout the fundamental economic principle that everyone must live within one's means.

This is another possible area where resources can be saved by discontinuing the patronage based subsidies, being administered to the affluent classes, while continuing those being dispensed to the poor.

Public Sector constitutes another white elephant in the Indian economic courtyard. Initially built to establish the basic infrastructure, it has today come to occupy the commanding heights of the economy. Involving an investment of over Rs. 1,00,000 crore, the 248 PSEs are running on continuous loss. The enterprises owned by various states are also net losers. The state electricity boards accounted for a loss of Rs. 4,000 crore in 1993 and their average rate of return of capital was only 14%. The State Road Transport was running at an average rate of return on capital at 12 percent.

(15) Overall, the budgetary priorities concerning revenue collection and revenue spending have contributed a lot in pushing the Indian economy into a traumatic state. Double digit inflation at 11.8% is devouring its vitals. The prices of food articles have risen much faster than the wholesale price index—mainly hitting the poor. The mounting debt, totalling Rs. 52,880 crore by December 1991, has imposed an interest burden of Rs. 27,500 crore—the single largest expenditure at around 25%. The balance of payments position is still critical with an adverse balance of trade in dollar terms.

Growth has declined. The 1991-92 Economic Survey indicates

1.5% likely fall in foodgrains and 0.8% in industrial production this year—worsening the situation in the employment and poverty areas.

In 1991-92, the national liabilities have exceeded assets by over Rs. 92,694 crore. The liabilities are put at Rs. 3,52,880 crore or 35.6% higher than the total assets, valued at Rs. 2,60,186 crore. Such a huge deficit in assets would have led to insolvency in case of a private firm.

(16) Thus, it can be seen that the budgetary revenue and expenditure still mainly reflect the old priorities of the Nehruvian Model, except minor alterations, here or there. If the Indian economy continues its worn out choices, the economic situation cannot undergo a basic change.

V. Budget's Contradictory Route

(17) The budget is a mixed bag of national gains and pains.

On the positive side, some of the budgetary measures are highly welcome, such as the steps to restore fiscal balance, check budget deficit and open up the Indian economy, etc.

On the negative side, the main budgetary drawbacks are: lack of clarity on the vision, fiscal adjustment at the cost of capital revenue, meagre plan provision, maintaining an over-manned administration, revenue collection through excise duties, continuing stress on defence and subsidies, under-stress on agriculture, rural development, small scale industries, education, health, etc. The highly objectionable feature of the budget is that its priorities towards the development of human resources and poverty alleviation are not imaginatively settled.

(18) Why does the budget take this contradictory route? This is because there has been a contradiction between P.V. Narasimha Rao government's economic and political objectives. Economically, it has adopted the strategic aim of globalisation. But, politically, it continues to adhere to the Nehruvian Model's centralised national politics, personality based organisation and regional hegemony. This incompatibility between its global oriented economy and centralised, personality based and hegemonic politics is evident from the fact that the Prime Minister or the Finance Minister proclaim national self-reliance as their vision, on the one hand, and simultaneously implement the NEP for globalising the Indian economy, on the other; call for the ending of all unnecessary expenditure, on the one hand, and at the same time continue to maintain the over-staffed

administration, on the other; emphasise their pro-poor concern, on the one hand, and then and there reduce the allocations for poverty alleviation schemes, health, education, rural development, etc., on the other; stress interdependence of nations, on the one hand, and at once project defence as priority number one, on the other; and so on.

(19) Motivationally, the Nehruvian Model conditions the organisation and the individuals to always cling to power at any cost, by primarily sticking to a three-sided Nehruvian methodology. One side of this methodology is, and has been, populism or vote bank style to hoodwink the masses, while the other is, and has been, confrontationist style or militaristic solution in every conflict. And the 3rd one is, and has been, an unscrupulous value system.

This three-sided Nehruvian methodology is evident from the various budget priorities. Populism or vote bank style is expressed by the various types of subsidies. Militaristic solution is reflected by the budget's continuing top priority to defence. The unscrupulous value system can be seen from the budget's legitimisation of unfair methods, such as concessions to black money holding, smuggling, tax evading, etc.

As a matter of fact, it has been the Nehruvian politics and its three-sided methodology which, after wasting the surplus economic resources of India's Rs. 1,600 crore credit holding economy in post-independence decade, adopted deficit financing and borrowings as its economic tools for resource generation, leading to a chain reaction—perpetual inflation, cheaper imports and costly exports, distortion in the balance of payments position, foreign debts and domestic borrowings, finally creating imbalances in all economic areas and presently expressed through a multi-dimensional economic crisis. Though the NEP has to a great extent changed the salient features of the Nehruvian economic policy, it is still being hindered by the continuing domination of the Nehruvian politics.

(20) The disharmony between the politics and economics of the ruling party is a serious matter. It cannot go on for long. Either the one or the other must prevail. Any setback to the NEP can result in accentuating not only the old political and economic fissures, but also opening the new ones.

VI. Restructuring Imperatives

(21) Restructuring or structural adjustment in any phenomenon (human or non-human) has never been a painless

process. In every type of human restructuring—political, economic or cultural—the central question is to proceed from actual realities and be clear on the goal.

(22) In our ongoing economic restructuring, two main realities—those of the world and of India—need due consideration. The world reality is characterised by globalisation, while that of India distinguished by mass poverty.

The globalisation demands the integration of the Indian economy into the world economy through market mechanism, while India's mass poverty requires a poverty alleviation programme. Thus marketisation (or liberalisation) and poverty alleviation constitute the two imperatives of India's restructuring or, in other words, modernisation process. Neglect of anyone of them means to wreck the whole process.

(23) Marketisation is not a single act, but a series of measures that bring about a free play of market forces. It needs basic changes not only in all the economic areas—fiscal, trade, industrial, financial, agricultural, human resources, poverty alleviation—but also in political and cultural spheres. Essentially, it means that India's economic engine of growth lies not in the commanding heights of the public sector, but in cooperation and alliance between the Indian and the global capitals.

We are not the only country to embark on the road to marketisation. Many countries before us had traversed this path. Almost starting with India, Hong Kong, Taiwan, and Singapore are now around 90% market oriented, with Malayasia and Indonesia standing at 80% and 75% respectively. India's score is nearly 57%. There is still a long way to go.

Those opposing marketisation must ponder over the question as to why the present per capita income in South Korea is 13 times and that in Hong Kong 30 times that of India, though the three countries were more or less at the same level around 1950.

(24) Poverty alleviation is the key link in the development of human factor which, along with material resources, constitute what we call the social capital. The recent experience of economic restructuring in various countries shows that it had worked only when, on the one hand, it had raised productivity and, on the other, provided an efficient safety net to the weaker sections. Wherever the interests of the weaker sections had been ignored, the structural adjustment programme had suffered a setback. Economic growth is a must for every social system and so is the must of its having a human face. Despite being the most

market friendly country in the world, the US spends 15% of its national income on its weaker sections—unemployment allowances, food stamps, health, education, social welfare, etc. This is three times of its defence spending. Sweden expends 35% of its budget on social services.

India's human development record has not been credit worthy by any standard. Its total expenditure in the social area is less then 15% of its total spending, while over 20% is allocated to defence alone. According to the UNDP report (1991), India's HDI rank is 123 out of 160 countries. There are several countries with lower per capita GNP but higher HDI rankings (e.g., Zambia, Kenya, Senegal, Sri Lanka, etc.).

(25) In his July 1991 budget speech, the Finance Minister had declared that India stands for a restructuring programme with a human face. But, the 1992-93 budget not only omits to mention that commitment, but also lowers the human development priority in the budget demands. It seems that, succumbing to the pressure of the organised groups (i.e., the corporate sector, labour unions, farmers, employees, etc.), the government has passed the burden on to the backs of the unorganised weaker sections.

This way clearly leads not to any globalisation but social disaster.

VII. Suggestions Concerning Short & Long-Term Objectives

(26) Was there no option other than adopted by the new budget? The options, no doubt, are limited, but it could have been far better if the budget had clearly put forth before the people their short and long-term economic objectives and the ways to achieve them.

(27) It is more than obvious that the short-term economic objective before the people this year is, and can be, the current challenge facing the country from the continuing high inflation, while keeping a watchful eye on the balance of payments position, now under recovery.

As to our long-term economic objective, this can be broadly stated as the establishment of a modern, fair and just (i.e., human rights, rule of law and social justice based) social community as a part of the newly emerging global society, through the fulfilment of a two-sided medium-term objective or main task—i.e., the structural adjustment (also called marketisation, liberalisation, opening up of the Indian economy, globalisation of the Indian economy, etc.), on the one hand, and

the alleviation of poverty in the country, on the other.

(28) From the above stated short and long-term economic objectives flow three interrelated tasks: (a) the containment of inflation, (b) structural adjustments, and (c) the alleviation of poverty.

All these tasks need to be implemented hand in hand. Because, being closely connected, they reinforce each other. Still the third one requires an immediate and continuous response, particularly during the time of the accomplishment of the short-term task. The reason is that, in the ongoing difficult situation, chiefly characterised by high inflation, coupled with stagnant growth rate, rising unemployment and lower imports, the weaker sections are bound to be adversely affected in their daily hand to mouth living. This tough period, representing the birth pangs of the globalisation of the Indian economy, may last for more than one year. In this hard phase, there is great likelihood of the sharpening of the populist contention among the main national parties, each of whom will as usual strive to use the mass discontent for its partisan ends. Logically, the NEP has entered a crucial stage in which its fate is going to be decided by the question as to which side the weaker sections would turn to.

(29) The afore-mentioned three tasks demand specific initiatives. They are being dealt with hereunder in a reverse order, because the initiatives concerning the last two tasks also facilitate the solution of the first one.

(30) **For the alleviation of poverty:** The immediate aim is not to allow the burden of structural adjustments to fall on the weaker sections and then to raise the economic level of those living below the poverty line. To achieve the immediate aim, the following initiatives are needed.

(a) To contain inflation in general and maintain stable food prices in particular, as the latter prices are the main concern of the poor.

(b) To import wheat and edible oil to tame the open market prices. That can go some way to reduce inflationary expectations.

(c) To expand the coverage of the PDS to as many rural areas as possible.

(d) To divert more funds towards the poverty alleviation schemes, launch income generating programmes targeted at the poor and tone up the IRDP, NRER and the Nehru Rozgar Yojana.

(e) To appoint vigilance committees comprising of the poor for the supervision of the poverty alleviation schemes, including the PDS concerning the weaker sections.

(f) To target all subsidy benefits at the really needy or disadvantaged.

(g) To stimulate agro-activities, like levelling, bunding, drainage, well sinking, fencing, road building, school construction, etc., to provide employment to the rural unemployed. In this regard, a country-wide movement for national afforestation be started.

(h) To promote village crafts and start agro-based industries.

(i) To launch a national housing plan, involving the government, corporate sector, banks, cooperative societies, local bodies, etc., for generating employment opportunities.

(j) To increase budget outlay on social services sector, particularly on elementary education and health-care.

(k) To start vocational education linking the educational institutions with trade and industry, on the one side, and with technology, on the other.

(l) To decentralise power to the Panchayats and rural cooperatives.

(m) Last but not the least, to give top priority to the rural development programme in which the government, corporate sector, banks, voluntary organisations and all political parties could participate effectively.

(31) **For structural adjustments:** The aim is to integrate the Indian economy into the world economy by reducing the role of the state in the economic process, thus linking it with the world market forces. The present central government has already taken many positive initiatives in this regard. But some of its actions are either misplaced or one-sided, e.g., to reduce fiscal and budget deficits at the cost of capital receipts and not by cutting unproductive expenditure, curb inflation by cutting investment, not to tone up the productivity of capital, continue distributing subsidies on populist lines, keep a gap between budgetary intentions and performance, etc.

(a) In the fiscal sphere: The keynote is to put the state resources to the maximum productive use. The task is to reduce the fiscal and budget deficits by generating new resources and cutting inessential spending, particularly the latter.

For generating new resources: (i) To rationalise the entire tax structure and reduce the relative importance of indirect taxes compared to direct ones. This will bring down the overall cost of the Indian production. Introduce the value added tax (VAT) system in order to eliminate the cascading effect of the central excises, states' sales taxes and local bodies' octrois. This will

help in creating a real single all India market which, in turn, will increase the competitive ability of industry and agriculture.

(ii) To expand the direct tax net to those better off sections of the population—e.g., rich farmers, professionals, etc.—who are still outside of that net and who are contributing much less than their share. At this moment, only 7 million people in India pay income tax, while the estimated number of those with surplus purchasing power stands at 250 million.

(iii) To improve methods of tax realisation so as to raise the yield of direct taxes.

For cutting inessential spending: So for, the government has done very little to cut its unnecessary expenditure. Since the main pressure on India's non-plan revenue comes from three main heads—interest payments, defence and subsidies—it is necessary to see if there is any possibility of reducing some of this burden.

In the case of interest payment: (a big outgo of Rs. 32,000 crore in the new budget simply to service old debts), it is possible to reduce a portion of this burden by liquidating a part of the domestic debt by taking four steps.

* To cancel the government's debt to RBI. This debt is a mere formality. The government can liquidate it by integrating the RBI's accounts with its own ones. In this way, an amount of Rs. 4,000 crore, being paid as annual interest, can be saved.

* To sell the confiscated gold.

* To sell a part of government's vacant land (estimated to be lakhs of hectares, with railway alone owning 1.32 lakh hectares of empty land).

* To sell 50% of public sector shares to the public in a phased manner at market prices.

Without liquidating a substantial part of the existing debt, it would in course of time become impossible to pay even the interest payments what to say of eliminating the revenue deficit.

In the case of defence spending, there is a reason for reducing it by 20% immediately if the cost effectiveness of the remaining amount is enhanced, as is being done by various countries. By restructuring India's foreign policy in the light of the world reality, the defence spending can be further pruned.

In the case of subsidies, a large amount can be saved if they are provided on the basis of poverty and not vote bank politics.

The general administration is another area which apportions a big chunk of non-plan expenditure. According to expert

opinion, it is 25% over-staffed. But even here, the government is hesitant to take a proper action. Mere recruitment-freezing, according to Dr. Chelliah, can result in a saving of Rs. 1,800 crore. It is not difficult to imagine how much more can be saved if estimated 25% surplus is pruned. To rationalise the government size, the following steps are needed.

* To freeze all new recruitment for at least three years in order to adjust 25% over-manning.

* To scrap concessional loans to goverment employees.

* To limit the use of telephone, transport, electricity, furniture, etc. in all government offices.

* To stop the transfers of government employees except in special cases with the permission of the cabinet for a specified period.

(b) In the sphere of trade: The aim is to de-bureaucratise trade and, according to the given conditions, uphold the free movement of capital, labour and goods internally as well as externally. Only in this way, the miserable 0.5% share of India in the world trade and the feeble position of the balance of payments can be raised to a reasonable limit. The current increase in foreign exchange reserves is mainly due to loans from the IMF, WB and NRIs. The balance of payments position becomes sound only when Indian exports surpass its imports.

(c) In the industrial sphere: The aim is to make industry outward looking and the mainstay of the Indian economy. For this, it is necessary to restructure the corporate sector in order to raise its quality and cost consciousness. Similarly, there is the need for the operation of the PSEs under the same laws, rules and practices as are applicable to the private companies. Wherever possible, the sick units in the public sector be handed over free of cost to the workers, while the unviable ones be closed in a phased manner.

(d) In the financial sphere: The aim is to run this sector on a sound commercial basis. For this, it is necessary to restructure financial institutions according to the recommendations of the Narasimhan Committee.

(e) In the agricultural sphere: There is a need of a new agricultural policy which aims at modernising agriculture and raising its productivity by providing a fair deal to the agricultural groups at different economic levels, particularly the agricultural workers.

(f) In the sphere of human resources development: It is

necessary to bring it at the top of the national agenda—with the year 2000 as the target date for achieving the national goals of universal elementary education, primary healthcare for all, elimination of serious malnutrition and provision of safe drinking water to all the population.

(g) In the sphere of poverty alleviation: There is a need of a new policy which treats the rural development as a national programme that brings the government, the corporate sector, the banks, the voluntary organisations and the political parties together to meet this most daunting challenge facing the Indian society.

(h) In the sphere of black money: there is the need to close the routes of its generation rather than to go about for restoring it a credible status in the Indian economy. So far, all schemes, including the ongoing ones, to legitimise it have not borne any fruit. Economy, without a moral value system, becomes a plaything of anti-social elements.

(32) **For the containment of inflation:** Persistent double digit inflation remains the most serious threat to the NEP. It has been already hurting the weaker sections. If not checked in time, it can destabilise not only the restructuring process, but even the Indian political system. But, the new budget neither gives any proper explanation nor any effective solution of this problem. All the government forecasts about single digit inflation have proved unrealistic.

Price rise occurs due to three broad factors—excess demand, short supply and inflationary assumptions. The existence of stagflation (inflation combined with recession) indicates that both demand pull and cost push factors are operating in the economy. Periodic administrative price hikes also create inflationary expectations. However, of the three factors, the demand pull factor holds the edge.

So far, the government had only relied on curbing demand by fiscal discipline and monetary tightness. But inflation, it seems, needs a three pronged response. Firstly, and above all, it requires a proper demand management, being already handled by the government. Secondly, in order to stop the cost push factor, it is necessary to check hoarding, import wheat and edible oil, form committees of consumers at various levels for proper distribution through the PDS. Thirdly, in order to break the inflationary psychology, there is a need for the government to firmly declare that no hike in any administered price or devaluation of the rupee will be made in 1992 and 1993.

VIII. Constraints On India's Economic Restructuring

(33) Apart from the structural adjustments, the globalisation of the Indian economy also demands restructuring of the Indian politics and culture. This is because economy, politics and culture have always marched hand in hand in history. European feudal economy changed into a liberal one side by side with the transformation of the feudal politics and culture into the liberal ones. Slave economy cannot be fitted with parliamentary politics and the democratic culture cannot be combined with princely politics.

(34) Though a full picture of the new global order is yet to take a concrete shape, its political, economic and cultural features are day by day expressing themselves, namely, the increasing globalisation of the human problems (e.g., environment, development, human rights, social justice, control on nuclear weapons, problem of minorities, trade, investment, debt, currency, etc.); integration of different national economies into regional common markets; dialogue and discussion becoming the general rule to resolve conflicts; increasing recognition of the principle of equal rights to all ethnic groups within a national unit; disapproval of authoritarianism or centralism and demand for federalism and decentralisation; stress on intra-national cooperation and friendship and decrease in defence priority; and so on. These features indicate that the globalisation, by changing our priorities, has transformed us into global citizens.

(35) Applied to India's concrete conditions, the above global principles would imply a fundamental change in all important Nehruvian policies, e.g., unconditional dialogue with Kashmiri and Khalistani militants over Kashmir and Punjab respectively; sorting out of the Kashmir problem with Pakistan; democratic restructuring of India's centralised system; dismantling of its black money, corruption, muscle power and vote bank based value mechanism; etc.

(36) In the given Indian situation, there seems little possibility of the restructuring of the Indian politics and culture. The reasons are varied. Firstly, the ruling Congress, having accepted the globalisation of the Indian economy as an expediency, is not prepared to part with the Nehruvian politics and culture or to reconcile its economic and political lines. Secondly, the internationalist trend, including that in the ruling party, is very weak in the country as a whole. Thirdly, the mainstream parties, including the Congress, are as usual engaged in vote

bank contention—orienting the masses towards non-issues. Fourthly, the public opinion in the country still lacks the weight necessary for pushing the developments in the right direction. Fifthly, the democratic minded people in India are divided among various parties.

(37) The continuation of the old Nehruvian politics and culture, compounded by the NEP's own drawbacks and the latter's sniping from its rival group inside the Congress as well as its total opposition from the mainstream parties will constrain India's process of economic restructuring. This is likely to further complicate India's double digit inflation, rising unemployment, slow growth rate, pervading corruption, unscrupulous political competition, ethnic conflicts (including communal and casteist troubles), social discord, etc.

(38) Obviously, such a situation demands that all internationalist and national democratic forces, irrespective of different affiliations, come together on the basis of a minimum democratic agenda to mobilise the Indian people. In the light of expanding globalisation, the people in India and the world will be well served by upholding the following principles.

Approach: Scientific Realism or Rational Humanism.

Vision: Indo-Pak Confederation on an equal basis with defence and an autonomous Kashmir as the two confederal subjects.

India's Politics: A decentralised federal structure with autonomy to all states and a special status to Punjab.

India's Economy: An open economic structure fully integrated into the world economy and an active partner of the developing free trade SAARC market.

Cultural Affairs: Humane, just and fair norms of behaviour.

Foreign Affairs: Intra-national cooperation and friendship.

Defence Matters: Indo-Pak confederal defence to be changed into SAARC security system connected with the global security system.

(39) In the rapidly changing world situation, all our national indicators are sounding the signal that 1992 and 1993 are going to be very crucial years for the country. 15-03-1992

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New Context Demands A New Approach On Jammu-Kashmir

I. Some Worth Observing Facts

(1) Seven notable developments concerning Jammu-Kashmir have occurred during the past one month.

(2) Firstly, the JKLF's February and March 92 abortive programmes to cross the Line of Actual Control have clearly shown that the ideal of an independent Kashmir enjoys more popular base than its competing pro-Pak notions not only in the Kashmir Valley but also the Azad Kashmir. The mass circle of the JKLF has become evident.

(3) Secondly, Islamabad which hitherto held only two options on Jammu-Kashmir—i.e., accession either to India or to Pakistan—has under mass pressure now conceded the third option, that is, independence for the state.

