CHAPTER - V

PERSPECTIVES OF THE LEFT PARTIES ON INDIAN ECONOMIC POLICY AND PROBLEMS OF LIBERALISATION

The modern complex societies became more atomized pluralist crumbling down the old social structures and traditional value system and basis of loyalty. After these cleavages, political parties prominently represented new ideology, structure and value system. They competed fiercely with one another by patronizing the interest of diversified segments of electorate, for strengthening their support base. Hence, Socialist, Labour and Communist parties stood for securing the allegiance of the proletariat.¹ However, in a democratic system, a distinction can be made between those parties which rose from within the ruling elites (e.g., Parliaments) such as Liberals and Conservatives and those who rose from outside the ruling elite such as Socialist or Labour parties.²

In this chapter we have concentrated on the approach of the CPI and the CPI (M) to the liberalisation of Indian economy as an

¹ Sirsikar and Fernandes, Indian Party Politics, Meenakshi Prakashan, New Delhi, 1984, p. 3.
² Ibid.
opposition parties and as outside supporters to the UPA coalition government.

In an interview given to an American journalist Lenin said, "The collapse of the capitalism is inevitable. The capitalists, the bourgeoisie can at 'best' put off the victory of socialism. But they cannot save capitalism. The victory of the world Soviet Republic is certain".3

For more than a century, Leftists all over the world thrived on the faith that fundamental crises hit only their opponents. They eagerly awaited the collapse of capitalism and convinced that its downfall was inevitable. Capitalism proved them repeatedly wrong and they never doubted the ultimate validity of their worldwide mission.4 To begin with, the fall of Soviet Union has brought certainly planned economies into disrepute. And capitalism, ever since, has had no formidable developmental alternative across the world.5 The weakness in many Leftists' approach to capitalism is that they concentrate too much on its internal dynamics and consequently fail to take note of the external

3 V. I. Lenin, Interviews given to foreign correspondents, Progress Publishers, Moscow, 1979, pp. 15-16.
factors that contribute equally to the actual on-going transformation of capitalism.6

The term 'political left' came into use with the distribution of the factions in the French National Assembly after the revolution of 1789. By the beginning of the 19th century it had become almost common practice on the continent for sections, which associated themselves with liberal and democratic opinions to take their seats in the legislature to the left of the President's chair. Later it was usually the radical and extremist wings within the liberal and democratic parties which were identified with the left.7 With the emergence of socialism as a political force from the middle of the 19th century, the word 'left' became increasingly identified with socialism.8 Socialism started with the struggle against the ruthless economic exploitation of capitalism and then moved towards greater political rights for the working people. Ultimately culminating in the concept of 'social democracy' combining the economic, political and social emancipation of mankind.

Socialist ideology in India was the product of a process of transfer of political theory. The socialist idea, originated in the

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8 Ibid.
West, was imported to India. The Western ideology of socialism could not but produce a new range of meanings when imported to India. Particularly, so as it was not a case of pure import the idea of socialism underwent a significant transformation, most of it unintended. When transferred to India and subjected to metonymic displacement, the idea of socialism got imprisoned in a modernist ideological package which put severe limits on the way it could relate to India and the way Indians could relate to it. Instead of opening up radical possibilities it tended to close these by leading to the inescapable, if assaulted, inference that socialism could not be realized in India.

The CPI was born in the new era for mankind opened up by the October Revolution. The victory of the Russian working class, peasants and their toilers led by the Bolsheviks and guided by Lenin attracted the militant youth of India as of all lands. When the Communist activities first started in India, Lenin expressed his gladness. "I am glad to hear that the principles of self-determination and the liberation of oppressed nations from exploitation by foreign and native capitalists proclaimed by the ‘Workers and Peasants’ Republic, have met with a such ready

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10 Ibid., p. 23.  
11 What is CPI? http://www.cpofindia.org/
response among progressive Indians, who are waging a heroic fight for freedom.”

