

**NEW AGE
NEW OPPORTUNITIES**

ABID HUSSAIN



New Age : New Opportunities
By Dr. Abid Hussain

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FOREWORD

The twentieth century has been a period of extraordinary change. No aspect of human endeavour has been left untouched, be it political, social, economic, scientific or technological. The most rapid and sweeping changes have occurred within the living memory of most people, that is, in the last half-century. It has been a period not just of random movements but also of convulsive and fast movements.

The last twenty years, in particular, have seen extraordinary scientific and technological dynamism. The IT revolution on the one hand and the spectacular success in unravelling the mysteries of the human DNA will both surely have the most profound consequences for mankind. Simultaneously, other important, though less heralded, discoveries and inventions have also been changing the world in a slow but sure manner.

These scientific and technological advances have been preceded by the maturing of the notion of individual dignity and rights, the idea of equality before the law, the social acceptance that people have a right to choose not only their rulers but also their way of life, and, equally importantly, the realisation that the key to future happiness lies in the growth and spread of modern science and technology. All these developments have become an important leitmotif of this era.

India, like other countries of the world, has not been immune to these global changes. As a matter of fact, in some ways, it has had to cope with changes that are deeper, wider and faster than most other societies have had to face. Thus, the idea of equality before the law in a society that, at the social level, still subscribes to the Hamurabian Code and the slow

destruction of the hierarchical society described by Louis Dumont, has stirred up huge social forces. Nationalism and political independence are the two other unstoppable forces that have been directed, in most part, towards socially beneficial causes. The simultaneous presence of mass poverty and universal franchise have pushed the country into adopting new attitudes towards politics, economics, society and science and technology.

In the economic field, globalisation has become the order of the day and India, too, has been forced to reckon with this reality. It has not been a uniformly pleasant experience, especially in a society that believes it has all the solutions. Indeed, in most ways, it has been a chastening experience. Moreover, the speed with which India has been forced to wake up in the last ten years has led to numerous complications. As such, there has been an urgent and felt need for someone to explain what has been happening and what may lie in store.

The Institute has been fortunate in having been associated with one such savant, Dr. Abid Hussain. Endowed by nature with the invaluable gift of being able to view change in a holistic perspective as also the ability to communicate his views cogently and indefatigably, Dr. Hussain has, for the last two decades, stood tall amongst his contemporaries. A man of vision, understanding, tolerance, and, above all, the deepest compassion that is born out of a genuinely secular outlook on life, he has been a true harbinger of hope. Even those who have had only a fleeting brush with him have sensed these qualities. But his overriding passion has been change and how to cope with it. In the essays contained in this publication, he focuses on some aspects of the issues that have engaged his agile and fertile mind. His robust optimism allows him, time and again, to look beyond the immediate travails and urge India to work towards the golden horizon that lies ahead.

Two major themes have particularly engaged his attention – globalisation on the one hand and the imperatives of liberalism on the other. Dr. Hussain took it upon himself to describe the inevitability of globalisation and, at a time when it was quite fashionable to decry it, emerged as a voice of sanity. But for people like him we would have taken that much longer to adopt a sensible, practical perspective on it. Globalisation is not all evil, Dr. Hussain stressed repeatedly, but how we leverage it, depends solely on us. His views on national sovereignty and globalisation are most refreshing not just for the common-sense approach to the issue but also for the deep and textured understanding he displays.

With rare insight Dr. Hussain deals with the hugely complex dilemmas of liberalism in a poor and largely illiterate society like that of ours. He particularly focuses on the critical issue of effective governance in a politically, economically and socially changing society with sophistication and finesse. Decentralisation, he believes, lies at the heart of the liberal philosophy, which is surely the right perception. The core idea of the liberal philosophy is the freedom to social units of various sizes and at different levels to determine their own destinies. On the political side, a necessary corollary of this has been the devolution of political power to the local level. India had already developed precept and the practice in this area in the form of village panchayats. Owing to his early involvement in the community development programme, Dr. Hussain emerges as a strong votary of village level democracy, localisation and decentralisation. He makes an impassioned case on behalf of these desirables without which both development and governance can become that much problematic.

But Dr. Hussain is also acutely aware of the fact that for all these things to come together in a way that increases social and individual wealth and happiness, morality, both private and

public, has a key role to play. He repeatedly emphasises the importance of this particular aspect. Even in these morally ambivalent times, his is the voice of reason. One must fervently hope that it is heeded.

In conclusion, I can only say that India has been fortunate to have a man like Dr. Abid Hussain to serve her with such passion, fervour and unflinching optimism. Only a few are endowed with the ability to enhance the quality of discourse in the societies in which they live. Dr. Hussain has been abundantly blessed in that respect. Indeed, we owe a debt to him which needs to be repaid not merely in thought but in deed as well.

K. L. Thapar
Director

GLOBALISATION A CONTEMPORARY REALITY*

Globalisation : Part of Human Destiny

The subject of globalisation is at the heart of all contemporary debates today. No country, big or small, wherever it may be situated, can opt out of it or resist the lure of its networking relationship. Our divided and fragmented world, hitherto sustained by separate national loyalties, dividing boundaries, insurmountable geographical features and different ethical, cultural, ideological and social mores, is getting transformed into a global village. Distances of time and space that have separated the mankind for so long have started melting down. The sheer speed at which men, material, money, technology and messages are moving now from one end of the earth to another is mind-boggling. With globalisation, forces of new bonds of homogeneity are getting strengthened. Several activities within and among countries are becoming global.

Globalisation means many things to many people. It has many faces. While to some it is a hydra-headed monster, reincarnating itself again and again to torment and tyrannise the weaker sections of humanity, to others it is near-fulfillment of the dream of a benign universal order that men have been dreaming for aeons and aeons of time. In the ongoing cut-and-thrust of debate, its detractors unhesitatingly trace its ancestry to the earlier imperial order. Statistics of trade, investments etc. are evoked to prove it. It is described as a vicious web in which weak nations like helpless flies are trapped as victims of a cunning capitalist spider. Their lament is that, in a way, capitalist industrialisation had integrated the world long before the buzzword 'globalisation' gained currency, but it had not brought even a modicum of universal uplift.

* *Address delivered on May 15, 2000, at Mumbai.*

They, therefore, hold that globalisation is a sophisticated re-arrangement of the old order of exploitation, sustained by richer nations to strangle and browbeat the poorer ones, with the camouflaged intent of filling in their own coffers. It is perceived as the same old game of imperial exploitation masquerading under other names but wider in its scope and reminiscent of the inglorious repressive past of a century ago.

To some extent it is so. But let's not skip the fact that there is also evidence, which does not support the hypothesis of these modern-day Cassandras. There are also certain inborn instincts of man and large historical forces, propelling humans towards globalisation. Ever since pre-history and the beginning of time man has been inching forward in his eternal quest for one world. Globalisation, in this sense, is just one more milestone in the chequered historic journey of mankind. As a part of human destiny, man is constantly evolving himself to interact and establish a common equilibrium of relationship with a larger community of men spread in a different hemisphere than one given.

At the beginning of history men started as hunters and gatherers of food, encountering other bands of men who were similarly engaged and motivated. They got closer to other men, expanding their domain in land and people. As civilisations rose, this natural urge of men to catch up with others assumed greater urgency and became a passion to further expand their reach, territorially and temporally. It seems to be the historical fate, or one can even call it necessity, of mankind to invent and re-invent a world of shared existence and experiences with larger and larger numbers of men getting involved in it and altering the previous habitats, artifacts and ways of life.

It is part of man's make-up to imagine and fantasize a world without walls and strive to approximate life to that dream. Haven't pioneers of human progress visualised a 'world not broken up into fragments by narrow domestic walls'. It will, therefore, not be wide off the mark to postulate that these inborn cravings, impulses and

passions have also kept the wheels of history moving towards globalisation, for it is not only the lure of power and filthy lucre through commerce and conquest but also non-profit human activities, such as propagation of faiths and ideas or man's compulsive wanderlust to contact people with strange customs and languages in exotic climes, which have driven men to venture forth, abandoning the warm cozy sanctuary of their homes.

This unfledged ambition of human beings to become universal has its own dynamics and momentum, independent of political and economic drives, which may be simultaneously lying in wait to siphon off its material advantages. These so-called politico-economic determinants, however critical and pervasive, cannot claim exclusive parentage to man's extraordinary career and craving to become a citizen of the world. The dubious legacy of imperialism and the predatory instincts of capitalism may again be at work to insidiously exploit the framework of globalisation to their advantage, unconcerned with the genuine interests of weaker nations. But, by no stretch of imagination, can we attribute the present form of globalisation to their stratagem and ingenuity alone. In today's context, the spectacular developments of science and technology could perhaps rightfully claim to be the progenitor of the present high profile of globalisation.

Technology as Motive Force

Throughout history, propelled by technological innovations, men have tended to accumulate and accelerate knowledge and tools which stimulated the passion of man to reach out to other lands and people distinctly placed and unrelated to them, evoking new connectivities in the process of these explorations. Imaginative historians have discerned major landmarks in this civilising process of globalisation by focusing on breakthroughs in communication and transport technologies. Donkeys, horses, wheeled carts, sailing vessels, steam engines, automobiles and aeroplanes helped men in moving not only travellers and goods but also ideas and messages along the communication networks. Words, language, ink, writing

paper, printing press, telecommunication brought countries closer which had been in slender or no contact with one another. With time, the web of communication and transportation became larger and more efficient. Immersed in this endeavour, men accelerated the process of cutting down distances of time and space, thereby making the world smaller and easier to be reached, experienced and lived together with others at will anywhere and at any time. Man in this respect has become something like the twice-born bird of Rabindranath Tagore's fable, in which the bird, in the first instance, is born by breaking open the eggshell and, in the next, develops wings to become a flying being and takes off from its nest to a wider world.

During the later part of the 20th century, sciences developed and technologies burst into newer forms of innovations, enabling man to come closer to his dream of one world. Furious speed of transport and communication and instant exchange of information of events and situations developing in distant places challenged the traditional ways of life, which had hitherto allowed situations to remain exclusive and insulated. Transport and communication revolutions, together with information technology, have not only brought all places and events on earth within easy access to man but also enabled each other to influence the course of history itself. This is the core of the revolution which is at the heart of globalisation.

Science and technology have also empowered man, with his overarching ambition to go beyond stars and mega-distant spaces where angels were supposed to dwell but were found empty. Riding the high horse of science and technology, man, for the first time, has seen the earth from space with his own eyes and found it looking like a small blue marble suspended against the blanket of darkness and shining in its splendid glory. On earth, the genome's race is on and search for water in inhospitable planets is being taken up in earnest. Men have, literally, hitched their wagons to the stars. Yet, the ubiquitous cynic sees the machinations of

capitalism behind all these epoch-making explorations and inventions. Exorcising the ghost of capitalism.

It will be worth our while to digest the implications of these radical developments of science and technology and brace ourselves to forge ahead, lest we miss the substance of globalisation and are pushed into a slow lane to pursue its shadow. This sublime endeavour of man towards globalisation should not be morbidly attributed to historical continuity of colonialism by another name. Let's move beyond the old doctrinaire allegiances to tenets like materialistic interpretation of history and free our minds of ideologies and economic precepts of the 20th century and understand the new torrents of developments that are behind globalisation.

Science and Technology as Prime Movers

There is no need to belabour the point that, 'of all intellectual activity, science alone has flourished in the last centuries, science alone has turned out to have the kind of universality among men which the times require'. This universality of science, in turn, has naturally rubbed off on several other human activities. Thus, this great change leading to globalisation and how it has come about could be best understood, not by just studying the materialistic and neo-colonial design/notions of the post-cold war era or the greed of the corporate world, but more by contemplating the spectacular achievements of science and technology, which have eclipsed "multiple levels of physical, chemical, biological social equilibriums within which we exist".

It is the marvels of science and technology which have telescoped time and distance, banished areas of darkness and ignorance relating to man, his environment and circumstances of his life. Science and technology have so interfaced with our lives through instant communication that it has led to sharp and sudden changes and increments in almost all activities of mankind. Man has started leaping into what were hitherto considered areas not only

beyond his present competence but even beyond his wildest dreams. Today much of the world bears the imprint of the creative spirit of the science and technology revolution. Its advent, to a great extent, has also determined the international environment and laid the foundation of a new relationship of interdependence between countries. The old political structures of power are getting obsolete. Geography no longer ensures security; economics cannot grow without inter-dependence; no country, however powerful in military or economic terms, can by itself be effective in dictating its conditions to others, however weak militarily. Land, minerals, gold, oil or capital or even mass-producing conglomerates and corporates no longer wield power that they once did.

As most economists aver, and rightly so, since the late 1970s the restructuring of the global economy involves a shift in 'techno-economic paradigm' from that based on 'Fordist mass production' to a new one based on information and communication. Thus, power is fast gravitating to 'knowledge', especially scientific and technological. Increasingly, now power comes not out of the barrel of the gun or from money bags but from the lens of TV cameras and from the click of the mouse. Information and knowledge are the new currency of power. Then, knowledge is no longer the monopoly of the intellectual elite. There has been a wider distribution of intellectual privilege through technology. Knowledge is now within reach of many. This is the catharsis. Globalisation thus owes its emerging dominance to the Knowledge Revolution where nations have a common destiny, bound by the wireless bands of knowledge communication. Neither 'brooding isolation' nor crusading intervention in such a world could give mankind tranquillity, peace and prosperity. Resistance to this change is a losing battle.

Globalisation and its Economic Implications

In the realm of economics, globalisation, activated by swift means of communication and transport, has to be understood as a twin process - each running parallel and opposite to the other. At

one end, the process is continuously pushing the economic players of a country to get out of their national confines into the territories of other countries, breaking open their national boundaries and doing business there. At the other end, the countries themselves, hitherto existing as cloistered communities, are throwing open their borders and entrepots to let in the outsiders to do business and to interact with them in their dominions.

Since this process is driven by technology, it is not easily stoppable. The wealth of information now available at one's fingertips has allowed industries to be 'informationalised', permitting new products to be developed, new markets to be identified and new production systems to be introduced. New information and communication systems enable the corporate sector to move their tradable goods, services, currencies and finances at such a terrific speed that neither the command authorities at home, nor custom or police authorities abroad could thwart them effectively. As long as there is parity between what is thus taken out and what is brought in, the relationship remains advantageous to both. It enriches both the supplier and the recipient countries in terms of flows of investments, finance and exchange of tradables and, to some extent, migration of people. But it is not reasonable to believe that, if this process of globalisation is not properly managed, it could grievously hurt the interests of the weaker of the two. Outside forces may not be *suo moto* benignly motivated and in fact could be expected to exploit the disadvantaged and poorly endowed. Playing fields are rarely even and are usually undulated. But then the response to such a situation is not to give up playing the game and isolate oneself by adopting closed-door policies. This could prove counter-productive.

There is strong evidence to the effect that inward-looking policies and anti-market measures have proved to be epic failures, at best providing only interludes of smug euphoria, while, at the end of the day, missing out on worthwhile long-term advantages

of open market. The inevitable forces of globalisation can yield benefits by working out a positive conjunction of the two forces of the twin process. Though, in the broad configuration of global economy, most nations, including the developed ones, are dependent on others in many ways than one, what is important, however, is the manner in which that dependence or interdependence is equitably structured and not allowed to be manipulated by the dominant players. Lesson should be drawn from Othello that “young wives should take better care of their linen”, lest the less developed countries, vulnerable like ‘the young wives’, might, in a moment of complacency, lower their guard.

