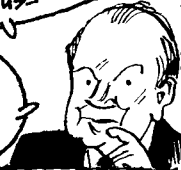


THE WASHINGTON CONSENSUS & THE KERALA ALTERNATIVE

IN 1989 WORLD BANK ECONOMIST JOHN WILLIAMSON COINED THE TERM "WASHINGTON CONSENSUS" TO DESCRIBE AN EMERGING COMMITMENT BY INTERNATIONAL ELITES TO DEREGULATION, PRIVATIZATION, SOCIAL SPENDING CUTS, & FREE TRADE.

MAYBE I SHOULDN'T HAVE CALLED IT THE "WASHINGTON" CONSENSUS-

-MAKES IT SOUND LIKE WE AMERICANS THOUGHT THE WHOLE THING UP.



THESE POLICIES "EMERGED" IN INDIA A YEAR LATER WHEN THEY WERE IMPOSED BY THE IMF IN EXCHANGE FOR DEBT RESTRUCTURING

MAYBE YOU SHOULDN'T HAVE CALLED IT A "CONSENSUS"



AS A RESULT, BY 2000 INDIA WAS EXPERIENCING MASSIVE LAYOFFS, PRICE INCREASES, & FARM FAILURES



ON MAY 11, 2000, 20 MILLION INDIANS STRUCK AGAINST THE GOVT'S "ANTI-PEOPLE ECONOMIC, INDUSTRIAL, & LABOR POLICIES." FIVE STATES SHUT DOWN FOR THE DAY.

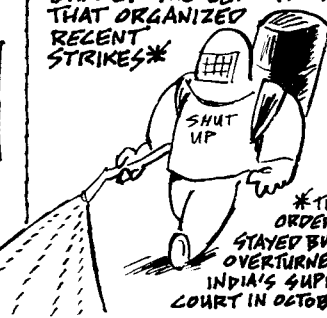
PEOPLE HAVE USED 1-DAY POLITICAL STRIKES TO EXPRESS DISCONTENT FOR AS LONG AS THERE HAVE BEEN DEMOCRATIC MOVEMENTS IN INDIA.

HOW RETRO



THE NEW CLASS OF ENTREPRENEURS AND INFOTECHNOCRATS WHO HAVE SPRUNG UP SINCE 1990, HOWEVER, HAS NO PATIENCE WITH SUCH PRACTICES.

ON JUNE 1, 2000, A COURT ORDER EFFECTIVELY BANNED THE LEFT PARTIES THAT ORGANIZED RECENT STRIKES*



*THIS ORDER WAS STAYED BUT NOT OVERTURNED BY INDIA'S SUPREME COURT IN OCTOBER.

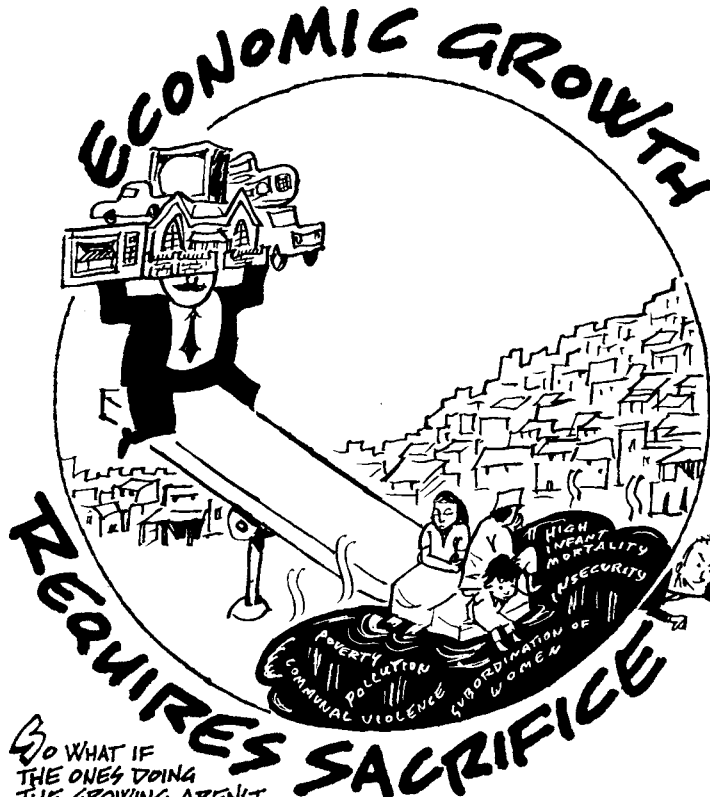
TURN'S OUT THERE'S A RARELY STATED COROLLARY TO THE WASHINGTON CONSENSUS: DEVELOPMENT AND DEMOCRACY DON'T MIX!