Prior to independence, the CPI had serious disagreement with the Congress especially during the Second World War. The Congress refused to support the British war efforts during the Second World War because the Viceroy did not consult the Congress before aligning India with the Grand Allies. When Hitler invaded the USSR in June 1941, the CPI, unconditionally supporting the war efforts of the British government, described it as people’s war and condemned the “Quit India” movement. Further, it supported the demand of Pakistan of Mohmad Ali Jinnah in the name of self-determination for the Muslims. It is generally agreed that the negative attitude of the party to the “Quit India” struggle and its virtual support to the separatist demand for Pakistan raised by Muslim League, did considerable damage to the party.

During the freedom struggle Communists condemned the leaders of Indian National Congress and openly proclaimed that they wanted to establish a politico-economic system on the Soviet

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model. The national government headed by Jawaharlal Nehru was branded by Communists as one of the composed of junior partners of British imperialism. It was in the 1950s that the present leadership of the Communist parties became convinced that Russian type of revolution was no longer a variable strategy in a democratic country like India. The onset of electoral politics based on universal adult franchise under the 1950 Republican Constitution prompted the CPI to seek a double transformation:

(a) acquiring nationalist legitimacy or removal of the stigma of being tied to the coat-tails of international Communist powers, and

(b) effecting democratic adaptation or changing its Leninist organizational and ideological outfits to suit the demands of mass electoral and Parliamentary politics.

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This made the Communist party for all purposes, shed its revolutionary road to socialism and heartily embraced the paradigm of Parliamentary and federal politics.\(^\text{20}\)

After the independence some leaders like P.C. Josh advised the party to join hands with the Congress. The Communists were in a position to mount such pressure by joining hands with the progressive elements within the Congress and thus strengthening the hands of Nehru.\(^\text{21}\) The result was that he was thrown out of the party.

In 1952 General Elections the CPI emerged as the largest opposition party with 16 seats. They blamed the government of Nehru as junior partners of British imperialism.\(^\text{22}\) His democratic road to socialism is nothing but the prolongation of capitalism and exploitation in the name of mixed economy and anti-monopoly society.\(^\text{23}\) The CPI believed that by developing a mass movement by winning a majority in Parliament and by backing it with mass sanctions, the working class and its allies can overcome the resistance of the forces of reaction, and ensure that Parliament becomes an instrument of the people's will for effecting

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\(^{20}\) Ibid.


\(^{22}\) Sutindra Singh, supra, No. 17, p. xv.

fundamental changes in the economic, social and the state structure.24

By examining the policies adopted by the Communist parties, we can feel the change and continuity in their positions particularly regarding economic policy issues. When the Five Year Plan (1951-56) was formulated, our economy was in a bad shape and it was in urgent need of rehabilitation.25 The CPI blamed it, as it would make the common people suffer tremendously. It opposed the Plan as it says hardly any industrialization worth mentioning is going to be done.26 The Bill, which was aimed at amending the Industries (Development and Regulation) Act, 1951, which became the Industries (Development and Regulation) Amendment Act, 1963, and the CPI gave its full support to the Congress government by saying, "It is only on the basis of government's determination to reshape our economy that we are prepared to welcome the Bill which is before the House" and further it asked the government to go ahead with courage.27

In the 1955 the Congress party adopted a resolution during the Avadhi session which states, "Planning should take place with

a view to the establishment of socialistic pattern of society". The Second Five Year Plan which accepted the establishment of socialistic pattern of society was supported by the Communist party. "We campaigned positively for what was correct and positive in the Congress policy (Second Five Year Plan)."

The Communist party right from independence is opposing the foreign investment in India. For the Third Five Year Plan, India very much depended upon foreign assistance. The CPI opposed the government to depend upon foreign assistance for our plan but however, it supported the assistance from socialist countries by saying that interest was very less compared to other States and it was on the basis of friendly fraternal aid.