Instead of reflecting on what an ideal economic world should be like in the environment of globalisation, we should concentrate on building an economy to meet its challenge. We should see as to how best we can reorder our priorities ; recast our economy to make it less prone to exploitation and sufficiently resilient not to let others derive unilateral advantage; devise rules of the game that would disallow unfair practices and overt and covert forms of constraints. But such transitions are far from automatic and hasslefree.

One essential feature of all economies, no matter which form of government they have, is to compete and maximise profits, first, by raising levels of production and productivity through innovations and employment of the latest technologies and, then, by rational ordering of domestic and external trade. Competing claims relating to factors of production and acquisition of market shares are determined by free play of the market economy. In a globalised open markets one has to compete not only with the domestic players but also with those coming from outside, who, in all probability, may be more experienced and better equipped. Since competition with them cannot be avoided, it is imperative to make a virtue of necessity, which means that domestic players have to be specially prepared and assisted to outperform the outsiders, while not ruling out strategic alliances with them.

There is no alternative route to our becoming equally affluent, innovative and well-informed. It is a fact of life that when people pushed to the wall see no alternative or escape route, they concentrate best to raise their levels of competence. It would be something like performing in Olympics where an athlete has not only to break his own record but that of others, too. He has to run faster, jump higher and throw farther than he and others have done before. We Indians need not be afraid of competition and resent the conditions which the global economic competition imposes on us. There are already innumerable examples of our doctors, engineers, academicians, scientists, technocrats, financiers, investors and businessmen doing extremely well in USA and other competitive markets. What some of our men and women have done, others could also do. While talking of competition, it must also be emphasised that the terms and rules of competition should be such that there is no unfair advantage in favour of some. Neither should players be allowed to flout rules to flatten opponents. Though it is a universal human failing that all prefer to have unfair advantage for themselves, the spirit of competition is vitiated when some hold that it is not enough to succeed but to ensure that others fail and are eliminated.

Globalisation would also require us to make our operative economic system more efficient to make the environment more congenial to better performance. Central to this issue would be to tidy up the state apparatus to let entrepreneurs move faster, give them more than a modicum of freedom and facilitate them in right earnest. The messier method of our monetary and fiscal system must be cleaned up to reckon with the new realities of global economy. No pains should be spared to strengthen the relation of business to management of public affairs at the intersection of national and international policies and to ensure as well, with greater insight, the legitimate interests of outsiders, which they rightfully expect. Such a positive environment alone can sustain stimulus to investment. Moreover, countries will have to get together to make mutually beneficial inter-supportive arrangements

which would catalyse global systems. These would evolve through sub-regional and regional arrangements fitting in with global and mega-regional requirements needed to coordinate the competing elements in the twin process of globalisation. Since globalisation cannot be escaped, we should not let ourselves be overwhelmed by it, but, rather, taking a cue from the good old saying, beard the lion in his own den. A truly integrated global economy in which the economic and social benefits of development are more widely and evenly distributed is still a distant hope, but it is no longer a pipedream. So, there is no going back and the global economy will continue to evolve.

Globalisation vis – vis State Sovereignty

There is apprehension, and not without some tangible reasons, that globalisation involves an assault on the concept of state sovereignty. It is claimed that, with a hidden agenda of seeking a unilateral advantage, big powers are invoking the logic of globalisation as a stratagem to dismantle the powers of the host state. In trying to abridge the latter's sovereign authority, they cripple the state's power to guard and enhance the country's national interests. Weakening of the state at the very time when the state is required to build up the sinews of its internal capabilities and endowment is certainly a matter of genuine concern.

There is no question that countries have to pay some price for increased economic activities with developed countries. This price may take the shape of making the economic frontiers more porous, though not compromising a wee bit on the geo-political frontiers. Moreover, it cannot be that this price be exacted by unilateral demands, accompanied with bullying tactics, threatening to destabilise the state machinery. But it is also true that many of the structural changes and policy reforms, which are likely to be viewed with some misplaced anxiety, are a precondition for international flows of investment, etc. in an interdependent world. And, if such reforms have to be undertaken in the context of globalisation, we should not hesitate to initiate measures and foster

cooperation in this regard. Outside pressures on the state to hasten the pace of reforms need not necessarily be construed as a forerunner to the annihilation of the state's sovereignty. Withering away of the state, in fact, is neither a political requirement of globalisation, nor does it provide positive incentive to outside powers to do business. They, in fact, need an effective state government and a stable socio-political order.

The ultimate purpose of globalisation is to bring global commitments and power of the state into balance. In fact, a certain number of changes required with the advent of globalisation call for a strong state whose writ runs. A change in the role of the state is long overdue in a number of countries, including India. And if it is being undertaken to meet the challenge of globalisation, it is to be welcomed and not conceived as a part of conspiracy to liquidate the state. A qualitative change in the nature of state intervention is long overdue. A shift from the rigours of state controls, which practically make private initiative sterile, is called for. State domination over the commanding heights of economics and a regime controlled by licences and permits, which makes inspectors, policemen and petty officials all-powerful, have to go. The all-supreme and powerful bureaucratic stranglehold has to be removed. It is these factors that make the state hold up progress, delay transactions and weaken governance. The underlying rationale is that a weak government is not compatible with good economics or efficient governance, both of which are essential for doing business with others in an interdependent world. Neither does the crusading intervention of an overbearingly sovereign state suit the concept of globalisation.

Of late, a new concept of globalisation is being emphasised, combining and toning down the two extremes of globalisation and localisation. Globalisation postulates a borderless world and localisation subordinates its global forces to protect and serve genuine national and local interests. The two, in fact, will have to be constantly kept in balance. It is almost analogous to a tight-rope walk - on the one hand, not sacrificing genuine national, regional

or local interests at the altar of globalisation; on the other hand, not letting xenophobic instincts and tendencies to insulate the state from the wholesome winds of change blowing from outside. In this emerging pattern of its new role, the state will, at once, be a genial host welcoming well-meaning, serious-minded outsiders with open arms, and, also be an alert watchdog, jealously guarding its own vital interests. The onslaught of the Asian financial crisis was not entirely due to state being weakened by the forces of globalisation but more due to the state run by cronies and the state's stubborn unwillingness to make abiding structural changes. There is, however, no need to give in to cynicism. Any new system, however meticulously conceptualised and efficaciously executed, has its share of teething troubles. One can hope that, given the scale of changes taking place the world over, a universal 'glasnost' in tandem with 'perestroika' would be in place to generate synergy between the global and the local. Conceptually, thus, the 'global + local' constant should become the matrix of globalisation.

The looming spectre of terrorism as a by-product of assertions on territorial, ideological and religious ground have also drawn outside attention and, in certain cases, led to intervention in domestic affairs of a country, raising the issue of assault on sovereignty. In the light of the information revolution, atrocities committed within the boundaries of a state have become too visible and conspicuous to be concealed from the gaze of the international community. The world at large, once in the know of large-scale butcheries and persecutions being perpetrated within the boundaries of a state, cannot renounce its responsibility towards victims of genocide and is, perforce, persuaded to intervene on their behalf. But certainly there should be well-defined rules of intervention and limits to sanctions in this context. The big powers should not be allowed to manipulate or subvert such situations to achieve their hidden agenda of domination. A definitive international organisation, democratically elected by the international community, rather than an individual country, as a self-appointed guardian to rid the world of its angst, should judge

and arbitrate in such matters. So, a situation has arisen where a state cannot claim immunity behind the facade of its sovereignty, to unrestrainedly commit crimes in the name of internal security and stability, just as it would not wish or allow some big bully of a country to become the sole gendarme of the world.

Sovereignty, as conceived a century ago, will have to be redefined to meet the new values and emerging situations created by today's globalised world. Voices raised anywhere against high-handed and outrageous acts, like that of ethnic cleansing by a state, could no longer be suppressed from getting international attention and inviting indictment and, even, intervention. Some of the state misdeeds could now become a legitimate concern of international probe. Sovereignty in such cases cannot be an excuse or justification for keeping a lid on the state's abhorrent activities. The iron law of state sovereignty has, therefore, to undergo a change and this cannot be considered as an assault on the inalienable sovereign rights of a country.

While non-interference will still remain a cardinal principle, yet there are a growing number of issues that spill over the national frontiers (such as environment concerns, problems of drugs, trafficking in women and children), which cannot be treated as exclusively internal matters. Countries will have to get together to make mutually beneficial supportive arrangements, transcending national sovereign boundaries. Active intervention in their affairs does involve slackening of sovereign rights, but it is an inescapable consequence of globalisation. Thus, all things considered, a certain nuanced change in the nature and scope of sovereignty is both inevitable and highly desirable. But this does not spell the end of the sovereign state.

It will, however, be foolhardy to expect that the transition from state absolutism to state temperateness will be smooth. The modern nation states, so far used to self-aggrandisement at the drop of a hat, may not so easily accept the path of renunciation, restraint and self-denial. We have, therefore, to recognise

possibilities of serious anomalies, dislocations and crises in the short run. But, come what may, there's no stopping the process of globalisation.

Primacy of 'Knowledge' and 'Information'

Globalisation, driven by the forces of science and technology, is creating a world of knowledge and information. Henceforth, the defining features of life would be 'knowledge society', 'knowledge market', 'knowledge men' and knowledge itself as a product. To fit into such a world, 'knowledge would have to become the object of our hot pursuit'. Fortunately for us, we in India have a tradition of respecting 'knowledge men'. It is rooted deep in our culture and history. Throughout our history, Brahmins, the men of knowledge have been assigned a high place in social hierarchy. Through meditation, concentration, severe discipline and constant learning, they chiselled their minds and acquired cerebral excellence as also sharp intellectual insights into the creative evolution of life. They became the friend, philosopher and guide of the ruling class.

But India's misfortune has been that the Brahmins, obsessed with 'casteist' considerations, cut themselves off the swath of social scene by keeping themselves aloof from a wider section of society that toiled and laboured to produce wealth for the nation. Thus, our 'knowledge men' got disconnected from the vital forces of existence. To preserve and perpetuate their exclusiveness as God's chosen ones in the stratified social hierarchy and their primacy as the sole repository of knowledge and the Scriptures, the Brahmins also excluded and prohibited large sections of society from getting access to learning. Without letting or helping million flowers to bloom, the society looked like a graveyard of blossoms in the dust. Devoid of knowledge relating to the conditions of the labouring classes, the Brahmins' knowledge itself started to fester. As Shakespeare said, "Lilies that fester smell far worse than weeds." However, with the passage of time, pursuit of knowledge has started spreading to people outside the charmed circle of Brahmins, breaking the millennia of elitist monopolistic hold over

knowledge. Redistribution of knowledge has started taking place, but its pace is still very slow and the contents of knowledge remain stunted and obsolete requiring to be updated and upgraded.

Yet, blessed with the best endowments of mind, India is well-placed to take its pride of place in the globalising world of the 21st century, which is fittingly being described as a 'knowledge century'. Indian talent and 'genes' fit this century's exacting demands. But the danger that haunts us is, if caste and religious prejudices continued to stop a larger section of our citizens from getting access to streams of learning and knowledge, India would waste its intellectual advantage and would fail to gather a bumper harvest of the life-enriching knowledge products, which, as said earlier, are emerging as the new currency of wealth. By not addressing itself to the issues and concerns relating to 'knowledge' in today's context, India would not be linked up to the sources of new knowledge and would irretrievably sink to the bottom.

If a state neglects to create knowledge workers, it will be incapable of generating knowledge products, while the knowledge market will be exponentially demanding such products. Failure to respond positively and readily to the demands of this market would marginalise those sections of societies which do not equip themselves with knowledge capabilities. Such an eventuality could be altered only by a big drive by the states to educate their people and make them knowledge men, innovators and entrepreneurs creating and disbursing knowledge products. Examples of some sections of people getting marginalised due to such a neglect have already become a subject of great concern even in countries like USA. Disparities between knowledge workers and those without knowledge is threatening to cause social upheavals. Digital divide could undo the advantages of globalisation.

Peter Daniel and William Lever have observed that "Differentials in the ability of countries to marshal the necessary education and training systems, to invest in the necessary technological infrastructure or to make the necessary social

adjustments will help to perpetuate geographical unevenness and ‘those societies that comprehensively organise themselves for learning and innovation will do better than those who do not’.”

Opportunity for India

Fortunately, India for the last two decades and a half has been building up a good base for training its men and women in new sciences and technology knowledge. Institutions of knowledge and number of knowledge men have to be further extended to play a substantive role in the fast globalising world. The streams of knowledge should be allowed to flow unhindered to irrigate the young minds which, ironically, today lie uncared for as wastelands near a running river.

It is time we are seized by a passion for acquiring scientific knowledge. There is no place for complacency. The appetite for more knowledge should be whetted. An irrefutable case should be built up for more resources and funds to be allotted to education to develop appropriate institutions. Even 6% of GDP, which is now being talked of, though yet to be allocated, is insufficient for the gigantic task ahead. Let not the powers that be plug their ears to its clarion call.

Despite state apathy and several other inhibiting factors, India has done exceedingly well in the IT sector. There is no reason why India should not become the cradle of the digital revolution and get its hold tightened on this key factor of success in a globalised world. That is the core of the global agenda.

It is agreed on all counts that, to meet the challenge of globalisation, we need a qualitatively different state, which will, on the one hand, spearhead the growth of scientific and technological forces, and, on the other, convert the global forces of growth into poverty reduction programmes, through creation of a more equal society based on widespread literacy. It underlines the need for policies that combine high growth with expansion of human

capabilities. Proper implementation of these policies would prevent people, already trapped in poverty, from being excluded from the opportunities created by global links between growth and knowledge. Inequality can be broken by sensible access to knowledge production activities and marketing infrastructure. These, if not intelligently handled, could add difficulties to certain vulnerable sections of society. Tomorrow's world would be knowledge world, requiring workers producing knowledge products for developing new markets. Let's prepare our people to be worthy of the new world order.

Indian Ethos and Multi-culturalism

In the growing context of globalisation, a new civilisational era is getting born. Telecom and information revolutions - through TV, intercom, internet, etc - are tending to encourage a new mix of civilisations, which had hitherto remained in slender or scant contact, seldom converging. This coming together of different civilizations, as never before, is, in the view of some, threatening to cause a clash of civilisations - an invasion of indigenous culture by other cultures from open skies, through TV and other like means. They fear that, this situation, if left unattended, would be undermining traditional ways of thought, practices and values, which would eventually generate anarchic attitudes and disruptive tendencies. To them, the doom is not far behind. They hold that the so-called global culture should be suppressed and stopped to save the indigenous culture. This does serve as a strong argument advanced against globalisation.

