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The focus of this issue of the South Bulletin is on reviving hopes for Doha development round.

REVISITING THE DEVELOPMENT PARADIGM

*With an alarming rise in disparities between the rich and poor, even within developing countries, rethinking fundamentals rather than getting the old fundamentals straight, seems to be the need of the hour, says **Devaki Jain**, an economist and women's rights activist from India. She was one of the members of the South Commission (1987-1990), whose Secretary General was Dr. Manmohan Singh, currently India's Prime Minister. The South Commission was chaired by late Dr. Julius Nyerere, the President of Tanzania. The following reflection by the writer appeared recently on the online edition of the Indian economic daily *Financial Express* of 20 July, 2004.*

In all the hustle and bustle of the road to the Budget and its aftermath, one interesting statement by Prime Minister Manmohan Singh did not get the attention it deserved. As he took over, he made the statement which, in a sense, is a challenge that he has given himself - that India will design and implement an economic programme which will become a model for the rest of the world, on how to engage in what is called reform - a euphemism for globalisation and liberalisation - and yet follow Gandhi's talisman.

If India is able to manage such a programme, it would not only be a remarkable achievement, it would provide a healing touch to most of the countries in the South. The real quest in the globe today is to find some way of handling globalisation, that is, not getting left behind as an economy; and yet, accommodating the needs of economic and social justice, that is, not leaving the people behind. This is perhaps the knottiest problem of the century, though others may think it is terrorism and security.

Interestingly, no one is better placed than Dr Singh to face this challenge that he has given himself. Not many would recall that he was the Secretary General of the South Commission, (1987-90), led by the late Julius Nyerere - and the task that we, the members of the South Commission, gave ourselves was just this: namely, how to become economically powerful and yet respond to the aspirations of our countries' peoples. How to offer an economic challenge to the economic North, the asymmetries in the regulatory mechanisms of the multilateral institutions?

The Commission spent three years, held consultations in dozens of countries, including our big sister China, our odd man out, Cuba, apart from the crusader for the South, Mahathir's Malaysia: a most molested by the coloniser nation Mozambique, and that especially quiet and successful Arab country, Kuwait. The entire range.

The three years affirmed the importance of building another model, not a derivative or even a resistance to the "dominant paradigm" or neo-liberal macroeconomic model, but a really newly thought out, from first principles, design of getting ourselves out of debt traps, primary production dependencies, and other game plans of the unequal global economic landscape.

And where did we start? Not with the international world or the world economy, but with national development. Chapter three of the Report of the Commission is about national development, and how crucial it is that we first attend to how to make our national economies

respond to our national capacities and needs, and then find ways of linking our outbound and inbound economic activities into other countries, especially of the South.

Agriculture was identified as the primary focus for attention in that chapter. Employment as its partner. And this chapter was handcrafted by no other than our Prime Minister, Dr Singh, as this was his belief. To be free of bondage and firm of purpose. At the same time, as we were thinking at the South Commission, the Indian Planning Commission was also trying to find a model which would both generate growth as well provide what was also called, at that time, the minimum needs programme, or MNP.

The five-year Plan of that period, of the VP Singh government, built its premises on the foundation of growth with equity, with a strong focus on employment. In fact, the Planning Commission called conference on the Right to Work, in collaboration with the Institute of Manpower Research, Self Employed Women's Association and the Institute of Social Studies Trust, which had conducted several field-based studies on the Maharashtra Employment Guarantee Scheme with special reference to women's livelihoods.

Implementation, reaching programmes to the intended, was the challenge, and several studies and committees engaged themselves on what was at that time known as convergence of schemes. It seemed that the local self government set up could be one conduit to lump together the many hands of the State, the various schemes addressed to the excluded, that were reaching out to the "deprived". The Planning Boards of states, like Karnataka, initiated ideas on district-level planning for social development, for full employment and so on; to find ways of reducing the bottlenecks in delivery. This attempt at combining political restructuring for social transformation, under a growth-oriented economic path was the preoccupation of the time and whether it was intellection or action, this was the centrepiece.

The thrust of the policy frame of the United Progressive Alliance (UPA), namely the Common Minimum Programme (CMP), resonates some of this history and it may be well worth taking out some of this "old/new" thinking of the South Commission and the Planning Commission, out of the cupboard.

Recreating theory, the underpinnings of development paradigms is not easy - especially if we are to move away from the classical theories that have driven our nations, be it socialist or Keynesian or Washington-driven. But deconstruction of the inheritance is crucial if we are to fulfill the Prime Minister's aspiration.

The South Commission could not carve out a new path for the South, it got caught in the web of the classical theories and the usual mode of adapting to them or criticising them, not recreating a theory for its constituency. Perhaps India can, with the wide and deep knowledge that is Dr Singh's experience.

But the fundamental change would perhaps have to be in asking the very old question, where is the growth to be generated from, and for whom? From trickle-down theories we may have to redesign bubbling up theories, on the premise that incomes in the hands of the many, namely the poor, can also generate growth, but with a composition of GDP which would not be so tuned to the export market as the internal market. This discussion too, of inward looking or outward-looking economic theories, is well traversed was considered and abandoned by the South Commission. However, it seems that its abandonment needs reconsideration in these times, when there is so much being written about the fault lines in the "new", "old" development paradigms; when disparities are increasing in unbelievable measures - the latest

from the city of Bangalore is that between 1990 and 2000 the distance between the rich and poor has moved from 1:5 to 1:50. Rethinking fundamentals rather than getting the old fundamentals straight, seems to be the need of the hour.

There is need to reconsider the source of ideas. One source for building of this new paradigm may be to learn from the intellectual energy of the movements identified as having created the groundswell that brought what has named itself a progressive government. It may be ventilating and also creative to engage in a brainstorming with them. Taking them on board would perhaps assist the Prime Minister to keep his promise. And, with the new determination of an experienced hand, such as our Prime Minister, and the weight of the people's movements behind the government, India's second freedom may become a possibility.