

Indian election

The BJP's "India Shining" campaign: myth and reality

Parwini Zora, Daniel Woreck
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An important component of the current election campaign waged by the ruling Hindu supremacist Bharathya Janatha Party (BJP) has been its "India Shining" advertising promotion, hailing the successes of the Indian economy and featuring the happy faces of contented and well-fed middle-class Indians.

Beginning in February, the BJP-led National Democratic Alliance (NDA) government has spent an estimated \$US20 million to air its "India Shining" advertisements on all TV channels in all the major Indian languages to showcase its achievements. Newspaper ads have also been taken out and glossy full colour posters prominently pasted up.

The flavour of the promotion is indicated by one poster, which featured smiling women in yellow saris playing cricket and the slogan "you've never had a better time to shine brighter". A number of commentators have pointed to the glaring and obvious gulf between those well-off Indians and the vast majority of the population who are mired in poverty and lack access to the most basic services.

The BJP is clearly making a bid for the support of the social layers who have benefitted from a decade of economic restructuring, which has led to high levels of foreign investment, particularly in the country's burgeoning IT and service industries. Global corporations have set up a wide range of operations—from customised call-centres to research labs—producing a new layer of the middle class that leads a comparatively affluent lifestyle.

More importantly, the "India Shining" campaign is a pitch to big business. By pointing to the current high growth levels and a booming stock exchange, the BJP leaders are not only claiming responsibility for the economic successes but pledging to corporate leaders and foreign investors that the program of open market reform will continue unabated.

Significantly, the response of opposition parties, including Congress and the Stalinist parties—the Communist Party of India (CPI) and Communist Party of India-Marxist (CPI-M)—has been muted. They have criticised the "India Shining" campaign for its shameless use of government resources for electoral purposes. They have also highlighted aspects of the poverty facing the hundreds of millions of Indians and made empty pledges to improve matters.

But none of these parties offer any alternative policies. Congress was responsible for starting to open up the Indian economy to foreign investment in the early 1990s—a fact that it has sought to highlight in its campaign. The CPI-M, which held power as part of a "left" coalition in West Bengal and Kerala, has pursued similar policies in order to attract investment to those states.

For all their criticisms, these parties subscribe to the central myths that underlie the "India Shining" campaign: that the path to economic growth is through market reform; that this growth will provide jobs and a better life for a growing layer of the population; and that the economic benefits will eventually trickle down to even the poorest layers of people. In fact,

far from improving the lot of the masses, a decade of economic restructuring under a succession of governments has widened the deep social chasm between rich and poor in India.

It is true that a layer of Indians have benefitted from the demands of global corporations for cheap labour. India has the third largest concentration of educated labour in the world, available at less than one tenth the cost of their counterparts in the US and Europe. In Indian terms, the economic rewards are significant with young employees working for foreign companies earning five times the salary of a public sector official.

Ms. Sampath, a 22-year-old customer adviser in Norwich Union's call centre in Bangalore in southern India, enthused to the BBC: "The pay is absolutely fantastic... In India, call centres are one of the fastest growing industries. If you perform, you stand to earn a lot of money." Her salary, while only a sixth that of a British employee doing a similar job, is twice that of an Indian teacher and about the same as a fully qualified doctor.

But the number of Indians who obtain such jobs is small—several hundred thousand people are employed throughout the IT-connected sector. Competition for these jobs is intense and the workload is heavy and stressful. The annual turnover in call centres is estimated to be as high as 50 percent. Moreover, while a section of the Indian middle class has gained from these new industries, others have been hard hit by savage cutbacks to the public sector and job losses due to the downsizing and privatisation of government services and enterprises.

The social impact on the working class and in rural areas where the majority of the population live has been far more severe. The *New York Times* noted in March: "Most of India's population of more than a billion, still largely rural, have never heard of outsourcing or benefitted from it. Unemployment in India—far higher than in the United States—is at its highest level in decades, many economists say. Officially pegged at 7 percent, with more than 40 million job seekers last year, the real unemployment rate is probably three times that, economists say."

Millions of workers have lost their jobs in industries that are not globally competitive. Moreover, changes to the country's labour laws have made it far easier for employers to sack workers and the NDA government is seeking to make the process even easier. The results have been devastating in India's traditional industrial centres.

An article in the March 12 issue of the *Frontline* magazine, which devoted its cover story to debunking "India Shining," highlighted the impact of economic restructuring in Bombay, or Mumbai as it is now officially known. The city used to be a hub for textiles, chemical, pharmaceuticals and engineering. But as the article, entitled "Victims of the 'new economy'," explained:

"During the past decade, the industrial trend has shifted from the manufacturing sector to the service industry, thus rendering millions out of work. Mumbai's mill workers have felt the worst blow. From a 2.5

lakh [250,000]-strong workforce in 1981, their number has dwindled to 20,000. The textile mills were once the backbone of the city's economy and the hope of thousands of migrants. Today most of the mills have shut down without paying workers their dues."