One cannot help asserting that here is a conceptual failure in understanding the impact of the new order of multi-culturalism. It should be recognised that a meeting of cultures is not a clash of civilisations, injurious and distasteful, but a step towards building new bridges of understanding between different cultures. In fact, a meeting of cultures is not a disaster but an opportunity. It harmonises differences instead of extenuating them. Human beings in their nature are simultaneously alike and unique. Globalisation

provides the opportunity to know how incredibly alike they are, though also significantly different. We are connected to each other, wherever we might be, by our human nature and separated by our history and individuality. The best would be when these two aspects of human reality find, through global interaction, a better social equilibrium leading to a long-coveted togetherness. On being exposed to each other, a new balance is formed, epitomised in the new credo, "Now we are not the 'other'. We are universal and valid".

The Indian civilisation, by being open and not exclusive, acquired a vitality which has made it last for over 5000 years and more. It cannot now be held to have become so fragile as to break up, once it comes in contact with some outside civilisational forces. In fact, some components of the Indian civilisation got damaged when it tried to withdraw from interaction with others and isolated itself.

Strands of different cultures, like waters in a river, meet to become a confluence of a vital civilising influence in life. In the first instance, when waters mingle they do get to look dirty and lustreless, but, as these waters run along into the mainstream, they get cleared up and sparkle with alluring majesty. Like the sangam of Ganga and Jamuna they become eternally divine.

Some of the self-styled guardians of culture, vainly basking in their cultivated ignorance of history, foment trouble by their misguided enthusiasm to keep their brand of culture in total exclusivity. Appropriating God for themselves, they try to build walls between different civilisational forces and thereby distort the core essence of culture which is born out of mutual love and respect and non-violence. Such men are harmful to society and must be exposed and rejected. The new forces of globalisation that encourage a mix of civilisations should be welcomed. It is the role of the elite to educate people in this regard and save them from fanaticism, which, combined with political terrorism, harms the spirit of civilised life and makes men brutish, short and insane.

Long ago when Parsis first landed on the shores of India from Iran and wanted to settle down with their cultural heritage, their entry was opposed by some on the plea that India, like a cup of milk, was already full to its brim and had no place in it to accommodate anyone any more, but, when told that there was always place for sugar in milk which could be sweetened by its addition without spilling, the Indian hearts opened up to accept them.

India welcomed the people of different races, religions and cultures and bound them all together. Tagore wrote:

*Come one and all, to the mother's crowning
The sacred jar is yet to fill,
And all must join that the water be consecrate
On the shore of this last sea of humanity
That is India.*

It is through inter-mixing that civilisations get rejuvenated. Multi-culturalism is the ethos of India and hence global forces, encompassing and embracing the values of other cultures, spell no threat to India. Inter-mixing guarantees a welcome development and progress and will not lead to cultural dysfunction.

In a burst of spontaneity Gandhi said :

“I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any. I refuse to live in other people's houses as an interloper, a beggar or a slave.”

Let's not lament either, if the outside winds let fall some of our outdated ideas, just as the tree does let its withered leaves fall, and fresh and beautiful coloured petals are born thereafter.

Majoritism versus Minoritism

Along with the global order of multi-culturalism go cultural diversities within countries. These diversities, which had for long

remained subdued, cannot any longer be suppressed. Neither public recognition nor their rightful place in public affairs should be denied to them. Diversities have to be welcomed and given a status of equality and social respectability within a country. They should not, and cannot, be held back. More so, when global forces have become their guarantor.

Globalisation, by opening up domestic handling of such issues to the international gaze and public scrutiny, has lent a new strength of assertion to ethnic minorities. Due mainly to TV exposes by the electronic media, ethnic diversities have become visible and cannot any longer be put behind blinds to remain subordinated to the goodwill or otherwise of the majority ethnic group. Minorities cannot any longer remain hostage to the majority's dictates, which may be blatantly unjust and unfair to them. The gravity and urgency of this issue at the intersection of public policy has to be realised. There have been disastrous consequences, as witnessed in Yugoslavia and Russia, where this has still not been understood.

A pluralistic federal state, with due political representation to minorities, would be needed to supersede the present belief in majoritism as the only form of democracy. Multi-culturalism and diversities of various sorts should get due recognition within the state and also within the broader configuration of globalism. It would be an acid test of statesmanship to create an institutional framework, capable of forging the discrete elements comprising a state into a new partnership of shared interests and ideals, without, of course, eroding their distinct identities. However, while a state, in the global context, has to be made safe for minorities, at the same time the state will have to be saved from minoritism. An insatiable minority, pestering the state with its strident and importunate demands, is a complete mismatch in the new scheme of things. Hence, a redefining of relationship and proportion between such seemingly divergent elements is, perhaps, the toughest challenge which countries face in the wake of globalisation.

However much some of the national or community leaders may question, reject or challenge this thesis, it is a major responsibility of the enlightened and educated persons in the countries to evolve a coherent strategy in this regard. A web of individual attitudes, cultural moorings and institutional practices would foster by mutual respect a congenial environment to replace bigotry and obscurantism.

India is again fortunately placed in this regard, for it has a long history of a firm commitment to the idea of unity in diversity. Aberrations have been there but unity in diversity has remained its noblest goal – a goal now coterminous with the goal of globalisation.

Need for Just and Moral Society

The effective natural strategy to partake in the fast-developing globalised world is not merely to build sinews of science and technology but also to develop among our people a commitment to establish a just and moral social order where one is equally concerned with others' welfare. Failure to do so would render a blow to our sublime dreams of realising a marvellous future. It would be wrong to assume that integration of countries within a global system, facilitated by the achievements of science and technology, would automatically lead to equality among men. We must remember that 'integration is not equality'. We will still have to subdue the devilish side of life that is prompted by hunger for power and thirst for acquisition.

A life, provided with physical comforts and pleasures but devoid of higher concern for others, remains under the threat of an avalanche of public anger. A castle of science and technology built on the sands of self-centredness cannot last. Success in science and technology would slide towards general discontent unless it is equally endowed with a will to subordinate our baser instincts inclined to misuse the power of science and technology to serve the interest of a few. This leads to abuse of freedoms and 'life becomes

a performance for oneself, in lack of faith, without hope of the grace of higher judgement'. As and when material advantages converge with ethical concerns, social bonds are enhanced across time and space, dissipating petty jealousies and fostering a stake in shared progress and peace.

Fortunately, we have an inspiring heritage of art, culture and philosophy to guide us in the formation of values for a globalised world, which would restrain us from remaining indifferent to others' miseries and make us more caring to endure the suffering humanity. The strength of India has always been in *tyaga* - in giving up and sharing one's material goods.

We, as the inheritors of a great culture which is based on the precepts of great sages like Lord Rama, Gautam Buddha, Mahavir, Ashok, Sufi saints and Gandhi, can better understand the precedence of values over state power. Naked power without ethical concerns generates anarchic attitudes and disruptive tendencies, and can nullify the advantages of the global order.

It is not that we should undervalue the material comforts and joys of life which globalisation provides for, but that we should not overvalue them to the detriment of compassion and equity. As Indians, we instinctively understand what *Dharma* is and what *Adharma* is, but we do need to learn from the wisdom of our saints, philosophers and sages how to practice dharma and avoid adharma. It is too demanding to expect us to live the life of saints, but a knowledge of their teachings would impart grace, forethought and sublimity to our conduct, which assumes greater critical significance in channelling the marvels of science and technology to serve society as a whole. Conjunction of science and technology and morality within the framework of globalisation is well within our grasp. This land of the Buddha and Gandhi, of Raman and Bhaba, should be able to set an example by pursuing both knowledge and morality for the Global Code of Conduct. Harmonising science and culture to form the basis of the new global order should be our goal. The core pattern of history's basic

trajectory for us is to accept the imperatives of globalisation, driven by technology with the wide acceptance of human values and democratic ideals of a good society. At such a crucial juncture in the annals of mankind, pragmatism, and not sentimentalism, should be the guiding principle in enunciating policies relating to globalisation issues.

Several measures taken by us in this direction, however token or minimalist in nature and scope, could have a large multiplier effect. There is a persuasive parable that a butterfly flapping its wings in Japan (it can as well be India) could conceivably cause a tidal wave in Texas. May we prove equal to this global task which history seems to have assigned to us!

ENTERING THE TWENTYFIRST CENTURY*

The twentyfirst century opens on us a new order of high excitement, great expectations and dramatic changes. Humanity would encounter new and radical shifts which would change the course of history. One way of navigating through it and managing the change would be to do a little introspection; reflecting on the past and speculating on the future, thereby exploring and redefining the unfinished agenda and working out strategies to handle the new challenges as they would emerge and crop up.

Defining Events of Twentieth Century

The century we have left behind has been one of great achievements and also one of great tragedies - full of most tragic calamities, brilliant achievements and murderous crimes. Let me recapitulate some of the profound features of the twentieth century since they do not look to be terminal and would impact the future.

The three defining events of the twentieth century are :

- i. burst of new technologies;
- ii. end of colonialism; and
- iii. demise of communism and fascism.

These three events have been so radical in their content that they would still play a significant role on the world stage. They would continue to influence, vex and puzzle humanity. Unless their deep existential meanings are adequately understood, the ensuing challenges would not be handled resolutely. Since transitions bring in their wake both aspiration and angst, triumph and tragedy, mankind, while reaping the benefits of these changes, would also encounter unprecedented hardships.

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New Technologies – Successes and Failures

First, the spectacular successes of the twentieth century. The century experienced unprecedented scientific breakthroughs and these developments have been mind-boggling. They redefined and shaped the state and quality of human life. Vulnerability to many diseases (epidemics) and physical hardships which had condemned human beings to a sad lot of suffering and pain was dramatically alleviated. Conditions of work improved in several ways. Expectancy of human life increased. In some cases, even the dead were raised to life by taking the vital organs from the deceased and transplanting them into other bodies to let them function as living organs again.

Radical changes in the realm of transport and communications sandwiched time and distance and shrank the world into a global village. Fast communications and information revolution, while dismantling the privileged hold of knowledge by the elite few, brought art, culture and knowledge to the doorsteps of one and all and made instant pleasures possible. A lover did not have to wait for days and months to hear the voice of the beloved, nor mothers had to wait for days to know the welfare of the children living in far-off distant places. Men broke the hold of gravity and reached the outer space, walking on the surface of the moon and penetrated into those places in the sky which had been described to be the abode of angels and found them to be empty. We could, in the words of an author, see the earth from the space as a brilliant blue marble suspended against a dark blanket and to see it as another star in the sky, which has been a mind-boggling triumph of science over mythology.

Stimulated by the best means of information, flows of trade, investment and finance, men of Economics shattered the roadblocks and barriers of State policies to gain admission into different countries to participate in international economic activities. While these have been the high points of science and technology, one cannot close one's eyes to the worst crimes

committed with the assistance of these very technological tools. This turned out to be mankind's most bloody and hateful experience. Armed with most lethal weapons of warfare and mass destruction, monstrous killings were perpetrated, which horrified the conscience of mankind. In pursuit of national ego, craze for political power, greed for wealth and drunk with the passions of doctrines, technological means of death were employed to kill more than 167 million of people in just one war. Millions of lives were deliberately extinguished. The flower of youth lay in dust through politically motivated carnage. Millions and millions of people, almost equal to the combined populations of France, Italy and Great Britain, were condemned to extinction or mutilation. Science opened the floodgates of knowledge and yet a tragedy of this magnitude occurred. Why? In the words of a poet, "Knowledge came but wisdom lingered."

One of the vital issues in the twentyfirst century would be to bridge this gap between knowledge and wisdom and to handle and adapt the twentieth century wonders of science and technology to design and shape a new world order – on the one hand, to prevent science and technology from adding to man's power of destruction to stir up hell and extinguish life on the earth and, on the other, to stimulate their creative forces which would transform and lift the lives of people to new heights of heavenly bliss and glory?

End of Colonialism

We would also have to make a sober assessment of another significant development of the twentieth century, that is, the end of colonialism, which marked a big break with history and opened up new avenues of development for a large number of countries and their people.

With the end of empires, the artificial imperial order and its devilish form of governance that was imposed on people living in colonies ended. It was a system by which a large chunk of humanity was forced to give up their rights to run their own affairs

and were subjected to the yoke of foreign rule. Forced to submit themselves to an idea of their being inferior, they were made to renounce their freedom, culture and identity and accept the imperial masters, under something akin to the Divine Right Theory, to rule over them. Deprived of their rights, they remained bound to loyalties as a slave would to his master. The empires were created by force of arms and retained by a policy of divide and rule.

A system of exploitation was imposed on them which rendered their natives to sink deeper and deeper into the abysmal depths of poverty, illiteracy and disease. Their resources and fruits of their labour were transferred to enrich the imperial countries, leaving the exploited to lives of disgrace and indignity, squalor and poverty. This tyrannical and hated order of governance ended by the last decade of the twentieth century. Liberated from imperial rule, becoming independent and decolonised, hundreds of new countries emerged out of servitude, reshaping the map of the world. People of colonies were thus reborn to rediscover their identities and to aspire to become equal to their erstwhile rulers.

Turbulence and Disequilibrium

The change in the system of imperial political order, though a most welcome development of the twentieth century, also brought in its train disorder and turbulence to the newly-freed people. It is common knowledge that a system, however unjust it may be by its very nature, imposes some semblance of order and maintains a sort of peace, albeit by suppressing people's upsurge for freedom. Independence brings upheavels also. In a different context, Mao Tse Tung had said, "When a big rock is upturned, insects come out of the earth. When an old tree falls, the earth around it is shaken." Self-government does not automatically bring about good and orderly government. Generally, nations, when they break their shackles of servitude, experience turmoil as a consequence of the breaking up of an equilibrium which, however detestable it may be, had managed to keep disturbances in the streets suppressed. Much effort and statesmanship would,

therefore, be needed in the coming years to handle the situation inherited from the twentieth century.

The new century will have to carry the consequences of the great historical development to its rightful, logical culmination . This is just what has started to happen and it will continue to be of deep concern as we go along the twentyfirst century. Great efforts would have to be made to bring these newly developed independent countries into a network of orderly governance and to provide them with impulses, ideas and reforms to lift their lives and economies to a higher plane of living.

This would provide a new meaning and significance to people in the former colonies. This would not altogether rule out some untowardly and even tragic happenings but would certainly free them of bondage and fear, tersely epitomised by Rabindranath Tagore in the famous verse-line, “Where the mind is without fear and the head is held high.” This new dispensation would transform their destiny and give a new starting point to lives of millions, shaping social development to their advantage and giving them a place of honour and respectability in the comity of nations. The most perplexing phenomenon, however, would be to see how all this would happen. From the power-hungry Brown Sahibs’ clutches, who became the first beneficiaries of the end of the empire, power would have to shift to the downtrodden and the powerless.

Shift From Authoritarianism

The third defining event of the twentieth century, that is, the total defeat of fascism and the demise of communism in its last quarter would follow broader challenges for polity and politics in the twentyfirst century. Ideological authoritarianism would be pushed into a corner. The task of vigilantly and thoughtfully resisting the return of any of these ‘isms’ would remain one of the most urgent and sacred tasks of the twentyfirst century. Several complex and alienating pressures and well-springs of totalitarianism

would try a comeback but an awakened human soul shall not submit to them.