After the General Elections of 1962, the CPI accepted that the party had remained without a programme and the policies followed were incorrect. It said that major part of the peasantry and even considerable sections of the working class supported the Congress not for their leadership because of its socialist policy and aim. Further the party suffered a split in 1964, with the parent

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27 Ibid., pp. 232 and 238.
29 Fourth Five Year Plan, supra, no. 25, p. 2.
30 Satindra Singh, supra, no. 17, pp. 57-58.
33 Sutindra Singh, supra, no. 17, p. 91.
counting on national bourgeoisie leadership of the newly de-
colonised countries being capable of anti-imperialist and feudal
transformations under pressure from Communist-led mass
movements at home and diplomatic support from the socialist bloc.
The splinter CPI (M) that was then sceptical, seemed to have
practically come around to share the perception.  

The split in the Congress in 1969 reduced the Congress
government to a minority forcing it to seek the support of the
Communists. There was a shift in the attitude of the CPI after the
1967 General Elections. The CPI shifted from anti-Congressism to
support the ruling Congress party. However, the CPI and the
CPI(M) continued their differences in respect of assessment of
national and international issues. The CPI appeared to act as
Indira Gandhi's propaganda agent during 1969-76 but it had by and
large, been critical of her since her defeat in March, 1977. By
supporting emergency regime of Indira Gandhi, the CPI lowered
its stock and image seriously among democratic forces and
internationally. But when it moved away from the Congress, it
was a promising development for the future of Indian Left. In
the West Bengal the CPI (M)-led Left Front got victory in 1977
State elections. In the aftermath of the Emergency, the CPI (M)

34 Mahendra Prasad Singh, supra, no. 19, p. 18.
36 Susan Ram, Speaking up for the Left, Seminar 407, July, 1993, p. 27.
overcame certain substantive political and organizational problems at the top and aided by a process of organizational refurbishing and renewal initiated at its Salkia Plenum in December, 1978, embarked on a period of impressive although markedly uneven growth.\(^{37}\)

The CPI criticized the Janata party government policy on multinationals and asked the government to stop remittances by the MNCs from this country and asked the government to take over immediately those MNC units which operated in crucial sectors of our economy like drugs, electronics, soap, edible oils, etc., and demanded to plug up loopholes in the FERA provisions.\(^{38}\)

When Indira Gandhi returned to power in 1980, she initiated some implicit initiatives to open the country’s economy.\(^{39}\) The CPI (M) blamed that “during emergency and after its return, it has become the Centre of rightist forces in Indian Society”.\(^{40}\) The National Council of the CPI (M) strongly criticized the government’s departure from the long accepted framework of


democratic and socialist commitments and its clear knuckling under before transnational pressures of world capitalism.\textsuperscript{41}

The CPI (M) maintained that the road to socialism in classes society can be opened through the establishment of state of people's democracy led by the working class replacing the present bourgeois-landlord state led by the big bourgeoisie.\textsuperscript{42} The CPI(M) envisaged that the restructuring of the rural economy as involving the takeover of landlords' lands and their distribution among agricultural labourers and poor peasants and cancellation of debts of peasants. The urban economic revolution would entail the nationalisation of banks, monopoly concerns and other big industries and the control of private sector.\textsuperscript{43}

The Indira Gandhi government's loan agreement with IMF in 1981 war very much opposed by the CPI (M) and it charged the government with mortgaging national interest to the interests of western imperialism and threatened to take IMF issue to the streets.\textsuperscript{44} Two months after India's formal request of the IMF loan, the CPI (M) released a document to the general public that was part of India's IMF loan request documentation. The document

\textsuperscript{42} V. M. Sirsikar and L. Fernandis, \textit{Indian Political Parties}, Meenaxi Prakashan, New Delhi, 1984, p. 146.
\textsuperscript{43} Ibid.
\textsuperscript{44} Kishor C. Dash, \textit{India's International Monetary Fund Loans}, \textit{Asian Survey}, 39(6), November/December, 1999, pp. 891-892.
contained the Finance Minister’s letter to the Managing Director of the IMF and the evaluation report of the Asian Exchange and trade Relations Department of the IMF. The document raised enormous debate in the Parliament, media and academic institutions, forcing the government of Indira Gandhi to specific questions and even bringing a change in the Finance Ministry portfolio by shifting the then Finance Minister R. Venkatraman to Defence Ministry.45