(4) Thirdly, the recently released four Kashmiri leaders have jointly declared to support the slogan of the right to self-determination for Kashmiris.

(5) Fourthly, Pakistan, Iran and Turkey along with three erstwhile Soviet Muslim Republics—which have recently set up a new Islamic economic bloc with Tehran as its headquarters—have come out in support of the Kashmiris' right to self-determination.

(6) Fifthly, the UN Secretary General, Boutros Boutros-Ghali, has in a statement suggested a negotiated settlement between India and Pakistan on the Kashmir question.

(7) Sixthly, Washington has, during Indian defence Minister's recent visit to the US, stressed the need for a speedy resolution of the Kashmir issue with Pakistan through bilateral talks. In this connection, it may be useful to take note of the well-known American writer Selig S. Harrison's article published in a recent

issue of the *Washington Post* in which it has been stated that "as the first step towards a solution of the Kashmir dispute, India would have to split the state, integrating most of Jammu and Ladakh with the Indian Union while giving special status to a new state in which the valley would be united with the sizable Muslim pockets in Jammu and Ladakh. India could then offer to give the new state far reaching autonomy as part of a Triest type solution under which Pakistan would grant the same degree of autonomy to its sector of Kashmir...Islamabad would terminate its support for insurgents in the valley. The present ceasefire line would become an international border with Kashmiris free to travel back and forth without Indian and Pakistani visas."

(8) Seventhly, New Delhi has started talking of holding an election in Jammu-Kashmir and is said to be thinking of reorganising the present state structure, along with giving certain concessions to Pakistan if the latter shows an inclination for a negotiated settlement.

(9) The above developments reveal very useful data for understanding different dimensions of the Kashmir problem—thus clarifying many of the new or old misconceptions.

II. Nature Of Kashmir Problem

(10) The first set of developments (1 to 3) indicates that, while holding the edge over its rival pro-Pak trends at the grassroots level on both sides of the border, the movement for independent Kashmir is not only anti-India but anti-Pakistan too. This means that the assertion of *Kashmiriat* (or Kashmiri identity) is the primary issue involved in the ongoing struggle for the majority of the Kashmiri people both in the valley and the 'Azad Kashmir'. In other words, it signifies that the basic dimension of the current Kashmir problem is ethnic, while its Islamic, economic and political dimensions are merely complementary aspects.

(11) From the ethnic nature of the Kashmir problem, it logically follows that its basic cause stems from the authoritarian and centralised national model which had continuously encroached upon the already meagre powers of the states, including the temporary Article 370, as originally conceived in the Indian Constitution, while its short-term cause lies in the vote bank or unscrupulous politics of the mainstream parties, especially the Congress (including its allies and adherents in Jammu-Kashmir). The single point theories, locating the cause either in Pakistan or Article 370, Islamic fundamentalism, unemployment, or in the

bungling of the National Conference-Congress coalition, etc., do not reconcile with the nature of the problem, though each of these factors has, contributed in the development of the problem, either directly or indirectly. For instance, while Pakistan has directly poured oil on the raging militant fires in the valley, the antagonists or diluters of the Article 370 or the full mergerists have indirectly provided grist to the Kashmiri militant mills by threatening and provoking the *Kashmiriat* and the unscrupulous ruling elite by rigging elections and corrupting the local politicians have obliquely supplied ammunition to the militant arsenals. These single point theories have no applicability even to Punjab where Islamic fundamentalism or the factor of Pakistan hold no ideological appeal for Khalistani militants; Article 370 is non-existent; unemployment is less than Orissa, UP or Bihar (whose seasonal workers in thousands seek employment in Punjab every year); and where the situation of law and order (excluding the Khalistan militancy factor) is in no case worst than the Aryavarta.

(12) In general, the authoritarian and centralised Nehruvian model, combined with the unscrupulous politics of the mainstream parties, has continuously stoked the communal and casteist feelings which, in turn, have resulted in the oppression and discrimination against minorities. The general discontentment of the minorities throughout India and the armed struggle in almost all minority dominated states (e.g., Kashmir, Punjab, Nagaland, Mizoram, Manipur, etc.) verifies this point.

III. Pakistan And Indian Models

(13) The second set of developments (No. 4) indicates that the Pakistan ruling circles, oriented by the theory of pan-Islamism, are again striving to build an Islamic bloc, chiefly directed against India. In the 4 decades since partition, Islamabad has repeatedly stressed that, historically and culturally, Pakistan has been an extension of West Asia. It has again and again tried to lure the Arab or the Western Islamic states into a military or non-military anti-India front. But each time, its scheme has failed to click.

Pakistan has always, attempted to downgrade its relation with South Asia, especially with India. It has continuously pursued a rabid anti-India policy which has proved highly counter-productive to its consolidation and development, ultimately resulting in its division into two parts as well as its halting or lopsided economic-political growth.

(14) Exactly running on the parallel anti-Pakistan track, India's record has been equally frustrating. The mishandling of the problem of uniting India or, in other words, the Indian minorities, by our pre-1947 nation-building theory did result in the partition of India (with British colonialism and Muslim League separatism only complementing the process). While the post-1947 anti-Pakistan line has made India a giant (having a powerful military machine) with feet of clay (having a crisis-ridden economy and money, muscle and violence prone polity).

(15) From the above facts, it logically follows that neither the Pakistan Islamic model nor the Indian 'secular' model have proved effective and viable for nation-building.

IV. A New World Reality

(16) The third set of developments (5-6) indicates that the unilateral UN intervention in Jammu-Kashmir on the basis of 1948-49 UN resolutions, as demanded by Pakistan is not a feasible proposition today, having become out of tune with the prevailing global mood of intra-national cooperation and friendship, as expressed by a series of political settlements of the various regional conflicts (e.g., Cambodia, Afghanistan, South Africa, Al Salvador) in various parts of the world. While this new mood, having arisen after the end of the cold war, has gripped the entire globe, it has not yet touched the cold war mindsets of India and Pakistan.

(17) The end of the cold war and the disintegration of the former Soviet Union has brought about a fundamental change in the perceptions and priorities of each country. The US does not anymore need Pakistan as a strategic ally against Soviet communism and Russia requires peace and quiet for its economic reconstruction, instead of siding with India in its dispute with Pakistan.

The entire West as well as the five permanent Security Council members, including the 'world revolutionary' China, seem to move in concert to defuse tension points, while India and Pakistan are still hugging to their unsound themes. India continues cherishing the defunct Indo-Soviet treaty when the erstwhile Soviet Union is no more and goes on parroting the virtues of non-alignment when the old non-alignment has lost its meaning. Pakistan continues raising the ancient banner of Muslim Ummah that stretches from Kashmir to Kashgar, with Pakistan (having the largest army in the Muslim world) as its

centrepiece when its Islamic basis had miserably failed to retain the Muslim Bengal as one of its units.

(18) However, despite their worn-out pursuits, the world pressure is mounting up to prevent India and Pakistan from going to the brink. The US has stopped its military aid to Pakistan until the latter closes its nuclear bomb shop. Germany has decreased its economic aid to India unless the latter reduces its military spending. The IMF and the World Bank have asked India to cut its defence expenditure by 20%. Japan has declared not to give economic aid to any country that overspends on armaments. The Amnesty International and the Asia Watch have repeatedly criticised India for violating human rights in Kashmir and Punjab and indicted Pakistan for supporting Kashmiri and Khalistani militancy.

(19) Today, the US does not support the Pak stand, demanding self-determination in Kashmir. Nor does Russia back up Indian position, holding Kashmir as an inalienable part of India. Both the US and Russia as well as the West and the Third World have been urging India and Pakistan to resolve the Kashmir problem through bilateral talks under the Simla agreement. In his recent visit to the US, S.B. Chavan, a minister in Rao government, has been told by Washington to take a serious note of the increasing world reaction on the growing violations of human rights in Kashmir and Punjab and to redeem the situation before the matter hots up in any international forum.

(20) From the above facts, it logically follows that we are in a new historical era, the era of globalisation or the interdependence of countries, in which the human problems (e.g., environment, development, security, rule of law, human rights, etc.) have become global.

The globalisation process, on the one hand, is inducing different countries to form common market and common security systems on regional or global basis, and, on the other, creating the mass urge for the further broadening of the rule of law and democracy. Thus, internally as well as externally, each nation and every grouping of nations, according to their given conditions, are passing through a global restructuring process. In most of the countries, this process is proceeding in a peaceful and orderly way while in some, where the dominant group is resisting the change by denying equal rights to the ethnic minorities or violating the human rights, it has turned out violent, sometimes resulting even in the destabilisation of a part or the whole of that country. Thus, in the global restructuring process, the road to country's progress

lies not in internal centralisation and external confrontation but in internal democratisation and external cooperation and friendship with the neighbouring countries. If India and Pakistan do not handle this process in a proper manner, it is bound to get out of hand, harming the interests of their respective people.

V. New Delhi's Confused Responses

(21) The fourth set of developments (No.7) indicates that New Delhi is thinking of starting some type of political process in Jammu-Kashmir. May be, it initiates the first round of talks with the political groups in Jammu and Ladakh.

(22) So far, New Delhi's misconception of the nature of the Kashmir problem has often evoked confused political responses from its side. Sometimes it had hawkishly declared that there will be no talks with the militants till they lay down their arms, while at other times it had dovishly appealed to them to come to the negotiating table with the full right to say whatever they like. Only two months back, it was saying that conditions were not congenial for the start of a political process in Kashmir, but now it has started giving signals for holding Assembly elections in Jammu-Kashmir.

Strategically, however, it has continuously stuck to its military solution. The other mainstream parties have generally supported New Delhi's standpoint. The only difference among the mainstream parties is, and has been, that, while the BJP wants the 'counter-insurgency struggle' under the direct army command, the JP-Left combine desires it under the locally formed political administration, and the Congress carries on the same thing under the Governor's rule. Even on the question of militancy's origin, all of them have generally projected Pakistan as the villain of the piece, with the exception when in order to secure a point for their vote bank compulsions, they have to accuse each other for provoking or mishandling the Jammu-Kashmir problem.

(23) The misconception and the mishandling of the Jammu-Kashmir problem by our national spokespersons, i.e., the government and the mainstream parties, has cost a lot to the Indian nation. On the human scale, 10,000 lives have been lost and the property worth millions of rupees destroyed. Politically, Kashmiris have been totally alienated from the national mainstream. And economically, an annual burden of roughly Rs. 800 crore has been imposed on our meagre resources for maintaining an imposed law and order.

VI. Jammu And Ladakhi Dimensions

(24) Turning to the Jammu and Ladakh dimensions of the Jammu-Kashmir problem, the complaint of neglect and discrimination against these two regions is too well-known and oft-repeated. Promises of redressal, whether from the local or New Delhi administrations, have often remained unfulfilled. The traditional view that, in order to get justice, Jammuites and Ladakhis should turn to the centre, has proved a self-delusion with the taste of the two year long central rule in the state—a rule which has proved more unjust (e.g,. transfer of the regional passport office from Srinagar to New Delhi and not to any other part of the State), more corrupt and more inefficient than the local administration. By persistently struggling for the transfer of State's special powers to the centre, Jammu and Ladakh have shown total ignorance of the national reality where the same centre has failed to tackle not only the pre-1947 problems but also created new challenges, threatening the political unity and distorting the fragile economy of the country. How can one secure a fair deal by pursuing illusionism?

VII. A Rational Option

(25) The foregoing facts emphasise that our country needs to come to terms with the new world reality. This requires a fresh look at our national priorities. High among these must be a review of our relations with Pakistan. And in this priority, the problem of Jammu-Kashmir should be the first item. This will necessarily demand some price and India should be prepared to pay that price. If the two countries do not avail of the present opportunity of coming closer to each other at this historical juncture when the different countries of the world are devising new regional economic and security arrangements, then the two may join different regional groupings as is being reflected by their respective regional and group leanings. Pakistan is aligning with the Muslim states of Western and Central Asia, while India is tilting towards the US and the Western group. And both are liable to go astray.

(26) The seed of the Jammu-Kashmir problem and the persistent Indo-Pak confrontation was sown when India traded independence for communal partition. The seed sprouted into a seedling and then a plant when both post-1947 India and Pakistan adopted mutually hostile policies, postures and styles. Now the call of the times is that India and Pakistan leave their outdated perceptions and get out of their hackneyed mindsets.

It is never too late to mend the past.

(27) Proceeding from the above premise, a rational solution of the Jammu-Kashmir problem is, and can be, the one that reconciles the interests of India, Pakistan and the people of Jammu-Kashmir and is acceptable to them all. Those options, unacceptable to one or the other side—i.e., the option of plebiscite not favoured by India or that of partition on the present ceasefire line rejected by Pakistan as well as Kashmiris—cannot be viable options.

(28) Broadly, three proposals can become the basis for a negotiated settlement of the Jammu-Kashmir problem.

(a) A Triest-like solution (between Italy and Yugoslavia), i.e., status quo with the free movement of the people living on either side of the Line of Actual Control in Jammu-Kashmir.

(b) Kashmir valley to be made independent. Jammu and Ladakh regions to remain with India and 'Azad Kashmir' with Pakistan.

(c) Setting up of Indo-Pak Confederation on the basis of equality of the two countries, with defence and autonomous Kashmir valley as the two confederal subjects. Jammu region (minus the Kashmiri speaking villages contiguous to the valley) to be a full-fledged State and Ladakh region a Union Territory within the Indian Union. 'Azad Kashmir' to stay with Pakistan. Kashmiri migrants to be settled in accordance with their full consultation and consent.

In case India and Pakistan after consultation with the representatives of Jammu, Ladakh and 'Azad Kashmir' or vice versa (if the representatives of Jammu, Kashmir and Ladakh, themselves in cooperation with New Delhi and Islamabad) decide to bring the entire state within the Confederal framework, then each of the regions should be an autonomous unit under the Confederation.

(29) The first option can become workable if it is acceptable to Kashmiris—something not possible at this moment. The second option is neither favoured by India nor Pakistan. Any of these two options can become practicable if the pressure of the world public opinion brings round the dissenting side. However neither the first nor the second options can serve the purpose of bringing India and Pakistan as much nearer as is demanded by our times. The two can still engage in contention to bring the valley under their respective spheres of influence.

(30) The third option, i.e., the Indo-Pak Confederation, can be

acceptable to all sides. It is not only a remedy for the Kashmir problem but also a way to bring India and Pakistan nearer to each other.

The ceaseless Indo-Pak confrontation has not only hampered their respective all-round development but also hindered the consolidation of the SAARC and its further advance towards a common market. Unless the conflict between the two main members of the SAARC is resolved, even a minimum unity of action inside the SAARC cannot operate.

The establishment of the Indo-Pak Confederation would end regional conflicts, stop arms race, strengthen democracy and secularism, boost economic development, halt the march towards Hindutva as well as Islamic Bloc, help in environmental improvement in the subcontinent etc. In brief, it represents the development of a higher social unit, opening the path to the modernisation of India, Pakistan and SAARC as well.

(31) The formation of Indo-Pak Confederation is not an easy task. In this regard. it is necessary that India takes two initiatives—one, on the Indo-Pak front, and the other, on the Jammu-Kashmir problem.

On the Indo-Pak front, it is necessary that New Delhi, firstly, suggests to Pakistan a proper proposal, for ending all immediate irritants between the two countries, such as Siachen, Wullar Barrage, etc. Next, it proposes to Pakistan a no war pact alongwith the joint signing of the nuclear non-proliferation treaty. Then, it invites Pakistan for a dialogue on Kashmir and puts forth the idea concerning the setting up of Indo-Pak Confederation with defence and autonomous Kashmir as the two confederal subjects.

On the Jammu-Kashmir problem, it is necessary that New Delhi opens a dialogue with all the Kashmiri political groups, including the militants, and offers them meaningful autonomy under the Indo-Pak Confederal structure. Till the formation of the said Confederation, the autonomous status of Kashmir will operate within the Union of India. Jammu region should be made a full-fledged State and Ladakh region a Union Territory under the Constitution of India.

(32) New Delhi has not yet woken up to the new opportunities opened up by the new world era. It now devolves on the Indian people to seize the opportunity and forge ahead. By taking the global perspective and proceeding from the realities of our sub-continent, Jammu-Kashmir can now become a bridge to unite

not only India and Pakistan but all the SAARC countries at an equal basis into a supra-national community, with a common environmental, oceanic and space programme, common defence and common free trade market.

VIII. Logic Of Military Solution

(33) Many people in our country today, while longing for cordial relations with Pakistan, earnestly desire some soft formula that helps in retaining the existing Jammu-Kashmir on our side of the border within the Indian Union. But such a simple prescription is nowhere available. The government alongwith the mainstream parties, however, think that their hard recipe, that is, the military solution, backed by certain economic sops, holds the key to the solution of the Jammu-Kashmir problem. To justify the relevancy of the military solution, some enthusiasts refer to its old record of successfully tackling the Nagaland, Mizoram and other North-Eastern struggles.

(34) Doss the military solution provides us a way out in Jammu-Kashmir? Let us consider this proposition on the basis of facts.

(35) The first worth considering fact is that the present world is opposed to the military solution (i.e., the theory of might is right). That is why the military solution has been losing its validity in our times, particularly after the end of the cold war. During the past three years, the military solution has worked in favour of neither the insurgency nor the counter-insurgency anywhere in the world. Every contest (e.g., Cambodia, Afghanistan, Angola, Namibia, South Africa, Somalia, Nicaragua, Al Salvador, etc.) had concluded in a negotiated settlement through give and take. In our country, it has so far proved counter-productive in Kashmir, Punjab, etc. Even the army top brass has recently expressed dissatisfaction with the increasing use of military solution in internal matters.

(36) The second worth considering fact is that if, for arguments sake, we accept the effectiveness of the military solution in Kashmir, then will this result in removing the root cause of the trouble or in transforming the anti-India Kashmiri psyche into pro-India one? The latest international experience shows that the military solution leads to more alienation from the national mainstream. The events in Lithuania, Latvia, Estonia, Slovenia, Croatia, etc., show as to how decades old forcibly suppressed ethnic aspirations resurrect at the opportune

moment. Israeli West Bank continues unmanageable for years together. All these happenings are a spill over of the preceding cold war era. In the new historical era today, will the world community allow India to nourish another tension point by continuing its rule over unwilling Kashmiris?

(37) The third worth considering fact is that, in view of its continuing dispute with Pakistan over Kashmir, India will always have to be prepared for war. If, by chance, war breaks out, the fourth Indo-Pak war, with its nuclear dimension, will not only cause the destruction of our two countries, but also spell disaster for the world. The people of the world today neither want war nor preparations for a new war. It will be highly improper if India stands at odds with the rest of the world.

(38) The fourth worth considering fact is that the economic cost of the military solution requiring the control of unwilling Kashmiris and the continuing preparedness for the possibility of war with Pakistan will impose unbearable burden on the crisis ridden Indian economy. What can happen to the unity of the country as a result of the disruption of the Indian Economy is not much difficult to imagine.

(39) The fifth worth considering fact is that the military solution and the continuing arms race with Pakistan will impede the inflow of foreign capital, now desperately needed by the Indian economy.

(40) The sixth worth considering fact is that if India and Pakistan continued on the confrontationist course and do not settle the Kashmir dispute quickly, there is the possibility of common friends forcing them to accept third party mediation (may be Security Council) or reference of the Kashmir problem to an impartial tribunal or the International Court.

(41) The seventh worth considering fact is that the military solution did partially work in the North-Eastern struggles, mainly due to a given set of circumstances, quite different from those pertaining to Kashmir today. Internationally, the North-Eastern struggles had a very weak standing in contrast to the Kashmir problem considered to be the world's most sensitive point today. In the cold war period of the North-Eastern struggles hardly anyone bothered about the violation of human rights in other country, whereas the latter have become the most important issue in the new historical era of the Kashmir problem. No other country was directly involved in the North-Eastern struggles contrary to direct Pakistani involvement in the Kashmir problem.

Nationally, India was more cohesive at that time than at present is. There was no sympathetic feeling for the North-Eastern struggles in any section of the Indian people, whereas the logic of the Kashmir problem has its own case. Logically, the North-Eastern struggles were merely peripheral movements, spread over vast uninhabited areas, with sparse population, uncoordinated actions and mainly traditional weapons, whereas the Kashmiri militancy enjoys compact mass support base, has well trained cadre with modern weaponry, gets international publicity through foreign electronic media and makes use of 'Azad Kashmir' as a base area.

(42) Old policies like old habits die hard. But if they are not mended in time, the whole thing goes topsy-turvey.

IX. Can Poll Bring Normalcy

(43) In the present day world, a free and fair election is a highly appropriate method to sort out any contentious issue through an expression of public opinion. But sometimes, the problem arises when the contending parties, in case of fundamental social differences, do not agree on the rules of the election game and resort to the confrontationist styles, whether armed or non-armed. This mostly happens in the Third World countries.

(44) Playing a fraud on the people, a fake election always harms, if not the immediate then the strategic, interests of not only the manipulating authority but also of the community at large represented by that authority. The long-term harmful effects of the post-1947 stage managed election performance in the valley for the Indian nation is a case in point.

(45) An imposed election by the dominant side ignoring the wishes of the other electoral players is also counter-productive as can be seen from the post-poll situation in Punjab today. This election, instead of helping in narrowing down the differences, has further distanced the Sikh community from the national mainstream.