There is a wave and it will continue to gain momentum to make democracy the order of the day; and under no circumstances would any group of committed men, working in the name of high ideals, be allowed the right to despotically run the affairs of the people and subvert their democratic aspirations. In the changed scenario, their doctrinaire rule would not be acceptable even to the most downtrodden and exploited, in whose name ideological claims of justice used to be made. The great shift from the totalitarian system marks a significant historic break. The time for the democratic idea seems to be irreversible and shall be spreading around the world in the twentyfirst century.

But the bliss and benefits of democracy would not automatically follow. A free, just, tolerant and liberal society is the aim of democracy. Frankly speaking, this would not come about easily. Means for its fulfilment would have to be found through strenuous efforts. Democratic consciousness, which has either been absent or latent in society, would have to be generated or activated. The quest for democracy would remain a continuous and time-consuming process. The twentyfirst century will have to face issues connected with this. The phenomenon of mass political consciousness should shatter political passivity, which could otherwise condemn man to the failed political experiments of the twentieth century.

Three Basic Matrices

To my mind, these three defining events (upsurge of science and technology, end of empire and demise of communism) would form the basic historico-political matrices into which most of the future events would fall and out of which a search for a new world order would emanate. A new civilisation would not be easy to take birth, but would surely be conceived.

Driven by the forces of science and technology, referred to earlier, the distances of time and space would shrink further. Satellites, computers and fibre optics would create the reality of a global electronic village. Countries which were once separated from each other by awe-inspiring mountains, forbidding fathomless oceans, long serpentine rivers and vast expanses of inhospitable deserts, would get so close to each other that it would be hard to imagine borders dividing them. Air transport and modern means of communication would deliver images and information, men and material so fast across borders that nations would perceive one another as immediate close neighbours and not incompatible strangers. The borders between the countries would become more porous and the distinction between the domestic and international issues would get blurred.

All of this would make for a more inter-dependent world, marking the end of the era of isolation. This would create greater economic efficiencies, effective multi-polarity, multi-culturalism and rising levels of intellectual and creative pursuits. It would also produce new uncertainties, unforeseen risks and hitherto unknown challenges. In the coming century, we have to exploit the opportunities and manage the challenges of globalisation to our collective advantage. In the wake of the inexorable march of history, globalisation could not be escaped but at the same time it should not be allowed to completely overwhelm people either.

Economic Liberalisation

As the forces of globalisation get further intensified in the twentyfirst century, the countries would need to provide for greater liberalisation of economy, developing much closer interaction with other countries and regions and integrating into the world economy as fast as possible. Because of the velocity of technological changes, a new global economy is in the making. Record-breaking expansions, surge in producing and productivity would defy the old laws of economy. Global output of production would increase exponentially. More than half of global output could be exported.

Capital would move round the world much faster and in volumes many times greater than ever before, technical knowhow would also penetrate into the most distant destinations without waiting for governments to sanction or permit them. They would be finding new laws to safeguard their interests. Government at best would be playing the role of a facilitator or even a catalyst for expediting many such endeavours. Production would become extremely flexible, taking place in different countries, and being directed electronically.

Some of the features of this changing economy are not unfamiliar. It, in some ways, resembles the historic phenomenon that took place earlier too when increases in foreign trade were recorded, exports in the GDP increased and multinationals took up production in countries away from the countries of origin. What is going to make the difference would be the dimension of the phenomenon. It would be much wider, much broader and involving a far larger number of countries and doing transactions at a much faster pace in terms of time than ever before.

Knowledge in its New 'Avatar'

Yet one more historical force which would change the face of economy would be a definite shift of economy in favour of knowledge as the creator of products and basis of wealth. Twentyfirst century economy will be knowledge based and knowledge products would rule the market. For instance, knowledge and not oil would be the basis of prosperity and would fuel and kindle the lamps of advancement. The ascendancy in market would call for bringing out the full potential of mind and keeping pace with the advancements in science and technology. Information technology would be pushing back the power of capital, which held sway in the twentieth century. Growth of high technology industries, expansion of E-businesses and the efforts of techno-visionaries to see that nothing would escape the miraculous touch of IT, all these and like innovations would be the order of the day. A new technology would percolate to all sections of economy and register big productivity improvements.

Education and upgrading of human resources would become vital for economic success. Education systems would be restructured to produce knowledge workers and to cater to knowledge markets, as the speed of knowledge would continue to accelerate in the twentyfirst century. Countries lagging in acquisition of knowledge and creation of knowledge workers would fall by the wayside and get marginalised. As it is, software companies are now employing more than 800,000 people. Employment in this industry is growing by 13 per cent compared with growth of 2.5 per cent in the rest of the economy.

States will, therefore, play an important role in raising the levels of the right type of education and increasing investments in research and development (R&D). The corporate sector would also work to ensure that their firms become leading research-based global companies. Ceaseless efforts would be made to promote high level interaction between scientists, technocrats and firms. Silicon Valleys and fast-growing informatic industries would spread far and wide. And they would come closer to each other through high-tech corridors.

Market Forces

While the information technology, communications revolution and globalisation would make for the arrival of new economics, the central thrust to economy would continue to be provided by the market forces. Competition would continue to be at the heart of things. Investors would go to any length to outbeat rivals in any sector and anywhere. Their drive for economic dominance would be unstoppable. Crossing the borders, which have become porous, they would put their money where profits could be maximised, unconcerned whether the country belongs to the North or the South.

Competition is indeed a value under the pressure of which competitors bring the best out of them to corner the lion's share of market. Yet the invisible hand of market and efficient

performance in competition may not necessarily create a just and fair society. In cut-throat competitions, winners get all the moolah and losers are left holding a lemon. To defeat such self-destructive adverse social and political consequences, the twentyfirst century would have to lend greater concern to other social values which have merit not only in the social sense but also in strengthening and enlarging the economy itself. For instance, competitive gains by irreversibly damaging environment, by shamelessly exploiting child labour, and showing callous indifference to the problems of iniquity would not hold ground. Accumulation of capital would not be allowed to deplete the social concerns.

Empowerment

As democratic rights would come more and more into vogue, a more and more determined people will use their political empowerment to demand a fair and just return for their labours. Increased production and growth were the centrepiece of economic endeavours in the twentieth century. The new century would call for greater attention to distribution aspects of wealth, which faced formidable obstacles from the forces of status quo in the twentieth century. In the changed ambience of the twentyfirst century, social justice would gain unprecedented momentum and social responses to the needs of the poor would be greatly enhanced. Growth with no relationship with social justice would prove catastrophic. Considerations of competition would have to be put in balance with other higher societal values.

Need for a safety net and enhanced quantum of public expenditure on education and medical services for the poor would gain in importance. New social models would be evolved to activate progressive eradication of poverty in developing countries and adoption of self-restraint in the quest for material rewards in developed countries. Vision of an alternative way of life which could cope with social injustice and poverty would have to be on the agenda, but the eternal dilemma in this regard would continue.

As all religious and non-religious efforts have so far failed to end poverty, the new measures and models would also meet with great resistance and hidden schemes to fail them. It will be the task of the twentyfirst century to find a way out of them.

Challenges of Technical Revolution

Developing countries have to learn to cope with the challenges of technical revolution and Darwinist global competition. Failure to do so would create structural deadlocks leading to economic chaos. It is hoped that lots of inventors, innovators and managers would sprout to find ways of development in the developing countries. Though it would not be a soft course, through international action by those who will treat countries as equal when they are not, a new class of action-oriented persons would evolve new approaches to development to lift these countries out of their plight and put them in the mainstream. The approach of this new school would have a mix of free economy and socialism with a human face. It may be that, to start with, it will remain a messy business, but new economic forces activated by technological revolution will bless their efforts to success. Information revolution, fast communication and transportation would make poverty and backwardness more visible.

Hidden from public eye, the misery of the least developed could go unnoticed. But once remoteness of inequality is removed or made visible, the human conscience moves and programmes for bridging the gaps between the countries are taken more seriously. Eradication of these gaps would thus be in the forefront of international agenda. One can also foresee the emergence of broader and stronger institutional framework to manage this, since the institutions of the previous century would not suffice. New rules, new institutions and new guardians would come into being. Great debates would be held to work out the specific details of these. The twentyfirst century would devote time and talent to this task.

Democracy

In the realm of polity, changes will be stimulated by the demise of communism and fascism as referred to earlier. Legitimacy of power assumed by any authoritarian group of people or individual, however well-intentioned, would not be tolerated. The claims of fascism based on racial discrimination failed by creating racial and ethnic hatred. Deaths of millions in concentration camps exposed the true but ugly face of fascism. Similarly, the communist appeal failed because, notwithstanding its grandiose blueprint for betterment of human society, in practice, the proletariat dictatorship could not deliver the moral and material claims it had made. It stifled freedom and set up Gulags. Repression and interventions of these political systems created circumstances where people opted for ways and means which, though not perfect, gave an increasing share to people and political rule and weakened the power and authority of those who ruled to protect themselves against their arbitrary acts. There will, thus, be in the twentyfirst century an increasing convergence and consensus in favour of the democratic form of government. Democracy would continue to spread round the world.

In his book 'The End of History', Francis Fukuyama declared that all nations are fated eventually to become liberal democracies, which would constitute the final phase of human political development. One cannot accept this thesis in toto. There are certain compelling requirements to be attended to before one could have genuine democracy. Holding of free elections, though an essential prerequisite of democracy, has proved insufficient in several cases to usher in democracy. There have been cases of elected leaders gone authoritarian and giving 'rise to illiberal democracy'. A real democracy, says Fareed Zakaria in his article 'Rise of Illiberal Democracy', also needs the habit of free speech, impartial judges, independent political parties, an assumption that elections will take place at regular intervals and strict obedience to rules.

Removing Aberrations

Societies need time to learn self-discipline that is the lifeline of democracy and to run the institutions which enforce the rules and terms of democracy. The twentyfirst century will have to battle with many aberrations in this regard and would witness at intervals disturbing trends to derail the democratic system. But one could see on the screen of future the rise of non-government organisations (NGOs) and many advocates of democracy fighting for the cause more vehemently than ever before. Their success to consolidate the system, which has already had the approval of the twentieth century, has greater chances of success.

One such aberration has been the raw deal given by society to women so far. If gender bias is allowed to be carried forward into the twentyfirst century, it will be a sad day. Without empowerment of women in all walks of life – ranging from home to larger social and State institutions – democratisation of society and polity would be a big sham. Hopefully, in the twentyfirst century, woman power would become a mighty force assuming rightful share of leverage in the affairs of the State. That apart, democracy cannot be allowed to become majoritism where the rights of minorities are bulldozed and their genuine grievances made to sound like a cry in wilderness. Diversities and assertion of identities of groups which were taken for granted as a token gesture would receive greater political sanctions. Their legitimacy would become the order of the day. But at the same time, while minorities would be safe in the State, the State will also have to be saved from the strident and importunate posturings of the minorities.

Constitutional arrangements in this regard would be in the making and worked out. Political compulsions would require federal arrangements within the States with genuine decentralisation of decision-making and transfer of power to the powerless at the grassroots level. Respect for the core liberties – including freedom of speech, press and religion – would become

an article of faith and would not remain just a matter for the States themselves to decide public opinion and would not let States infringe upon these liberties. Most of these ideas of the twentieth century would find the shape of reality in the twentyfirst century.

Common Global Destiny

The twentyfirst century would be firmly in the grip of technological civilisation, which would span the entire globe and firmly bind together all human societies submitting to a common global destiny. This would have implications for our traditional notions of sovereignty of the State. Globalisation would be transforming what were once national domestic issues into global concerns. In many matters of economics like trade, investment and finance, borders and frontiers of a State, which define the geographical limits of a sovereign State, have already become porous if not an anachronism. No visas are needed for the factors of production to find entry into a State. The information technology has made their transmissions easier. Similarly, several national concerns of domestic nature are now open to outside interference. Several aspects of the old Panchsheel doctrine, which once prevented intervention from across the border, have been flouted in view of the global concerns.

Till the other day, what a State did to its citizens within the State borders was none but that State's concern. In the twentyfirst century, no State would be allowed to suppress human rights of their citizens or enact barbarous legislation at its arbitrary will. For long, it had been recognised that it was not within the right of any nation State to invade another. But of late, internal conflicts or acts of State which bring human suffering and devastation to their citizens, justify action by others; especially international intervention in human rights has become a major article of faith of a secular culture. This has weakened the presumption in favour of a State's sovereignty and strengthened the presumption in favour of intervention when massacres and pogroms become a State policy. Similarly, several matters relating to ecology, environment

and pollution and also fatal transferable diseases are factors where State actions or lack of them become the equal concern of others.

The information and communication revolution has made the happenings of the State so visible that the rest of the world cannot let things go unnoticed. This may be the abridgment of sovereignty of the State in one sense. But the writing on the wall is unmistakably clear that involvement of global forces is no more avoidable. Thus, the question of State sovereignty and limits to it would remain a challenge to be handled in the twentyfirst century. Since countries remain in different systems, with different levels of development and with different traditions and cultures, the need for the State to improve the profile of State's conditions would continue to exercise great importance. Since politics for long would remain national, there will be clashes with global interests and national responsibilities and sensibilities. Domestic constituencies could not be wished away. And, therefore, the clash of interests in this regard would bring to fore new complexities.

Paradoxically, the state of politics will have to be global and local at the same time. Hence, a new approach towards 'globalisation' will have to be evolved. Resolving the tension between growing global interests and narrow national concerns could give rise to controversies that might lead to some serious rift or conflict. Such an eventuality needed to be handled with care. Far from weakening the role of the State, we would witness a drive towards redesigning the concept of sovereignty to meet the demands of the global world without alienating the interests of the State. It will remain the paramount duty of the State to improve the status and quality of life of its people and strengthen the sinews of the State to be a competitor in the global market of ideas and things. A whole set of issues would have to be handled in this regard in a coherent and balanced way, for the very ties that bind the States to the world can also divide them to split the globe. The challenge of the twentieth century was to handle a divided world. The challenge of the twentyfirst century would be to handle an interdependent world.

Conflicts of Culture

According to one school of thought, the twentyfirst century would witness conflict between cultures as described in 'Clashes of Civilisations' by Samuel P. Huntington. He has propounded a thesis that the fault lines between civilisations will become the battle lines of the future which would unleash social passions and religious insanities leading to violence, horror and war. Without underestimating the power of forces of upheaval, the latent process inbuilt within the civilisations could not be overlooked.

The forces that have been released by the end of the twentieth century have brought to an end the European domination of the planet. European culture would no longer hold its universal sway to dominate the rest. Room is being made for real multiplicity. An era is beginning during which no single culture would dominate. Multiculturalism will become the order of the day. Multiculturalism is certainly not new in history. For thousands of years, many cultures adorned the world history. But they existed more parallel to each other than together within one framework. The Indian civilisation, the Chinese, the Egyptian and several other existed simultaneously but with little or meagre contacts with each other.

There were some poets, sages and religious leaders who crossed the boundaries of one culture to reach out the other. But their impact was, by and large, unidimensional, mainly confined to the propagation of religious ideas. But outside the pale of religion, their approach was neither so intense nor multidimensional as to bring the cultures within one framework. And the cultures remained within their own turfs with little contact with the rest. But in the twentyfirst century, with the world becoming a smaller base, interaction between peoples of different civilisations would inevitably increase.