When Rajiv Gandhi became the Prime Minister, he tried to move the closed doors of Indian economy. The CPI (M) blamed the Congress government as standard-bearer of the drive towards a dependent economy and a neo-colonial, social, social-political order.46

Both the CPI and CPI (M) demanded his ouster with a slogan ‘Rajiv hatao’.47 The CPI, General Secretary, Rajeshwar Rao described the policies of Rajiv Gandhi as retrograde economic policies. And the CPI (M) went a step further. The Party General Secretary, EMS Namboodripad said that his party would try to have unity of action with V.P.Singh and other Congress (I) rebels.48 The trade unions also opposed the industrial policies of

46 Nistar, supra, no. 40, p. 1629.
47 S.K.Limaye, Datta Deshmukh, Yashwant Chavan, Santaram Patil, To All Communists of India’, Published by Comrade Y.V.Chavan, Bombay, 1989, p. 1.
Rajiv Gandhi. In January, 1986, one day national strike against the Rajiv Gandhi's liberalisation policies almost paralysed the Indian industries. ⁴⁹

The Left Parties' Position on Liberalisation of Indian Economy

In June 1991, with a foreign exchange balance down to US $1.2 billion, India came closer reneging on her international debt repayments than ever before since independence. This triggered off large policy changes.⁵⁰ The P.V.Narasimha Rao’s government liberalised the Indian economy. Both the CPI and CPI (M) opposed the liberalisation policy of Rao. By opposing the policy of liberalisation the Communist leader Sitaram Yechuri said, “India has to be saved in order to change it for the better”.⁵¹ The CPI (M) has emerged the most formidable, sustained and well briefed source of opposition to the directional change affected in India’s economic policy. It opposed the liberalisation policy on three grounds:

(1) In the first place liberalisation and the attempt to affect a growing integration of India into the global economy is seen

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⁴⁹ Kishor C. Dash, supra, no. 44, p. 903.
to pose an unprecedented threat to India’s economic sovereignty.

(2) The policy is seen to be anti-people: in other words, to have extremely negative implications for the livelihood and prospects of broad sections of India’s working people, the industrial working class, millions of agricultural workers and working peasants and the middle class.

(3) Irrespective of which label it may pass under (whether the New Economic Policy of Rajiv Gandhi era or the Manmohanomics of the Narasimha Rao – IMF-World Bank dispensation) the new strategy is identified as a blind alley, incapable of realizing the goals it has set for itself in terms of economic growth, investment or any other indicator and headed for inexorable failure.52

The party said that it would intensify struggle against the ‘class policies of the ruling class’ which continue to impose further burdens on the people.53 The Left parties organized rallies and protests against the new policy. However, the Left

52 Susan Ram, supra, no. 36, p. 31.
53 Sitaram Yehuri, supra, no. 51, p. 33.

The collapse of the Soviet Union was the major setback for the Communist parties. It took the leadership of the Communist parties by surprise. "We never thought it would go to that length,"\footnote{Frontline, January 31, 1992.} put Jyoti Basu the prominent Communist leader and the then West Bengal Chief Minister in an interview. After the dismantling of the Soviet Union, the CPI (M) has been trying to evolve a policy and tactical approaches on the new emerging world situation marked by globalisation and neo-liberal economic policies.\footnote{Venketish Ramkrishnan, \textit{A Perspective on Foreign Capital}, Frontline, May 6, 2005, p.17.}

The Left parties warned that the recent financial turmoil and economic crisis which have hit the countries of South-East and East Asia timely warned those who had pushed for indiscriminate liberalisation in our country. South Korea, which was held as a model for India, reached the brink of financial collapse and forced the IMF for a huge loan to bail itself out. The Left parties advised the government not to follow this disastrous path.\footnote{http://cpim.org/documents/1998=manifesto=Lefl.htm#elections.} When India entered WTO, Prabhat Patnaik, a Left leader argued, "The Indian
economy today is in an abysmal state. The peasantry has been squeezed by drastic fall in agricultural prices, since the cushion it enjoyed against such falls has been removed *inter alia* through the implementation of the WTO agreement. It made the rate of growth of food grains production lower than even the rate of population growth.58