(46) The international experience, including that in India, shows that the electoral process needs a peaceful atmosphere. In regions where the concerned groups, after passing through armed confrontation, decide to settle matters through electoral competition, sufficient time is required for creating a proper electoral atmosphere. For example, in Cambodia, the election managing UN team, in consultation with the concerned political parties, has decided to hold the election after 1-1/2 years, while,

in Afghanistan, efforts are on for working out an interim arrangement to prepare the conditions for a peaceful poll. Even under ordinary conditions, election is held after taking into account the engagements, moods and aspirations of the different sections of the people. For example, the poll is not generally held at times like sowing and harvesting, natural calamities, national crises, general strikes, students' examinations, festivals, etc. This means that the election game can only be played in an atmosphere of restraint and tolerance among the different sections of the people and their respective parties towards each other.

(47) Are conditions in Jammu-Kashmir conducive for holding an election? At the moment, the valley is in turmoil and Jammu and Ladakh are simmering with trouble. No party in the valley has made a demand for holding any election. The newly released Kashmiri leaders too have not said anything about it. An armed confrontation has been going on in the valley between the Kashmiri militancy and the Armed Forces. The human rights are being daily violated by both the contending sides, with the main fault resting on the government side which is legally and constitutionally responsible for upholding the rule of law. Obviously, if the government violates its own rules of the game, how can its electoral process enjoy any credibility? In fact the maintenance of the rule of law is more effective than its violation in countering militancy.

Can the election be held under the crossfire of the Kashmiri militancy and the Armed Forces in the valley? If held under the army control, how can it be considered as an expression of the peoples opinion by the outside world. Any election held under such conditions will, instead of helping in the solution of the crisis, create more complications.

(48) Mass mood in the valley remains predominantly anti-India. Kashmiris definitely want peace but not on the centre's dotted conditions. Without taking the people and the political parties of the region, particularly the representatives of the Kashmiri militants, into confidence, any old style manipulated poll in the valley would be a new provocation to the Kashmiris.

(49) However, if New Delhi is really serious about solving the Jammu-Kashmir problem through a free and fair poll, then the most appropriate course for New Delhi would be to first have consultations with Pakistan for holding an election in the entire pre-1947 Jammu-Kashmir state under an agency, acceptable to

the parties in each region of the state. This agency would manage the entire electoral process—from the re-delimitation of the constituencies, preparation of the voters lists to the declaration of results. There would be full freedom for all viewpoints—i.e., Indo-Pak Confederation; Triest-like solution; An independent Kashmir valley with Jammu and Ladakh regions (except the Kashmiri speaking villages adjoining the Kashmir valley) joining India and the 'Azad Kashmir" remaining with Pakistan; the entire state acceding either to India or Pakistan; etc.—to present their respective cases before the people during the election campaign. The elected assembly as a whole as well as each of its six regional segments—i.e., Kashmir valley; Jammu division (excluding Kashmiri speaking villages); Ladakh; Kargil and Gilgit; and 'Azad Kashmir'—would have the sovereign right to determine its future. They would be required to decide their fate, collectively or singly, within six months.

A joint proposal by India and Pakistan is likely to be acceptable to all.

X. An Ideal Worth Pursuing

(50) Today, India's unity, progress and prosperity lies neither in Nehruvian model nor in *Hindutva*, *Mandalwad*, or any Indo-US, Hindu-Buddhist or Hindu-Christian united fronts against Islamic Bloc, etc. It primarily rests with a dramatic breakthrough in its relations with Pakistan and thus opening the gateway for the building up of the SAARC as the world community's one of the viable institutions for social advance.

The lessons of the past (both pre and post-1947) and the imperatives of the present and the future impel us to take the path of Indo-Pak Confederation.

(51) One may consider it a day dreaming. But it is a dream worth musing. Coming historical events, whether positive or negative, will bear out its rationality. 13-04-1992

(Also published in Daily Excelsior*, Jammu)*

Statement of the Punjab State Committee Internationalist Democratic Party
On Punjab Elections

I. New Delhi's Purpose

(1) New Delhi has again announced the Lok Sabha and the Vidhan Sabha elections in Punjab on February 19, 1992.

(2) Last time, when the Punjab poll was scheduled to take place on June 22, 1991, New Delhi postponed it just a day before the voting on the ground that, since the situation was not conducive for a peaceful poll, it would be held after creating proper conditions within 6 months.

(3) In the past 7 months, New Delhi had taken 3 important steps in Punjab. Firstly, it had deployed the army in the whole state. Secondly, it had brought back K.P.S. Gill as the Punjab Police Chief. And thirdly, it had appointed a new Governor who had been an IG police in the past. All these steps are an indication of New Delhi's intention of reinforcing its bullet for bullet policy. The other administrative measures have been as usual routine affairs.

(4) Next, in the same period, the state of the rule of law and the public order had further deteriorated. Inflation and unemployment had continuously gone up, adding more burden on the backs of the people.

(5) Again, the Government had, during this period, neither taken any effective step to solve the ordinary mass problems nor given a serious attention to the solution of Punjab's long standing legitimate demands (such as, the transfer of Chandigarh to Punjab, a proper distribution of river waters, etc.). It had constantly tried to hoodwink the people with empty slogans, like the 'Punjab Package Deal'. Evidently, there has been no change in New Delhi's double-dealing policy towards Punjab.

(6) From the above facts, New Delhi's purpose in holding Punjab elections is self-evident. It is inspired neither by any democratic value nor public good.

II. Likelihood Of Further Deepening The Punjab Crisis

(7) Whereas its argument about the lack of proper conditions due to the militant's threat advanced at the time of June 1991 poll boycott has become more pronounced, yet the Congress has now become impatient to hold the election at the earliest. Immediately after the announcement of the present elections, the Congress had floated the proposal of a united front embracing all national parties for the purpose of putting up joint candidates in all the constituencies. But now when the Akalis and the Khalistanis have decided to boycott the poll, the Congress has conveniently forgotten about its united front proposal. It is obvious that, by taking advantage of the Akali-Khalistani boycott as well as of the army deployment by the centre, the Congress wants to increase its numbers in the Lok Sabha and establish its exclusive party rule in Punjab.

(8) Some major national parties (e.g., BJP, JD, CPI, etc.) had opposed the poll postponement, while the CPM, after putting up a few candidates, had later boycotted the poll, stating insecurity of its candidates as the reason. Since then, none of these parties has put fourth any idea to create a congenial atmosphere for the Punjab poll and none of them has made a demand for a change in government's present policy. Evidently, these national parties too have no alternative to the bullet for bullet policy, being perpetuated by the ruling Congress.

(9) As soon as the elections were announced this time, the six main Akali groups have responded by boycotting the poll process. All the Khalistani groups are also against the poll this time. Seven months earlier, all the Akali groups had participated in the election campaign. Among the Khalistanis, some groups were in favour of the poll, while others stood in opposition. Despite the killing of 24 candidates by the militants, none of the Akali groups had then withdrawn itself from the contest. Obviously, all the main Akali factions (except one) and all the Khalistani groups have this time united in poll boycott because they could not agree on putting up a single candidate in one constituency and because none of them is in a position to win if each of them contests separately.

(10) With the issuing of the notification calling for elections, the Akali and Khalistani groups are characterising this poll as a stunt and a conspiracy against the Sikh community, while the major national parties are presenting it as a marvel which would restore democracy in Punjab and serve the national interests. It is not

difficult to understand that the Akali-Khalistani propaganda of Centre's conspiracy against the Sikh community, on the one hand, and the major national parties emphasis on narrow nationalism, on the other, will further widen the distance between the 2 main communities in Punjab, while, deepening the distrust between New Delhi and the Sikh community at the national level.

(11) The above situation is likely to further accentuate the decade old Punjab crisis which has culminated into an armed confrontation between the Khalistani militancy and the State militancy in which the common people are suffering at the hands of the two sides. Obviously, this is neither in the interests of the people of Punjab nor of India and the world.

III. Observation By An Independent Agency Needed

(12) In our times, election is the most appropriate method of evaluating public opinion and serving the mass interests. Sometimes, however, election is misused by the vested interests and undemocratic elements. To prevent this misuse, it becomes imperative to find out such ways and means as make it a vehicle of the real public expression instead of opposing or boycotting it.

(13) The experience of the world, including India, shows that a peaceful and congenial atmosphere is a pre-requisite for every type of election. Even under normal conditions, the timing of election is fixed after taking into account the state of mass engagements (like sowing and harvesting period, examination days, natural calamities, general strikes, etc.) and mass aspirations (festivals, etc). Under extraordinary circumstances, definite time is needed for the creation of poll environment. For example, the UN Team for Cambodia has decided to hold elections in that country in 1993, while in Afghanistan the efforts are on to first normalise the situation.

(14) Election is as much essential for Punjab as it is for the other parts of India and the world. But no sensible person will agree that the ongoing situation in Punjab is fit for a poll. Under the crossfire of the Indian Army and the Khalistani militancy, there cannot be a correct expression of the public opinion. The non-participation of the Akali and the Khalistani groups has turned the election into a mere formality and increased the possibility of violence during and after the poll. Such an election will further aggravate the Punjab crisis instead of redeeming it. Thus all the ground realities demand that, in order to create a proper atmosphere for the Punjab poll, the present election be

postponed for a limited time.

(15) If New Delhi is of the opinion that the present tension ridden situation is to continue for a long time and if it is really serious in providing an opportunity to the people of Punjab to exercise their democratic right even under such tense conditions, then it logically follows that, in order to ensure a fair poll under a crossfire, it should extend an official invitation to some impartial international agency (like the Amnesty International, Asia Watch, etc.) for observing the entire electoral process. Bangladesh did the same thing when in its recent election it had invited known academics and legal experts from the neighbouring countries, including India, to observe the poll process. Some Latin American and African countries too had followed this rule during their respective elections.

(16) We hope that all democratic elements in India and the people of Punjab will demand that the elections in Punjab be held only after creating a suitable atmosphere (concerning which our suggestions are enclosed herewith) if they are to be held under the prevailing conditions, then the observation by an independent agency is imperative.

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For Creating An Appropriate Electoral Environment

The experience teaches that a peaceful atmosphere is a precondition for a free and fair poll. The creation of such an atmosphere in Punjab requires the adoption of two main steps:

(a) To establish the rule of law in Punjab: Here, it is necessary that (i) Army should not be deployed for civil duty. (ii) Both sides should observe the ceasefire, with the government taking the initiative. (iii) All the political detenues be released. (iv) Legal action be immediately started in all the cases of jailed people. (v) Every person should be produced before the court of law, immediately after arrest. (vi) Freedom of the Press should be ensured.

(b) To concede all the pending Punjab problems: Here, it is necessary that (i) Chandigarh be given to Punjab, while adequate compensation be given to Haryana for the construction of its new Capital. (ii) Punjab should be given its due share from the concerned river waters and electricity. (iii) Immediate decision should be taken to include Punjabi speaking areas in Punjab. (iv) Heavy as well as agro-industries be set up in Punjab.

For A Permanent Solution
Of The Punjab Problem

(a) Here, it is necessary that New Delhi, after consultation with the National Integration Council, starts a dialogue with all the groups of the Sikh community, including the Khalistanis. During this dialogue, New Delhi should put forth the proposal of giving a special status to Punjab (on the basis of 1950-52 Delhi-Kashmir agreements) under which Punjab should have the right to frame its own Constitution and enjoy constitutional powers in respect of all matters except four subjects (Defence, Foreign Affairs, Currency and Communications).

(b) The above measure will help in restoring the confidence of the Sikh community towards the Union of India, removing the basis of alienation and establishing peace in Punjab.

(c) To make a settlement of the Punjab problem sustainable and durable, it is necessary that the Kashmir problem too be sorted out by democratic means. In this regard, it is proper that New Delhi, firstly, restores the autonomy to Jammu-Kashmir on the basis of 1950-52 Delhi-Kashmir agreements. Next, it starts a dialogue with Pakistan and convinces the latter for the setting up of an Indo-Pak Confederation to manage the Defence and the autonomous Kashmir Valley, with Jammu and Ladakh remaining with India and 'Azad Kashmir' with Pakistan. Later, this Confederation is likely to evolve into a SAARC Confederation with the approval of the SAARC countries.

(d) Indo-Pak Confederation constitutes not only the rectification of the 1947 historical blunder, but also the fulfilment of the historical need of our times. Being a higher level of social development model than the nation-state, the said Confederation, giving a new fillip to the politics, economy and culture of the two countries, will serve the interests of the world people, including those in India and Pakistan.

(e) The all-sided national crisis in India is also related to the Punjab and Kashmir problems which, in fact, are a part of this national crisis. To sort out this crisis, it is necessary to restructure the entire national set-up which ideologically be based on democratic internationalism or rational humanism; politically on federalism and the rule of law; economically on democratic management instead of exclusively private or state control; cultural norms of behaviour on moral values; and foreign and defence matters on peaceful resolution of disputes with Pakistan and China and ending of all tensions with other neighbours.

(f) In our times when mankind is on its way to create a single human society, when different countries are engaged in establishing regional organisations like the common market, supra-national community, etc., when the conditions have brought forth the demand for Indo-Pak cooperation and friendship, it becomes imperative for the two major communities in Punjab to find a common solution to their problems, instead of experimenting with separate options. The three democratic demands—(i) Special status to Punjab, (ii) Restructuring of the Indian State and (iii) Establishment of Indo-Pak Confederation—can provide them a common agenda and platform. By taking this democratic path, the Punjabis will strengthen not only the unity of Punjab, but also perform the vanguard role in strengthening the unity of the Indian people on the federal basis, of the Indian and Pakistani people on the Indo-Pak Confederal basis and of the Indian and the Pakistani Punjabis on a new democratic cultural basis. 30-01-1992

Historic Earth Summit

First Step Towards A New Environmental & Developmental International Order

I. A Sign Of Human Rationalism

(1) The 12 day (June 3 to 14, 1992) long UN Conference on Environment and Development held in Rio de Janeiro (Brazil) had been the first of its kind in the history of mankind. It was the biggest of all meetings held so far in the world—having been attended by the representatives of 178 countries, including 116 heads of state and government. No other historical factor, whether war, peace, development or catastrophe, had ever been able to motivate so many world leaders to come together at one platform. Only the environmental threat had. No other threatened species in history had at any time acted like that, indeed, this conference was another manifestation of the ever growing human rationalism.

II. Historical Background

(2) Commonly known as the Earth Summit, the Rio Conference was timed to mark the 20th anniversary of the 1972 UN Conference on Environment and Development in Stockholm. The Stockholm Conference provided a set of principles for environmentally sound development and led to the establishment of the UN Environment Programme (UNEP)—an agency to study environmental threats and plan preventive action. It was followed by a series of conferences on environment related issues. These were: 1974 UN Conference on Population in Bucharest, 1985 Vienna Convention for the Protection of Ozone Layer, 1987 Montreal Protocol on Chlorofluoro Carbons, 1987 Brundtland Commission on Environment and Development formed by the UN, 1988 UN General Assembly Resolution on the Protection of Global Climate, 1988 Report of the UN Commission on

Environment and Development, 'Our Common Future', 1989 Hague Declaration on environment, a number of preparatory meetings (such as Nairobi, Kuala Lumpur, New York, etc.) to organise the recent Earth Summit. Thus, the Rio Conference was the climax of the global effort to save the environment and man.

(3) A fundamental difference, distinguishing the 1972 Stockholm Conference from the 1992 Rio one, has been that, while the former understood the issue of environment and development as a remote and distant problem, the latter made it an issue of immediate action.

III. A Positive Development

(4) The overall outcome of the Earth Summit has been a positive one. Its most important message is that man is a part and not the master of nature. He must pledge to live with nature and not make overdrafts on its bank. In other words, while coexisting with nature, man must get from the latter what he needs to sustain himself and leave to nature what is required for its sustenance. By putting the question of man and his environment in a proper form, the Summit has provided a suitable direction to the environmental movement.

(5) A major achievement to the Summit is that it has for the first time, placed the issue of environment and development on the world agenda for immediate action, with an added consciousness to protect it from any further degradation. This has given a new momentum to the environmental movement.

(6) An international conference, where each country has its own priorities, cannot achieve dramatic results. But the Earth Summit had been a useful effort. It might have fallen short of the expectations of those who, having ignored its real nature, had looked for miracles. In real terms, it had been a step in the right direction.

IV. Main Theses

(7) The Summit adopted five major documents. These are:

(a) Rio Declaration: A legally non-binding 27 point statement of principles to guide the environment and development policy. *(The Declaration has been reproduced on Page 530-33 of this Volume)*

(b) Agenda 21: A legally non-binding programme of action (covering 800 pages divided into 40 chapters) for an environmentally safe growth. It entertains certain controversial issues, such as toxic waste, the transfer of clean technologies

and what money will be loaned or donated to the developing countries for fostering benign development.

(c) Statement of Forest Principles: A legally non-binding statement on the protection of forests.

(d) Global Warming (or Climate Control): A legally binding treaty that recommends curbing emissions of Carbon Dioxide and other greenhouse gases that cause global warming. About 155 countries have signed it. But Malaysia has not.

(e) Bio-diversity Convention: A legally binding treaty to encourage protection of threatened plants and wildlife. About 155 countries have signed it. But US has refused to do so.

(8) The chief merit of these documents is their due attention to the concerns of almost all countries. This was necessary, because the reconciling of various national concerns helped in evolving a consensus which finally took shape as all-agreeable Summit documents.

(9) The two most contentious issues at the Rio Conference between the developed and the developing countries had been forestry and finance. The developed countries desired globalisation of forestry, while the developing ones wanted to keep it as a national resource. The conference endorsed the latter viewpoint. On finance, the developing countries demanded the fulfilment of 0.7% (of their GNP) aid commitment made by the developed countries in the UN within a fixed period. The developed countries agreed to implement this obligation, but declined to accept a time frame.

The UN Commission on Environment and Development had estimated that $125 billion is annually needed to implement the Agenda 21 for cleaning up the Earth. The existing Official Development Assistance (ODA) contribution of the developed countries is about $51 billion, forming 0.35% of their GNP. If all the developed countries agree to bring their ODA levels to 0.7% of their GNP, it would result in an additional funding of about $56 billion, i.e., a total of about $107 billion. But the newly promised aid at the Conference had not generated even $10 billion, the minimum amount estimated for beginning the process. On an annual basis, it falls short by nearly $65 billion.

V. Not A North-South Showdown

(10) The Summit consisted of two broad camps—the North (i.e., the developed countries) and the South (i.e., the developing countries). The North emphasised the environmental problem,

while the South stressed the issue of development. But the Summit finally decided that both environment and development are two ends of a single whole and cannot be delinked from each other. There can be no development without environmental improvement and vice-versa.

(11) The Summit had not been a demonstration of North versus South confrontation. There had been no slanging match between the two. The summit had not split along the North-South line on any question. The developed countries had taken contrasting positions towards many issues. They did break ranks with the US on the Bio-diversity Convention. Differing with the US, many advanced countries, including Japan and Germany, did announce increases in their respective contributions towards the global environmental facility. The siding of many developed countries with the developing ones shows that the division of the world into two water-tight compartments is not quite realistic. In given conditions, the sides can, and do, change.

(12) Dissensions among the developing countries were as marked as they had been among the developed ones. The oil producing countries, in order to maintain the present level of Western oil consumption, supported the US forestry proposals, stressing globalisation of forests. African countries, more concerned with the prevention of desertification through the Western aid, were not interested in any North-South confrontation. Most of the Latin American countries, such as Mexico, Brazil, Central American States, etc., which had already entered into bilateral deals with the US for the greening of their barren areas, kept themselves aloof from the North-South controversies. Even India's high profile 'Southerner' (or Third Worldist) posture in the pre-summit sittings mellowed down to a low key conciliator's pose during the summit meetings. Nowhere, a homogeneous South was visible.

(13) The US stood as an odd man out in the biggest ever global gathering. Devoid of any moral respect or political authority, its credibility was at the lowest ebb. In fact, it was treated as the villain of the Rio show. The total US isolation at Rio disproves the theory of Pax-Americana.

(14) No doubt, there had been many issues on which divergent opinions were expressed at the Conference. But there also was the recognition of this basic fact that environmental protection and economic development were the common concerns for all. And it was this realistic realisation that prevented the differing participants from adopting any contentious posture and that finally resulted in the

acceptance of a new attitude towards the relation between nature and man. Even the US, which refused to sign the Bio-diversity Convention on the ground that it does not protect technology and that its financial arrangements are not proper, did at no time reject any of the Summit basics. Thus, it would be a misreading to call the Rio Conference a North-South polarisation show.

VI. A Controversial Point

(15) Ever since the human awareness of the developing environmental crisis, a controversial point has been, and continues to be, as to who has been responsible for its creation. One view is that the industrial overuse and misuse of resources in the North has been the cause of the environmental pollution. The other view is that the increasing population, rice cultivation and a large number of animals in the South were mainly to blame for the overpressure on natural resources (i.e., land, water, air, etc.), deforestation (which closed the sources for the absorption of Carbon-dioxide) and the growing size of the methane gas (a greenhouse gas produced in paddy fields and by animal feed).

(16) The documents signed in Rio, however, categorically state that environmental degradation is a problem, shared by all having a 'common future'. They stress the mutuality of the 'Northern' and the 'Southern' interests and neither endorse nor reject the 'polluter pays' principle.

(17) Though the documents, according to given conditions, take a compromising approach, yet the fact of the matter is that both the North and the South have contributed towards the generation of this environmental mess, with the former having the major share. The over-consumption of the natural resources (which diminishes nature's future productivity, allowing no time for resources to renew themselves) in the North, on the one hand, and the human and the animal overpopulation (which requires more food, more water, more energy, etc., alongwith an increase in the methane gas due to animal tending) and deforestation in the South, on the other, are burning nature's candle at both ends, spelling possible disaster for forests, topsoils, water supplies, Earth climate, wildlife and mankind.

