

# Tackling the 'inevitable'

All-pervasive corruption is responsible for the economic malaise we face today, says Uttam Gupta

**I**N its country economic memorandum presented to the Aid India Consortium meeting in early July 1993, the World Bank has noted that unless India achieves a growth rate in exports of 15 per cent in dollar terms, it would have serious difficulties in meeting the import requirements of industrial restructuring and debt repayment liabilities. The fact that a higher quantum of fast-disbursing assistance of \$2.3 billion for 1993-94 has been sanctioned by the consortium itself bears testimony to our continued precarious balance of payments position.

On other fronts too, there is nothing much that we could boast of notwithstanding the widespread propaganda launched in the media to commemorate the two years of completion of the present government. So much so, even in regard to inflation, it would be inexorably difficult to push the much-touted official statistics down the throat of the common man, who seems to have no option but to quietly assimilate the agony of spiralling prices in the market place. The inflation rate computed on wholesale price index is hovering around six per cent, a sharp fall from the 12 per cent it had reached. And yet, there is no respite for the common man.

We have a crisis of unprecedented dimensions and yet the authorities are impervious and totally insensitive to it. Apart from the millions of uneducated and illiterate Indians, this has been aggravated by the absence of a forum through which some of the more articulate, educated and concerned citizens could push the voice of the millions in a manner that is effective and has much wider reach.

Undoubtedly, a section of the media does bring out the woes of the public at large, but the impact of all this gets swamped by the vociferous campaign from the electronic media which is government-controlled. In this situation, it is not at all difficult to let the real problems and issues remain suppressed under the carpet and, at the same time, project an image of complete identification with the people in order to retain credibility in their eyes.

Apart from the bizarre influence of the statistics doled out from the official mouthpiece, the role of economic policies has been overplayed

which has led to systematic diversion of attention from gross mismanagement of the state of affairs. For instance, economic liberalisation which has not gone beyond mere delicensing of industries, has been talked of much more than the systematic misappropriation of public funds in the securities scam.

Likewise, while there is the incessant talk of cutting subsidy in the context of reducing fiscal deficit, one would hardly see any references in official pronouncements to reduction of the monumental expenditure on the administrative infrastructure, including

horrifying fact that Delhi Electric Supply Undertaking has not prepared its balance sheet for the past three years.

All this is not to suggest that appropriate policy changes do not matter. Undoubtedly, these may help in saving more or spending less without compromising on overall national economic interest. But, if there is a hole in the pot, any amount of effort to fill it will be futile. That our economy is caught up in this gruesome situation is a fact clearly established by the joint parliamentary committee probing the securities scam and even

the possibility of any meaningful action to counter these tendencies.

Precisely for these reasons, despite a variety of scams surfacing one after another and cases of corrupt practices in high places multiplying and each of them contributing to the economic crisis in its own way, there is no threat to the establishment.