These interactions would intensify multi-civilisational consciousness and awareness. People would be aware not only of

their commonality but also of the differences. A kind of paradox would emerge. Two opposite forces would work at once - one of homogeneity and the other of retaining its specific identity. Dangers of clashes of culture imminent from such a combination could be avoided if the forces of coexistence within the framework of a global world order were intensified. This historical originality of multi-culturalism comes to life with the technological revolution of bringing people of different countries closer by sandwiching of time and distance. This, in the twentyfirst century, would make new demands on human society and intensify the efforts for a new framework of civilisation lest conflicts among ethnic groups, cultures and religions might increase.

Coexistence

The idea of homogenisation of cultures through a melting-pot approach would not work in the future, as is evident from the failed experience of America. Rather the example of civilisations like India which had a unique experience of living with several cultures within the geographical confines of a country would be a safer bet and most likely to prevail. Each culture being aware of its unique distinction yet would not resist accepting the uniqueness of other cultures. The twentyfirst century will have to deliberately encourage multicultural coexistence, that is, respect for one another's culture and accommodation of one another's differences.

History's verdict is clear that the autonomy of cultures cannot be ignored but will have to be accommodated. Salvation of the world lies in that. A kind of post-modern culture of coexistence would have to be found in the context of One World. Some kind of consciousness is sure to be attempted on this issue in the twentyfirst century. That will be a moral minimum which will link different cultures and not let them clash. Sources for such an approach would be found in the philosophy of tolerance and non-violence.

Regulation

It is futile to believe that laws and much of organisational and regulatory measures would make society eschew violence. A moral reconstitution of society, which would require more than political relationships and guarantees, would be needed to preserve peace between the civilisations. The issue would be to rehabilitate values of trust, openness, responsibility, solidarity and love. A new human order would be conceived, which would imply a renewed and reinforced commitment to basic, eternal values and philosophies of life. A new-found inner relationship with other people and with the human community around us is called for, which would provide vital energy to life to go significantly beyond the present acrimonious ways of settling disputes.

Order and Values

The world will also have to think in terms of giving up its militarist mentality. The idea that security of nations and people could be purchased by stockpiling of arms would prove disastrous. Wars have never solved and can never solve problems. On the other hand, wars fought with weapons of mass destruction could surely obliterate life on earth and beyond. The Duke of Wellington, while surveying the horrendous sight of massacre and carnage after the Battle of Waterloo, observed that the next worst thing to a battle lost is a battle won. Almost two centuries have gone by but no one has heeded this denunciation of war by a great military general and conqueror himself.

Hopefully, in the twentyfirst century, there would be a big debate in favour of a strong non-militarist anti-war and pro non-violence attitude and approach in resolving inter-State disputes. For the logical consequence of power politics in the nuclear age will not be peace but genocide. When Calvin burned Servelas, Costello observed, "Burning a man is not defence of Faith, but the murder of a man." Nuclear bomb is not the defence of a nation but the murder of humanity.

I am sure that civilizing peace – inducing forces of love that lie locked within us – would rise up under the threat of nuclear onslaught and take us away from stirring hell, and “...the heart would throb to mingle with the heart of humanity.” As the poet said :

*“The fire restrained on the Tree
Fashions flowers:
Released from bonds it dies in ashes”*

The best of the minds of today, like the Czech President Vaclav Havel and the Nobel Laureate from South Africa Nadine Gordmer, have been talking the language of Gandhi that the world should rest on the rock of non-violence and truth. Devoid of the spirit of non-violence, political power and personal ambitions could turn best of men into tyrants and make countries hegemonistic. Gen. Smutts of South Africa, who had gone to do so much of good for Europe during the Second World War, on return to South Africa became the worst racist. Stalin, who fought for the triumph of democracy against the Nazis, when governing his country, perpetrated the worst atrocities. While, conversely, there are also instances of bad guys doing most humane acts, there is something lacking in human beings which makes transition from good to evil and vice versa take place so imperceptibly.

It will only be a total commitment to certain moral and ethical values that can save the civilisations. A “renewed rootedness in morality” can conquer the worst natural tendencies in a human being. I am sure, there will be philosophers in the twentyfirst century who would be looking into these aspects of human life and would reverse some of our perversions and the ubiquitous warlike intentions. The coming order will remain incomplete without such a transformation.

Prometheus Unbound

The twentyfirst century calls for a new kind of leadership. A leader who could rise above narrow loyalties of geography,

nationality, sect, religion or beliefs. He will have to simultaneously handle the requirements of the people collectively, not in ideological collectivism but one based on consciousness in which he works with others to bring a transformation in people. He has got to be above parochial considerations. If today Gandhi is remembered, it is because he talked a universal language and evoked the most civilised sentiments. He talked and practised non-violence under most trying conditions and lifted the soul of a nation. I am sure that objective conditions and unending challenges of the twentyfirst century would facilitate the rise of such an enlightened leadership. Each era has a kind of task cut out for its leaders. The task of leadership is to shape and direct events according to a plan with moral fortitude and to act boldly even when certainty is not easily attainable.

The twentyfirst century would face its own contradictions. While forces driven by technological progress would be opening up borders and welcoming outside influences to operate on their culture and lives, regressive and inward-looking forces trying to keep one's country insulated would also be at work. These two tendencies would clash and being caught between them, the countries will face a dilemma. Under these circumstances, a new vision would be needed to fuse the two forces with a view to make them work together. To hold one in readiness for such an adventure and apocalypse requires promptings of a vision. It is a vision that could find a new centre for mankind towards which all forces would converge, exposing people to new relationships and showing them a proper balancing of domestic and outer life.

Once the century enters into such a world, our world cannot be made small again. Vision is fundamental to new understanding, which would transcend our present mindset and transform our consciousness to a new-created life, much higher and better in its content and quality than we have known so far. It will be a moral renewal of mankind along with historical material gains of unprecedented nature, accommodated in a single multi-cultural framework. So long as there will be a leadership with a vision, the

problems of tomorrow can be boldly met and successfully solved. A new consciousness and a new awareness would bring us peace and happiness in our life time.

Creativity

I am one of those who have an abiding faith in the positive creativity of life. I am sure that hope will ultimately triumph over scepticism. Like the perennial Ganga, as long as the stream of life flows and as long as life keeps moving ahead, waters of the stream of life would cleanse us, washing the dirt in discordant elements and rendering us to a truly just life based in morality and not in power. Peace and eternal happiness should remain our aim. Coming generations would enjoy a better life than it was promised in the twentieth century. Bliss it would be “in that dawn to be alive”.

LIBERAL PRIORITIES FOR INDIA*

The Primacy of Liberal Values

Liberal values constitute the most important feature of democracy. Countries which have been blessed with liberal and moral values have invariably found it easier to accept a democratic form of government congenial to progress. Countries that have sacrificed or suppressed liberal values at the altar of rigid ideologies, ethnic passions, religious dogmas or sectoral considerations, have seldom remained politically stable for long. They came to grief and ended up by abjectly surrendering to uncaring, undemocratic, autocratic, authoritarian and totalitarian regimes which put the clock back. Democracy and liberal values are inseparable and mutually supportive. One cannot be subordinated to the other. One without the other remains incomplete and ineffectual, fomenting unrest.

India has a long tradition of moral values rooted deep in its culture and history. Tolerance and respect for different beliefs are the bedrock of liberalism. These have been the rich heritage of India. These provided a strong credible philosophical encouragement for building the edifice of democracy, notwithstanding the oppressive caste system and the bonds of jaati which continued to weaken the spirit of individualism and egalitarian ideology which are equally, if not more, important bases of liberal democracy.

Indian Legacy of Self-denial

The political evolution of democracy also demands a class of leadership which is willing to abdicate personal interest and power in favour of the welfare of the people and not manipulating power for personal gain. Affirmation of such an attitude is reflected in

* *Address delivered on November 4, 1999, at New Delhi.*

Indian mythology and history. Throughout its ancient history, Indian rulers showed a cultural restraint in the exercise of authority and material power in handling public or private affairs. The depersonification of power and primacy of duty, i.e. adherence to dharma remained fundamental to civilised order. In Ram Rajya, the pursuit of human values and performance of duties remained the crowning glory. Precedence of values over State power and material advantages remained an important guiding principle for rulers. Personal responsibility and renunciation of power were prized, way above wordly possessions, comforts and luxuries. They served as the centerpiece of Indian wisdom. The Prince of Ayodhya, Lord Rama, left the throne for 14 years and took to banvas to keep the sanctity of the king's word given to his wife. Buddha gave up his principedom in search of nirvana and peace for others asking nothing in return but expanding the reach of the human spirit. Ashoka renounced the laurels of military victory as a reaction against the killings at the battlefield of Kalinga.

Numerous are such instances where rulers preferred values over wordly goods and power, thereby gaining a high moral stature and setting high standards of public service, fulfilling their responsibility towards others. This provided an early conceptual framework from which liberalism in India could trace its ancestry. The existence of village panchayats in ancient India also lent a degree of credibility to democratic disposition. Thus, the cardinal principle of liberalism that power has to be used within the framework of a moral and just order for the welfare of the people was reflected in the limits the rulers imposed upon themselves. Their readiness to renounce power and demonstrate moral stamina to find the right means to achieve right ends has become the guiding principle of Indian political thought since ancient times. In fact, politics in India has found its meaning in the liberal thought of tolerance, multiculturalism and willingness to constrain power. In our times, Gandhi personified these values and endeavoured to achieve socio-political goals through democratic and non-violent means.

Modern India's Commitment to Liberalism

Whether it was Gandhi or Nehru, Sardar Vallabhbhai Patel or Rajagopalachari, they all remained committed to liberal ideas for enhancement of human welfare. During India's struggle for independence, they combined the moral heritage of India with the principles of freedom, equality and fraternity which had flowered in the West and developed into the political doctrine of Indian liberalism. In the same spirit, Indian leadership emphasised the moral significance of resisting the emergence of an all-powerful State which could terrorise people, become intolerant, authoritarian and totalitarian, leading to the dictatorship of a political bureaucracy insensitive to the people at large and demanding fatalistic obedience from them. Gandhi was most vocal on this subject.

When Gandhi talked of bringing happiness unto the last man, and said, 'when in doubt about any action, think of its impact upon the poorest in the society', he was not retracting from liberal thought but strengthening it. Concern for the downtrodden and empowerment of the powerless are attributes which provide succour and support to liberal ideas. In leading men to live in tranquillity and in harmony with natural surroundings by eschewing violence and fraudulent acts against any section of society, Gandhi was lifting the veil that hides the fallen existence of men and preventing their trivialisation, a purpose liberal democracy deems essential to serve.

When India got independence and moved to shape its destiny, it pledged to respect diversity, pluralism, democracy and human rights and made them an integral part of the Indian polity and economy. India's Constitution reflects the spirit of this commitment. The Preamble to the Indian Constitution and the Chapters on Fundamental Rights and Directive Principles are an embodiment of liberalism which pervades our Constitution.

India deliberately chose the path of the Western type liberal democracy and remained committed to it. With sublime courage,

the Indian leaders led the country on this course as a beginning of a long process of establishing democracy. It was later that some fissures opened up between the liberal and the nationalist/leftist forces within the country, regarding the capacity of liberal democracy to provide necessary institutional support for the upliftment of the poor. With their disdain for liberal democracy, they vilified it as inimical to people's interests and questioned the political arrangement that liberal democracy envisaged.

Faultline of Liberalism

The erosion of certain aspects of liberalism in India has mainly been due to three or four factors. One was that liberalism collided with certain historical experiences that lay hidden in the psyche of the Indian people. Liberalism was viewed as an extension of European Imperialism that had foisted colonial rule over the country and, hence, resentment grew against it. Second was the acceptance of the then reigning ideology of socialism and its accompanying thought that a strong interventionist State could alone eradicate poverty which was the most potent violator of human dignity and human values. This captivated the Indian mind and a liberal State was faulted for being insufficiently interested in the problems of the poor and over-concerned with the interests of the rich. A poor country like India would naturally resist such a perception of development. Thirdly, an assumption that a political structure based on the principles of individual liberty and a framework granting freedom to the privileged private sector would override and transcend the interests of the people in favour of vested interests as economic parasitism invariably accompanies political privilege and had to be avoided. Hence, liberal individualism could never become the 'uncontested core' of struggle for democracy. Ancillary to this was another thought that a people emerging out of a long imperial bondage would not be in a position to act in their own interests and would not be capable of making appropriate choices and would, therefore, need a strong State machinery to make choices on their behalf to checkmate the growth of private initiative threatening the interests of the masses.

The unintended consequence of these was the emergence of a bureaucratic State at the expense of the values of liberal democracy.

As such, the anti-liberal forces had their origin in the specific circumstance of India and were contingent upon its historical experience. These inevitably curtailed the growth of liberal democracy. The individual citizen's role got eroded and the role of the bureaucracy assumed greater importance in exercising the power of the State. Power, instead of being vested with the people shifted in favour of the State and the political bureaucracy.

Liberalism Regains Respectability

Fortunately, these aberrations and deviations got moderated over time with improved and careful judgement. As the bitter memories of colonial days started receding into the background, the unfavourable trends against the Western origin of liberal democracy got weakened and the chilling prospects of our sliding further away from liberalism got restrained.

Once we were able to perceive the basic difference between the colonial role of the West and the West's role in spearheading liberal thought, expounded by its political thinkers and philosophers who were vigorous advocates of social justice and freedom for all, liberalism, regained respectability. It triggered off a better understanding that liberalism irrespective of its country of origin (in the West), was an expression of opposition to all illegitimate (colonial) rule, including that of the West's domination over the East. This understanding released the mind of suspicion against liberal thought and engendered the reassurance that liberalism was the basis of human progress. A more rational point of view thus came back into vogue and rescued the Indian mindset from a tendency to generate a credibility gap and suspicion among the people against liberal ideas and instead helped to create a nuance in their favour.

Simultaneously, the existence and growth of a free Press in India, which got its impetus from the West, tended to encourage and rally forces of elites in favour of liberal democracy. It not only helped in shaping public opinion in favour of liberalism but also helped to keep the media free of State intervention and ensured freedom of opinion and expression as the mother of all freedoms and a guarantor of liberal democracy. A free Press enhanced the will and the capacity to exercise one's creativity as one would dare to do, irrespective of the State's attempt to curb it in the name of stability or maintenance of law and order or preservation of culture.

A shift in economic policy also helped us to get over the rigours of State control which had practically made private initiative sterile and, to that extent, put fetters on liberalism. Quietly and inconspicuously, a liberal economy and an open market made India move away from a protected non-competitive economy and the State's domination over the commanding heights of the economy. This made India come out of the world of licence, permit and control raj which had made the ubiquitous inspectors, policemen and bureaucrats supreme and all powerful, curtailing the freedom of ordinary citizens and entrepreneurs. With these curbs relaxed, a better integration of democracy with liberalism became possible.

The demise of Soviet Russia and the widespread disillusionment with the political system prevailing there also created an atmosphere congenial to the acceptance of liberal ideas, while retaining the humanistic ideals of socialism which were not invalidated by the collapse of the Soviet Union. With these changes, many of the inhibitions in respect of liberalism receded into the background, and this transformed, circumstantially and ideologically, the landscape in favour of a more liberal democracy in India.