Conditions of work have also dramatically altered. "In the early 1960s, 51 percent of jobs in Mumbai were in the organised manufacturing sector, where workers had permanent employment and assured benefits like leave and provident fund. Today about 65 percent of Mumbai's workforce works under contract."

Rural areas, home to almost two thirds of the population, have also been devastated. Economic "reforms" have meant drastic cutbacks to government subsidies and assistance for irrigation, fertilisers, electricity and other agricultural inputs. Failing crops and low prices have led to a spate of rural suicides by heavily indebted farmers who see no way out of their dilemma.

Ending the state monopoly over basic food items such as grains and vegetables has led to increased prices and benefitted some better off farmers. But it has hit consumers hard and provided few opportunities for the vast majority of peasants, who, after the tightening up of credit by state-owned banks, are compelled to borrow at higher interest rates.

For the rural poor, life is a matter of day-to-day survival. Hunger and famine are widespread. While the monsoon rains arrived on time this year—one of the reasons for the higher growth rate—many areas of the country have been hard hit by drought in recent years.

Frontline cited Professor Usta Patnaik who concluded from her studies: "The average family is absorbing annually nearly 100 kilograms less in foodgrain today than a mere five years ago. [That is] a phenomenal drop... never seen before in the last century of India's history." According to Patnaik, the absolute per capita food availability for the year 2002-03 was lower than during the time of the 1943 Bengal famine, in which an estimated 1.5 to 3 million people died.

India has the largest number of malnourished children in the world and is home to about half the globe's hungry people. Nearly nine out of 10 pregnant women aged between 15 and 49 suffer from malnutrition and anaemia. About half of all children under five suffer moderate or severe malnourishment or stunting.

Even as the Indian economy has boomed, the country has slid further down the ranking in the UN Human Development Index from 124 to 127. Cutbacks to government spending have impacted on essential services, including health care and education, as well as basic infrastructure such as clean water, roads and electricity. The percentage of GDP allocated to health dropped from 1.4 percent in 1991-92 to 0.9 percent in 2001-02. With families increasingly forced to turn to private providers, health expenditure is the second fastest growing component of rural family debt.

The oppressive poverty and chronic unemployment or underemployment has driven millions to the cities to look for work. As a result, an estimated 30 million people live in the oppressive and ubiquitous slums that surround the major Indian cities.

"India Shining" is not directed to the impoverished masses. Above all, it plays to the current mood of optimism in ruling circles over the rising flow of foreign investment into the country and the perception that India has become a global base for key services. The growth rate was 7 percent last year and is predicted to hit 8 percent this year—second only to China.

Amit Bansal from Barclays Bank in Mumbai expressed the sentiments in financial circles that once "the uncertainty surrounding the election will be over, there will be more comfort in investing... May is expected to be a bumper month for foreign inflows and banks."

By April 23, \$US4.1 billion had flooded into Indian shares this year, almost two-thirds of the total figure for last year. According to the Bloomberg.com, the Indian rupee has been the world's third best performing currency against the dollar and India the best performing economy after China.

These comments reflect, however, a ruling elite intoxicated with its own limited successes. India, which is home to nearly one sixth of the world's population, still accounts for only 2 percent of the global economy and less than 1 percent of world trade. Even in the IT sphere, the country remains a relatively minor player dependent on the technology and markets of Europe and the US. Increasingly, the fate of the Indian economy is tied to the uncertain future of these major economies.

The current figures point to a fragile economic bubble—of the type that preceded the Asian economic crisis of the late 1990s. Investment is flowing into the highly profitable IT and related sectors, and into speculation on Indian stockmarkets, while other sectors of the economy have been stagnating. Foreign investment is hampered by poor physical infrastructure, inadequate corporate law and what global corporations regard as intolerable red tape—labour laws, tariffs, government regulations and bureaucratic corruption.

The logic of the capitalist market is inexorable. Like governments around the world, New Delhi was compelled by the vast expansion of globalised production in the 1980s and 1990s to dismantle the previous system of national economic regulation and open up to foreign investment. In order to remain "internationally competitive" and to continue to attract foreign capital, the new government—whoever wins the election—will be driven to step up economic restructuring and make further inroads into the social position of the masses.

The slick advertising of the "India Shining" campaign cannot hide the fact that the deepening social divide between rich and poor will have explosive political consequences. To date the bourgeoisie has relied on the communalism fostered in particular by the BJP to divide the masses, as well as the treachery of the various "left" parties such as the CPI and CPI-M, which have repeatedly subordinated the interests of workers to one or other section of the ruling class. What is required is the building of a socialist party based on the political independence of the working class to fight for its own historic interests, in unity with workers across the sub-continent and around the world.



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