The Left parties blamed the globalisation a sort of conspiracy by the developed countries. They come together to conspire against the rest of the world and what has been put in the name of globalisation is nothing else but a new recipe for the imperialist domination over the world.59 When the Congress party was defeated in the 1996 General Elections, the reaction of the Left parties was, “The Congress has degenerated both politically and organizationally. It is the party in decline as it has pursued, when in power, economic policies which militate against the people and it is the party riddled with corruption. It is this dismissal record of the Congress which led to its resounding defeat in 1996 elections”. In the meanwhile capital fled from West Bengal because of the policies of the Left and CPI (M)’s irresponsible trade unionism. Employment opportunities in industries shrunk as

58 [http://cpim.org/cpim2.htm](http://cpim.org/cpim2.htm).
company after company closed down or curtailed operation in the State. There was no new investment.\textsuperscript{60} It did not take the CPI (M) very long to realize the crisis it had brought upon itself. Thus from around 1996-97 there was a shift in rhetoric and in policy. Indian business houses and multinational corporations were encouraged to invest in West Bengal.\textsuperscript{61} In a way, the Indian Communists had reached a point where they clearly saw out datedness of their discourse.

The parties and the social organizations despite their proclamations to the contrary exist to serve the interests of those who organize them as a part of their careers and lifestyles. Therefore, such organizations are not dissolved just because the supposed goals, for which they were originally organized, have become blurred and vague. They continue to persist by undergoing subtle transformations and thus become the vehicle to serve the other goals and other agendas even while the vast majority of the cadre continues to speak the 'old vocabulary'. Those who are at the top follow the golden rule: keep changing orientations, tactics and programmes without abruptly changing the vocabulary and

\textsuperscript{60} Rudrangshhu Mukerjee, supra, no. 21, p. 31.
\textsuperscript{61} Ibid., pp. 31-32.
slogans. This is what the Communists are doing after the liberalisation of Indian economy.

In 1988 when the NDA formed the government under the leadership of A. B. Vajpayee, it carried out the same policies of Narasimha Rao's government. The Left parties blamed, "The BJP is never a party of Swadeshi. The slogan Swadeshi and the BJP's championing of India's economic self-reliance is, once again only a mask to cover its real and long-standing economy agenda of complete subservience to imperialist finance capital." Sitaram Yechuri of CPI (M) even went ahead by saying that soon after independence the Sangh leader opposed the nationalization of industry and landlord abolition. It was never the party for peasants and working people. The Left parties blamed the BJP-led government's policies as they are dictated by the IMF, the World Bank and the WTO. The BJP came to power in 1988 hypocritically raising the slogans of Swadeshi, it has gone ahead with destroying the self-reliant basis of India's economy.

When the NDA government passed the Insurance Regulatory Development Authority Bill in Lok Sabha, the CPI (M) issued a

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64 *The Times of India*, September 2, 1949.
65 Sitaram Yechuri, *supra*, no. 63.
press statement which contained, "The passing of the IRDA Bill is a shameful step taken by the BJP-led government to surrender the financial sector to the vagaries of foreign finance capital and giving up national sovereignty in a vital sector of the economy". When the Bill was supported by the Congress leadership, the CPI (M) expressed that the Congress would suffer the consequences for betraying the interests of the working class and the country.

The left parties always considered America as an imperialist state. When American President Bill Clinton visited India, Prakash Karat, a Left leader announced: 'India is not for sale' and India is determined to develop its economic, scientific and technological resources without being dictated by the United States and other imperialist powers. Further he demanded the following things to be done by the US government.

- The US administration should be immediately withdraw all sanctions against India; restrictions on dual-purpose technology being exported to India should be lifted forthwith.