FRANKLY, I DON'T SEE HOW THE WORLD BANK CAN ENDORSE THE PURSUIT OF DEMOCRACY-



WE'RE SUPPOSED TO BE NONPOLITICAL, AFTER ALL.

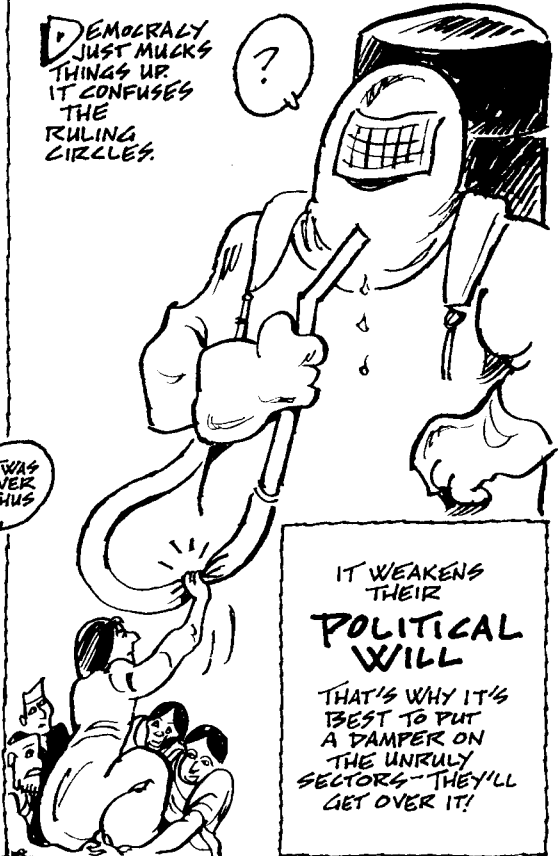
WHY IS DEMOCRACY INCOMPATIBLE WITH DEVELOPMENT? BECAUSE, AS ANY LEADING PUNDIT WILL TELL YOU:



SO WHAT IF THE ONES DOING THE GROWING AREN'T THE SAME AS THE ONES DOING THE SACRIFICING? NEVER MIND, IT'S FOR THE (AGGREGATE) GOOD OF ALL!

BUT IF YOU GO AROUND ASKING PEOPLE IF THEY FEEL LIKE MAKING SACRIFICES, YOU'LL NEVER GET ANYWHERE.

DEMOCRACY JUST MUCKS THINGS UP. IT CONFUSES THE RULING CIRCLES.



IT WEAKENS THEIR POLITICAL WILL

THAT'S WHY IT'S BEST TO PUT A DAMPER ON THE UNRULY SECTORS--THEY'LL GET OVER IT!

ACTUALLY THERE IS ANOTHER WAY TO GO. WITHIN INDIA'S BORDERS, IN THE SOUTHERN STATE OF

KERALA

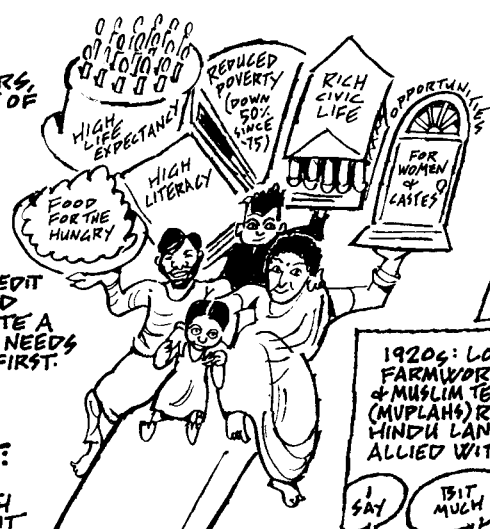
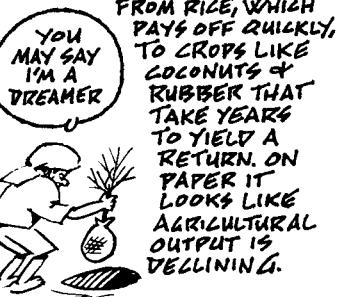
POPULAR ORGANIZATIONS HAVE REVERSED ALL THE INDICATORS. TRADE UNIONS, SMALL FARMERS ASSOCIATIONS, WOMEN'S GROUPS, CULTURAL PROJECTS, CREDIT + CONSUMER COOPS, AND RADICAL PARTIES CREATE A SITUATION WHERE THE NEEDS OF THE MAJORITY COME FIRST.

THE DOWNSIDE IS DISINVESTMENT:

BUSINESSMEN WOULD RATHER NOT DEAL WITH SECURE + INDEPENDENT WORKING PEOPLE.