VII. A Terrifying Picture

(18) The facts are too apparent and known all over the world.

(19) The developed countries comprise less than a quarter of the world's population, yet, they consume about 75% of its energy

and raw materials and produce 75% of its solid waste—thus mainly contributing to the pollution of the Earth's environment.

(20) The world's population especially in the Third World, is growing at an alarming speed. It had doubled within the past 40 years. This year it has touched 5.4 billion mark, with a disturbing prospect of an annual addition of 97 million. This decade will see the largest population increase in human history.

(21) At current population growth rate, 95% of persons added to the world population in the next 35 years will be born in the developing countries, creating the potential for further environmental damage.

(22) There is constant shrinking of available land for cultivation. It also suffers from increasing degradation, with loss of top soil. This, alongwith other factors, leads to shortfalls in foodgrain production, making hunger and poverty more widespread.

(23) By the end of this decade, more than half of the developing countries may be unable to feed their populations from their own lands. Nearly half the world's population will lack sufficient fuelwood. Within two decades, most of the tropical forests, leaving only a few large stands, will be cleared up.

(24) The steadily increasing burden of population growth has already overburdened the meager resources of the world. This overload can eventually cause the disruption of the natural systems.

(25) Already, the natural disasters—floods, droughts, earthquakes, volcanic eruptions and tempests—are becoming more common. So, too, are large-scale industrial accidents. Human actions are making natural disasters more common and exposing more and more people to their effects.

(26) The UN Environment Programme's State of the Environment, 1972-92, Report tells us that each year, 65 million tonnes of litter foul our oceans and coasts. Acid rain and untreated or inadequately treated waste waters foul our lakes and freshwaters. It has been estimated that on a world scale, over 25,000 million tonnes of material are removed each year from topsoils. And as much as 8 million hectare of rainfed croplands are lost each year through land degradation and desertification. Toxic chemicals have become so pervasive that there is no single area of the planet, no matter how remote, that is free from contamination. And as more forests are destroyed everyday, science estimates that by the end of this decade, 2.4 billion people—the vast majority living in the developing countries—will

either be unable to secure their minimum energy needs or will be forced to consume wood faster than it is being grown.

(27) The State of the Environment, 1972-92, Report further tells us that more than one billion people already live in terrible, inhuman poverty in developing countries. What is worse, such numbers will continue to grow, as an estimated one billion more people will share the earth's limited resources in this decade, the fastest rate of population growth ever witnessed.

(28) The UN Environment Programme's profile of environment monitoring and assessment, outlined on the basis of scientific evidence released in late 1991, gives a terrifying picture. For example, Ozone layer depletion is far worse than previously estimated. Hundreds of thousands of individuals are at risk from skin cancer, eye cataracts, a weakened human immunity system and decreased plant productivity.

(29) Largely through the human actions which released 5.7 billion tonnes of Carbon-dioxide into the atmosphere last year, the world's climate is changing. Global warming threatens to raise the world's sea levels, flooding low-lying areas from Bangladesh to the United States Eastern Seaboard, to alter rainfall patterns and to decrease agricultural productivity in many regions.

(30) And also through human activity—including forest clearing, acid rain, marine pollution, agro-chemicals and urban expansion—our planet's biological resources, the plants, animals and genetic resources which constitute biological diversity, face the worst wave of mass extinction in 65 million years of their existence. Scientists estimate that each day, between 100 to 300 species, become forever extinct and with them untold secrets of the natural world—and the possible keys to solving cancer, AIDS and other medical problems—are forever lost.

(31) Accompanying these challenging environmental issues is the appalling state of social and economic inequities. For example, as compared with $14,500 annual per capita income in the developed countries, the yearly per capita income in 41 very poor countries in the world is below $300. The per capita income varies from $80 in Mozambique to $29,880 in Switzerland, life expectancy at birth varies from 42 years in Sierra Leone to 79 years in Japan and literacy rate vary from 12% in Somalia to over 95% in the US. There is no television service in 31 developing countries. In 34 poor countries, there is as yet no single daily newspaper. 80% of all vehicles are produced and owned in the OECD countries. In the US, every other person owns a vehicle. In

Africa, the figure is 9 for every thousand inhabitants, in India 2 and in China 0.4.

(32) In the presence of such horrible natural imbalances and social inequities, our future is not, and cannot be, safe.

(33) But all this self-destructive muddle is the creation of man himself, whether a First or a Third Worldist, whose various national contingents, after unknowingly and ignorantly enacting this dangerous act, have carried themselves to the brink of collapse. And now with the awareness of this harmful muddle, man alone can do something about it. If he refuses to change his muddled ways and persists to continue the old style, then our planet Earth and its entire progeny will have to suffer very serious consequences.

There is too little time to act.

VIII. Main Implications

(34) The Rio Conference was the first attempt to take a fresh look at the world developmental process at the highest level. So, its agenda, debate, recommendations and decisions merit serious attention. Broadly, they signify the following main points.

Firstly, they highlight the concept of One Earth and One Human Community, symbolised by a global approach to deal with the environmental and developmental problems.

Secondly, they put forth a broad programme of action which can become a formal basis for developmental cooperation or a new global partnership between the North and the South, with the warning that if the two human parts will not cooperate, the consequences for mankind will be serious.

Thirdly, they provide the means—i.e., finance, technology, institutions, etc.—though inadequate, to implement the programme of action.

Fourthly, they suggest a change in the old developmental models and policies and demand a new environmental and developmental strategy alongwith new environmental friendly technology on the basis of sustainable growth.

Fifthly, they lay down a foundation for the enactment of more or less similar types of environmental and developmental laws, marking the beginning of the process of an international law.

Sixthly, they emphasise the method of cooperation and dialogue in contrast to the confrontationist style for resolving the contentious problems concerning environment and development.

Seventhly, they have set up a high power commission on

sustained development to monitor the implementation of its action programme, i.e., Agenda-21.

(35) Briefly, the above features indicate the first step towards a new environmental and developmental international order.

IX. Main Drawbacks

(36) Recognising the positive approach and role of the Rio Conference does not mean that it has no negative side. Its main drawbacks may be listed as follows.

Firstly, its approach is mainly human centric which does not accept the inherent right of any non-human species.

Secondly, its outlook and programme do not ensure a fair solution to current unfair distribution of political and economic power in the world.

Thirdly, its action plan does not accord any priority to the problem of world poverty, especially in the developing countries.

Fourthly, its documents do not forcefully criticise the world military expenditure, especially the over-spending by many developing countries, disproportionate to their financial positions.

Fifthly, its documents recognise national sovereignty over national resources as an absolute right.

Sixthly, its documents, without precisely defining the term sustained development, present the latter concept as mainly a national undertaking and not as primarily related to interdependent countries with relative sovereignty.

Seventhly, its documents accord a low priority to the population problem versus high priority problem for sustained development about which Rio Declaration merely suggests the states to promote appropriate demographic policies.

(37) These drawbacks constitute big hurdles to sustained development.

X. India's Promise And Performance

(38) Perhaps India is one of those few countries which have been since early 1970s showing great concern for environmental improvement and poverty alleviation. In 1972, its Prime Minister, the late Indira Gandhi, attended the Stockholm UN Conference on Environment and Development in which very small number of the Heads of State or Government had participated. At the 1988 UN General Assembly session, its Prime Minister, late Rajiv Gandhi, mooted the proposal for the raising of a Planet Protection Fund to clean the environment. At home, India

launched a number of prestigious projects like the development of waste-lands, social forestry, greening of the Himalayas, cleaning of the Ganga, etc. Now what has been India's record in actual terms? Let us first look at its environmental performance and then turn to the human development record.

(A) India's Environmental Performance

(39) Taking up the government's environmental performance, it is interesting to note that, just a few days before, the National Wastelands Development Board has come out with a statement (*Hindustan Times*, 05.06.1992, P-18) acknowledging the failure of all its earlier strategies and the launching of its new strategy on the basis of lessons learnt from the past failures. India's Environment Minister had gone to the extent of offering India's wastelands to the European Community for afforestation at the Kuala Lumpur meeting in May, 1992. The same story had been repeated in social forestry which had failed to achieve its purpose. While the greening of the Himalayas has proved a total flop, the cleaning of the Ganga has made no headway.

(40) While the government's regenerative schemes have not worked, the degenerative forces have been at full play. The result is the degradation of India's land, forest and water resources, destruction of bio-diversity and pollution of the air.

(41) Out of a total land mass of 329 million hectares, only 226 million hectares has a potential for agriculture, though actual cultivable area is only 143 million hectares. The degradation of soil has been so extensive that 85 million hectares is put in that category and another 40 million hectares is totally unproductive.

(42) The forests occupy an area of 85 million hectares about half of which has been denuded to varying degrees due to the illegal felling of trees and the daily increasing pressure of the growing human and animal population, This has created a threat for the 6% of the world's flowering plant species, housed in India. Already, India has lost at least three-fourth of its mangrove swamps.

(43) Soil erosion has become a matter of serious concern. Deforestation and cultivation of marginal lands have led to an estimated loss of over 6,000 million tonnes of soil, resulting in the loss of productivity.

(44) India has the largest army of cattle which has increased from 280 million in 1951 to 406 million in 1991. About 13 million hectares of land is classified as pastures. The most of the pasture land has become barren due to degradation. Some of this land has

been occupied by the poor as well as the strong for cultivation. So the cattle have to scrounge for whatever they can get on the forest or fallow lands. Overgrazing has led to further land degradation.

(45) The average annual water resource of India is estimated to be about 400 million hectare metres (MHM). Out of this, about 300 MHM is secured through rainfall during the monsoon period. In earlier times, the vegetation cover used to hold back the monsoon waters and release them steadily after augmenting the groundwater. With deforestation, this cushion has been gradually disappearing and the water availability is becoming uneven. A high rainfall would result in a flood, while a deviation below the normal would lead to a drought. Floods carry the soil with them and cause silting of rivers and reservoirs. This steadily increasing cycle of alternating floods and droughts imposes a burden of about Rs. 1,500 crore on our exchequer.

Effluents discharged from industries and urban human wastes are badly affecting the quality of running, surface and ground waters.

(46) The industrial use of toxic chemicals, automobile transport and thermal plants account for a major share in the creation of air pollution. But coal remains the biggest factor in causing both air pollution and land spoliation. The levels of air pollution in many regions have far exceeded permissible limits, resulting in increased health risks and larger environmental threats such as global warming and acid deposition.

(47) India is very rich in biological diversity with about 45,000 species of plants and 75,000 animal species. Deforestation, land and water degradation and air pollution have created threats for these genetic resources. Already, the excessive use of chemicals in agriculture has resulted in the destruction of many non-target species, while enhancing the resistance in targeted pests, besides contaminating water and soil, thereby creating hazards for human and animal health. One of the important animal species India is rapidly losing is the frog which daily eats insects equal to its own weight. Its extinction can have highly negative consequences for human beings.

(48) The above-stated facts show that India's developmental sample represents an anti-environmental pattern which becomes more clear from the government's hostile attitude towards various environmental movements and its highly suppressive style in handling the environmental agitations, like Tehri Garhwal, Narmada Sagar Dam, etc.

(B) India's Human Development Record

(49) Turning to India's human development record, the facts present a similarly depressing picture. For example, India's total expenditure on human development sector (i.e., education, primary healthcare, safe drinking water, child nutrition, family planning, etc.) is less than 15% of its total expenditure, while over 20% is allocated to defence alone. As a percentage of its GNP, India spends only 2.5% on its social measures, compared to 12.7 % in Zimbabwe and 7.7% in Botswana. A World Bank Report, authored by Samual Liberman and released in May 1992 had stated that India spends too little on health and education.

(50) According to the UN Development Programme Report 1991, India's Human Development Index (HDI), rank was 123 out of 160 countries. There are several countries with lower per capita GNP but higher HDI rankings, e.g., Zambia, Kenya, Senegal, Sri Lanka, etc.

(51) An idea of the neglect of the human development programme can be further seen from the poor implementation of the schemes under this head. For instance, while the Indian Constitution has directed the eradication of illiteracy within 10 years of its promulgation (i.e., 1960), the latter still continues at a staggering rate of 48 percent. Though the Constitution stipulates the abolition of bonded labour, it took the government 26 years to enact central legislation on this matter. Despite the targeting of providing safe drinking water to all the villages in the country by various official plans, nearly one-fourth of villages are still deprived of this basic necessity. Notwithstanding the fact that every plan in India adopted the poverty alleviation as its objective, but none could succeed even moderately, with the prevalent poverty rate being 30 percent as per official estimates.

(52) One of the main reasons for the poor administrative working lies in the all-round corruption which saps the major part of the developmental funds. According to the late Rajiv Gandhi, out of every rupee allocated for the upliftment of the poor, only 15 paise are spent on them, while the rest of 85 paise go into the pockets of the middlemen.

(53) Another major government bungling concerning human development is evident from the continuous official declarations (made by different New Delhi governments) to end inequities in the Indian social structure, on the one hand, and the contradictory results, on the other. Thus, the disparities in wealth as well as income in India are really terrible. Top five percent in

this country enjoys 33% of the national wealth as against the bottom 5% who owns only .001%. Similarly, 20% at the bottom shares 7% of the national income as against top 10% which shares 34%. Sixty percent of the rural households hold 10% of the land, while top 2% own 20% of the land. The share of consumption of the top 10% rose from 20% in 1950 to 60% in 1980. How can there be rational human development in such perverse conditions?

(54) The dismal record of the government in the matter of human development emerges from its social agenda in which the human factor has been accorded a very low priority in any policy making exercise. Had human development been a top priority, the 1992 Indian budget would not have slashed even the 1991 budget allocations for education and health.

(55) Human resources are a part of the social capital, as important as the material capital. The experience world over demonstrates that no social progress is possible without the development of human factor. Wherever it had been ignored, the developmental process had suffered a setback. Economic growth is a must for every social system and so is the must of its having a human face. Despite being the most market friendly country in the world, the US spends 15% of its national income on its weaker sections—the unemployment allowances, food stamps, health, education, social welfare, etc. This is three times of its military spending. Sweden makes 35% budgetary allocations for its social services. Even the developing countries invest not less than 5% on this very important sector.

(56) Thus, India's human development record cannot be considered credit worthy by any standard.

XI. Beyond Rio

(57) The Rio Conference chiefly demands that its process be carried forward. To push any social process ahead, the historical lesson is to involve the entire people in its motion. To bring the people within the fold of any movement, the time-tested method is to raise mass awareness about the nature, cause and solution of the concerned problem. 25-06-1992

Nature and Man
An Attempt To Understand Reality

I. How They Are Interrelated

(1) The relationship between Nature and Man has always been a searching question before mankind. The predominant view, prevailing since the dawn of civilisation upto this day, has been that Man, though a part of Nature, is the supreme creature among all the natutral phenomena in the universe. This centric view of Man among the whole creation has continuously remained the dominant human theme. The main logical justification often put forth in favour of human uniqueness is that, out of all forms of existence, Man alone is a rational being with lofty idealism. That is, a being who thinks, acts and organises in a reasonable way. All varieties of human thought—Supernaturalism, Naturalism, Scientism, Technocratism, Atheism, Fatalism, Determinism, Voluntarism, Generalism, Positivism, Empiricism, Behaviourism, Reductionism, Pragmatism, etc.—are one, with rare exceptions, on this basic standpoint, despite having fundamentally different approaches with regard to human affairs.

(2) Then, can it be said that all non-human phenomena in the Universe is non-rational or irrational? Let us have a look at the facts as disclosed by natural science[1] and common man's own experience so far.

II. Nature's Three Basic Features

(3) The first fact worth studying about Nature (denoting the entire reality, consisting of diverse processes, including that of Man) is that Nature is characterised by three basic features. These are: (a) existence (i.e., what actually is or what fact is),

[1] Natural Science means a cumulative body of systematised knowledge of various processes of Nature gained through observation, reasoning and experimentation.

(b) movement and (c) change. All natural processes from a Quark to a Galaxy are marked by the said features. Apart from these basic features, Man does not possess any additional distinction.

III. Nature's Systematic Existence

(4) The second fact worth studying about Nature is that its first basic feature, i.e., existence, is systematised by a given organisation, form and composition.

(a) (i) In regard to organisation, the diverse natural processes, while each existing as a separate unit, are interconnected with one another in a certain system. For instance, the Earth, the Mars, the Saturn and other planets of our Sun, while each having a separate entity, are interconnected in our Solar System (i.e., the system of our Sun). Our Solar System, while having its own separate existence, is interconnected with other Solar Systems in our Galaxy, the Milky Way. The latter Galaxy, in its turn, is interconnected with other Galaxies—finally constituting the system of our Universe. The interconnection among the units of a system is so strong that even if one of its interconnected units falls apart, the whole system either gets restructured or is disrupted.

(ii) More, every separate unit in Nature is an amalgam of different phenomena. For instance, any celestial body is an integration of different substances. Any substance is an integration of certain molecules. Any molecule is an integration of certain atoms. Any atom is an integration of certain particles. And so on. The integration within the constituents of a unit is so forceful that none of these can opt out without a structural change in that unit.

(iii) Further, the interconnection among the units of a given system and the integration of phenomena within a given unit is not the sole principle in the organisation of Nature. Equally important is the principle of the disconnection of one or more units from a given system (e.g., the splitting of some units from certain galaxies, solar systems, molecules, atoms, etc., leading to their decay) and of the disintegration of phenomena of a given unit (for instance, the severing of the constituents of certain stars, molecules, atoms, etc., resulting in their disappearance, the breaking off of our Sun's mass at a rate of 4,00,000 tonnes a second, the splitting of portions of our planets in the form of meteorites, etc.). The disconnected unit or the disintegrated phenomena of a collapsed unit, according to given conditions, either constitutes an independent unit and becomes part of

another system or joins with some other unit of a specific system and starts interactions accordingly.

(iv) Further again, the interconnection and disconnection and the integration and disintegration of natural processes show that Nature has a two-sided mode of existence. On the one hand, it exists as a multitude of diverse individual entities and, on the other, each individual entity is interconnected with the entities of a given system, and so on. Individual entity reflects the absoluteness of a natural process, while its interconnections mirror its interdependence and relativeness.

(v) Furthermore, the said two organisational principles of Nature (i.e., the interconnection and disconnection and the integration and disintegration) are operating through four kinds of forces—i.e., gravitation, electro-magnetic and strong and weak nuclear forces which are constantly pulling or pushing the different components of each natural unit or system. Possibly, there may be some more forces in Nature, still unknown to our science.

A recent scientific hypothesis has surmised the existence of a fifth force, i.e., a centrifugal force in Nature. It pulls apart or separates bigger bodies of different densities. It may be the opposite aspect of the force of gravitation. Also, for some time, an idea has been gaining ground inside scientific circles that the yet known four forces of Nature are the different manifestations of a single force.

(vi) Lastly, two specific organisational points about natural phenomena need particular attention.

Firstly, every natural process, including that of Man, is distinguished by its individual (i.e., unitary) and general (i.e., systemic) aspects. The individual aspect expresses the unique attributes of a process, distinguishing it from all other processes. The general aspect represents its similarity with other like processes and places it in a definite species or class of homogeneous processes. For instance, every human being is marked by his distinctive individuality, while having a metabolism similar to other human beings that places him in the category of human species. In the relationship between the individual and the general, each, in turn, occupies the principal position.

Secondly, every natural process, including that of Man, is distinguished by its specific quantity and quality. This distinction, existing from the beginning to the end of a process, makes it different from other similar or dissimilar processes. The quantity expresses the property of a process that is estimable by some

sort of measure, i.e., size, weight, extension, number, etc., while quality reflects the relative nature or character of a process (e.g., human metabolism). The quantity and quality undergo constant partial changes hand in hand during the course of a process (e.g., the mass of a body is a measure of its energy content, $E=MC^2$) which is marked by various phases. When the partial changes in the quantity and quality of a process reach the optimum point, then that process is basically transformed into another process.

(b) In regard to form, the diverse natural processes exist in a two-sided form—the corpuscular, i.e., having a mass, and the wave, i.e., having no mass. Both are convertible into each other. There may be some other form in certain part of the Universe yet unknown to our science.

(c) In regard to composition, both the corpuscular and the wave processes (whether organic or inorganic) are made up of particles, having the dual characteristics of wave as well as mass. The wave processes (light, sound, radio, etc.) are directly constituted of particles. In the corpuscular processes, the particles form the atoms, the atoms the molecules and the molecules the elements, compounds and mixtures (in solid, liquid or gaseous forms). The particle itself is composed of still smaller phenomena. Recently known Quark is one of a triplet of particles, not yet found, suggested as the units out of which all other sub-atomic particles are formed.

Every process, wave or corpuscular, consists of a specific number of its given components. Even an atom generally comprises of a definite number of electrons, protons and neutrons. An indefinitely constituted atom, consisting of an unstable nucleus, makes up an unsteady phenomenon.

IV. Nature's Methodical Movement

(5) (a) The third fact worth studying about Nature is that its second basic feature, i.e., its movement, is methodised by a given mode of operation. This mode consists of the interaction (i.e., action and reaction) of natural phenomena upon one another through a two-sided form of unity and struggle. On the one hand, each process is continuously marked by the interaction among its own constituents and, on the other, it uninterruptedly engages in interaction with other given processes. There is no process that stands still or does not act or react. In this evergoing interaction, whether within one entity or among different entities, either the

aspect of unity or that of struggle occupies the primary position. Both these forms continue to alter their respective positions, with each in turn coming to the fore, according to given conditions. The constant alteration in the respective positions of unity and struggle is due to the fact that, firstly, the two are inseparably related to each other in the movement of every process and that, secondly, their different natures prevent them from simultaneously performing the primary role.