- The US should stop using the IMF, World Bank and WTO for its selfish interests in favour of its multinational corporations and banks.

68 Ibid.
- The US should stop coercing India to liberalise imports particularly in the agricultural sector. The agreement with the US government to lift all quantitative restrictions on imports by April 2001 should be annulled.

- The US should immediately lift all curbs on the legitimate flow of skilled Indian personnel and professionals to the US.

- The US government should stop efforts to block compulsory licensing of essential drugs in developing countries which will affect the Indian people badly.

- The US should stop demanding that the WTO make the TRIPS and TRIMS agreement more stringent which will work against India and the third world. The US and the rich countries should stop pressurizing for a multilateral agreement on investments (MAI) which would prohibit all regulations on foreign investments in any country.

- The US agri-business corporations like Monsanto, Kargil and others should be prohibited from buying/leasing land in India for their operations.

- Immediately cancel all counter-guarantees to Enron and other MNCs in the power sector.

- Prohibit the sale of shares of public sector units to foreign companies and foreign financial institutions.

- The US should stop pressurising India to sign the CTBT and instead commit to complete nuclear disarmament and adopt a timeframe along with other nuclear weapon powers for the elimination of all existing nuclear stockpiles.
The Indo-US military co-operation agreement signed in 1995 should be scrapped.  

In June, 2000 when Vajpayee’s government announced the disinvestments from Indian Airlines and Air India, the government was only a caretaker government. The CPI (M) warned the government that it was misusing its position only to please the IMF and the World Bank and it also said the proposal of the government would make it a minority shareholder in Indian Airlines and the private sector would practically control the operations of the major national carrier.

Opposing the new National Textile Policy of 2000 which removed the cap on FDI in the sector. The CPI (M) said that in another shameless step the Vajpayee government had dereserved the garment sector opening it to foreign capital up to 100 per cent. The new Exim Policy of the NDA government was a part of obligations towards the WTO criticizing the exim policy. The CPI (M) said that indiscriminate liberalisation of imports would
worsen the trade balance and had very serious adverse effect for agriculture and domestic industry.\textsuperscript{75}

Prabhat Patnaik, a Left leader observed, "In so far as liberalisation is not a mere policy opinion but a process driven by international finance capital in the current stage of imperialism, it follows that the nation-state that is carrying forward this process is trapped willy-nilly into defending the interests of international finance capital even against its own people".\textsuperscript{76}

When the BJP-led NDA government presented the interim budget for 2004-05, the CPI (M) blamed, "The Finance Minister's claim in his 'Interim Budget' speech that the macro-economic situation today is the best, it has been in the last 50 years is a cruel joke".\textsuperscript{77} The party blamed that its basic objective was to appease certain sections of the population in return for their electoral support. "The desperation, with which such sops are being announced betrays the BJP-led NDA's apprehension that they are unlikely to return to office after the General Elections."\textsuperscript{78}

**Changing Dimensions of Economic Policy Position of the Left Parties**

\textsuperscript{75} Press Statement, http://cpim.org/

\textsuperscript{76} Prabhat Patnaik, Ten Years of Economic Liberalisation, http://cpim.org/cpim2.htm


\textsuperscript{78} Ibid., p. 2.
In 2004 the Left has sufficient numbers in the Lok Sabha to make difference. With the total of 61 members of Parliament, the Left is in a position to influence and intervene in policy formulation and implementation by the UPA ministry, which depends on Left support for survival.79

We can trace a clear change of policy position regarding foreign investment in CPI (M) party document of the 18th Congress held in New Delhi. It says the flow of foreign capital must be regulated on the basis of three stipulations. First, FDI should augment the existing productive capacities in the economy. Secondly, it should upgrade the economy technologically and thirdly, it should lead to employment generation.80 Buddadeb Bhattacharya, a man previously is known as CPI (M)'s cultural commissar. But as soon as he became the Chief Minister, capital and not culture was at the top of his priorities.81 He even went ahead by saying Communists cannot speak any more about old dogmas but have to formulate new policies and reform "our" old policies and he even quoted Deng Xiaoping's words, "We learn
truth from the facts not books".  