STAGNANTLY STATISTICS CAN BE MISLEADING THOUGH. CREDIT UNIONS ALLOW KERALA FARMERS TO SWITCH FROM RICE, WHICH PAYS OFF QUICKLY, TO CROPS LIKE COCONUTS + RUBBER THAT TAKE YEARS TO YIELD A RETURN. ON PAPER IT LOOKS LIKE AGRICULTURAL OUTPUT IS INCREASING.



THEY CALL IT THE KERALA MODEL

BUT FAR FROM BEING A "MODEL"

A PRESCRIPTION THAT CAN BE IMPOSED AT WILL ON A NATION OR REGION, KERALA REPRESENTS A LONG HISTORY OF PEOPLE PRESSING THEIR DEMANDS, LEARNING FROM THEIR MISTAKES, + EVENTUALLY BECOMING AN INTEGRAL PART OF DAY-TO-DAY ECONOMIC + POLITICAL DECISION-MAKING.

TIMELINE OF DEMOCRACY:

<p>1920s: LOW-CASTE FARMWORKERS (ESHEVAS) + MUSLIM TENANT FARMERS (MUPPLANS) REBEL AGAINST HINDU LANDOWNERS ALLIED WITH BRITISH.</p>	<p>1930s: ESHEVAS, FORCED OFF LAND BY BRITISH TAXATION + PRIVATIZATION, MOVE TO CITIES WHERE THEY STRIKE AGAINST BRITISH RULE.</p>
<p>1940s: MILITANTS RETURN TO COUNTRYSIDE, ORGANIZE FARMWORKERS' STRIKES CULMINATING IN BLOODY 1946 PUNNAPRA-VAYALAR UPRISING.</p> <p>SUBSEQUENT REPRESSION DRIVES LEFT UNDERGROUND.</p>	<p>1946: INDEPENDENCE BRINGS LITTLE CHANGE FOR RURAL POOR BUT IT DOES PROVIDE PUBLIC SPACE TO RESUME ORGANIZING.</p>
<p>1950s: TENANT FARMERS ORGANIZED BY CPI (COMMUNIST PARTY OF INDIA) WIN RENT + EVICTION CONTROLS.</p>	<p>1957: CPI WINS KERALA STATE ELECTION. LANDLORD MILITIAS RESPOND WITH "LIBERATION STRUGGLE" (DEATH SQUADS).</p> <p>1959: CPI ATTEMPTS LAND REDISTRIBUTION, FIGHTING INTENSIFIES. INDIA PRESIDENT DISSOLVES CPI GOVT, REPEALS ITS PROGRAM.</p> <p>1967: 2nd LEFT GOVT.: COALITION OF CPI + LEFT SPLITOFF CPI-MARXIST (CPI-M) ENACTS AGRARIAN REFORM. TENANTS BECOME LANDOWNERS.</p> <p>THIS CHANGES EVERYTHING AS IT DESTROYS SOCIAL BASIS FOR LANDLORDY MILITIAS.</p>

AGRARIAN REFORM MEANS WORKERS + FARMERS BECOME LEADING FORCE IN KERALA. BUT IN 1980, FRUSTRATED BY DISINVESTMENT, CPI-M EMBRACES "CLASS COMPROMISE": MORE INCENTIVES + AUTONOMY FOR MANAGEMENT (BUT WITHOUT "LOW ROAD" OUTCOMES LIKE SWEATSHOPS + CHILD LABOR THAT ARE SEEN ELSEWHERE IN INDIA).

<p>HERE + THERE</p> <p>"IN THE NORTH [OF INDIA],...WHEN THERE IS A PROBLEM WITH UNIONS THEY JUST FIRE OR BUY OFF THE LEADER. SUCH PRACTICES ARE IMPOSSIBLE IN KERALA."</p> <p>INDIAN MANUFACTURER</p> <p>THIS ACCOUNT IS HIGHLY INDEBITED TO PATRICK HELLERS, THE LABOR OF DEVELOPMENT.</p>	<p>THEN + NOW</p> <p>"IN THE PAST, WE WOULD HAVE TO GO TO THE LANDLORDS' HOUSE TO GET OUR PAY. WE WOULD STAND WITH OUR HEADS BOWED + OUR HANDS OUT. NOW HE MUST COME TO THE FIELD TO PAY US. IF HE DOESN'T HAVE EXACT CHANGE, WE SEND HIM OFF TO GET IT."</p> <p>DALIT ("UNTOUCHABLE") FARM WORKER</p>	<p>ON + ON</p> <p>NO, KERALA IS NOT PERFECT. BUT IT IS DEMOCRATIC.</p> <p>WHICH MAKES IT AN ENDANGERED SPECIES. WITH INDIA UNDER THE THUMB OF THE TRANSNATIONALS, KERALA'S POPULAR FORCES ARE EPICENTERS OF RESISTANCE AND, THEREFORE, TARGETS OF REPRESSION. THE STRUGGLE CONTINUES.</p> <p>NICK THORKELES ON</p>
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