

# Manmohan's Model of Governance: : Markets that Behave like Maharajas

Monday 12 May 2008, by [CPI \(ML\) Liberation](#) (Date first published: 29 April 2008).

Facing flak all around for the runaway prices, Prime Minister Manmohan Singh reaffirmed his commitment to liberalisation in a recent speech and declared, "In ancient India, a monarch was regarded as a good king if he did not interfere too much in the life of the people. That has been our guiding principle as well." There's a method in Manmohan's choice of models of governance: in his speech at Oxford, he was moved to praise the British Raj as a model of "good governance"; and in a speech in November 2007, he declared that "democracy has its disadvantages", recounting wistfully how his friend, an IMF official, had admired an "authoritarian" regime in Korea because it was capable of ordering changes its economic policies within half an hour, on the whims of the President! And this time, he has equated the unfettered march of the market with benign monarchy.

It is interesting that Manmohan chose the metaphor of the feudal monarch to defend capitalist tenets of laissez faire liberalisation. The feudal Raja, after all, levied taxes but had no accountability towards the poor peasant praja; the latter were supposed to be grateful as long as he wasn't too free with barbaric intrusions into their lives.

In the case of the liberalised Indian State, however, the 'non-intrusive state' proves to be not much more than a myth. The "hands off" policy is not uniformly applicable to all. It's "hands off" as far as the Government's commitments towards the poor are concerned; likewise towards public services like drinking water, electricity, and so on. In the "free" market, people are free to starve, peasants are free to commit suicide. But the state's policy towards the corporates is far from "hands off." Instead, you have handsome sops, generous tax breaks, whopping waivers, and special zones of exemptions for the corporates all around. Even in the US, which preaches the mantra of the free market most ardently to the rest of the world, we saw a major investment bank, Bear Stearns, being bailed out for 30 million dollars by the US Government, and Britain has nationalised a major mortgage bank.

The only time a "hands-off" policy is pursued towards corporates is when they indulge in criminal violations of the law. Take the case of Dow Chemicals (which bought up the infamous Union Carbide responsible for the Bhopal gas disaster in 1984). In February 2007, Dow caught for paying more than Rs. 80 lakhs in bribes to Indian agriculture ministry officials to register three toxic pesticides, including one (Dursban) that is prohibited for domestic use in the US owing to its proven toxic effects on the mental development of children. But Dow continues to produce and distribute Dursban in India, claiming that is safe for "humans and pets". A notorious criminal, guilty of poisoning several generations in Bhopal, is being allowed to bribe its way in and continue poisoning children in India. Not just that, the UPA Government, in spite of the determined protests of Union Carbide's victims who have been protesting in Delhi for several weeks now, is bent on welcoming Dow to do business in India, and the Prime Minister himself has refused outright to prosecute Dow for violating Indian laws or bribing officials.

Maharaja Manmohan treats killers like Dow with kid gloves, but he along with all rulers in India treat the protesting poor and all dissenters with an iron hand. Binayak Sen continues to languish in jail for an year in Chhattisgarh, while the UPA Government defends the same Salwa Judum (whose

constitutionality Sen had challenged) in Supreme Court.

In the days of the maharajas, famines were not uncommon. And under the British Raj that Manmohan admired, famines flourished because peasants were forced to grow cash crops rather than food. Today, again, hunger and price rise are not because of any natural calamity. Rather, following in the footsteps of the British Raj, the Manmohan Government and its predecessor governments since the onset of liberalisation, too encouraged peasants to shift to cash crops; grabbed agricultural land for SEZs and real estate; allowed big traders and MNCs to buy direct from the farmers; made MSPs unstable and undependable, thus forcing peasants to sell to private players; dismantled the PDS coverage; introduced cheap wheat imports; encouraged hoarding and futures trading - and therefore inexorably ushered in starvation, food crisis and backbreaking price rise. All the while, in the best traditions of the Nero-like monarchs, Manmohan has fiddled while people's lives are on fire. Clearly, the fact is not that the state has refrained from interference; the question is: in favour of whom have governments interfered? Governments have interfered to price out the poor and pamper the rich.

Manmohan has perhaps forgotten how monarchy was given marching orders by the people in neighbouring Nepal; his government might meet the same fate if the Government continues to show the same cool callousness towards runaway prices and the distress of the poor.

---

**P.S.**

\* ML Update, a CPI(ML) Weekly News Magazine, Vol. 11 No. 18 29 APR - 5 MAY 2008.