He further added, "We have to reform our old policies otherwise we will not be able to survive".  

It appears that the CPI (M) is not consistent regarding its position on the economic reforms. In West Bengal, it is wooing private capital with fervour. Meanwhile, the CPI (M)'s effective Delhi leadership, unencumbered by the responsibilities of office, rail against disinvestments, foreign investment and economic reform. West Bengal's Left regime privatizing or restructuring 29 state owned units. The CPI (M) leader Jyoti Basu tried to rationalize this double speak by saying New Delhi cannot privatize because many central PSUs make profits but Bengal's sell offs are ok because only loss making outfits are being sold. 

Soon after taking charge as the party general secretary Prakash Karat viewed that "The economic policies pursued in the last one and half decades have not benefited the country. So we would like to fight for change in economic policies". But when he was asked about West Bengal he replied, "In West Bengal the Left government is looking for FDI because it has successfully improved the living standards of the poor".  

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82 The Times of India. August 28, 2005.  
83 Ibid.  
84 The Times of India. August 29, 2005.  
85 Ibid.  
86 Deccan Herald, April 17, 2005.
The Left is perceived to be against the economic policy of the Congress. The Left's philosophy is determined by the working classes, a 'compromise' has been made on the basis of CMP. When the UPA government unveiled the CMP, it scrapped the Disinvestments Ministry and disfavoured the privatisation of PSUs. This clearly indicates the presence of the Left parties.\textsuperscript{87}

The Finance Minister while defending the CMP said that the Left's views found common grounds with UPA's economic policies. He said, "The Left wants and I want a greater emphasis on agriculture, so that the occupation on which 70 per cent of India's working population is dependent, gets a boost." He further said, "The Left wants jobs to be created in the manufacturing sector. We need to give a boost to the manufacturing sector". He also said, "You have to factor in the 20-25 per cent of the people left out in the reforms process". Chidambaram has accepted the positive role of the Communist block.\textsuperscript{88}

Even the CPI also spoke in the same language. In a meeting of the party general secretary, A. B. Bardhan blamed the Congress party as it is continuing the old policies of privatisation without thinking of the poor sectors of the society.\textsuperscript{89}

\textsuperscript{87} \textit{New Indian Express}, May 28, 2004.
\textsuperscript{88} \textit{Sunday Pioneer}, June 6, 2004.
\textsuperscript{89} \textit{Deccan Herald}, April 7, 2005.
When a step was taken by the UPA government to sell 10 percent of its stake in engineering company BHEL, it was opposed by both Communist parties by calling it "first serious violation of Common Minimum Programme of the UPA government" and decided to suspend its participation in the UPA-Left Coordination Committee. According to Dipankar Mukherjee, the member of Parliament of the CPI (M), the move to disinvest BHEL violates the letter and spirit of the CMP.

When the UPA government announced that under the CMP, it would immediately enact a National Employment Guarantee Act, which would provide a legal guarantee for at least 100 days of employment every year, the CPI (M) told that the present Bill would fall short of expectations and was woefully inadequate as a measure to even partially address the rural distress and demanded for necessary changes such as time-bound extension to the whole India within five years and universal entitlement to the job guarantee, safeguards for women and the power to amend the schedule should be given to Parliament and not to the government, etc. when the Finance Minister, while presenting the first budget of the UPA government proposed to raise the FDI cap in Insurance

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90 The Times of India, June 27, 2005.
91 New Indian Express, June 27, 2005.
92 The Times of India, June 29, 2005.
sector. The Left parties opposing this step said, "Even after liberalisation of insurance sector, the public sector and insurance companies have continued to dominate the insurance market enjoying over 90 per cent of the market share. In fact the LIC, which is the only public sector life insurer, enjoys over 98 per cent market share in life insurance. So the move of the government is unjustifiable".94

In a surprising development both the CPI and CPI (M) now talk about the 'Third Front' without the BJP and the Congress. The CPI party secretary said that the party was working for a Left and democratic alternative at the Centre.95 Though not very happy with the performance of the UPA the CPI (M) said, it visualized a broader political canvas for an anti-BJP and anti-Congress 'Third alternative'.96 It seems that now it is clear to the Communist parties that it is impossible to stop the economic reforms either by the Congress or by the BJP. So it is working for the third alternative.