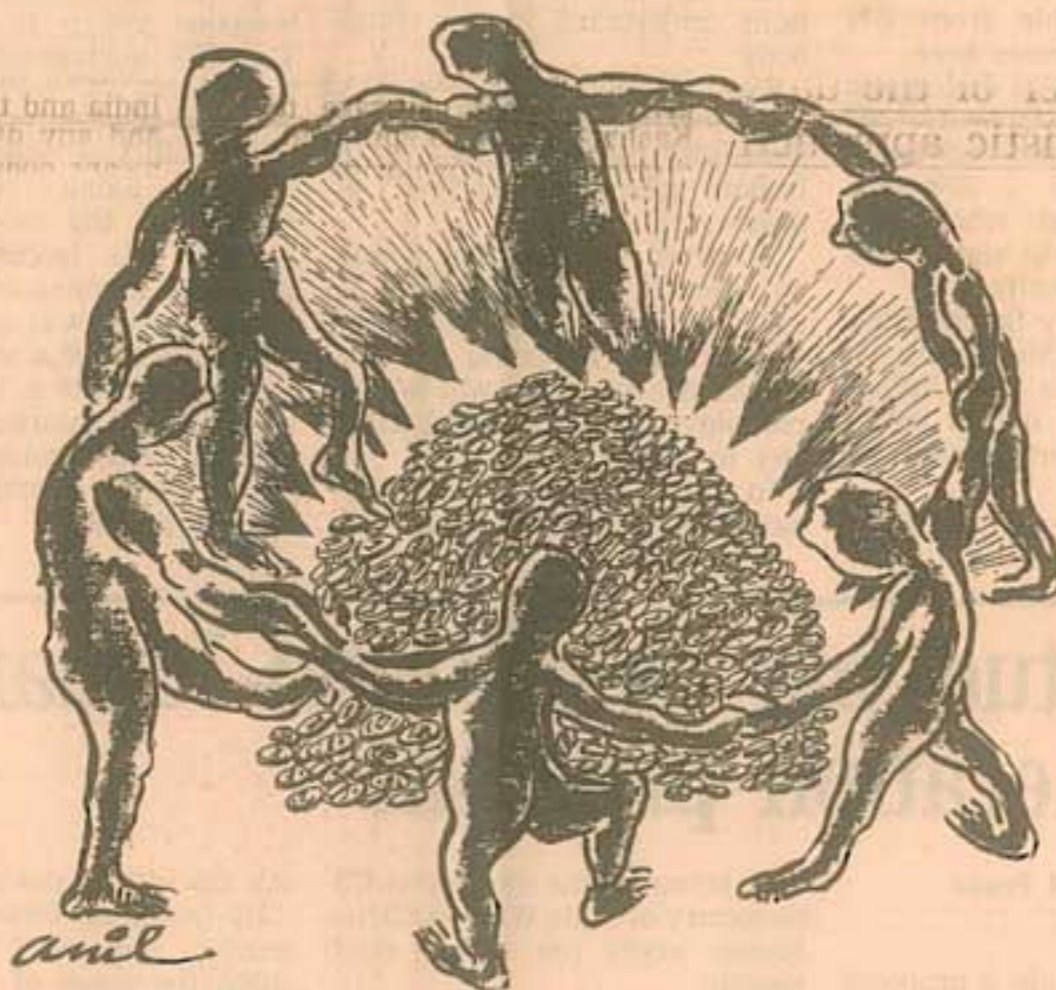
Ironically, while we have seen the government facing the threat of an exit on non-issues, the real ones which seriously affect the well-being of the common man fail to remain in the limelight even for a period long enough to register in the minds of the people.

Unfortunately, polarisation of political forces following the collapse of the V P Singh government has further diminished the prospects, if any, of a change that would come closer to the needs and aspirations of the people. It may be recalled when the Janata Dal government assumed office in November 1989, both the Left and Right decided to identify with the common issues facing the nation, including the fight against corruption shedding their extreme ideologies. That unity won them the confidence of the people.

Now, with the Bharatiya Janata Party appearing as a major force to reckon both within and outside Parliament and revival of its *Hindutva* plank in a major way, the chances of the opposition parties joining a common platform have receded. And, the victim is the poor man.

The common man on the street is only interested in good governance that enables him to lead a decent and peaceful life. It is of little consequence to him which party is in power. The people gave a mandate to the present government on the plank of 'stability' and the promise of providing safe and decent living. Instead of indulging in rhetorics and platitudes, it should seriously address itself to the task of redeeming this pledge.

And, this would be possible only when it launches a crusade against corruption particularly in high places. That would not only help in winning the confidence of the majority of the silent, but beleaguered, crowd obviating the need for unwarranted propaganda aimed at creating a make-believe world, but also, help in making a real success of the economic reforms programme.



the travel extravaganza of ministers and bureaucrats.

In another context, while we talk of government undertakings being run on commercial lines, which to our policy makers only means raising the administered prices at the slightest provocation, the irregularities committed in the placement of their surplus funds uncovered through the scam or in the disinvestment in shares of select public sector undertakings resulting in unprecedented loss came to be known only through reports in a section of the press. Look at another classical instance, of the energy minister having recently talked of even privatisation of electricity distribution in Delhi, but, hardly anything could be heard about the

reverberates in the political speeches of the leaders quite frequently.

Quite clearly, at the root of the deep economic malaise we face today is all-pervasive corruption. Unfortunately, this has found only incidental reference in the circles that matter. Although legislations, including the Prevention of Corruption Act, 1988, should provide a deterrent to corrupt practices, the functioning of the law enforcement agencies, including the judiciary, have ensured that this remains only on paper.

Important seminars and discussions on economic issues dismiss this phenomenon as inconsequential. And, the worst is that society has accepted this as an 'inevitable' element in the overall system thereby pre-empting