(b) The interaction of natural phenomena through unity and struggle can be seen both in the inorganic and organic processes. For example, in given conditions, the aspect of unity in the interaction between Hydrogen and Oxygen leads to the combination of these two gases in the form of water, while, in another given conditions, the aspect of struggle in the interaction between the constituents of water leads to the latter's splitting into Hydrogen and Oxygen. Similarly, in given conditions, the aspect of unity in the interaction between Sodium and Chloride leads to their combination in the form of salt, while, in another given conditions, the aspect of struggle in the interaction between the constituents of salt leads to the latter's splitting into Sodium and Chloride. Among the organic processes, the positive interaction between human and plant life lies in Man's breathing in the Oxygen let out by the trees and the latter's absorption of Carbon-dioxide breathed out by Man, while their negative interaction rests with Man's deforestation activities and the expansion of weeds, wild plants and man-eating trees.

(c) The unending interaction among diverse natural processes through the two-sided form of unity and struggle lies in the physical characteristic or attraction and repulsion in the physical substances (as shown by the science of Physics), the chemical characteristic of association and dissociation in chemical substances (as shown by the science of Chemistry) and the metabolic characteristic of assimilation and dissimilation in biological substances (as shown by the science of Biology). So far, Science has not come across any process that does not possess the characteristic of interaction with other processes through unity and struggle.

(d) The most familiar form of interaction occurring on our Earth has been the interaction of cause and effect. The cause is a phenomenon that brings into being another phenomenon, while the result of the action of a cause is the effect. For instance, a given temperature helps in the formation of clouds which, in turn,

fall as rain and thus bring the temperature down. In a hydro-electric station, the mechanical motion, produced by water fall, is the cause of the electric current, while, in case of a machine, the electric current is the cause of a mechanical motion. In a locomotive, heat is simultaneously the cause and effect. It is the cause of the mechanical motion of the locomotive's driving axils and, at the same time, it is the effect of the friction of the locomotive's moving parts. In the economic sphere, a greater demand for a commodity stimulates production which, in turn, leads to increased demand. In the interaction between the inorganic and organic processes, the tree gets part of its nourishment from the Earth which, in turn, is affected by the tree's roots and fallen leaves and branches.

V. Nature's Orderly Change

(6) (a) The fourth fact worth studying about Nature is that its third basic feature, i.e., its change, is regularised by a given form of passing from one state to another. That is, the continuous partial alteration in the quantity and quality of a process and, at a critical point, the final tansformation of that process into another process.

(b) The continuous partial alterations in the quantity and quality of a process are alterations in its balance of forces (i.e., in the arrangement of particles in case of wave processes and of atoms in case of corpuscular processes) which pass from one phase to another. For instance, the various quantitative and qualitative phases in the process of a human being include: the pregnancy, birth, childhood, adolescence, youth, middle age and old age; or the various quantitative and qualitative phases in the transformation of iron into steel are: the black metal turns crimson at a temperature of about 5,000° C, then red at about 6,000° C, orange at about 7,000° C, yellow at about 8,000° C and finally bright white over 10,000° C. The continuous partial alterations in the quantity and quality of a process occur due to its constant internal and external interactions through unity and struggle. So long as the constant partial changes in the quantity and quality of a process do not reach the optimum point (the point at which the original arrangement of the particles in case of wave processes and of atoms in case of corpuscular processes is completely deformed and a new arrangement takes place), that process continues to exist.

(c) The transformation of one process into another takes place

when the constant partial alterations in the quantity and quality of a process (or its balance of forces) reach the optimum or culminating point. At this critical point, that process is transformed into another process—having its new quantity and quality. In the transformation of one process into another, at one given critical point, the aspect of unity, and, at another given critical point, the aspect of struggle play the primary role. For instance, at the critical point of 0° C when the aspect of unity in the movement of the molecules of water attains the predominant position, water is transformed into ice. Conversely, at the critical point of 100° C when the aspect of struggle in the movement of the molecules of water attains the predominant position, water is transformed into steam. Again, at the critical point of 100° C (latent heat) when the aspect of unity in the movement of the molecules of steam attains the predominant position, steam is transformed into water. Similarly, at a critical point, when the aspect of unity in the movement of electron, proton and neutron attains the predominant position, they combine in a certain way and are transformed into an atom—having its own quantity and quality, different from its three constituents. Further, at a critical point, when the aspect of struggle in the movement of a molecule attains the predominant position, it splits into atoms having their respective quantities and qualities, different from the molecule. More, at a critical point, the unity between the atoms of Iron, Carbon, Nickel and Chromium creates steel, while glass is produced through the unity of the atoms of sand, soda ash and lime stone at a critical point. Furthermore, the separation of iron from magnetite in a given heat leads to the transformation of iron ore into pig iron with minor quantitative and qualitative changes in the said two elements. Thus, the predominance of the aspect of unity at the critical point leads to the transformation of two or more processes into one, while the predominance of struggle at the critical point results in the transformation of one into two or more processes. The form of transformation (whether peaceful, violent or a mixture of both) is determined by the state of the given balance of forces.

VI. Two Hypotheses About Universe's Origin

(7) The fifth fact worth studying about Nature is that the two divergent hypotheses about the origin of the Universe—i.e., the Big Bang Theory and the Steady State Theory—though still in a tentative form, do provide a basis for a further probe into reality.

In fact, the Big Bang Theory, despite small cracks, has been already accepted as a reasonable explanation of the Universe by a majority of astronomers.

(8) (a) Very briefly put, the Big Bang Theory postulates that, some 1.5 billions years ago, all the matter, existing in different forms in the Universe today, was condensed into an extremely small but dense ball of energy. The primeval ball with a temperature of billions of degrees, at a given critical point exploded sending lumps of energy into the space. These lumps of energy went on cooling and expanding—leading in due course to the formation of Galaxies of lightening stars. The Galaxies are still flying away from each other due to the initial force of explosion. Today, only 10% of the Universe is bright and visible through radio telescopes while 90%, having become cool, has turned into dark matter. The dark matter is scattered all over the Universe in the form of invisible black holes, each commanding huge gravitational force which does not let escape even a passing-by ray of light. The Big Bang Theory envisages that, in the given future, a reverse receding process in the movement of Galaxies will start—ultimately leading to the condensation of the entire Universe into a dense fire ball of energy in almost the same period of time as had been spent on its expansion. The scientists call this process as the Big Crunch.

(b) However, the recent finding of the clustering of Galaxies stretching across tens of millions of light years with voids at other places giving the picture of an uneven Universe has posed a problem before the Big Bang Theory which is expected to give rise to a more or less uniform distribution of Galaxies throughout the Universe. That is, the problem of explaining the evolution of an uneven Universe out of a smooth Universe of the early days after the great explosion. The advocates of the Big Bang Theory invoke the concept of dark matter for the explanation of the clustering of Galaxies.

(c) The Big Bang Theory is completely silent as to what existed before the primeval energy ball, where the energy came from, why the energy solidified into such a minutely condensed ball and what will be the destiny of the Universe after the Big Crunch. The answers to these questions can only be known if the laws of space and time, that is, the forms of the existence of energy and matter, are known before the Big Bang and after the Big Crunch.

(9) (a) The Steady State Theory regards that the Universe has existed all the time in the past and will go on for all the time to

come, with matter being continually created in one part of the Universe to balance the destruction of matter in another.

(b) The observations, however, do not support the Steady State Theory. This is, because the most distant galaxies, showing the past of the Universe, are found at about 8,000 million light years away, while still more far-flung Quasars—star-like objects that emit copious amounts of radiation—have been traced at a distance of 14,000 million light years. This shows that the Universe of 14,000 million years ago was vastly different from the Universe of 8,000 million years past. And thus the Steady State Theory loses its rigour.

(c) May be, the reality lies in between the two grand theories.

VII. Nature's Consistent Order And Man's Distorted Understanding

(10) From the foregoing facts, it can be seen that the reality in general and each one of its specific processes is systematically regulated by a given existence, movement and change. There seems to be no scientific evidence of any disorderly sign in its domain. Perhaps, it is sometimes due to our inadequate human understanding, sometimes due to our human instinctive anti non-human prejudice and sometimes due to our human social parameters (relevant only within the human domain) that we find inconsistencies in certain spheres of reality. The recent changes in our Earth's environment clearly indicate how consistent the natural order has been and, despite many human scientific achievements, how distorted the human understanding about reality and its various processes, particularly about the basic question of relationship between Nature and Man, continues to be. It took Man about 2,00,000 years (since the emergence of Homo-Erectus) to understand the truth that the Earth is not the centre of the Universe but only a satellite of our Sun which itself is a mere speck in our moderate Galaxy, the Milky Way, what to say of the Universe. Despite these categorical scientific facts, the human race is still hesitant to part with the erroneous notion of the Supra-Man and accept the truth of an interdependent Man in an interdependent Universe.

(11) The general concept of Man being exceptionally endowed with rationality-cum-lofty idealism, underlying our exaggerated notion of human greatness, is nothing but a pure human bias against non-human phenomena. The irrefutable scientific fact is that every natural process—e.g., desert, mountain, forest, bird,

animal, etc.—perseveres to preserve and develop itself and its class category by all available means at the expense of other natural processes. Man's total history bears witness to the fact that the entire human rationality-cum-lofty idealism, including scientific explorations, have merely acted as human means to achieve the human ends of Mankind's perpetuation and advancement at the cost of the whole non-human global resources.

VIII. Basis Of Human Social Community

(12) Looking at the entire process of Man's bio-social evolution and development and a close study of social sciences makes it evident that Man has always existed as a part of the Universal process of Nature and has moved and changed due to a two-sided interaction—that between Nature (including the interactions among various natural processes) and Man and that within the human social community among its different social units (including the social unit of the individual). Thus the said concept highlights two broad forces—that of Nature and that of Man—for the existence, movement and change of human social community.

IX. Nature's Role Concerning Human Social Community

(13) (a) The role of Nature concerning human social community denotes the total interactions between the non-human processes and the human ones. These interacting non-human processes are of two broad categories—that whose mode of organisation, operation and change (e.g., air, water, land, machine, etc.) is known to mankind and that whose mode of organisation, operation and change (e.g., black-holes, galaxies, stars, space, etc.) is yet unknown or little known to mankind. Of these two types of non-human processes, the former is known as scientific-technological mechanism (or social natural mechanism) which denotes all types of scientific theories, technological[2] means and objects and their products, alongwith their related divisions of labour.

(b) Nature acts upon and reacts to Man through various integral (e.g., air, water, food, etc.) and conflicting (e.g., virus, earthquake, etc.) processes. It binds Man to follow its social division of labour (e.g,. Man can only operate any machine by adjusting his own motions to the motion of the machine). The

[2] Technology means the practical application of scientific knowledge to various natural objects, resulting in varied improved products of greater value to Man.

social division of labour, a broad social category, denotes different forms of labour or work activity in human social community, namely, mental and physical labour in economy, politics and culture; in different branches of economy (i.e., industry, agriculture, trade, etc.), politics (i.e., law, administration, etc.) and culture (i.e., art, literature, science, etc.); and in different sub-branches of industry, agriculture, trade, law, administration, art, literature, science and so on. Consequently, Man organises his social units (i.e., human herd, clan, tribe, class, regional-cum-religious community, nation, etc.) and social norms and forms in accordance with the given social division of labour.

(c) Thus, the social division of labour constitutes a very important factor in the organisation, movement and change of human social community. By binding mankind to follow its social division of labour, Nature acts in the primary position in relation to Man.

X. Man's Dual Role Concerning Nature And Human Social Community

(14) The dual role of Man, played by the entire human social community, consists of Man's interactions with Nature, on the one hand, and the interactions among the different human units within the human social community, on the other. Both these interactions are closely related and deeply affect each other.

(A) Man's Interactions With Nature

(15) Man acts upon and reacts to Nature in the process of carrying out the given social division of labour. Sometimes, the interactions are unitary (e.g., breathing, drinking, eating, etc.) and sometimes adversial (e.g., creating pollution, overusing natural resources, etc.). During the course of these interactions, Man constantly brings about new changes in various natural processes, developing them into new forms useful to humanity through new theories and practices. Thus, by operating and changing the scientific-technological mechanism and its related social division of labour, Man acts in the primary position in relation to nature.

(B) Interactions Within Human Social Community

(16) The interactions within the human social community are closely related to the social division of labour (and its corresponding scientific-technological mechanism) whose implementation requires two interconnected things: (a) man's social units for working in different spheres—economic, political

and cultural and (b) social norms and forms for the observance of social units to smoothly carry out the social division of labour.

(C) Social Units

(17) The social units—the only factor of creating and operating scientific-technological mechanism and its connected social division of labour—do not constitute simple phenomena. Starting from the social unit of the individual, they include as big a social unit as the nation (e.g., Indian nation of 85 crore). Some social units are primarily ideological (e.g., the religious sects, political parties, cultural groups, including those of scientists and artists, etc.). Some are mainly materialist (e.g., families, classes, trade unions, etc.). Some cannot be primarily distinguished (e.g., nations, states, etc.). Every social unit, other than that of the individual, is characterised by two aspects—the aspect of the principal functionary and the aspect of the general body. As a rule, there is no social unit without its principal functionary (who may be principal only for 15 minutes, as for instance, the president of a meeting). In the relation between the principal functionary and the general body of a social unit, each, in turn, comes to the fore.

(D) Social Norms And Forms

(18) Social norms and forms—the rules facilitating the implementation of the social division of labour—are also complicated matters. In brief, they are a set of social principles which determine a two-sided relation—that among different social units and that between material objects and different social units during the course of economic (i.e., production, distribution, exchange, consumption, etc.), political (i.e., law, administration, etc.) and cultural (i.e., moral, ethical, etc.) processes. In other words, they determine the social position and social role (whether dominant, subservient or intermediary concerning control on economy, politics and culture) of each social unit. Thus, these social norms and forms can also be termed as social relations, which are codified in the Constitution and Jurisprudence as laws and regulations and the entire state and its residents are legally bound to observe them.

(E) Social Units & Social Norms And Forms In History

(19) (i) Since the beginning of human social community, the social units and social norms and forms have continuously gone

on changing in accordance with the changes in the social division of labour (and its concerned scientific-technological mechanism).

(ii) For example the food-gathering and hunting human community, the first human social organisation in history, consisted only of two social units—the individual and the clan (the biggest unit at that time, hardly comprising of 10-12 persons with kinship relations, i.e., a type of family with no sex rules). While the social norms and forms were marked by cordiality within the clan, the inter-clan dealings were completely barbarous under which even the captured non-clannish persons were killed.

(iii) In the pastoral human community, the second human social organisation in history, the social unit of the clan had become a bigger unit, called the tribe (a combination of clans under one recognised tribal chief, advised by a group of clan leaders). The social norms and forms in regard to inter-clan dealings had become humane, but they were highly oppressive towards alien tribal captives (who now began to be made lifelong slaves instead of putting them to death). The pastoral human community also saw the gradual emergence of four new social units, viz., the family[3], classes[4], state[5] and religion[6], in their rudimentary forms at different times.

(iv) In the agricultural human community, the third human social organisation in history, the tribal unit had developed into a still bigger unit, i.e., a territorial princely state, which included the agricultural family, classes, military-cum-intellectual groups, religious sects, etc. While the social norms and forms had become more humane by the turning of the slave into the serf (semi-slave), the domination of the kings and their lords still remained oppressive. Religion held full sway in all walks of life.

(v) In the industrial human community, the fourth human social organisation in history (now under transition towards an environmental-friendly technological model), the territorial

[3] The family is a social unit of reproduction of human species and also a material production and consumption unit.

[4] The classes are groups of people, each having a specific social position & role.

[5] The state is a social unit which is the chief agency of organising the social division of labour within its domain, which, in general, represents the interests of all the social units linked to a given social division of labour and in particular the interests of the ruling social unit, which uses both the peaceful and armed methods for the smooth running of the social division of labour and which constitutes the principal issue of interaction between the political parties or groups.

[6] Religion is an explanation of Nature and Society as the creations of a supernatural power.

princely state had grown into a nation-state, which, while retaining the remnants of all the social units of the past, included the new social units of entrepreneurs, industrial workers, businessmen, intellectuals, political parties, trade unions, etc. The social norms and forms had become still more humane by the popularisation of the democratic and secular ideas, though violation of human rights and social justice still continues, particularly in the developing countries.

(vi) In the newly emerged interdependent world, human social community is moving towards a new global order (whose main concerns include environment, peace, rule of law, human rights, sustainable development, social justice, value based politics, etc.) despite many hurdles, especially the ethnic and national confrontations often caused by authoritarian, totalitarian, bureaucratic and fundamentalist policies and regimes. The new social units of environmentalists, human rights defenders, social justice protagonists, champions of peace, value based politicians, advocates of rule of law, sustainable development supporters, more or less oriented towards globalism, are emerging fast.

(F) Social Units' Role Through Unity And Struggle

(20) In all the said human social communities, the concerned social units have played their specific roles in social development through alternating mutual unity and mutual struggle. The question of unity and struggle has been related to the convergence or divergence of the definite aims and interests of the various social units. Convergence of aims and interests has generally been the basis of mutual unity, while mutual struggle has often been caused by the clash of respective aims and interests. The issues of unity and struggle have in general included the numerous political, economic and cultural matters, each of which has occupied the primary place in accordance with the concrete conditions. Even the issue of state power (which does affect the whole population within a state)— being an issue of frequent contention—has too been resolved either through compromise or a fight between the contending social units.

(G) Social Units And Systemic Change

(21) In the entire lengthy process of the human community, no single social unit (neither a genius of the Western Liberal Model nor a social class of the Socialist Model) has been, and can be, an all-purpose unit or the sole vehicle of social progress.

Systemic change through social development has taken place (and can only be possible) through the interaction of various social units (including the unit of the individual). In this multi-sided and multi-dimensional interaction, sometimes an outstanding scientist alongwith his contemporary scientists, sometimes an outstanding economist alongwith his contemporary economists, sometimes an outstanding artist alongwith his contemporary artists, sometimes an outstanding religious preacher alongwith his contemporary religious preachers, and so on, have at different times contributed a major share in social development. In the all-embracing state unit, the specific political units alongwith their leaderships in their given times have played the primary role. Thus, the clan leaders and their respective food-gathering and hunting groups during the food-gathering and hunting community, the tribal leaders and their respective tribal councils during the pastoral community, the kings and their respective religious advisers during the agricultural community and the political leaders and their respective parties during the industrial community have alternatingly played the main role in the state sector.

(H) Social Units' Theories And Practices

(22) Social units operate through their specific theories and practices. The theory (i.e., ideas) and practice is Man's only mode of operation, distinguishing him from all other non-human phenomena. In the relation between theory and practice, each, in turn, helps Man in his object and endeavours. The theory and practice of a social unit (may be an individual) constitutes the whole of his natural and social knowledge. Similarly, the sum total of the theoretical and practical knowledge of all the social units of a given community constitutes the entire knowledge of that community.

(I) Basis Of Human Knowledge

(23) Human knowledge, whether natural or social and whether theoretical or practical, comes from the above-said two interactions. In case of the knowledge of Nature, the basis of information lies in the natural processes, while their observation, interpretation and formulation rests with the human thinking. Similarly, in case of social knowledge, while the basis of information lies in the social division of labour (including social units and social norms and forms), their interpretation and

formulation rests with the human thinking. In the subjective creation of knowledge, the social unit of an outstanding individual plays the role of an ideological processing plant, while his related team, group, class organisation, party, etc., supplies the ideological raw material.

XI. Four Types Of Human Social Community

(24) In the long course of human social community, the above said two interactions, on the one hand, have developed four broad types of scientific-technological mechanism (including various sub-mechanisms) with their related four broad types of social division of labour and, on the other, brought forth four broad types of human social community (characterised by numerous sub-communities). These include: (i) the food gathering and hunting technology and its related social division of labour, characterised by the clan community lasting for hundreds of thousands of years; (ii) The pastoral technology and its related social division of labour, characterised by the tribal community lasting for thousands of years; (iii) The agrarian technology and its related social division of labour, characterised by the military-cum-religious community lasting for about two thousand years; and (iv) The industrial technology and its related social division of labour, characterised by the national community now under transition towards the global community. Each one of these communities had been distinguished by its specific social structure with its related scientific and social theories and practices.

(25) The newly emerged post-1945 scientific-technological mechanism (embodying highly advanced insights in the sphere of space, energy, matter, biology and cybernetics) and its social division of labour of the interdependence of countries have set in motion a new process of the formation of a global community, expected to pass through various phases.

XII. Modernisation Process In Human Social Community

(26) The four broad types of human social community that have existed in history represent a lengthy process of modernisation, i.e., a process of two-sided transformation—that in scientific-technological mechanism and its related social division of labour, on the one hand, and that in Man's theory, practice and organisation, on the other. Thus, the food-gathering and hunting science and technology and its collective division of labour is distinguished by a food gatherer and hunter with his

kinship theory, food gathering hunting and barbaric practice and clan organisation, while the industrial science and technology and its commodity division of labour is marked by an industrial man with his secular-democratic theory, market-cum-parliamentary practice and national democratic polity.