But let it also be said that there still remain several impediments to India becoming a truly liberal democracy – an aim

and an ambition enshrined in the Constitution and so prominently proclaimed by leaders, like Nehru. This, notwithstanding the fact that India is the largest democracy in the world with the world's largest electorate exercising their votes regularly in a free and fair manner ensuring orderly transfer of power to winners without severely straining the polity.

Need for a Literate Electorate

Liberal democracy, without a mass base of education, remains precarious. Liberal democracy cannot sustain itself without a literate and educated electorate. In a democracy, where competitive politics unleashes a campaign for votes, illiteracy could be a great handicap. For a voter to exercise his vote diligently, he has to be informed enough to understand ground realities about the contesting electoral promises. An unlettered electorate can be more easily exploited by pressure groups, which could dissuade them from choosing the best in terms of programmes and values. One may not under-estimate the intelligence of an average common Indian, but it will be wrong to exaggerate the range of knowledge and information available to him to make the right choice of candidates and programmes. Ability to have access to knowledge could only be acquired through education. Education is still in crisis. A significant part of our effort should, therefore, be devoted to make the electorate educated. Liberalism cannot be expected to develop as a political vehicle for good performance unless people constituting the electorate are educated and well-informed.

Illiteracy undermines the basic power of the people to stop the State from imposing its will in violation of democratic values. In all cases, information and education have been necessary for the successful implementation of liberal policies. Education and information combine to raise the consciousness of people and enable them to break the shackles of servitude that constrain the people's will to assert and release that enormous moral and civic potential power that slumbers in them under the enforced mask of apathy. It is an irony of the situation that India which had, for long,

been a cultural centre of the world, and produced many of the brightest minds of the world, finds itself today in a cesspool of a vast number of illiterates. Education empowers the individual as an effective unit of polity. It raises him to his full potential and work in terms of the common good. It is enlightened self-interest that sparks the divine impulse in him to serve others by recognising the rights of others. It is imperative that India should launch a big drive towards mass education lest the prospects of liberal democracy languish.

Flowers of democracy instead of blooming perish as blossoms in the dust when the roots of democracy are not irrigated with the stream of learning. It is only a State that does not undervalue human development nor overvalues material development which could sustain material prosperity and liberal democracy. Educated men and women not only strengthen the forces of production but also enable the exercise of political rights to ensure a liberal forum of democracy to work towards a welfare State. India has a democratic framework. It has also got an intrinsic commitment to liberal thought and a very forward-looking Constitution. It could make it function much more purposefully and effectively if its electorate were to act more diligently as a consequence of liberal education at all levels inclusive of the grassroots level. Otherwise, a danger always lurks that the State machinery may act arbitrarily and erode the framework of liberalism as an essential aspect of democracy.

Age of knowledge and Information

We have to move faster in the quest for knowledge by educating our people better as they enter the new age of knowledge and information. Tomorrow's world is going to be the world of knowledge, the world of information. It is the knowledge worker, the knowledge product and the knowledge market that will determine the dimensions of future development and progress. Therefore, however well-crafted our democratic structure may be, the State will lag behind if the people do not have access to the

latest information and their ability to process it. So, the first priority for us to sustain liberal democracy is to consider ways and means of exposing our masses to realms of new knowledge by bringing science and technology and information to their doorstep. New means of communication - new electronic media - should be used to percolate knowledge and ideas down to the people and to the villages. Parliament and the Finance Minister should give more attention to mass education and provide adequate resources for education and ensure that a whole network of schools, colleges, libraries and playgrounds reach out to the people in all parts of the country. People's education and human resource development have to become the centrepiece of our efforts to ensure development of the people within the framework of democracy and also to empower them to strengthen the structure of liberal democracy. This may call for diversion of resources from making bombs to providing books and computers and the internet.

Decentralisation Crucial to Liberalism

Liberal democracy remains fragile if its roots do not spread out. Liberal democracy and over-centralisation do not go well. In this respect, there have been some transgressions in power sharing - between the Centre and the States. Some practical necessities accounted for this no doubt. But we should not justify it as a permanent arrangement. Centralisation curtails initiative and freedom down the line. It subordinates policy-making at lower and grassroots levels to directions received from above. To start with, however unavoidable such an arrangement may have been, its continuation ends up by weakening the structure of liberal democracy and people's participation in it. A Delhi-centric administration and a constant assertion of authority from above encourages tendencies of subordination, which is the very antithesis of liberal democracy. It destroys the pride and confidence of units which make democracy function and reduces them to a farce. It is in the nature of State power that when a State ceases to remain federal and becomes more and more unitary, all powers tend to

concentrate in fewer hands and the function of political micro-structure is stunted. The success of liberal democracy in a large country like India, peopled with millions of men and women, requires that the structure of relations between Delhi and the States is fundamentally altered in favour of a truly federal structure. Of late, one is seeing that the Delhi-oriented order of power is coming apart and a pattern suitable to liberal democracy is getting shaped with States asserting their identities. For the first time, it is becoming clear that though Delhi and its Central authority cannot and should not be totally ignored, at the same time, Delhi cannot exercise its authority without taking the views of the States into consideration. This is the reality which is gaining an understanding in Delhi. With imagination and statesmanship, a better equilibrium of power can be established between the parts and the Centre. It should be sharing of power at the two ends.

Electoral politics and the rise of regional parties may, at first sight, appear to be disturbing the domestic equilibrium of peace and order. But with foresight and a firm basic commitment to power to the people, it would certainly get resolved. In fact, restoring the balance of power between the Centre and the States has become an important point of consideration with leaders of all parties. This would improve the prospect of liberal democracy in India by strengthening the forces of federalism, which would make governance a shared national enterprise.

The rights of regional parties and power exercised by them may, at times, clash with those of the parties wielding power at the Centre. Social upheavals and disturbances may also follow further transfer of additional powers to the States which may upset the existing order of governance. In transition, this is unavoidable, but it is only in the environment of liberal democracy that such conflicts could get resolved and a constructive balanced political arrangement worked out. This would develop a positive momentum commensurate with the country's democratic evolution.

Rationalising the Size of States

The size of certain States in India, which are larger than most countries of the world, has also significantly reduced the role of citizens in participating in a liberal democracy. The long distances that separate the electorate from the elected (who meet in the House to legislate on their behalf) can tend to encourage alienation between the people on the one hand and their elected representatives and the permanent civil service on the other. The relations become remote and unresponsive. The failure to have a face-to-face relationship with the elected representatives makes the people hostage to the invisible hand of the State. This spells peril to the working of a liberal democracy. The large size of a State thus renders a severe blow to the people's participation in administration, unless there exist effective means of abridging time and space through better means of communication. People who do not have the means of fast communication cannot bridge this chasm which weakens the bonds of social cohesion also. The size factor has thus placed in jeopardy the working of liberal democracy. Reorganising the size of some of our large States to ensure a legitimate exercise of power by the people and restraining the hegemonistic power of political and bureaucratic authorities is an unavoidable imperative.

Strengthening the Panchayati Raj

Liberal democracy implies power to the people. Concentration of power in the State not only renders the human spirit crippled but it also alienates the State from the people and could turn the State into a devilish omnipotence which does not sit well with the basics of democracy. This, in fact, threatens the very foundations of liberal democracy and requires to be rejected and rebuilt. Meaningful arrangements are called for which would prevent the power of the State from muddying the clean waters of democracy. A continuous vigilance against the possible callous arbitrariness of State power is imperative, for 'power corrupts and absolute power corrupts absolutely'. To put real meaning into

people's power, it is necessary that there should be layers of decentralised institutions which would provide meaningful ways of curtailing the concentration of power in the State. The task is to provide a dynamic momentum to the decentralised institutions of governance, including panchayati raj institutions, all serving as primary building blocks of a federation. Fortunately, we in India have a movement in favour of decentralisation. Constitutional provisions and laws now exist to make the decentralised institutions active. Power at lower levels should not remain sterile. It should be activated by adequate legislative powers supported by financial and technical expertise to match their capabilities to the tasks of governance and development. There should also be social and civic organisations (NGOs) to establish their legitimacy to work for people without letting people remain totally dependent on an impersonal State bureaucracy. However, in the context of pre-existing inequities, both social and economic, there is a danger of decentralized local institutions being captured by the local elite and vested interests. This is where the challenge lies for liberal democracy.

It will be a mistake to believe that mere provision of law and existing codes, though necessary for setting up of decentralized (panchayat) institutions, would by themselves ensure the working of democracy at the lower levels. The actual effective conduct of these institutions requires not only empowerment of people but also building up of capabilities that will enhance their capacity to achieve their objective over an extended period of time. It is their capabilities which enable them to serve the people and meet their aspirations in a given political environment. There would also be a need to build strong and constructive linkages between organisations at different levels to sustain each other, strengthening each other's capacity to work for the community and to retain the unity of the whole. Decentralisation should not be allowed to disintegrate or weaken the larger society of which the local communities form a part. The working of democracy at different levels in the context of liberal democracy depends on how the

power is distributed, shared and used between the Centre and the periphery. There should be checks on the local institutions also, lest overwhelming temptations make them subvert people's interests. The dominance of vested interests expressed through democratic institutions could compound difficulties for liberal democracy at the source. The success of decentralisation lies in providing building blocks and not in raising walls against the advancement of the larger community as a whole.

Paramountcy of Human Rights

Since liberal democracy is grounded in human values, commitment to human rights is a natural corollary. There is always an insatiable tendency in a State to suppress human rights. To overcome such a tendency, the Indian Constitution has no doubt emphasised its commitment to human rights in no uncertain terms so that morality and power remain in balance. From Nehru's times to the present, India has strived for both social justice and human rights. By an act of historical insight, Nehru emphasised the freedom of opinion and expression and resolutely defended the wide-ranging freedom of the media to criticise policies, personalities and excesses in the misuse of authority. Writers, authors, journalists, academicians, political analysts and commentators have all enjoyed freedom to write, speak and express as freely as they would like. Further, the Indian judiciary, which also remained autonomous, independent and free, defended these rights. Whenever cases of violations were brought before the courts, the judiciary, by and large, redressed them. Yet there have been instances during the Emergency and during situations when internal and external security was deemed to have been threatened due to communal, class and caste flare-ups, of police excesses which have gone unpunished and human rights violated.

Restrictions on human rights, however, justifiable in certain circumstances, cannot be allowed to go on without close scrutiny. They make liberal democracy suffer a setback and democracy itself is compromised. Protests against the State to seek redress of

certain policies and programmes of Government, real or imagined, are at the heart of democracy. The right to dissent has to be defended if liberal democracy is to work. A State not willing to concede these rights to the people in the name of an emergency or some such lame excuse could corrode democracy. Once the State is able to force men to surrender these rights for the sake of State security as perceived by the establishment, it would encourage the State to grotesquely magnify its needs and it would start operating outside our normal laws and rules. Fear and repression follow and State power cuts off democracy from all liberal values with a gloss of a noble act, justifying this fade with some dubious-sounding doctrine of necessity.

The right to rise and break the bonds and barriers of traditions and status quo through free speech and action has got to be encouraged. It is only when voice is given to the voiceless, when invisible injustices become visible and when the unseen becomes seen that democracy starts working. Democracy works when voices of the people are heard. We have diverse interests, different desires, conflicting ambitions, which grow and make life worth living. There is no sin in holding different points of view as there is no virtue in uniformity or conformity. Diversity is not opposed to order or righteousness. It needs recognition and due expression. Suppression of diversities would amount to negation of the mandate of liberal democracy. For instance, caste calamities take place and go unnoticed because the affected people are denied the voice to speak against their external and internal state of serfdom and long suffering. Similarly, if gender discrimination is challenged, the voices of women are suppressed lest it might hurt the sensitivities of some male chauvinists.

But in a liberal democracy, freedom to air different beliefs is the best way of harmonising differences and encouraging their co-existence. Differences should not be the reason to suppress freedom of speech and expression. We have to allow things to be said, however unpalatable they may be, for we are convinced that in an unfettered market of ideas and beliefs, free exchange of ideas

and free debate can alone advance knowledge over superstition and blind prejudices. It frees belief itself from its self-imposed limitations and lifts it to a new fellowship of faith, opinion and understanding. Neither the State nor any group of people, however sincerely committed they may be to their beliefs (or causes), should be allowed to prevent others from speaking against their ideas.

It will be a non-democratic 'illiberal' State which lays down what should be spoken, what kind of art be seen, what type of poetry be written or heard or what order of plays be enacted and watched. That is not the way in which democracy finds its meaning and significance. The days are gone when Napoleon could have ordered his Minister of Interior to produce a poet and make him render poetry in a language form and content which would be music to the ears of the ruler. The days are gone when Mussolini could set up a Ministry of Culture to lay down dimensions of cultural behaviour in the mould of his personal beliefs. In India, we should reject the hubris of political establishment and boldly question some of the paternalistic and administrative attitudes and social practices which have put curbs on exposing the social abuses against caste, community and gender. There is much that is wrong in the realm of human life which has to be exposed and publicly debated to make a liberal democratic life feasible.

Economic Development and Liberalism

Economic development and its compatibility with liberal democracy is yet another important factor to be considered. Good government, let alone liberal democracy, is not compatible with bad economics. In the famous words of Dr. Ambedkar, political democracy is not realisable without economic democracy. The gap between the life prospects of the better-off (let alone the best-off) and the worst-off individuals, in terms of income, food and shelter, education, access to medical care, employment and leisure-time options, and any other index of well-being, is horrendously enormous. This gap between the rich and the poor diminishes democracy and causes outrage to the moral fibre of a society. In

his address to the Constituent Assembly on 25th November, 1949, Dr. Ambedkar had warned that if we continued to deny equality in our economic life for long, we would do so only by putting our political democracy in peril. 'Inequality', in his words, 'would blow up the structure of political democracy'. This implies that not only should the economy grow but the fruits of growth should be equitably shared.

It is true that in these 50 years, we did achieve significant progress in several spheres of our economy. But growth remained insufficient to provide a credible solution to mass poverty. One-third of our people still struggle for daily existence with life squeezed out of their being. While we have the largest number of middle class living in this part of the world, we have, at the same time, the largest number of poor living below the poverty line. With large numbers of people living in clusters of deprivation and destitution, the working of liberal democracy would face internal upheavals and a threat to the system itself. The possibilities of liberal democracy get remote and tarnished. While people enjoy the right to vote, in reality, they are disenfranchised. As a rational choice, we had prudently decided to pursue growth with social justice within the framework of democracy, but in actual fact, our model of mixed economy could neither advance the rate of growth beyond five per cent nor could it achieve social justice for millions of our countrymen. Our model or strategy of economic growth after a good start failed to feed the forces of liberalism nor could it rejuvenate economic growth to an extent as to ensure socio-political stability. We have, therefore, to correct the course of our economy to ensure that we achieve growth with a human face - a goal which is sacrosanct to liberal democracy.