The UPA government wants further to liberalize the financial sector and the governments want to privatize the insurance sector further. The government is going ahead with privatisation of the

94 FDI in the Insurance Sector : A Short Note submitted by the Left parties to the UPA.
http://cpim.org/
95 Deccan Herald, April 25, 2005.
96 The Hindu, April 25, 2005.
Delhi and Mumbai airports, a step initiated by the BJP-led government. So Pinayaraji Vijayan, CPI (M) Kerala General Secretary, feels that in essence the UPA coalition pursues the same policies of the previous Vajpayee government. "We do not find change in the economic policies of this government when compared to the BJP-led government." He pointed out some of the issues in which CPI(M) was opposed to the Manmohan Singh government. They are as follows:

- The UPA government wants to further liberalise the financial sector by facilitating the takeover of Indian private banks by foreign banks by implementing a proposal to allow 74 per cent FDI in Indian private banks announced by the previous government.

- The government wants to privatize the insurance sector further.

- The government is going ahead with privatization of the Delhi and Mumbai airports, a step initiated by the BJP-led government.

- The government has proposed the raising of the Foreign Direct Investment caps in telecom and insurance in the 2004-05 Union budget, which has been halted due to the Left's opposition.

97 UPA is no different from NDA : CPI (M) http://in.rediff/news/2005/apr/04/cpm.htm.
• The government has also sought to circumvent its commitment not to privatize profitable Public Sector Units by gradually disinvesting shares in these units to meet its budgetary deficit.

"These are issues, which we do not want the government to carry. But we know that the government will go head the way it wants. We are debating ways and means to ensure that we are taken into confidence on all policy matters of the government.,” Vijayan said.98

The Communists are experiencing the travails of any ideologically motivated group of people having to work in an environment they are basically opposed to. Having always characterized the Congress as a representative of the landlord, capitalist class, the Communists are currently trapped in a situation where they have to co-operate with it.99 While the Communist bloc unambiguously supports the Congress to form a secular government at the Centre in 2004, the coming together of the Congress and the Communists can never be smooth and at any time divorce can be expected. The Congress and Communists have fundamental differences on social ideology and many time, they

98 Ibid.
have given a completely conflicting road map for the economic
development of the country.\footnote{Sahara Time, May 29, 2004.}

According to the editorial of the \textit{Times of India}, the
Communist parties in India have never been the Communist parties
but social democratic ones. They should also remind themselves
that the only way for India to grow and prosper is by running an
open economy where capital is free to flow in, lifting incomes all
around. Blocking capital means blocking jobs and choking
incomes. If today’s Left tomorrow’s social democrats – want to
work for people, they should support economic reforms. Anything
else will show them up as a bunch of whiners, hanging on to a
threadbare ideology that has spectacularly failed its followers all
over the world.\footnote{The Times of India, August 29, 2005.} More than 120 years after the death of Marx,
destruction has indeed taken place but more of communism than
capitalism; indeed, some of today’s Communists are the world’s
capitalists. The Indian Communists would certainly qualify for the
later epithet judging from the way West Bengal has been reduced
to an industrial waste land after nearly 30 years of Left Front
rule.\footnote{Vijay Times, October 10, 2005.} An explanation for the total confusion among Indian
Communists is their failure to renew ideology, to ask new
questions about the fast changing Indian and global reality.
Indian
Communists are suffering from a mismatch between their ideology and politics of their allies who do not accept the communist ideological planks. Socialism has been let down by the socialists themselves – they have no one else to blame. But to Jyoti Basu, “Socialism is the future – a classless society. But it will take a long time because of what happened in the Soviet Union and the rest of the world.”

104 Frontline, May 6, 2005, p. 23.