XIII. The Concept Of Social Capital

(27) The modernisation process in human social community, in other words, is the process of social capitalisation which, on the one hand, represents the advancement of scientific-technological resources and, on the other, the development of human resources. Since these two factors—(a) science and technology representing Nature, and (b) Man—are the creators of every phenomenon in human social community, they together constitute social capital which, in its literal sense, means the highest or the first rate thing and which in its social sense, denotes the most valuable phenomenon in human social community. As the said two factors have been in operation from the very day of the emergence of human social community (i.e., the time when Man created his elementary technology of stones and sticks and was, in turn, bound by the latter's social division of labour), the social capital too has been in existence all this time.

(28) Conforming to the process of the human social community, the process of social capital too has passed through different forms. Under the food-gathering and hunting community, the social capital included the technology of sticks, stones, bones, bows and arrows, jungle products, animal flesh alongwith human theories and practices and the clan organisation. The exchange of commodities first took the form of barter and later that of the universal equivalent which seems to have operated in different forms, viz., grains, furs, shells, fish, etc. Under the pastoral community, the animal emerged as the main form of universal equivalent for social exchange as well as social investment. Under the agricultural community, apart from land and animal, metal money also arose as a medium of exchange as well as social investment, while under the industrial community, money acquired the predominant position, both in exchange and investment. The control of capital under each community had mainly rested with its leading social unit.

(29) Obviously, the above concept of capital differs with the two current general theories of capital advanced by the two schools of thought—the Western Liberal Economics (which

considers capital as the totality of the means of production), and the Marxian Economics (which regards capital as production relations or workers' surplus value or accumulated labour). The former relegates the Human factor (i.e., labour) to the supplementary position, while the later consigns technology to the secondary place.

(30) History and Science, however, show that science and technology (representing the part of Nature understood and operated by Man) and Man have always been interrelated, interdependent and inseparable. Both are creative in their own ways. Man's innovation lies in his mental and physical energy, while technology's productivity comes from various forms of energy, i.e., electrical, chemical, kinetic, heat, radiant, nuclear, etc. In fact, technology creates more value than human labour (e.g., automatic machine where man contributes no physical energy). This is because an average worker daily spends, and can only spend, during physical work around 120 watts of energy (which equals 2,400 calories) in comparison to the machine which provides and uses tens of thousands of watts of energy in a day. However while man lags behind technology in material productivity, it leads technology in material and ideological innovation due to his mental uniqueness. Thus, in human social community, both science-technology and Man constitute two basic factors of capitalisation or modernisation.

XIV. Few Points Deserving Consideration

(31) From the afore-stated facts emerge a few points which need due consideration.

Firstly, the operational pattern of the human social community is similar (not the same) to that of other natural processes. That is, the operational pattern of two-sided interaction—that between Nature and Man and that among the social units within the human social community—leading to continuous partial quantitative and qualitative changes in certain processes of Nature and the human social community and, later, at a critical point, to the transformation of one sort of human social community into another. It, therefore, follows that the Western Liberal Theory projecting geniuses alone as the engines of society and the Marxist Theory proposing social classes or the people alone as makers of history are both one-sided.

Secondly, in the said two-sided interaction, the aspect of unity as well as the aspect of struggle play an equally important role,

with each occupying the primary role at one time or the other. For example, the transformation from agricultural to industrial community occurred through struggle among its new and old social units in France (1789) and through conciliation among their new and old social units in Germany (1848) and Japan (1880). It, therefore, follows that the two theories—one stressing struggle and the other unity as the methodology of change—are one-sided.

Thirdly, the reason why the human social community has so far been characterised by the social relations of domination can be firstly traced to the low level of economic and political development and secondly to Man's gradual evolution from a savage and barbaric culture to a rational, humane culture. With the constant progress of both the scientific-technological mechanism and human knowledge, the margin of social domination has been gradually reduced from slave social relations to serf social relations and then to wage social relations. In the slave period, the dominant or ruling social unit used to control both the scientific-technological mechanism as well the slave social units. In the serf period, the serf social unit got liberation but the scientific-technological mechanism and a part of the serf labour remained under the control of the dominant or ruling social unit, while in the wage period, the domination or control had been further restricted, confining mainly to the scientific-technological mechanism. In the present phase, the margin of domination had been coming further down since the development of scientific-technological mechanism and the level of human social community require the peoples participation in the social process.

Fourthly, the facts show that the nature of Man is bio-social. Both these aspects constitute an integral whole and hence the one cannot be delinked from the other. The biological aspect of Man can be seen from the general human process—comprising of the phases of birth, growth, decay and death—and the particular human processes, like breathing, drinking, eating, eliminating, etc. The social aspect of Man is evident from Man's inability to learn anything without social interaction. For example, while all human beings are born with an articulate speech organ, they do learn language and speech only through the process of social conversation. A human child living among wolves can neither talk nor walk and loses all human social characteristics. Similarly, without the biological organ of articulate speech, no social conversation can teach the art of language and speech to

any non-human species. It, therefore, follows that the concepts, emphasising the nature of Man either as social or biological are one-sided.

Fifthly, there is an equation between the quantity and quality of every phenomenon. Science and experience show that quality resides in quantity and vice versa. For instance, every quality of food contains a given quantity of energy, measured in calories; the number of planetary electrons determines the chemical behaviour of an atom; the addition of one atom to the two atoms of an Oxygen molecule changes its quality into Ozone. Similarly, changes in the quantity and quality of human phenomena go hand in hand. For example, the invention of steam engine in the 18th C, of machines in the 19th C and of computers and robots in the 20th C—all signified changes in the quantity and quality of scientific-technological mechanism, alongwith its social division of labour and consequently the human social community.

XV. Writing's Aim To Understand Reality

(32) The sole aim of this writing is to understand reality on the basis of facts. While searching for the facts, we have tried to keep ourselves free from every pre-conceived notion. In interpreting the facts, we have striven to understand reality by comparing and contrasting various alternative propositions and concepts.

(33) In the exploration of reality, we have made use of both the categories of the subjective (i.e., the instrument of mind) and the objective (i.e., the tools of energy, matter, space, time, etc.) in contrast to natural science which bases itself only on the objective, and mysticism which makes the subjective as its foundation.

(34) We consider our above conception as a model for further study and enrichment. We do not project it as a theory which claims to give an authentic and authoritative account of something.

(35) That is, in brief, with regard to our approach.

08-07-1992

Sustained Development Model Calls For An Agenda

I. Issue

(1) The term sustained development, after its adoption as a social model by the 1992 UN organised World Summit on Environment and Development in Rio de Janeiro (Brazil), is the new buzzword today. So, every international agency and every country has now started talking about it.

(2) The phrase has been in social use, particularly in development economics since about three decades, yet no discipline has ever clearly explained its meaning and limits or made it as its action slogan. Thus, there has not yet been any commonly accepted definition of the concept.

(3) The few, who have recently ventured in this area, have given it their own perceptual colouring. According to the UN appointed 1986-88 Brundtland Commission, sustained development is a development model that meets the needs of the present and ensures that of the future. The environmental fundamentalism defines it as a development that goes back to Nature, while the technological fundamentalism describes it as the one that relies on Technology which can also take care of environment. Bush presents US as a model of sustained development. The European Community and Japan too look upon themselves as respective candidates for such a model. Pakistan, Iran and Saudi Arabia consider pan-Islamism, Shia fundamentalism and Sunni fundamentalism respectively as samples of sustained development. Fidel Castro regards Cuban communism as a sustained development specimen. Congress' Nehruvianism and BJP's *Hindutva* and NF-LF combine's *Mandalwad* too are projected as showpieces of sustained development by their respective protagonists.

(4) Obviously, this conceptual turmoil concerning sustained development model can become clear by looking at the facts of

the ongoing development process in each country as well as the world over.

II. Problematics

(5) A cursory glance over the present development process in each country as well as the world over brings forth the following features.

(a) Firstly, the present development process is characterised by an unprecedented multi-dimensional environmental crisis (as pointed out by the 1992 Rio Summit) which, if not rectified in time, can wipe off the entire biological life from the face of our Earth.

This crisis has been mainly caused by the overproduction of greenhouse gases (i.e., Carbon-dioxide, Chlorofluoro Carbons, Methane, Halogens, etc.) in the developed countries, supplemented by the overpopulation pressure on the natural resources (including forests which are disappearing at the rate of 17 million hectares a year, according to FAO statistics, *Economic Times*, 13-06-1992, P-2) in the developing ones. The excessive greenhouse gasses (particularly CFCs) are resulting in the depletion of the Ozone layer (which protects mankind from the negative effects of Sun's ultra-violet radiation), on the one hand, and leading to the increase in the global warming, on the other. The depletion of the Ozone cover is having negative effects on bio-species and causing serious human ailments (like cancer, blindness, etc.), while the increase in greenhouse gases, by trapping the Sun's heat, is adversely affecting our climate, bringing in changes in the pattern of seasons, food chain, melting of snows, rising of sea levels, acid rains, etc. If the present degree of environmental degradation continues, our planet Earth, according to experts, would become uninhabitable for bio-life in about 100 years.

(b) Secondly, the present development process is marked by the efforts on the part of certain authoritarian regimes in the Third World to surreptitiously acquire nuclear weapons capability, on the one hand, and the attempts on the part of the existing nuclear powers, especially the US, to preserve their nuclear monopoly, on the other—thus continuing the nuclear proliferation threat to human survival even after the end of cold war. This threat, if not managed soon, can involve mankind into a devastating catastrophe. The huge sum (i.e., $1,000,000,000,000) squandered on national military budgets is definitely more than the funds needed to find solutions to world's most acute threats, like environment, poverty, etc. The military expenditure eats up 5.5% (about $200 billion, according to

UNDP Report, 1990) of the GNP of the developing world. In some countries, like India, Pakistan, Peru, Uganda, etc., defence expenditure is at least twice that on education and health. It is indeed, a drain on the economy as it represents neither investment nor consumption goods. In fact, it was one of the causes of the Soviet Union's disintegration and Yugoslavia's break-up.

(c) Thirdly, the present development process is distinguished by an over-population crisis which is posing a very serious challenge to mankind.

For thousands of years, the world's population grew at a snails pace. It took over a million years to reach one billion in 1800 AD. The second billion was added in 130 years, the third in 30 and the fourth in 15 years. During this decade, about 100 million people per year will be added on our planet. Over 90% of the growth is taking place in the developing countries. Where will it end (*Hindustan Times*, 08-06-1992, P-13)? This is a highly critical rate of population growth. If allowed to persist, it can spell disaster for both, environment and mankind.

(d) Fourthly, the present development process has been leading to an ever-increasing economic gap, between the developed and the developing countries and between the rich and the poor, in all countries—thus tending tensions on the world-scale. For instance:

Since 1960, the richest 20% of the world people in the developed countries increased their share of the World Gross Product (GDP) from 70.2% to 82.7%. These countries are now 60 times better off than those where the poorest fifth of the world's people live. The gap between the two groups has grown twice as wide in 30 years (UNDP Report, April 1992).

From 1980 to 1988, developing countries share of the Global Gross National Product (GNP) fell from 25.4% to 20% with declining growth rates, widening the North-South gap. If the performance of a few rapidly growing economies of Asia and wealthy oil-producing states are excluded, the South has witnessed a negative growth (*Hindustan Times*, 03-04-1991, P-15).

Since 1982, the Third World debt has increased from $900 billion to $1,500 billion. At the same time, the developing countries have made debt payments of $1,500 billion, half of which went to interest (*Hindustan Times*, 08-07-1992, P-12).

Restricted access to the world's markets cost developing countries $500 billion in 1990, while the total aid from developed countries in that year, amounted, to $54 billion, (UNDP Report, April 1992).

While the distance between the developed and the developing countries on such indicators of human development as life expectancy, literacy, child mortality, nutritional level and access to safe drinking water has been narrowing, it is widening on income and technological levels (UNDP Report, April 1992). For example:

Twenty percent of the world's population in the developed countries consumes 80% of the world's resources, while the rest, i.e., 80% of the world's population in the developing countries, has to live only on 20% of the world's resources.

In 1971, the average per capita income in developing countries was 10% of that at the North compared to only 5% today (*Economic Times*, 01.06.1992, P-6).

If the income of the world's richest 10% is compared with the world's poorest 10%, the disparity is a 150 times (*Economic Times*, 03-05-1992, P-1).

Some economists accept 1:15 income disparity hypothesis as rational today. But, there is no commonly accepted opinion on this question. Today, in Sweden, the disparity ratio is 1:5; in the US, it is 1:9; in Brazil, it is 1:56; for the world as a whole, it is 1:150.

(e) Fifthly, the present development process has been resulting in the perpetuation of abject poverty in the world, particularly in the developing countries—thus nurturing environmental degradation, on the one hand, and human resources wastage, on the other.

Today, one out of every five persons (i.e., about 1,100 million out of 5.4 billion) lives on less than a dollar a day—the standard of living that Western Europe and the US achieved 200 years ago. A third to one half of the population in South Asia and Africa and a quarter in Latin America live below the poverty line (UNDP Report, 1991).

According to the 1990 World Bank Report, specifically devoted to the study of poverty, more than one billion people, about 1/3 of the population of the developing world, were living on the poverty line (defined by the Bank as $370 a year). The Report shows that nearly half of the developing world's poor, some 520 million, live in South Asia with 420 million in India, 280 million in East Asia and 180 million in sub-Saharan Africa. In South Asia (including India) and sub-Saharan Africa, around 50% of the population is poor. An estimated 962 million of the world's people, of whom, more than 90% live in the developing countries, cannot read and write, less than 10% of the developed world's population is functionally illiterate.

(f) Sixthly, the present development process has given rise to an ethnic crisis in the world. Hardly any country, particularly in

the third world, is free from the ethnic problem, major or minor. This is because no ethnic majority, in the era of nationalism, had given equal share in power to its ethnic minorities. Rather, it had often tried to discriminate against them. Where in any country, the nation-state had been a democratic one, there the problem had been peacefully resolved through autonomy within a federal set up (e.g. Switzerland, Canada, Belgium, etc.). But, wherever the minorities had been discriminated against or cruelly treated, there the ethnicity has assumed a threatening posture. The disintegration of the Soviet Union and the break-up of Yugoslavia have provided further impetus to ethnicity and the existence of small states (35 with a population of one million and nearly 40 with populations varying from one to five million) further induces it to aspire for sovereign status.

(g) Seventhly, the present development process is now being shaken by the contradiction between a newly emerged global division of labour, on the one hand, and its continuation of the old centre of authority in each nation-state, on the other. The global division of labour, which has already transformed the national problems into global ones, demands an effective global management centre with a global agenda and global priorities, while of the 178 national power centres, conditioned by their respective national orientations, each goes on pursuing its own national agenda and national priorities. This dichotomy of the present developmental process has been causing disorder of various categories, particularly ethnic, economic, etc., in different regions of the world.

(6) Thus, it can be seen that, despite all the claims made by the proponents of various ongoing national models, the present developmental process in each country as, well as the world over has been in the grip of serious social imbalances (or unsustainable features). On the basis of these imbalances, no sustained development process can be developed. Hence, in order to respond to this undesirable phenomenon in a rational manner, it is necessary to identify its causes.

III. Causes

(7) The afore-mentioned unsustainable features of our present development process, both at the international and the national levels, have not suddenly fallen from above or abruptly arisen from below. They are the direct results of certain doctrines and their application to the development process.

(A) Approach Towards Nature

(8) The first doctrine underlying the unsustainability of the present development process has been the human approach towards Nature, persisting since the very beginning of the human social organisation. The central point of this doctrine has been the human assumption about the infiniteness of Nature, on the one hand, and Man's centric position in that infinite existence, on the other. All types of ancient theories, including the supernatural ones, had spoken of a divinely created limitless existence with man as its supreme product. The 19th century born Marxism too holds Nature as inexhaustible (having neither any beginning nor end) and Man as the maker of his own history by "opposing himself to Nature". The various Western Liberal Schools of the 19th and the 20th centuries are also one in stressing Man as a unique phenomenon in the system of Nature.

(9) The general human approach of the boundless character of reality and the primary position of Man among the whole creation has been a one-sided view of Nature which, according to the latest scientific facts, is limited in matter, space and time and marked by the interdependence and interaction among the different natural processes through a two-sided method of unity and struggle. Such an approach was bound to lead to distortions in human thinking, behaviour and organisation. Thus, the whole process of human social organisation—i.e., the various human social stages of the clan, tribe, religious community and nation—shows that Man has always tried to advance human cause at the cost of other non-human phenomena. Upto the 19th century, human approach towards Nature could not cause any major harm to the latter because Man knew too little to exploit the different elements of Nature. But, as soon as human knowledge of Nature began to advance, Man, particularly in the developed world, started to apply it to the overuse and abuse of Nature. This, coupled with the pressure of increasing population and poverty in the developing countries on the natural resources, resulted in the environmental degradation, now posing a threat to mankind. But the way to hell had been paved unknowingly, with good human intentions.

(10) However, despite its one-sidedness, the old human concept of Nature has been again made the starting point of the Rio Declaration whose first point declares that "human beings are at the centre of concerns for sustained development. They are entitled to a healthy and productive life in harmony with Nature". If the traditional human concept of Nature remains in place, it is bound to reflect in our thinking, practice and organisation.

(B) Approach Towards Social Development

(11) The second doctrine underlying the unsustainability of the present development process has been the human approach towards social development which emphasises the role of the genius as primary in the making of history, while relegating the peoples role to the secondary place. All types of traditional theories have projected this idea. The various Western Liberal theories too advocate it. The Marxist School, while projecting the thesis of the people as historymakers, simultaneously negates it by putting forth the counter-thesis of the vanguard role of the Communist Party led by an omnipotent leader (who ultimately alone emerges as the peoples liberator). Such a one-sided approach towards people has inevitably led to distortions in human thinking, behaviour and organisation towards the human resources.

(C) Approach Towards Capital

(12) The third doctrine underlying the unsustainability of the present development process has been the human approach towards capital. Both the Liberal and the Marxist concepts—the former emphasising the primacy of technique and the latter of labour in the capital formation—are one in resorting to the same type of practice which focuses at the maximisation of capital generation (a process always and everywhere carried through the utilisation of both the technological and human factors), without adequately compensating the used technological and human resources. Obviously, this ultimately leads to the overuse and the abuse of natural resources and the neglect of human resources.

(D) Other Lackings

(13) The other lackings responsible for the unsustainability of the present development process include, the mismanagement, inefficient use of resources, over-consumption, poverty, corruption, etc., which too, in certain conditions, play a crucial role.

(E) Primary Factor

(14) Lastly, but most importantly, the primary factor underlying the unsustainability of the present development process is Man's delay in undertaking appropriate adjustments or proper structural changes in the prevailing national concepts, styles and institutions, corresponding to the newly emerged global division of labour. The new division of labour, born out of the post-1945 scientific-technological revolution, is characterised by its

nationally interdependent nature which has led to the transformation of major human problems—environmental degradation, nuclear proliferation, space and oceanic research, peace and war, human rights, capital, labour, market, poverty, unemployment, equity, social justice, etc.—from national into global ones.

(15) The globalisation of major human problems, firstly, demands a conceptual change of viewing social phenomena and determining social priorities from a global perspective in place of a national or any other traditional angle (i.e., racial, communal, casteist, regional, etc.) at all social levels.

(16) Secondly, it demands the establishment of an effective global centre, based on the democratic principle, to manage the various global processes. The present UN, formed on the basis of nationally dominated 1945 world reality, if democratically restructured in accordance with the new interdependent nature of the world, can be such a global centre. But the national approaches and national priorities of different countries, especially the big powers, are acting as a hindrance to the proper reforming of the UN.

(17) Thirdly, the globalisation of major human problems demands a thorough democratisation in all walks of life in every country.

(18) In the absence of an effective global centre, each country, corresponding to its social knowledge and material growth, is trying to adjust itself to the global division of labour. In most of the countries, the global restructuring process is proceeding in a peaceful way, but in some where the dominant group is resorting to authoritarian methods or reluctant to make required democratic reforms, this process has turned out violent, sometimes resulting in the destabilisation of the whole (e.g., the Soviet Union, Yugoslavia, etc.) or a part (Somalia, Sudan, etc.) of the one or the other country. From the events now taking place in different countries of the world, it is quite evident that, in the post-cold war period, the road to a country's progress lies not in internal centralism and external confrontation but in internal democratisation and external cooperation and friendship with the neighbouring countries.

(19) There is nothing extraordinary in the momentous changes, both positive and negative, now taking place in our world. Every newly emerging order in the past had to traverse a zigzag path in order to establish itself.

IV. Options

(20) Identifying the problematics and its causes inevitably leads us to the question what should be done.

(21) The Agenda 21, running into 800 pages and containing the outline of a sustained development model, as chalked out by the UNCED, is a catalogue, mainly emphasising environmental and developmental suggestions, while ignoring the political and cultural factors. But, no social model, whether sustainable or unsustainable, can be constructed without political and cultural inputs. This is, because important changes in one sector (e.g., economy) demand corresponding changes in other sectors (e.g., politics and culture).

Besides, Agenda-21 is riddled with many problems, For instance, the North has refused to commit itself to the required financial resources for sustainable development and the US has declined to discuss its consumption patterns and sign the Bio-diversity Treaty.

(22) The Western Liberal Model (stressing free market and unbridled consumption as the engine of growth) has recently been countered by the Japanese and the Asian Pacific Model (i.e., South Korea, Hong Kong, Singapore, etc.) which, by integrating free market and state intervention, has brought forth a more efficient developmental pattern. The British journal, *Economist*, in the November 1991 survey report had predicted that the Asia Pacific Rim is going to be the most developed area of the world, leaving the US and the Western Europe behind in the next century.