State as Facilitator

We believed that our economic growth and social development could go hand in hand only if the State and State organisations controlled and directed the economy. Bhavans of Government administration, like Krishi Bhavan, Udyog Bhavan

and Yojana Bhavan, etc. were set up by the State to serve as power houses of socio-economic development and trigger off forces of the economy. Government's active role in running business was expected to effectively check the anti-social oligopolistic and monopolistic nature of private enterprise and work towards the collective development of all. To some extent and for some time, this approach did perform well and kick-started developmental activities which served as a counter-weight to the wicked side of private sector aggrandisement. Through a system of mixed economy, a balanced development between public and private initiatives was attempted. But when a State, in spite of its being a democracy, assumes all effective power of socio-economic development to itself and becomes the sole operator, life gets dominated by the bureaucracy and is stymied by anti-liberal attitudes. Its politicians and State functionaries downgrade and underplay the role of the private sector and control it to an extent undesirable, both from the point of view of growth and political evolution of democracy.

An authoritarian economic system, once it gets into a commanding position, does not let self-regulatory market mechanisms operate, nor permits competition to weed out the inefficient non-performers. It implies a heavy cost on the exchequer and society, making economy high-cost but with low productivity. The unsustainable burden on society becomes a heavy burden to be carried. In the initial stages of development, a lot of these unfavourable developments were not noticeable and the State continued to pursue the policy of controls and State management. But soon a stage was reached when State activism in matters purely economic should have been systematically curtailed and the State should have withdrawn from this pattern of development and entrusted many of the economic tasks to the private sector, but it failed to do so because of the powerful ideological lobbies and pressure by interest groups built around State controls and State enterprises. The State should have become a facilitator of development and allowed market forces to operate instead of babus

determining and deciding choices relating to investments, enterprises, production and marketing.

In a liberal democracy, the State has a definite role to play in the area of the economy. It should vigorously design a policy framework and mount such interventions that will protect legitimate national interests and provide impulses of growth and incentives to economic players. It should also pursue activities which the private sector would not by itself be able to perform or which are too sensitive to be entrusted to it. For the rest, the State should be acting as a facilitator. Had this been done before, such an approach would not only have been practically wise and financially viable, but also conducive to the growth of liberal democracy. It is time we correct this aberration. Liberal democracy and an open market strengthen each other and are two sides of the same coin. One cannot think of an open liberal democracy and a closed State-controlled economy. They are a contradiction in terms.

The 1950s were no doubt the years when the much-hyped philosophy in many parts of the world was to let socialist models and State controls prevail. But by the seventies, several developing countries, which launched their development programmes much later than India, started doing better than India by moving more towards an open market than remaining bound to rigid State controls and to regulations imposed on private entrepreneurs. Unfortunately, the State in India, in spite of working within a democratic framework, constrained the opening up of the economy which could have provided greater scope of operation to private initiative, thereby infringing the rights of private initiative, which would have also become the springboard of liberal democracy. Fortunately, we are now getting out of the closed mind on economic issues and are moving towards a liberal and open economy. Profit is no longer a dirty word. Privatisation has become acceptable. Some strides are being made in respect of disinvestment. Competition is accepted as a route to efficiency and a better course to development. Protectionism and State controls

are being rolled back. I do not wish to dwell more on this subject except to emphasize that forces of a closed State-controlled economy which had seriously constrained the growth of liberal elements of our economy have since been relaxed and are simultaneously improving the prospects of liberal democracy also.

Liberal values and liberation of the Indian economy are highly interrelated concepts. Liberal democracy is not anti-State or anti-poor. A free economy in a liberal democracy encourages individuals to pursue economic goals and take a more vigorous interest in shaping the country's destiny and governance. Speed is essential for the economy to mobilise capital, management and technology to create jobs and increase the wealth of the nation, and provide public commitment to greater interaction between the polity and business. Taking a cue from Fukuyama, Prof. Patrick Dunlevy goes to the extent of saying, "after a prolonged static period, the number of liberal democracies has again risen sharply - generating increased interest in the idea that modern social and economic development contains a logic which converges on this particular state form."

Good Governance - An Imperative

The issue of good governance is intimately tied up with the prospects of liberal democracy. It is only when people participate in governance and are assured of a fair and just administration that stability is achieved in the socio-political life which becomes the foundation for a vibrant liberal democracy. There was a time when we were extremely proud of the fact that law and order was well maintained and the rule of law prevailed over the rule of personal whims and fancies. Corrupt practices were at a minimum and resisted. With pride, we could have said that anybody knocking at the door of our judges or government officers could be sure of getting his grievances redressed and his just demands met. We were equally proud of the fact that the administration was, by and large, clean. But today, governance is in a state of disarray and its image is tarnished by several accusations. A liberal parliamentary

government cannot function well unless its governance is strong and administration fair and responsive. Therefore, we have got to see as to how we make the government govern well; how we make the political executive and the permanent Civil Service work in harmony without mixing up their functions. It is now increasingly recognised that self-government by itself is not enough, unless it is good government also.

Sometime back, a Minister in Andhra Pradesh was supposed to have asked his departmental Secretary as to what was the distribution of work between him and the Secretary. When he was told that the Minister's job was to make them and the Secretary's was to implement policies and run the administration through officials over whom he had control of postings and promotions, etc., the Minister got annoyed and reacted by saying that he would like the roles to be reversed : while he would run the administration and do postings and promotions of officials, the Secretary may try his hand at policy-making! This is an indication of the failure to recognise the roles the political and civil executives have to play. Quite a bit of inefficiency and corruption has crept into governance due to confusion in matters like these and mixing up of the task of the two executive functionaries making a mockery of their working which, in fact, has adversely affected working of liberal democracy.

Need for Transparency

Another feature of governance which needs to be reflected upon is the misplaced importance attached to secrecy in the functioning of the Government. The laws of secrecy undermine the basic tenets of a liberal democracy, which gives the right to people to know the decisions of the Government and the whys and wherefores of the actions taken. The idea that the Government need not share all its information with the people or the presumption that the State does no wrong cannot go well with liberal democracy and people who have reposed their faith in participatory and open administration are not amenable to this cloak-and-daggerlike behaviour of government functionaries.

Practices which follow such laws of secrecy become the very antithesis of liberal democracy and add to a sense of alienation of the people from the Government. It sows seeds of doubt about the Government's intentions and makes the working of its functionaries suspect. Arbitrariness in decision-making creeps in, creating room for corruption, high-handedness and bureaucratic callousness, kindling ill-feelings and tending to breed resentment against the Government. In short, undue secrecy does not at all go well with governance in a liberal democracy. A good Government should be transparent and accountable for its actions. Openness prevents the political executive from taking decisions hostile to the spirit of justice and fairplay. Lack of transparency and accountability may pass muster with non-democratic governance but not with liberal democracy. It is extremely important that we should give due priority to problems of governance, since, as I have said earlier, it remains an essential feature of liberal democracy.

Further, the Government should remain lean and efficient leaving many of the things to be done by other than State organisations. The State should concentrate on building the social infrastructure and taking care of problems which the individuals or the civic authorities cannot handle by themselves. "Give unto God what is God's and unto Caesar what is Caesar's". By not mixing the two, we provide a better chance for liberal democracy to succeed.

Politics vs Morality

A final point which I would like to make is regarding the concept of political morality. It is my conviction that no political system and, more specifically, a democratic liberal system could be sustained devoid of moral values. Though we may question many of the beliefs held by moralists, we can never doubt the existence of a moral order in which alone a decent political life is feasible. Sans morality, a system may have a brief gloss of success but it would not last long. It may give a lovely light but it would not last the night. There are people who believe that amassing of wealth

by any means would provide them comforts for ever. Material well-being is important and benefits that wealth confers cannot be under-estimated. But the means by which it is achieved are as important as the end. Those who have been indifferent to the rightness of means have, in fact, suffered ultimate setbacks in life. Discarding moral principles, societies and empires have got derailed and ultimately erased from history. In fact, history is full of tragic ends meted out to those who abused the basic precepts of morality. Of all forms of Government, it is liberal democracy alone that enables and facilitates and also demands order, justice and fairness.

Justice and morality are not abstract terms. They are the values which influence all our actions. They influence our policy-making and also influence our every-day behaviour. It is extremely important that our laws, our system of judiciary and our administration are based on the norms of justice and a sense of morality. To think that in our daily life morality has no place and human beings are for ever imprisoned in the world of self-centredness, is wrong. A sense of goodness and ideas of fairness are inherent in human beings. Only liberal democracies demand these in abundance. Where temptations are great to bend morality to suit nefarious ends, there is bound to be public anguish and outrage. Common humanity, rather than spurious crude feelings, sustains good government.

Morality, however, cannot be a one-way process. Why shouldn't the desirability of virtues in public servants be reciprocated by matching liberal-democratic virtues in citizens? I know of the daily Mahabharta enacted in our lives. Inside our hearts and minds a constant battle rages between the good and the bad. The heart knows what is virtuous and what is wrong and vicious. The silent voice of conscience speaks in a moment of privacy as to what is correct. A murderer knows that he is committing a crime, a thief, that he is committing theft, a cheat knows that he is short-changing somebody. It is not that we cannot distinguish the wrong from the right. Society has got to provide

incentives to men and women to live by standards that are morally sound. It is in the family and in the school that socially desirable values are nursed and inculcated and men are guided to live in an honourable way. A human being, in a sense, is good and has got within him the faculty to resist what is wrong and undesirable, but, carried away by temptation, he succumbs to corrupt ways of life. A Sanskrit shaloka says : “I know what Dharma is, but I do not know how to adhere to it.” I know what Adharma is, but I do not know how to avoid it.” This consciousness of Dharma and Adharma has got to be understood and practised. It is by adhering to the norms of justice that one can become a good citizen conscious of his responsibilities, his rights and his duties to others. As long as we practise fairness in our dealings and relations with others, it would not be very difficult for us to build a liberal democratic society on the fundamentals of morality and ethics. This, as I said earlier, calls for proper upbringing and education without which men are prone to act unwisely, becoming unworthy of themselves in the eyes of society and in the eyes of God. Man would be acting just for himself forgetting the consequences of his acts which are bound to catch up with him. If man has survived all these centuries, it is only because there are still some basic principles of morality which he adheres to.

Gandhi was right when he said that society’s foundation could be strong if laid on the rock of non-violence and justice born of truth and love. He said : “The world rests upon the rock of satya or truth.” If these fundamentals are ignored and people put their trust in nuclear bombs and in weapons of mass destruction, they become victims of their own false achievements. Their destruction remains concealed in the instruments of power and violence which are the antithesis of a liberal democracy and, in its ultimate analysis, of a humane world order. What gives courage to men to fight against injustice and possession of arms is a belief in the concept of truth and justice which are the cornerstones of liberal democracy.

I would conclude by saying that as we enter the twenty-first century and as we strive to reconstruct the pillars on which the democratic structure of the country has to rest firm and steady and which would ensure freedom, progress and hope to all people, we have got to work to strengthen human resources both in the technological and moral sense; we have got to think of making democracy more liberal and participatory, less centralised, less secretive and less impersonal. We have got to think of economic growth which is fast and competitive but has a human face. We have got to think of governance which is less bureaucratic, more responsive, more forward-looking. Above all, we have got to think of value-based politics. Gandhiji loved listening to a hymn which I quote : “Lead kindly light, lead thou me on. I do not wish to see the distant scene; one step is enough for me.”

Let's take that step and let's make the right beginning as we enter the twenty-first century. Let's once again hoist the flag of liberal democracy and commit ourselves to it.

GLOBALISATION IN INDIAN ECONOMY*

Today, I wish to speak to you on the subject of globalisation, its linkages with developing countries and the exuberance and the panic that these linkages create. We are living in the age of technology when distances of time and space have shrunk and the vast big world of ours has become one global village. Globalisation is a process which draws countries out of their insulation and makes them join the rest of the world in its march towards a new world order. It is a quest to break the barriers of isolation which separate these countries from others and prevent them from exploiting factors of development that lie in other countries. Globalisation, in fact, is a natural urge of the human society, like that of a caged bird which flies out into the wider world to experience the newer heights of life and to pick up twigs, leaves and tiny branches to build a safe nest. It lays eggs in it, hatches them, nurtures its offspring till they become independent birds and fly away. In Sanskrit, a bird is described as twice born – once in its confined shell and then finally in the freedom of the unbounded sky. We retain the same kind of spirit in us. Freedom to move around is an instinct embodied in a human being and urges him to cross all borders, transcend all barriers.

Technological Revolution – the Force Driving Globalisation

Technological revolution in transport and communication has brought about an enormous reduction in the time needed as also the costs involved in covering geographical distances. Gone are the days when it took more than seven months for the Queen of Spain to know that Columbus had discovered America. Gone are the days when it took more than seven weeks even for the most highly placed individuals in Paris and London to know that the American President Abraham Lincoln had been assassinated. In today's

* *Address delivered on August 3, 1998, at New Delhi.*

world, it rarely takes a minute and a half for us to see Neil Armstrong walking on the surface of the moon or President Bill Clinton visiting China. We are living in a time when people of different cultures and civilisations are coming closer. Today, the speed with which things are moving, both tangible and non-tangible, make for a dramatically different world from the one we had known. These are times when cross-cultural interaction is a matter of daily routine. In the realm of economics, one can see as to how the intensity of exchanges has changed. A multitude of men and women are travelling everyday from one end of the world to the other exploring tremendous opportunities. Huge stocks of goods and services are moving from their places of origin to new markets. Money and finances are moving with great intensity and velocity as there are no boundaries to stop them. Technologies are also flowing at a tremendous speed with people in different parts of the world eager to use them to their own advantage. When we see this movement of things and people, we realise that we have entered a new phase in human development where countries are getting intimately inner-linked and inter-related with each other.

Globalisation has witnessed a phenomenal expansion in international trade flows. World exports have increased from US\$ 61 billion in 1950 to US\$ 315 billion in 1970 and US\$ 3,447 billion in 1990. Interestingly, growth in world trade is significantly higher than growth in the world output. The share of world exports in world GDP rose from about 6 per cent in 1950 to 16 per cent in 1992. International investment flows expanded at an equally amazing scale. The story of direct financial investment in the world economy increased from US\$ 68 billion in 1960 to US\$ 1,948 billion in 1992. In foreign exchange markets, the transactions rose from US\$ 15 billion per day in 1973 to US\$ 900 billion per day in 1992. These figures are indeed staggering, and benefits flowing from them have improved the levels of living and job opportunities in countries which have successfully integrated themselves with the world economy in the process of globalisation. Benefits of globalisation in this respect are for anyone to see.

Inequalities and Asymmetries

It is also true that the benefits of globalisation have not been evenly shared between all countries. Inequalities and asymmetries are evident. Some have benefited more from it, some less and some have remained on the margin. But to think that this unevenness in distribution of the benefits is the return of the old colonial order would be to misread, misunderstand and misconceive this new phenomenon of human history. Globalisation is no longer being driven by a desire to conquer territorial empires. It is science and technology which is generating a new force and speed to the natural urge of human beings to catch up with those ahead of them and conquer new frontiers. We are witnessing a new kind of degree of convergence.

Acceptance of globalisation does not mean that we should passively succumb to any mechanisms, pressures and manoeuvres engineered by transnational corporations, international banks or financial intermediaries which may disintegrate the domestic economy. Inequalities, asymmetries and exploitation, and other reasons of undesirable practices associated with globalisation have to be monitored and managed through persistent political efforts as a national state cannot lower its guard on sensitive issues. Fair working of multilateral framework effectively influenced by the national state could prevent the harm which the negative side-effects of globalisation could bring about. Secretary Brady has rightly said, "We have good bankers but they have lost their sense of humanity." In handling the challenges of globalisation, both the developed and the developing countries would have to keep in mind the perspective of humanity.

