

## **China and West Bengal: Treading the Same Path?**

The change in attitude of the current West Bengal government is really heartening and welcome. After years of falling behind, at last we are hearing reports of Buddhadeb Bhattacharya trying to woo important businesses to invest in West Bengal and there are clear signs of that happening in the near future. This is particularly welcome since the entire 90's were almost wasted, in trying to prevent private enterprise from coming to the state. The CPM government existed in negative propaganda, "IMF-World Bank er chokranto". It seems now that they are taking some positive steps and in the right direction. In the process a lot has been mentioned about China, and the opening up of the Chinese economy seems to serve as a 'role-model' for many of the Left intelligentsia.

There is no denying the fact that China has in some sense exceeded the expectations of many. They have maintained a growth rate of 10% and higher for most of the 90's and their unabated rise continues. Just a couple of years ago, the US considered China as a threat to its dominance as the economic super-power. Even in the US, the attitude has significantly changed. Last week, IBM (one of the bastions of US supremacy in the IT sector) announced the sale of its personal computer business to Lenovo, China's largest personal computer maker. This signals a symbolic takeover in some sense, acknowledging the fact that the 21<sup>st</sup> century might well be China's.

These are facts that are regularly fed in the news media, but let me highlight certain things that do not get highlighted as I believe it should be. Otherwise we would fail to get a balanced perspective when we try to replicate the Chinese model in any other economy. Since the start of the economic reforms in 1978, China has experienced the largest increase in income inequality of all countries. Research that has delved into the reasons of this rise finds out that this rise has been primarily due to an increasing gap between the rural-urban sectors. Oftentimes, what gets reported is that of the urban sector and the investments that accompany the development of big cities. What is left out is the rural economy. This inequality is not only in income, but as a recent research work by Ravi Kanbur of Cornell University points out, this inequality is in other dimensions of human development also. For example in education and health care this inequality is stark amongst the rural and urban sectors. This is true also in the degrees of environmental pollution levels. Among the World Bank's list of 20 most populated cities, 16 are from China. Moreover the industrial wastes that are emitted by the factories located in the cities are polluting the rivers to such an extent that villagers are facing an increased risk of cancer. Peasant uprisings are becoming common day by day. Isn't it surprising that a Marxist power is still at the helm of affairs in China?

If we think back for a moment, then am I being a nihilist here? Certainly not, since I think that China has indeed taken the right steps in reaping the benefits of a globalized world. What concerns me however is the fact that a lot of the unfortunate fall-outs has been as a result of faulty policies, which can possibly be rectified. The policies of the Chinese government have been significantly urban biased and this has contributed hugely to this rising sectoral gap. Recent scholarship has found that labor mobility restrictions, welfare systems, and financial policies of inflation subsidies and investment credits to the urban sector, are responsible for the long-term rural-urban divide and the recent increases in disparity. According to a recent report by the New York Times, the

booming private real estate market has emerged in cities, where residents can now buy and sell apartments while farmers still fall under a village collective system that forbids them to own, buy or sell the land they till. In large cases, city officials pushing for lucrative development projects have confiscated rural land by guile. Experts estimate that as many as 70 million farmers have lost their land in the past decade. A simple statistic makes the point clear. Between 1986 to 1992, the period during which the main changes were taking place, the share of the budget devoted to cities ranged from 52% to 62%, while for the rural economy it was less than 10%, despite the fact that the rural population was about 73-76% of the national population.

Finally, the less said about human rights the better. The Committee to Protect Journalists reports that 42 journalists are now in prison in China, more than any other country. A famous Chinese journalist, Jiang Weiping is serving a six-year sentence for “revealing state secrets”, even though his real crime was exposing corruption.

Both China and West Bengal are examples of a communist regime gradually opening up and reaping the benefits of the market. What China did 20 years back, the CPM government is doing now. I am not claiming that the CPM government in West Bengal is following in exactly the same footsteps as China, but it does not harm to be aware of the things that can be avoided. Hopefully Buddhadeb Bhattacharya takes that into account.