(23) The Communist Model (emphasising the irreconcilable enmity between capital and labour) has since proved inadequate as shown by the far-reaching changes in the socialist countries.

(24) The Third World propositions, like the North-South divide, the US as the villain of piece or similar confrontationist themes (such as the South-South cooperation, dependency syndrome, etc.) are merely the diluted versions of the old imperialist or neo-colonialist theses which one-sidedly lay stress on hostility against the developed world, while rejecting the aspect of cooperation, and which too have been discarded by the process of social development.

Some of the Third World nations' general contention—that the North is chiefly responsible for the South's backwardness and poverty—does not fit with facts. For example, if, for argument's sake, we accept the idea of the North being the cause of South's

backwardness as a reality, then why did the Asia Pacific countries (South Korea, Hong Kong, Taiwan, Indonesia, Malaysia, Thailand, Singapore, etc.) have made big strides in economic development, despite their internal authoritarian structures and external subservience to the US and the West? If the further argument is that the small sizes of these countries helped them achieve a high growth rate, then the question arises as to why the small countries, like Maldives, Bhutan, Nepal, etc., could not break the grip of their respective backward shells? If it is further alleged that the MNCs were responsible for keeping the Third World backward, then why the US and the West European MNCs could not throttle the post-1945 economically shattered Japan's march towards becoming the world's number one economic power and why 700 MNCs, now operating in Singapore, have not been able to swallow this tiny country with one-third of Calcutta's population.

Which of the Third World countries had made any significant economic progress either in cooperation with the former socialist camp or on its own? Which of the non-aligned or anyone of the group 77 countries today presents a viable model of development?

The logical answer is that the Third World ruling circles themselves are mainly responsible for the developing countries' economic plight. They have wasted the meagre resources of the South by building their respective national defence systems and waging nearly 200 wars, big and small, among themselves in the post-1945 cold war period. They have erected an economic structure in which the rich ride roughshod over the backs of the people. Always giving top priority to achieve and retain power, they have continuously indulged in vote bank rhetorics and hardly given any serious attention to the mass problems, like poverty, unemployment, inflation, illiteracy, lack of medical care, unsafe drinking water, etc. Today, their authoritarian and corrupt politics is the main hurdle in the Third World countries' development process. Unless this unscrupulous politics and its practitioners are overthrown, the opening of the road to the Third World progress remains a highly difficult task.

(25) This, however, does not mean that the developed countries, MNCs (and old-style colonialism), etc., have all been the driving forces of the present world development, as often claimed by the liberal school. But, neither have they been negative historical phenomena, as posed by Marxism-Leninism. Their concrete role, positive as well as negative, is related to each

given situation and cannot be abstractly assessed in a vacuum.

True, in the exchange process between the developed and the developing countries, the former are able to extract a bigger share than the latter, as has often happened in the interactions between the strong and the weak. But this unequal relationship is not a permanent state. It can be changed into an equal act through the efficient and sustainable use of available resources and ensuring international standards of cost and quality control, as done by Japan and some other Asian Pacific countries. Hence, to identify the North as the main culprit for South's troubles is a misconception.

(26) Another option, i.e., the voluntarist one, which stands to let the events take their own shape, lacks a logical basis. So, a rational option is, and can be, to find out the solution on the basis of the problematics of the present development process and their causes, both of which highlight the need for the restructuring of all aspects of the present development process in accordance with the newly emerged reality of the global division of labour.

V. A Rational Alternative

(27) How is a rational alternative to be determined? There are no hard and fast rules, but history does suggest that any social phenomenon that balances the possible (the immediate reality) with the desirable (long-term reality) is socially rational.

The world situation as it is emerging today is characterised by one of growing political multi-polarity and the increasing economic regional marketisation—with a UN striving to acquire necessary authority to cope with the post-cold war problems, on the one hand, and the nation-states resisting to surrender any additional power to the UN, on the other.

The signals from the long-term reality (i.e., the interdependence of countries) point towards the gradual emergence (passing through various phases) of a global order, based on a single global centre, with nation-states as subordinate units.

Thus, the matching of the above-stated two realities brings forth the logic that, in the present stage of world development, a sustainable development model can be quasi-national and quasi-international, that is, an interdependent national model.

(28) Proceeding from its quasi-national and quasi-international nature, the sustainable development model's broad structural parts may comprise of the features, as indicated below.

(A) Concept Of Sustainable Development Model

(29) Briefly stated, the term sustainable development, in its literal meaning denotes growth that can be maintained or kept going. But this is too general a definition to give a concrete sense.

Since the category of development, in social terms, deals with two basic factors—i.e., the natural and human resources—any explanation that ignores them or emphasises only one or the other factor does not provide a proper perspective.

Thus, put in a rational way, the sustainable development model may be stated as a mode of social life that takes proper care of environment (or natural resources), on the one hand, and develops the human resources, on the other. Obviously, such a model is, and can be, a common concern of mankind.

(B) General Orientation And Perspective

(30) Being the common concern of mankind, the general orientation of the sustainable development model is, and can be, international democratism or rational humanism. That is, an orientation which views all national problems from an internationalist democratic angle.

(31) Corresponding to its general orientation, the perspective of the sustainable development model is global democracy, based on the rule of law, sustainable development and value based standards of behaviour. Thus, the basic divide in the present day world is that between global democracy and all types of authoritarianism.

(C) Methodology

(32) The methodology of the sustainable development model comprises of a two-sided movement—i.e., 'bottom up' and 'top down'.

'Bottom up' means to involve and empower the people, particularly women, in the development process and the decisions (such as political and civil rights, poverty, unemployment, inflation, inequality, etc.) which affect their lives.

'Top down' implies to make the politicians, specialists, administrators, etc., accountable to the people.

The two-sided movement of empowering the people and making high ranking accountable to the lower ranks will motivate the people to actively contribute in the development process.

No sustainable development model can be viable today without motivating the whole people.

(D) Politics

(33) (a) The key political principle of the sustainable development model is the establishment of a fair and just world order on the basis of the rule of law.

(b) Its over-riding political priority is the question of human rights as contained in the 1948 UN Declaration of Human Rights and the two 1966 UN Covenants—one on Civil and Political Rights and the other on Economic, Social and Cultural Rights.

(c) Its priority concerns include: the education of the Legislators and the entire administration (particularly the police and the security forces) about the rule of law, human rights, equality to minorities in all walks of life, honesty, efficiency, etc., on the one hand, and create full awakening among the general public about their rights and duties, on the other.

(d) Internationally, it stands for:

* Democratisation of all global political institutions, particularly the UN and its various agencies in regard to the UN Charter and its structural and voting pattern.

* Redefining of the UN concept of national sovereignty within a proper time and then renaming the UN accordingly.

* Convening of a UN World Disarmament Conference for the complete banning of all nuclear and other deadly weapons.

* Resolution of all intra-national regional disputes, including the border problems, through the UN mediation. In case of non-resolution on disputed territories, the latter to be placed under the UN control until the two sides found a way out.

* Settlement of all civil conflicts in different countries through dialogue and negotiations, with an obligation on the part of each country to provide full information to the UN.

* Observance of the UN Declaration of Human Rights and its two Covenants by all member states.

* Establishment of a UN Human Rights Watch (if possible, by integrating Amnesty International, London, Human Rights Watch, New York and other human rights agencies) for monitoring the observance of 1966 UN Covenant on Civil and Political Rights by the member states.

* Acceptance of World Court's decisions as mandatory by all member states.

(e) Nationally, it advocates a thorough democratisation at all levels by amending the constitution and other relevant laws on the following principles.

* Federalising of the state structure.

* Decentralising of power at all levels.

* Ending of all emergency powers vested in the executive.

* Ensuring of equal rights to all minorities (with full autonomy in any area or region where they are in majority).

* Restructuring of the entire judicial system for ensuring the independence of judiciary and providing simple, cheaper and speedier justice to the people.

* Reform of the electoral law and rules to ensure the democratic functioning of the parties by their observation of the twin principles of accountability to the people and a value based code.

* Adoption of the Freedom of Information Act.

* Handing over of the broadcasting and the telecasting operations to an autonomous body,

* Abrogation of all detention laws.

* Reforming of the jail system.

* Abolition of capital punishment.

* Repeal of all undemocratic laws, such as Official Secrets Act, Contempt of Courts Act, Constitutional provision providing special privileges to members of the Legislature, the law empowering the army to set up its own courts.

* Rationalisation of the Administrative Services.

(E) Environment and Development

(34) (a) The key environment and development principle of the sustainable development model is the improvement in the quality of the environment (natural resources), on the one hand, and the human resources, on the other, by globalising the economy, based on a judicious mix-up of market mechanism and the state planning, on the other.

(b) Its over-riding priority is the adoption of sustainable patterns of production and consumption.

(c) Its priority concerns include: pollution control and development of forests, water and land resources, bio-diversity, etc., on the one hand, and the promotion of basic education, primary healthcare, safe drinking water, nutrition programmes, productivity level, exports sector, cost reduction, quality improvement, etc., on the other.

(d) Internationally, it stands for:

* Globalisation of all national economies.

* Establishment of a high-powered UN Sustainable Development Council to act as a global authority for the improvement of natural and human resources. It would enact

fundamental international reforms in regard to environment and development (such as code for MNCs and currency trading, rules concerning forests, etc.) and monitor their implementation.

* Setting up of a UN Economic Human Rights Watch for monitoring the observance of 1966 UN Covenant on Economic, Social and Cultural rights.

* Democratisation of all global financial institutions, such as IMF, World Bank, etc.

* Implementation of ILO's entire conventions by the member states.

* Introduction of a system of participatory labour by providing representation to labour in management alongwith a new payment method of half-wage and half-share—thus bringing in a new type of incentive to labour productivity.

* Taking of a global initiative for ecological regeneration by raising a global fund contributed by each country according to its economic level and per capita GNP. It should be used to provide employment to almost all able-bodied unemployed in the Third World by engaging them in the ecological regeneration programme (i.e., reforestation, developing water and land resources, etc.) at a survival wage. It would create a basis for sustainable livelihoods by stopping the peoples' flight from the rural to the urban areas. Such an initiative would help eradicate unemployment and poverty on the one hand, and develop environment, on the other.

* Introduction of international standards for pollution control

* Reduction of 10% in annual military budget by each member state during the 1990s under the supervision of the UN Sustainable Development Council.

* Creation of a UN Taxation Authority to mobilise the necessary resources, for the UN and its various agencies by framing a system of global taxation, such as taxes on international trade, weapons, use of natural resources, like oil, coal, pollutants, communication satellites, air travels, Antarctica mining, sea-bed mining, oceanic transportation etc. The UN General Assembly would devise the scheme for the distribution of global revenues between the UN and the member states in which the least developed countries be given special concessions.

* Convening of a North-South Conference on environmental and developmental issues, such as, the elimination of economic gap between the developed and the developing countries and between the rich and the poor in each country, especially the developing ones, a proper resolution of the conflict between the North's

'burden sharing' and the South's 'resource sharing' concepts concerning environment, efficient and sustainable use of existing natural and human resources, changing of over-consumption as well as under-consumption patterns and lifestyles in the North and the South respectively, adequate capital flows and technology transfers on concessional terms from the North to the South, promotion of environment-friendly technologies, debt relief, market facilities, fair commodity prices, etc., for the South.

(e) Nationally, it advocates:

* Provision of proper facilities to foreign capital in accordance with the international and national conditions.

* Diversion of fund's from unproductive to productive purposes.

* Investing of at least 2% of the GNP in the sphere of research, both basic and applied, in science and technology, modernisation of technology and making use of appropriate technology.

* Sharing of appropriate skills and technologies with the neighbouring countries.

*Providing of productive employment (which helps build productive assets) instead of relief type employment.

* Placing of greater emphasis on infrastructure, particularly on energy generation, in the developing countries

* Organising of a public-private controlled joint sector.

* Provision of help to unorganised sector.

* Ensuring of total quality control in the production of standard goods and their marketing, particularly concerning goods produced in the unorganised sector.

* Restructuring of the rural economy by carrying out the deferred land reforms and organising agro-industry.

* Provision of rights to work, need based living wage, housing, maintenance in old age and also in case of complete or partial disability, to universal basic education, primary healthcare, 35 hour working week, etc., for developing the human resources.

* Reorganisation of the present tax system, shifting from taxing goods, services and incomes to taxing energy use, pollution and other activities that damage the environment.

* Ensuring of women, students and NGO's participation in environmental work.

(F) Culture

(35) (a) The key cultural principle of the sustainable development model, emerging from its global nature, is global

democratism or rational humanism which upholds the linking of theory with practice or ends with means.

(b) Its over-riding cultural priority is the cultivation of a rational behaviour, expressing itself through a democratic work culture or democratic mores and ethos.

(c) Its priority concerns include: literature, art, science, literarcy, public health, civil and economic rights, etc.

(d) Internationally, it stands for:

* Separation of state from religion.

* Emphasising of the principle of unity in diversity and encouragement of all shades of culture within the global family of man.

* Ensuring of full freedom to minorities to enjoy their own culture, profess and practise their own religion or use their own languages. Prohibition of discrimination on any ground, such as race, colour, sex, language, religion, politics, social birth, property or other status.

* Encouragement of a sustainable lifestyle in place of over or under consumerist one.

* Defining of a global value system by the UNESCO.

* Establishment of a UN Honesty Watch to investigate into corruption cases brought to its notice and also to follow up reports from the media or inside whistle-blowers of dubious money and bribes on international and national levels.

* Taking of proper steps for the development of art, literature and science, with emphasis on global cooperation in these fields.

(e) Nationally, it advocates:

* Realisation of the right to education by pursuing a time-bound action plan to accomplish universal literacy.

* Undertaking of a time-bound scheme to ensure the right of attaining a good standard of physical and mental health to everyone.

* Giving of special attention to mother and child-care.

* Granting of specific rights to the weaker sections, especially the women.

VI. To Summarise

(36) The human community today faces a highly formidable new historical task of transforming the present unsustainable development process into a sustainable one. Its success or failure depends on how, in the given post-cold war situation, it addresses the unsustainable features of that process. Evidently,

any recourse to traditional themes, befitting to their respective times, can spell disaster. The key to success lies in acting according to the present conditions to meet the needs of the newly emerged general reality (i.e., the rise of an interdependent division of labour among nation-states or the globalisation of human problems) which, in brief, demand a globally oriented democratic restructuring of human thinking, behaviour and organisation from a village to the world level—thus carrying human social organisation to a new stage in history.

15-09-1992

Emerging Global Reality—Implications And Options

(1) Even a cursory glance is sufficient to show that the world of 1992 is considerably different from the one we had just faced in 1991. Indeed, so fast and unexpected had been the pace of change in the past 5 years after the termination of the cold war that it had left bewildered not only the global audience, but also the global actors.

I. Multi-Dimensional Reality

(2) As we today look around the globe, 7 significant features of the multi-dimensional social reality stand out in bold relief.

(A) Declining US Role

(3) Firstly, the sole superpower, the US, is in multiple troubles.

Economically, it is being troubled by serious financial difficulties. For instance, the US economy, with a $5 trillion GNP, is running a debt of as much as $3 trillion[1] (including a foreign debt of $400 billion). This is in addition to the $281 billion federal budget deficit, the second largest shortfall.

The budget deficit is accompanied by the deficit on the current account of the US balance of payments. These twin deficits, lowering the US productivity vis-à-vis Japan and Germany, have weakened the US economic competitiveness.

Growing foreign indebtedness and interest payments, coupled with foreign takeover of US productive units, have radically shifted the balance between the US overseas investment and foreign investment in the US.

Between 1980 and 1987, foreign capital accounted for $1.54 trillion in investment in the US as against $1.17 trillion in the US investments abroad.[2] But, after 1987, the US invested a sum of

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[1 & 2] *Financial Express*, 12-01-1992, P-8

$96.4 billion abroad, while foreign capital investment in the US accounted for $95.4 billion.[3]

In the past three years (1988-91), 12% of the manufacturing assets in the US and 17% of treasury securities have been owned by foreign capital.[4]

Another aspect of the US economic decline is heavy cuts on important sectors like education, housing and environment. Between 1980 and 1988, expenditure on education has been cut by 63%, on housing by 81% and on environment by 100%.[5]

Today, the average wage of an American wage earner is what it was in 1975.[6] The bottom 40% of Americans have less revenue after income tax than in 1979.[7] Some 22% of American children live in poverty.[8] Almost one in ten Americans relies on food stamp which is a mark of poverty in the US.[9] Some 40% of all 18 year olds enter the US labour market with a minimal of skills.[10] Twenty percent of US employees have no insurance, while 40% have no pension plans.[11] While 33% of blacks live in poverty, 11% of whites join them.[12] Between 1979 and 1989, the top one percent improved incomes by 75% while the bottom 20% saw their incomes drop by 4.4%.[13]

In the political sphere, the various media surveys show widespread disenchantment, with traditional politics resulting partly from devalued political norms and partly from economic deprivations.

Socially, there has been an increase in the internal incoherence in the US as illustrated by the growing White-Black divide and the recent racial riots in Los Angeles.

On the environmental issues, the US is out of step with the entire world community, though the environmental problem is likely to be the global problem for generations to come.

All the above imbalances undermine the US capacity to act as a superpower.

(B) West—A Divided House

(4) Secondly, following the disintegration of the Soviet Union and the consequent change in the global context, the West is a house divided in itself over the long-term global objectives, despite the display of short-term unity in certain matters. For instance, in the political sphere, the US global strategy, as reflected by the Pentagon's May 1992 "Joint Military Net

[3 to 5] *Financial Express*, 12-01-1992, P-8
[6 to 13] *Indian Express*, 06-01-1992, P-7

Assessment" (JMNA), published by the US Secretary of Defence and forwarded to the US Congress, emphasises the US national resolve to throttle all attempts by different states to emerge as rival global power centres, while France and Germany stand to build European Europe with its own European Army and thus push the US quietly out of the European defence.

In the economic sphere, the difference between the US and the European Community on agricultural subsidies has stalled the Uruguay Round of GATT talks. By deciding to double tariffs on $1 billion worth of EC food imports, the US has declared a trade war on European Community. Despite unanimous demand by all its Western allies, the US has not accepted to reduce its budget deficit. Similarly, Germany has refused to lower its interest rates, as demanded by the rest of the European Community members.

Already, the US and Japan are trying to create their respective regional trade blocs. The US has formed NAFTA in alliance with Canada and Mexico, while Japan is engaged in setting up the East Asian Economic Caucus (EAEC) which includes the Asian Tigers and China.

In the US, sizeable sections consider Japan and EC as future US rivals. There is little possibility of any US-Japan patch-up on their mutual differences concerning Japan's favourable balance of trade with the US. Now Japan desires to secure a leading position in the global power structure on the basis of its own strength, instead of depending on the US patronage. Hence Japan is making all-out efforts to become a permanent member of the Security Council, get its rights in the IMF and the World Bank according to its economic weightage and attain a global military stature by raising its own army.

Within the European Community, the thrust for a common currency and a single bank is encountering difficulties. In Britain, the ruling Conservative Party is divided on the issue.

The world is already at the threshold of a new balance of power system. The US, Japan, Germany, China, France and Britain constitute the main players in the new configuration.

(C) Global Economy In Disarray

(5) Thirdly the global economy is in disarray. While the developed countries are in the grip of economic recession, the majority of the developing countries are struggling with the problems of sheer survival. This bitter reality is reflected by the

whole range of economic events.

The US, Germany and Britain are running the highest budget deficits in the world, but their economies remain mired in low-growth and depressed employment rates. The traditional economic devices—balancing the budget and lowering interest rates to boost growth and employment, to raise interest rates and reduce money supply to control inflation, etc.—have not worked.

The 1991 Fund Bank Bangkok meeting's assessment—that the lack of economic activity in the developed world was a cyclical downturn which will be followed by an upturn—had been belied by the actual events in 1992. There was a recession and increased unemployment not only in the US but also the entire Western economic belt.

To make matters worse, there has occurred turbulence in the foreign exchange markets. The continuation of this turbulence has introduced high level of uncertainty into exchange rates and interest rates—distorting international investment flows.

The adverse consequences flowing from the dismal growth in the developed countries are already apparent in the slowing down of world trade, low commodity prices, increasing protectionist pressures, threats sparking trade conflicts, etc.

In such a situation, it was highly difficult to rely on global capital market—which had been the main mechanism of capital flows in recent years—until the markets functioned properly.

The South goes on demanding a New International Economic Order based on equity and social justice, while continuing the traditional forms of the domination of the strong over the weak and of the rich over the poor inside the developing countries.

As regards the economic performance, there have been wide variations in the developing world. The economic growth of the Asian countries as a whole had been above global average, but much of this growth had been contributed by the fast developing economies of the Asian Pacific countries—Japan, South Korea, Hong Kong, Taiwan, China, Indonesia, Thailand, Malaysia, Singapore, etc. In South Asia, the adjustment process has slowed down the growth rate. Africa faces a bleak situation, with falling per capita incomes and rising debt burdens.

There are different trends in Russia, and Eastern Europe, Poland Czechoslovakia and Hungary are gradually coming up, with rising output, increasing exports and falling inflation. In Romania, Bulgaria and Albania, the situation needs further improvement. The Russian position continues to be uncertain, with hyper-inflation

rocking the entire economic restructuring agenda.

The performance of the Latin American countries had been below average but better than African and South Asian countries.