Developed countries have, by and large, gained from globalisation, since they had already a head start and so were better prepared to handle the new situation and opportunities arising out of technological innovations. They have used the fullest advantage of the technologies of communication and transport. Better

informed and well-organised, they sometimes even short-changed the developing countries. The relatively large gains the developed countries have made with the ushering in of globalisation have made the developing countries suspect the very opportunities of globalisation to be harmful to their interest. But since borders can no longer be closed, so flows cannot be stopped and ideas cannot be prevented from motivating people in different parts of the world. We do not have the option of getting back fearing the bugbear of globalisation. We have to get ready to compete, and make and share gains with others.

I do not believe that India cannot compete with outsiders or that the foreigners will easily outpace us in an open competition. Those who believe in such a defeatist proposition do not, in my view, know the real strength of India. India has talent, assets and the power of its genius to compete with the best in the world. Indians are as good as, if not better than, anybody else in the world. Look at our record outside. Our men and women have already achieved brilliant success in the most competitive countries in the world like America. Many of our NRIs have firmly established themselves in the USA, the UK, Germany and many other advanced countries. They have overtaken their rivals on their own turf in an open competition with them.

India can Compete in the World Markets

I do not understand why at all we should chicken out at the mere suggestion of an open competition. Perhaps the origin of our lack of confidence lies in the long conditioning of our minds by the Licence-Control Raj which had kept us away from free market conditions and made our industries work in an over-protected environment. In fact, if we look at the performance of the Mittals, the Hindujas, the Swaraj Pauls and others with such exceptional entrepreneurial abilities, we will be convinced that we can compete effectively. Even our labour has done well. Japanese, Taiwanese and others who win labour contracts in West Asia subcontract their

jobs to the Indian labour. Not because our labour is cheap but because they are found to be more productive and reliable. Similarly, in the area of new technologies like software, whether it is in America or in Japan or anywhere else, the search is always for the Indian expertise to be engaged and success in such a sophisticated area of technology is a clear commentary on our capacities. The view that Indians cannot compete is misconceived. Hence totally unacceptable.

Indian manufacturing talent has never been under question, but the Indian products have been found to be defective and not of world quality. This has again been due to the closed Government policies which did not let the Indian entrepreneurs have access to the most modern equipment, technologies and investment choices. There is enough evidence that when the Government policies changed in favour of greater free market conditions, the Indian manufacturing did come into its own and our products proved equally competitive. The trouble lies in the economic regime rather than in the Indian entrepreneurship.

Competition is indeed the crux of globalisation. Benefits of globalisation go to those who succeed in competition. To an industry, the global market is like participating in the Olympic games. Participants in the Olympics have not only to break their own records but also to break the records of others. One has got to run faster than one had run before. One has to jump higher than before, and throw a disc farther than one had done before. To do better than others is the key to success. This inevitably calls for long, arduous, hard and meticulous practice. Talent plus hard work is the secret. Things do not come out cheaply and easily. There is no automatic success in such matters, even if one has the potential. We have players of outstanding merit. What they need is a strong will and State support for renewing and reinvigorating their strength. Through positive, open and reformed State policies, support in the areas of modern technology could be achieved. The State can and must assist in producing world class entrepreneurs.

Need for Level Playing Field

Players need fair rules to play a game well. A referee to see that the rules of the game are observed and not breached. India has the right to insist on a level playing field and if such a field is not there, then it is certainly the duty of the Government to ensure that it is made available so that all players have an equal chance to compete in a fair manner. It is also conceivable that a country like India may need time to prepare its players and prepare itself to compete effectively with those who have already had experience in that particular game. But the Government should not take an unduly long time in letting its players enter the game. It must get its players to build up experience, and let their as yet untried talent and technique to peak as they play. Time is the essence of things. Today, it is the speed at which things are done that decides the fate of an enterprise. Globalisation is no menace but it requires us to be well-equipped with mind, material, technology and ambition to go out and play the game in rough as well as fair weather. We should also ensure that our entrepreneurs have fast and quick access to the latest technologies, the powerhouse for increased productivity. It would be a handicap if we fail to equip ourselves with the latest technologies, managerial practices and access to newer markets. It would be a case of losing a match even before it has begun.

Misconceptions and Apprehensions

Opposition to globalisation and to certain aspects of its development is not confined to the developing countries alone. There are lobbies in the developed countries as well which are equally hostile to it on grounds that trade with poor countries impoverishes labour by taking away jobs and investments from their countries. This, however, remains unsubstantiated. If labour has lost jobs in America, it has not been due to global trade with the developing countries but because it did not acquire the new skills required by industry to achieve a productive edge over

others. It is not trade but a paradigm shift in manufacturing to modern information-based technical methods, i.e. replacing unskilled labour by computers that need skilled rather than unskilled labour. It is technological change and not global trade that has hurt labour in the developed countries.

Controversies relating to child labour and environmental standards raised by the developed countries to prevent the smooth working of globalisation need to be opposed. These considerations though couched in moral terms are, in fact, contrived arguments to increase the cost of products from the developing countries and, thereby, to reduce the pressure of competition. The charge that the developing countries are deriving undue advantage of prices by lower environment and labour standards is not correct. The fear that capital and jobs move to countries with lower labour and environmental standards is not supported by evidence either. It is far-fetched to believe that countries would be lowering their environmental standards in order to attract foreign capital. I am happy that our Commerce Secretary and his colleagues have been able to resist such undue pressures emanating from the developed countries like the USA and France. It is clear that the problems of labour should not be allowed to be mixed up with the problems of trade and should in all fairness be looked into by the International Labour Organisation (ILO).

Similarly, the question of environment deserves deeper study. If pollution is there in India, as Mrs. Indira Gandhi had once said, " its source lies in poverty." And unless the matters are set right at the source, the problem will remain. Any refusal to understand the circumstances of poverty in the developing countries is betrayal of logic. The point in favour of globalisation is that it would in all fairness be able to take the economies up rather than damage them by carving out contrived arguments. Unbridled greed of vested interests and lobbies in America and other developed countries could constantly raise fears of globalisation.

Globalisation and the Southeast Asian Economies

The financial crisis of Southeast Asia is also being categorised as one of the crises attributable to globalisation. It is being touted as proof of the fact that the cause of the present misery is globalisation and that it has played havoc with the economies rather than helping them. To my mind, this accusation is too simplistic. The validity of the facile linkage between the breakdown of Southeast Asian economies and globalisation cannot be established.

In fact, it was mainly due to factors of globalisation which encouraged flows of technology, investment and opening up of Southeast Asian markets that no other group of countries has gained so much in such a short span of time as Southeast Asian countries. Facts and figures are there that speak out as to how Southeast Asian countries have gained from globalisation. Can one deny the fact that the high rates of growth reached by the Republic of Korea and other tiger economies were mainly due to globalisation? Can one deny the fact that the trade balances went up in their favour due mainly to free access provided to their products in American markets? Can it be doubted by anyone that most of the technological improvements which have marked the development of their economies were due mainly to the flows of technology from America, Japan and Germany which could not have been possible but for the forces of globalisation? To say that the present flight of capital was due to international trade would be a false conclusion drawn from the crisis.

Southeast Asian crisis has not been due to the close integration of the countries in this region with the world economy but because of the distortions in competitive markets creating crony capitalism leading to corruption and myriad inefficiencies in resource allocation, which impeded economic efficiency and competition and reduced the productivity of investment. The crisis manifested itself in the form of overinvestment in unproductive

ventures, misdirection of foreign capital inflows, and some other severe problems resulting from relying too heavily on hot money.

With economies booming in these countries, large amounts of foreign capital started pouring in. The money flowed in because the lenders knew that their profits would be a lot more in Southeast Asia than by investing in any other part of the world. With the latest information and communication facilities available, they realised the advantages of investment in these countries. But then as money started accumulating and the economy was booming, the misuse of money became a temptation, which the local leadership and hierarchy could not resist. The outside investors also backed the firms and entrepreneurs having close relations of political leaders as Directors; however, it soon became clear that this crony approach leads to skewed investment. Once the outsiders realised the folly of such investments, they started quickly withdrawing them, and thus inadvertently the floodgates got opened and money rushed out like a torrent of gushing water.

The moral of the story is that there should have been a better management of money, and, more importantly, greater transparency to prevent unproductive investments. Furthermore, it was not foreseen that hot money thrives on the principle of "easy come easy go". It is, therefore, crony capitalism presided over by the non-democratic authoritarian interests which caused the Southeast Asian catastrophe. It was also compounded by the greed of those who pushed their money in these countries to make easy and quick profits. The ailment was due to soft money, the short-term money invested in non-productive ventures. Southeast Asia had to learn the lessons of its follies. The countries had gained by globalisation where they were careful and cautious. They went wrong where they were careless and where avarice and greed got the better of their judgment. Other countries which would like to benefit from globalisation must be careful when they liberalise their financial systems, and not close down the channels of support which come from outside but harness and make use of these channels more sensibly to the advantage of their economy.

Need for Reinvigorating Economic Reforms

It is being said that we have to work out a strategy for India to take advantage of globalisation and improve its economy, the living standards of its people and the quality of life itself. I think, the first thing to be done is to reinvigorate the process of economic reforms and complete its unfinished agenda. India is losing out since it had slowed down and halted the progress of reforms. More and better market friendly reforms have got to be put through. Controversy relating to capital and consumer goods should be put to rest and more freedom be given to entrepreneurs in terms of choice of technology, products and markets. Free market, however, does not imply the end of the State's role in developing the economy. A strong market needs strong State intervention, but the quality and direction of intervention should not be to restrict the freedom of the market but to prevent its going against the fundamentals. The State should also bring radical changes in terms of technological profile of the products through careful building of technological relations and alliances with other countries. Growing domestic economy ensures suitable policies and having an open mind on economic issues is a prerequisite for reaping maximum benefits from globalisation.

Second, there is no reason why we should accord a different status to agriculture vis-a-vis industries. Agriculture in India should have been given greater freedom to develop in respect of choices to be exercised by farmers. What a pity that in India where agriculture should have been more free to develop is everywhere in chains! Farmers cannot produce what they would like to produce. They cannot sell the products as they would wish to. They cannot export their products to fetch optimum prices in the international market. The question arises as to why farmers are being denied their rights. Restrictions in exports and imports are being relaxed for industry, why not for agriculture? Advantages of free trade and globalisation are closed for them. If this continues to be the fate of agriculture in India, we would miss out many of the advantages that globalisation can offer to products from this

sector. Time has come that the question of land tenure, land improvement, technological modernisation of agriculture be introduced on a mass scale. Agriculture so handled could become a winner in the international market and the flows of benefit of globalisation would increase. Let agriculturists be more independent to experience market judgment and become part of the global economy. When compared to many other countries, agriculture in India could become a treasure.

The third important thing to do is to strengthen and develop the scientific base of research and development, since science and technology would continue to hold the key to future progress. Today, it is not weapons, not army, not even nuclear bombs that constitute the strength of a country. Knowledge represents strength that matters. Chairman Mao had once said that revolution comes out of the barrel of a gun. Today, revolution comes out of the test tubes in the laboratory and the lens of a television camera. Today, knowledge and information have the power to enable people face challenges of their lives and spearhead new changes. If the State does not invest adequate resources in the development of science and technology, it would lose out to other countries which rely on such a power. Better goods and services from outside would overcome inferior goods and services produced in the country. Even the domestic market would not stand by the slogan "Made in India". Along with strengthening the base of science and technology, education should be imparted to people at large on a mass scale. It is now a well-established fact that literate people are indispensable to a country's development. Else the benefits of science and technology remain confined to a limited section of society, when a large number of people are still outside the orbit of education. A constant interaction between a literate society and high scientific achievers on the top is necessary for a country to be the producers and purveyors of top quality goods and services. It would also be necessary that a constant interaction be established between the agents of productivity, businessmen, professionals, academicians and bureaucrats. They should understand each other

better, get enriched by sharing each other's experience and by understanding the ground realities.

Fourth, we have to realise the importance of transparency in governance. The system of secrecy should end, and measures should be taken to ensure that participants in development are genuinely taken into confidence. For this, the cult of secrecy, more suited to cloak-and-dagger shenanigans than innocuous trade and developmental activities, should end. Yet one more important thing is the creation of a streamlined regime for ensuring quick transactions, which are based on, but not shifted by, rules and regulations. It would be counter-productive if transactions cannot be materialised fast. Delays in transactions and non-transparency of rules together go to create a vicious circle of vacillation, corruption and nepotism, and are the main obstacles for competing effectively in both domestic and global markets.

Fifth, an important thing to do is to create and join a forum for reforming and democratising the multinational organisations. In a globalised world, there should be global rules and institutions which could dispense justice and ensure fair dealings. Without these, the benefits of the new emerging order would not reach us and some of us would remain permanently marginalised. Global rules should guide global economies and this cannot be ensured by our withdrawing from the WTO. Those who take such a stand should try to understand the reasons why almost all countries are desperately trying to become members of the WTO. As many as 22 countries, headed by Russia and China, are today trying to become members of the WTO. It would be a pity if at such a crucial moment India decided to move out of the WTO of which it was the founder member.

India, in my view, should become an effective member of the WTO and forcefully advocate the interests of the developing world and its own. It should play a vital role in framing fair global rules, regulations and safeguards, and work in harmony with other like-

minded countries in the WTO to block unjust practices. This would require a good deal of homework to be done. Genuinely well-informed groups should be set up to examine issues that are of concern to India, and then arrive at the right positions. We should not be just reacting to issues brought up by developed countries, but need to be pro-active. I compliment the Ministry of Commerce for what it has done so far, but the task is much bigger and calls for much bigger effort. Delay in this regard would prove costly and we cannot afford to remain a born loser.

Similarly, we have to evolve a much stronger strategy of alliances with regional trading blocs, lest we become their victims or remain outside of their benefits. Regional arrangements are indeed welcome milestones in the journey towards a universal open trading system. In the interim, they could harm and restrict free trade and that should be prevented by ensuring the primacy of global rules over regional arrangements wherever they are detrimental to open free trade. India's efforts to evolve a South Asian global system is welcome. But this should not be and cannot be in lieu of our commitments to a global system.

A Positive Mindset – the Need of the Hour

Finally, our leaders must build courage and confidence in our people to become part of this new phenomenon of globalisation. No country has moved forward, no country has achieved anything great unless its people are led by a leadership which has a vision of the future. We should cultivate a positive mindset and not clutter our minds with obsessions, prejudices and misconceived fears. Clarity of purpose and commitment to catch up and surpass the best in open competition should become an obsession with us. We have the capacity and ability to compete with the best; excellence and not mediocrity in work would turn us into the highest achievers in the world. We can reap the benefits of globalisation without being overwhelmed by it, if only we had the will to do so. And, incidentally, this is the only way of entering into the 21st century.

Good days are knocking at our doors. Opportunity knocks only once or twice and then walks away to find a hospitable lodging. Let's open the door and let future walk in. We have to do it because India holds in its hand not only its destiny but the destiny of several other countries. I am confident of our success.