

Citizen, Wealth and Society

To Paraphrase Dickens, we seem to be living in the best of times, and in the worst of times!

On the one hand, there is undiluted exultation among growth enthusiasts. Low tax rates, 9% growth, high savings, declining deficits – all seem to be promising. “If only we pursue the reform agenda, particularly in pension, insurance, and labour sectors, things will only get better”, claim market fundamentalists.

On the other hand, there are signs of deepening political unrest. Repeated political setbacks and mid-term rumblings in the ruling coalition, the agrarian unrest, violence in Nandigram leading to tragic deaths, and the killing of 55 unfortunate policemen in Chattisgarh by Maoist guerillas – all these paint a more somber and distressing picture. Which of these two versions reflects the reality? And what can the society at large, and the wealthy segments in particular, do to protect the gains of reform and minimize the social strife?

It is now universally acknowledged that the ‘invisible hand’ of the market is a greater force of common good than the benevolence of the rulers. But even 30 years ago, this was not so obvious. I entered government service as a starry-eyed socialist with great faith in the power and intentions of the State. Then, in early 80’s, my stint as special officer of Visakhapatnam Steel Project, then India’s largest public sector project (Rs 8000 crore), looking after land acquisition, rehabilitation, labour relations and **public** order issues, cured me of my illusions. I learnt to my consternation that public sector in India is largely the private sector of those in public office, giving endless opportunities for pelf, privilege, patronage and petty tyranny. Mercifully, things have improved since then with progressive expansion of competition and choice. The communications and consumer goods revolution, and accelerated growth are two obvious gains of liberalization.

But the market cannot be the panacea to all our problems. The state clearly cannot abdicate from key sectors. **Without** creating opportunities to the poor for vertical mobility, we cannot promote equity or growth. Even in developed democracies, there is evidence that birth and wealth are determining a child’s future much more than talent and hard work. Despite the avowed classlessness of American society, the bottom quintile of population is finding it harder than ever before to reach the top quintile. Such social stagnation is not only detrimental to harmony, but it also undermines growth as the talent and potential of a large section of people are underutilized. The state in modern world has a vital role in helping fulfill that potential, and preventing avoidable suffering.

But what about society, particularly the privileged and wealthy segments? Do they have an obligation to society beyond wealth creation in search of profits? Market fundamentalists may argue that it is glorious to be rich, and greed is good; therefore pursuit of wealth in self-interest is the best contribution the wealthy can make. But that is not how the capitalist West behaves! The charities of Bill Gates and Warren Buffet are known to all. The great

North American Universities of Harvard, Yale, Carnegie Mellon, Johns Hopkins, Cornell, Vanderbilt, Stanford, McGill, Duke, Illinois Institute of Technology and Vassar College were all built through private charities. Smithsonian Museum, and several foundations – Ford, Kellogg, Rockefeller, Mellon, Carnegie and Kresge – are all promoting public causes with private funds. Those wealth creators understood the best value their money could get, and pursued public causes with vigour.

There are three areas in which private fortunes can promote public good in contemporary India. First, wealthy citizens must work for political transformation. The recent by-election for Lok Sabha in Karimnagar (AP) is widely believed to have cost nearly Rs 90 crores for the parties and candidates – mostly for vote buying. Chamundeswari (Karnataka) by-election to State Assembly easily holds a record for expenditure, at over Rs 50 crore! In some cases, the vote of a MLA in the Legislative Council election in AP is rumoured to be costing Rs 1 crore! These astronomical sums show how politics has become big business, with attendant corruption, cronyism and perversion of justice. The competition and wealth creation are bound to suffer in such a political climate. The wealthy would be wise to invest a part of their fortunes in creating new politics for the new generation, and make politics again a moral endeavour. Or else, the political rot will devour the robust economy sooner, than later.

Second, education and healthcare need not only public attention, but private funding through charities also. If Bill gates and Warren Buffet dream of elimination of all preventable diseases all over the globe, our wealthy entrepreneurs can fund these activities in our own country. If the poor are driven to desperation for want of opportunities, it will hurt the whole society and economy. The collapse of higher education and inadequacy of school education are there for all to see.

Finally, many public goods – libraries, museums, parks – can be funded by private charities. Our cities are becoming unlivable concrete jungles and ghettos, even as real estate prices are skyrocketing. If we value our quality of life, we need to improve our own neighborhoods. The **true** legacy is what we leave for posterity in the form of public good, not the fortunes our children inherit, making them smug and slothful.

It is time that those who, by talent and hard work, or birth and privilege, command vast resources stood up for larger public good in their own enlightened self-interest.

Jayaprakash Narayan

The author is the Coordinator of VOTEINDIA – a national campaign for political reforms; Email: loksatta@satyam.net.in; info@voteindia.org; Url: www.loksatta.org; Url: www.voteindia.org