

# The Pseudo-Debate over the Enron Power Project

SWAMI BODHANANDA

1995



**W**hat is it that lies at the heart of the ongoing debate on the cancellation of the Enron Dabhol Power Project by the Maharashtra government headed by the BJP-Shivsena combine?

Is it a concern for endangered national security and cultural ethos, or is it an awareness of the need for an alternative global model based on environmentalism and human welfare or is it a perception of the possible plight of 70 per cent of the Indians who will presumably continue to remain poor bypassed by the forces of competitive market economy?

The Enron debate has revealed the thinking of three major national parties who are vying for power at the center in the coming general election scheduled to take place sometime in the first half of 1996. Of the three major aspects of the economic policy, that is: liberalization, privatization and globalization, BJP is opposed to globalization; JD and Left combine id deadly against both globalization and privatization, while the Congress supports all the three. All parties agree in that liberalization is the right policy, that the license permit raj must end and that internal competition should be encouraged. Whether there is liberalization or not, JD is more interested in securing seventy to eighty per cent job reservation for ST, SC, OBC and minorities. BJP is more concerned with the interests of Svadesi traders and businessmen who are afraid of Videsi competition.

There are the environmentalists and NGO activists who are against fast tract power projects, super highways, communication networks, and consumer products like 'Coco Cola', 'Pepsi', 'Mac Donalds' and 'Kentucky Fried Chicken', in the name of environmental protection and anti-consumerism. All of these self-appointed champions of public interest fail to ask one question before they launch their propaganda war and mass action plans: 'what will be the impact of their programs and activities on the people, especially the poor, fifty years down the road, say in 2050 AD, when one third of Indians living today are expected to be around?'

- a. Will the 70 crore Indians living below the poverty line, whose number is expected to go unto 100 crores by 2050AD, get clean drinking water, nutritious food, health care and vocational training?
- b. Will the Svadesis be able to put in place an infrastructure-power, roads, communication networks-which can foster an economy of world-class competitiveness and productivity?
- c. Will the Svadesis be able to raise the standard of living of Indians to that of an average

Singaporean, and ensure productive employment to all?

If these three objectives are not achieved by 2050 AD we will not be able to preserve the political unity of our country. Nor will the people invest much value in our cultural ethos and secular democratic polity. Democracy and co-existence will be then the greatest casualties. The country may break up into a dozen or more warring republics run by elite ruling classes, by demagogues or by right wing fundamentalists. And that will be the end of India as a nation. The poor will get a raw deal. War and regional conflicts will then become the order of the day—a repeat of the fratricidal Balkan wars or the South American mass purges or the African tribal holocausts.

The experience of the four tiger nations of South East Asia teach us that the only dynamics which can lift 70 crores of poor Indians above the poverty line is a capitalist market economy which plays by the rules of international trade, judiciously pursuing national and corporate interests, so that productivity and wealth of individual citizens increases, and the nation will have a net flow of wealth. It is only a capitalist economy that could be interested in upgrading the knowledge and skill base of the people, in increasing the purchasing power of the consumers, in diversifying job opportunities and in relentlessly pursuing the goals of producing quality products for more and more people for lesser and lesser prices.

Politicians, businessmen, bureaucrats and even the academicians are not interested in uplifting the poor in India. They are more interested in sharing wealth than creating wealth. There is no passion for excellence in industry and academics.

Capitalist market economy could change all this and could give a run for their money to all prophets of status quo. It is the capitalist economy that can ensure better distribution of wealth and equality of opportunity by universalizing ownership capital. Capitalist market economy alone can ensure a democratic, secular polity and eventual unification of the subcontinent into single economic space and divert wasteful expenditure from defense, subsidies and non-productive governmental spending for infrastructure and social capital.

It is only a free play of market forces that can pull the economy from the stranglehold of black marketers, criminals, smugglers, corrupt officials, politicians and put the nation firmly on the rails of prosperity by unleashing the productive potential of the people.

Unfortunately the Enron controversy is not handled from this perspective. The pseudo-debate has taken away the nation's attention from the basic problems and issues. Where as the myopic political leaders, weakened businessmen, incompetent bureaucrats, tunnel visioned environmentalists and professional NGOs have all become a phalanx of monsoon frogs ricocheting the same tune which find its strange echo in the fossilized policies of left parties and their self-destruct trade union friends. The trade unionist instead of helping the worker to acquire new skills and attitudes compatible with the work culture of a competitive economy urges him to strike work and there by erodes his skill base and self-dignity. We have to understand that the worker cannot live on empty slogans.

No system can remove the poverty of 70 crores of Indians except the free market capitalist economy which is directed by a democratic, secular and pluralistic system of government. And removing poverty would mean producing more and consuming more. I would like to emphasize that removing poverty would mean that we have to produce and consume, perhaps a hundred times, more than the present level of production and consumption in India.

Can we start a rational, national debate on this vital assumption and review the Enron project in the light of that debate?

Pseudo-environmentalists, anti-consumerists, saffron-nationalists, careerists, activists and privatization paranoiacs – ARE YOU LISTENING?.

---

*Swami Bodhananda is Chairman, Sambodh Foundation, India; The Sambodh Society Inc. USA; and Bodhananda Research Foundation for Management & Leadership Studies. He is the Inspiration and Guiding Force for all Sambodh institutions.*