Making a pessimistic forecast, the 1992 World Bank report says that the recession in the North was undercutting the chances of the poor to come above the poverty line. According to it, there will be no decline in the global poverty. The number of absolute poor in the world at the turn of the century would be higher than in 1980s. In other words, poor are going to be in a worse state than before, the World Bank report predicts.

(D) Ethnic Upsurge

(6) Fourthly, the post cold war world is gripped by an ethnic upsurge, including ethnic armed struggles raging in some countries, which has become a major threat to multi-ethnic nation-states.

The term, 'ethnic', has not yet been defined by the UN or some other international agency. In its literal meaning, the word denotes a group of people having a common historical background, with common mores and ethos. It lends itself to use in varied contexts—racial, lingual, regional, cultural, religious, etc.

The basis of ethnic conflict lies in the exclusive domination of the ethnic majority over the power structure and the unfair and unjust nature of its distributive mechanism—resulting in discrimination against ethnic minorities. The ethnic conflict is often aimed at securing the right to self-determination by an ethnic minority.

Though the UN had since accepted 'the right of people to self-determination' in its 1966 Covenants On Human Rights, it had yet nowhere clarified as to what constitutes the people. Even previously no global or national forum had ever explained the precise meaning of people who are eligible for the right to self-determination. Inevitably, this has given rise to an all-round confusion on this crucial issue.

Given this background, the US and other Western countries, blinded by their respective national interests, opened the pandora's box of ethnicity in the Soviet Union and Yugoslavia, leading to the latter's disintegration and the opening of a general road for the breakup of all composite nation-states. This may extract a very high price from the world people in general and the concerned people in particular. Had the US and its allies acted wisely, the ethnic problem in the Soviet Union and Yugoslavia

would have been solved amicably and without much bloodshed.

Already, the break-up of Czechoslovakia has come up on the ethnic agenda.

(7) Prior to 1991, the logic of cold war on superpowerism and before that the rules of colonialism did not permit secession from a nation-state. Bangladesh and Singapore had been the two exceptional cases of separatism in the entire history of nation-states. In the post-second world war period, none of the various secessionist movements—such as the demands for the independence of Azerbaijan (comprising of parts of Iran and the former Soviet Union), Kurdistan (including Kurd areas in Iran, Iraq, Syria and Turkey), Katanga in Congo (Zaire), Eritrea (now independent) in Ethiopia separatist struggles in Burma, Philippines, etc.—could get any international support and was finally suppressed by the concerned nation-state.

Today, many countries around the world are faced with ethnic problems. Even the developed countries are not free from the minorities' question, e.g., Quebec question in Canada; problems of Northern Ireland, Scotland and Wales in Britain; issues of Corsica and Brittany in France; Basque problem in Spain; etc.

The situation in regard to the Third World, particularly in the multi-religious countries, is worse. Cyprus, Sudan, Chad, Nigeria, Eritrea, former Soviet Central Asian Republics, Pakistan, India, Sri Lanka, Burma, Philippines, China, etc., are a few examples.

(E) Rise Of Religious Fundamentalism

(8) Fifthly, the growth of religious, particularly Islamic, fundamentalism is another factor to be reckoned with in the post cold war period.

Fundamentalism denotes the use of religion for a political purpose or for attaining power. It claims to stand for restoring the final authority of the Holy Scriptures and the rejection of all rational thought and institutions.

Though fundamentalism claims to reshape the world in the light of holy scriptures, it, in fact, adjusts its fundamentalist doctrines to the existing modern processes—resulting in a hybrid type of modernism which combines latest technological facilities (i.e., electronic gadgets, telephone, transport, electricity, drugs, dress, etc.) with primordial practices and doings (e.g., Iran, Saudi Arabia, etc.).

The phenomenal development of Islamic fundamentalism today constitutes a challenge to the world democratic process. The Islamic belt which can fall under its influence includes the

former Soviet Asian Republics, Turkey, Afghanistan, Iran and Pakistan. Algeria and Sudan, not contiguous to this belt, are also having strong fundamentalist movements.

The experience shows that Islamic fundamentalism is particularly strong in those countries where authoritarianism and the denial of dissent have been the general rule (e.g., Algeria, Egypt etc.). The outlawing of the Islamic movement, instead of causing it any harm, has often provided it a new halo to cash in (e.g., Algeria, Tunis, Morocco, etc).

The basis of the emergence of fundamentalism has generally been the popular disaffection, often generated by economic malaise or political deprivation. The Islamic militancy does not pose any threat to states which have economically done well (e.g., Malaysia, Indonesia, etc.).

However, the growth of Islamic fundamentalism, instead of uniting the global Muslim community, has caused new fissures even among the fundamentalists in each country (e.g., the armed contest between fundamentalist groups in Afghanistan, sectarian fights in Pakistan, etc.) and also among fundamentalist countries (e.g., strained relations between Iran and Saudi Arabia).

In the entire Muslim world today, a sharp ideo-political struggle is taking place between two schools of thought—the liberal and the fundamentalist—on the question as to how the recent global changes be properly answered.

(F) Change In Global Power Structure

(9) Sixthly, there has occurred a great change in the post cold war global power structure. With the disintegration of the Soviet Union, it simply seems as if the world has become unipolar. But this is merely a static reaction. A dynamic view clearly shows that, in military terms, the post cold war world has a five-polar power structure, with one nuclear pole standing in each of the five nuclear states (i.e., the US, Russia, China, Britain and France), while, economically, it has a tri-polar basis, having one leg in the US, another in the European Community and the third one in Japan.

The thesis of a unipolar world fails to explain the fact as to why the supreme superpower, the US, is helpless to enforce its prescription in Afghanistan, Central Asia, Bosnia-Herzegovina, Nagorno-Karabakh and other trouble spots, why it stood as an odd man out of the world community at the recent UNCED Summit Meet in Rio de Janeiro (Brazil) and why Bush is losing ground to his presidential rival on the charge for concentrating

too much on the global matters and paying too little attention to the US economy.

No doubt, the US still remains a formidable power, militarily, economically and technologically. But, it lacks the capacity to perform the role of a supra-global leader. Hence its writ does not run all over the globe and it alone cannot set the agenda for the whole world. The era of US leadership is coming to a close and a new global epoch is emerging.

(G) Global Reality vs National Response

(10) Seventhly, the process of the interdependence of countries (the basic dimension of reality), stirred up by the new scientific-technological revolution, has resulted in the transformation of the major human problems (i.e., environment, development, ban on nuclear weapons, disarmament, population growth, poverty, gap between rich and poor countries and people, capital, labour, market, space and oceanic research. etc.), while man's problem management mechanism continues to be national. The globalisation of problems demands new priorities (e.g., total ban on nuclear weapons, linking of disarmament with development, sustainable forms of production and lifestyles, strengthening the UN powers, etc.), but the nation-states refuse to oblige. The globalisation process needs common initiatives and common responses on different issues, but 178 nation-states function through varying devices. This disharmony between the human needs and human responses is continuously creating various types of disorder, now shaking the human community one after the other.

II. Implications

(11) The above-stated multi-dimensions of the existing global reality help us in clarifying many of the new or old ideological misconceptions. These may be stated as follows.

(A) Incompatibility Of Superpowerism

Firstly, the multi-dimensional global reality implies that superpowerism is incompatible with globalisation. This is, because an interdependent world needs sustainable development and not militarism as its first priority. Superpowerism, by virtue of its hegemonic nature, shirks to comply with this rule. It generally tries to tag development with its top priority of militarisation. The process finally leads to the

tumbling down of the superpower itself.

The collapse of the Soviet Union occurred, because it first refused to carry out the needed political-economic reforms in time and later responded with a hesitant and confused policy which continued to retain the top militaristic priority intact.

Retrospectively, the process of the Soviet superpowerism had been, from the very beginning, characterised by a basic contradiction. That is, while it had developed the military capacity necessary for becoming a superpower, it never possessed the economic capability to sustain it. The contradiction first brought in economic stagnation (1960s) and then economic deterioration (1970s and 1980s) as the Soviet Union tried to perpetuate a military status it could ill afford. Thus, the collapse of the Soviet Union was not due to any military failure, but because of the overstretching of its economic resources.

Judging the US in the light of this criterion, it can be seen that, just like the Soviet Union, its economic decline had been going on well over 1-1/2 decades (when the US dollar was delinked from the gold standard in the early 1970s). All its traditional economic devices—first maintaining the high value of the dollar, then raising the interest rates and later lowering them alongwith perpetual budgetary and trade deficits since 1980—to halt the economic decline have failed to click. While facing the chronic economic problems, the US has continued to pursue the same superpowerist line as had been earlier followed by the Soviet Union. That is, the line of adjusting development policies to the top priority of maintaining a superpower stature. So, the writing on the wall is very clear. That is, one superpower has disintegrated, the other is on the way out.

In the present-day world, the problem of security still remains an important concern of the world community. So, every country is interested in its proper solution, preferably on a collective basis, either under the aegis of the UN or within a reasonable regional arrangement. But, no one wants a superpower umbrella. That is why, today neither the European Community requires the US military leadership nor does Japan need the US security. Similarly, the Eastern Europe does not stand in need of a superpower shelter or a military alliance, like the Warsaw Pact. In fact, the world is already sick of superpowerism after living for 40 years under its cold war nuclear nightmare. That is how superpowerism has become redundant today. Attempts to manage the world through superpower tactics will be counter-productive.

The process of globalisation demands necessary structural changes from every nation-state. The countries, responding properly to this demand, have continued to grow, while those, including the Soviet Union and Yugoslavia, ignoring this call, have already suffered or are still under great strain. The US is in the mid-stream.

Thus, the fall of superpowerism is a historical necessity in the epoch of globalisation. It is, in fact, the retreat of both the national models—the Liberal and the Communist—in the new historical age. It has been neither the fall of Communism, nor the victory of Liberalism.

(B) Inadequacy Of Nation-State

Secondly, the multi-dimensional global reality implies that the nation-state, the fundamental unit of the 19th-20th centuries, is today becoming inadequate to effectively deal with the new human concerns (i.e., environment, trade, investment, debt, market mechanism, energy, technology, space, etc.). This is because, firstly, the national orientations and priorities conflict with the global nature of these concerns. And secondly, no single country, howsoever powerful, today has the resources and the capacity to properly respond to the global challenges on its own and thus is not in a position to act as a global locomotive. Hence closer cooperation among different countries is needed to bring about sustainable global growth.

When every country goes on pursuing its own national interests without any heed to its effects on others (e.g., the US budget and trade deficits, German high interest rates, European Community's agricultural subsidies, South's forest clearing, etc.), the global community is put to trouble.

(C) Weaknesses Of Existing Global Mechanism

Thirdly, the multi-dimensional global reality implies that the existing global mechanism does not reflect the present-day world reality. All of these institutions—i.e., the UN and its various agencies, and the global financial institutions, like the IMF, the World Bank, etc.—were created in 1945 to deal with the situation after the second world war. Hence, these institutions and their Charters reflect the great power equation of those times. The veto privilege to the five permanent members of the Security Council and the economic weight-age based voting pattern in the global financial institutions express the approach of the developed

countries, especially the US which remains the main financial contributor of the UN system and which alone wields 17% of the total voting strength in the global financial institutions.

On the basis of its 1945 Charter, the UN today is not in a position to properly manage any present-day global crisis. The Security Council, no longer reflecting the existing global reality, has virtually usurped the powers of the UN and sits in judgement over all questions. There too the US seems to have the final say (e g., treatment meted out to Iraq in the post-Gulf War period and the sanctions against Libya, etc.). Looking as merely great power pawns erodes the credibility of the UN and the Security Council.

These shortcomings indicate that the world community today lacks an effective global management mechanism. If allowed to persist, these shortcomings can lead to the UN failure—thus creating world disorder and consequently proving detrimental to the healthy growth of the human community.

To make the UN and the other international institutions fully relevant to the changed world, it is necessary to update their charters, styles and structures so that they may be able to cope with and handle the global issues. In order to carry out the global democratisation, it is first essential to democratise them.

(D) Irrelevance Of Traditional Perspectives

Fourthly, the multi-dimensional global reality implies that the traditional perspectives cannot help the world community today.

The Marxist Theory (with its public sector as the world locomotive) stands refuted by the post-cold war chain of events the world over.

The Western Liberal Theory (with its market as the engine of growth) too is passing through difficult times. All of its standard prescriptions are no longer enough to pull the Western economies out of the ongoing slump. Despite having a budget deficit for over a decade and adopting the lowest interest rates for nearly half a decade the US economy remains mired in slow growth. The Japanese economy, despite its excellent performance for decades together has been caught in the property and share market crises. The German economy, despite its present high interest rates, has yet to overcome inflation.

This extraordinary economic behaviour, coupled with the exchange market turbulence, has raised the question whether the problem of economic growth is simply a process of bridging up fiscal deficits and bringing down inflation or there is

something more to it.

The entire Liberal Economic School is now studying the above problem. In 1987, several top US economists held a meeting to discuss as to what had gone wrong. The finding was that the normal economic criterion could not be applied to the new situation. Recently (in 1991), some US economists have stated that 'something abnormal' was taking place in the world. "This abnormal force must be huge and dynamic, considering that even after years it is still uncontrollable." (*Indian Express*, 12.01.1992, P-2).

The latest economic developments in the Western world have shown the hollowness of the much propagated theory of the West being the central core around which a new world order can be built.

Can the Third World prescription of the South-South cooperation or the North versus South be a key instrument for world development? The reality about this ideology—which also constitutes the platform of the NAM, UNCTAD, Groups of 77 and 15, and now even of the Left having no other space to stand on—is evident from what it says and what it does.

It challenges the bonafides of the North and then, in the same breath, begs grants and aid from the same North.

It denounces the North as an exploiter and oppressor of the South and, then and there, appeals to the North for better terms of trade and debt relief in order to improve the economy of the South.

It calls for a New World Economic Order based on equity and social justice, but over 90% of the world's destitute, ill, unemployed and illiterate lead a miserable life in the Third World where 5% elite (of the total population) devour 60% of the total national incomes and continue riding over the backs of the people.

It clamours for world peace and disarmament, but, during the past 45 years, an estimated total of 200 odd big and small wars (occurring in the world) in which about 20 million people were killed, had been fought on the Third World soil and not even once the champions of the South-South cooperation or the 'dynamos' of history in our times were able to compromise a single confrontation.

Double standards are generally a product of the distorted view of reality—whether it is natural, social or individual. And a distorted view of reality is always harmful to human development.

Also, in this regard, the 1992 UNCTAD Report may be further instructive. Reflecting the Southern reality, it says that unless the

economic recovery in the North takes place soon, the economic outlook in the South will remain bleak. Obviously, this signifies that the South's interests are intrinsically bound up with those of the North. In contradictory interests, the loss of one side is the gain of the other and vice versa.

III. Response

(12) How do we brace up to meet the problems posed by the present multi-dimensional reality? A logical answer is that, corresponding to the basic dimension of the global reality (i.e., the interdependence of countries), it is necessary for us to update the main components of the existing order whose foundations were laid down some 46 years ago. These components are: global vision, global management centre, global peace and security, global democratic order, global sustainable development and global value system.

(A) Vision Of One World

The first thing we need today is a realistic global vision. The 1945 UN Charter gives us the vision of a world of sovereign nations. The reality of an interdependent world, however, provides us the vision of One World. This vision is being reflected by the gradual emergence of a common norm of life in make-up; etiquette; ways of eating, drinking, dressing and treatment; family planning; transportation; communication; sports; styles in politics, economy and culture; etc. the world over, with its basis lying in the global division of labour of an interdependent world. Even yester-years approaches and norms, despite causing hindrance to the globalisation process, are gradually coming to terms with reality.

The vision of One World meets the demands of the global reality, on the one hand, and serves the interests of the human community, on the other.

(B) UN To Be A Global Management Centre

The second thing we need today is a global centre to effectively manage the human community, interdependent with Nature, on the one hand, and within itself, on the other. Obviously, this requires a democratic restructuring of the UN, Security Council and other UN agencies as well as other global financial institutions, like the IMF and the World Bank.

Evidently, any attempt to democratise the global institutions would encounter resistance from the five member privileged club

which enjoys permanent veto powers in the Security Council and which still clings to 1945 UN Charter. But, since the pro-changers also include the two global economic giants, i.e., Japan and Germany, the privileged club is likely to make a compromise with the under-privileged ones. According to keen UN observers, the haves will agree to expand the Security Council by taking in Japan and Germany and perhaps three regional powers—India from Asia, Nigeria from Africa and Brazil from Latin America—as vetoless permanent members.

Taking into consideration the existing global power structure, the dominant possibility seems to be that the democratisation of the UN may be a lengthy process, marked by various phases.

In the present conditions, it may be possible to get the approval of different power groups on the following democratic agenda.

* To accept the UN as the nucleus of the global democratic order.

* To set up a permanent UN Force for peace keeping and making operations.

* To station UN ambassadors in the capitals of member states for better anticipation, prevention and monitoring of the conflict situations.

* To empower the UN to collect revenue through levies on certain global transactions, like the arms sale, air travels etc.

* To ensure the observation of the UN Charter by the member states.

* To accept the jurisdiction of the International Court of Justice by the member states before the year 2001.

* To redefine the concept of sovereignty in the new era of the interdependence of countries (with the era of absolute sovereignty having been over).

* To clarify the concept of 'the right of self-determination' along with the term 'people' related to it.

* To Resolve all international regional disputes, including border problems, through the UN mediation.

* To settle all civil conflicts in different countries through dialogue in consultation with the UN.

* To ensure full freedom to minorities in all countries to enjoy their own culture, profess and practise their own religion and use their own language.

* To give more powers to the Secretary General.

In the medium phase, the ending of the veto right and the recognition of the subordinate status of the member states to the

UN may become possible.

The final phase may be characterised by the transformation of the UN from a collective of nations to the global human centre. This will require a radical revision of the global Charter, providing membership of the General Assembly on the basis of population, while giving equal representation to each state, big or small, in the House of Nations which will be then set up by the global human centre.

(C) For Global Peace And Security

The third thing we need today is a durable global peace and security, earlier envisioned by the founders of the UN but never put into effect because of the East-West contention. Without establishing a stable peace and security, the UN cannot function as an effective global centre. The end of the cold war has made this task viable, with the world people longing for it.

Corresponding to the demands of an interdependent world, the notion of collective security needs to be based on the integration of environment, development and security. Such a multi-dimensional security system, in the beginning, may, due to practical considerations, have to be shaped by the UN on the regional basis. Later, at a suitable time, the different regional security mechanisms may have to be integrated into a global security system. While undertaking this task, it is equally necessary that the UN initiates multi-phased process of the complete banning of nuclear weapons and total disarmament.

(D) For A Global Democratic Order

The fourth thing we need today is the establishment of a global democratic order.

In the present phase (the phase of quasi-internationalism and quasi-nationalism), a global democratic order may be based on the immediate democratic agenda of the UN (as stated on page 112), finally leading in course of time to the transformation of the UN from a collective of nations to a global human centre, with the nation-states as subordinate units.

(E) For Global Sustainable Development

The fifth thing we need today is the Agenda, short, medium and long-term, for sustainable development.

As a short-term measure, the UN, firstly, should, after proper modifications, ensure the implementation of Agenda-21 under

the supervision of UNCED, as decided by the 1992 Rio Summit.

Secondly, the UN should set up a high power Sustainable Development Council to act as a global authority for the improvement of natural and human resources. It would enact fundamental international reforms in regard to environment and development (such as codes for MNCs, currency exchanges, stock markets, forests, pollution, etc.) and monitor their implementation.

As a medium and long-term problem, it should be dealt with by a representative World Summit to be convened at a suitable time in future by the UN, in order to adopt two types of agenda.

(F) For A Global Value System

The sixth thing we need today is a global rational value system which cultivates rational thinking and democratic behaviour.

As an immediate issue, it is necessary that the UNESCO, after proper discussion with various international and national cultural bodies, defines a global value system and undertakes all available means to spread it among the people the world over. As a long-term problem, its theory and practice need to be continuously reviewed and popularised.

IV. To Summarise

(13) Unbelievable things are happening in the world today. One superpower has disintegrated. The other is on the way out. The West is a house divided in itself. The global economy is in disarray. There is an ethnic upsurge in the world. Religious fundamentalism is on the rise. It seems as if disorder is becoming the prevailing global way.

But, there is nothing extraordinary in these developments and hence nothing to worry about.

(14) The problem is that, from a world of sovereign nations, our world has been transformed into a world of interdependent nations with the contraction of space and time by the ongoing scientific-technological revolution.

Clearly, every new change demands a new response from its interacting phenomena. Traditional responses generally won't do. But the tragedy is that the cold war conditioned two main social tools—i.e., superpowerism and absolutely sovereign nationalism (operating through authoritarianism or totalitarianism or centralism)—now available with us, are incompatible to the spirit of an interdependent world. The result is that decaying superpowerism (as represented by the US) and limping

absolutely sovereign nationalism (as ideologically reflected by confrontationist theories, like North vs South, Centre vs Periphery, G-77, various varieties of left sectarians, etc., who talk of the South as the engine of global growth) have been pushing the world towards uncertainty.

(15) Human community today needs a proper management of change. Such a management implies a change in old thinking, style and structure—leading to change in priorities. But it is not easy for any one to change. But we have got to. Because there is no other option.

Proceeding from the reality of an interdependent world, a rational agenda before us is to grasp the vision of One World and strive to transform the UN into a global management centre, standing for global peace and security, a global democratic order, global sustainable development and a global value system. This is the most realistic way out. 21-09-1992