



First Academic Seminar of the IBSA
Dialogue Forum



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First IBSA Summit

First Academic Seminar of the
IBSA Dialogue Forum



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SUMÁRIO

Presentation by Ambassador Celso Amorim 7
Minister of External Relations of Brazil

Science/Technology/Innovation and Economic Development and Cooperation

Technology: Breaking the Cycle 13
Prabir Purkayastha



Public Policies and Social Development

Status Paper on Public Health in India 29
Prof. Indira Chakravarty


Globalization, Poverty and Health 67
Paulo Marchiori Buss

Reflections on South Africa's Democracy Since 1994: Public Policies
and
Social Development – Successes and Challenges 83
Garth L le Pere

Democracy and Cultural Diversity

Democracy, Cultural Diversity and the Question of Hegemony: The
South African Dimension Within the Context of IBSA 99
Francis A. Kornegay

Democracy and Cultural Diversity 139
Mridula Mukherjee





Índia e Brasil: Dois Modelos de Desenvolvimento em Perspectiva Comparada	151
<i>Marcos Costa Lima</i>	
Brazil: National Identity and South American Integration	205
<i>Paulo G. Fagundes Vizentini</i>	
Public Policy and Social Development	231
<i>Jayanti Natarajan</i>	






Presentation by
Ambassador Celso Amorim







Presentation by Ambassador Celso Amorim,
Minister of External Relations of Brazil

I am very pleased to write these opening remarks to the publication of the papers presented at the First Academic Seminar of the India-Brazil-South Africa Dialogue Forum (IBSA), held in Brasilia, on the occasion of the First IBSA Summit (September, 2006).

First of all, I would like to thank the experts and scholars who took part in this exercise and prepared their invaluable contributions to the debate. We must have in mind that IBSA is a relatively new initiative and there is still a clear deficit of an established bibliography on the subject. The papers published in this volume are an original, timely reference for further research.

But there is much more to this Seminar. Its manifold reach can be better understood against the background of IBSA as a whole.

More than a purely diplomatic construction, the Forum has sought to be an overarching effort to bring together three large and vibrant democracies, three multiethnic nations, three complex societies, three emergent economies, from three different continents.

Developing countries of the South with many similarities, India, Brazil and South Africa respond to their respective regional realities and have an extremely rich cultural environment that reflects their own historical circumstances.

IBSA has caught the attention of the public since its first official document was issued in June 2003 – the Brasilia Declaration. The three Foreign Ministers met in the Brazilian capital to formally

launch the trilateral Forum: Nkosazana Dlamini-Zuma, from South Africa, Yashwant Sinha, from India, and myself.

We then decided to hold regular political consultations and exchange information on areas of mutual cooperation, with a view to coordinating our positions on issues of common interest. Among many other topics, we gave special consideration to the importance of respecting international law and strengthening multilateralism, especially the role of the United Nations.

The process of establishing this new entity in the international arena has been seen positively in a number of different ways.

For some analysts, it seemed a natural development, long overdue, in order to fulfil the need for flexible arrangements in a changing world order, with greater participation of developing countries.

For others, IBSA was an ambitious enterprise to engage countries of the South globally, while at the same time articulating themselves regionally and within the framework of established international organizations. One way or the other, these views have created high expectations in relation to the Forum.

In its five years of existence, IBSA has reached a significant degree of vitality, always based on inclusiveness and openness. It went beyond the realm of diplomatic exchanges conducted by Foreign Ministries. It successfully involves now many governmental bodies and different sectors of civil society.

Today the Forum has inter-governmental Working Groups in sixteen areas: agriculture, culture, defense, education, energy, environment and climate change, health, information society, human settlements, public administration, revenue administration, science and technology, social development, tourism, trade and investment, and transportation.

It has also innovated in the field of cooperation for development by means of the IBSA Fund to Alleviate Hunger and

Poverty, a trilateral endeavour to give financial support for cooperation projects in less developed countries, such as Haiti and Guinea-Bissau. Among the new projects of the Fund, 1 million dollars will be allocated to help Palestine.

The Forum has also spread its activities to encompass members of the Legislative Branch, businessmen, the academic, cultural and scientific communities, and non-governmental organizations.

The commitment to an expansion of the already numerous IBSA activities was boosted by the strong political support the Forum has received at the highest level. Two Summits of Heads of State and/or Government were held and a third one is scheduled to take place in India, next October.

In this context, the Academic Seminars have at least three important roles (the number three is always a lucky one for us, IBSA countries): firstly, they engage scholars in this pioneering enterprise and promote public awareness through a wider dissemination of information; secondly, they provide inputs for the development of the Forum itself; and thirdly, the methodological rigour and intellectual extent of academic analyses are of great value for practitioners involved in the everyday business of diplomacy and all those interested in a better understanding of contemporary developments in international relations.

These are certainly good reasons to make the results of the First IBSA Academic Seminar available to both experts and the public at large.

Brasilia, 14 August 2008





Technology: Breaking the Cycle

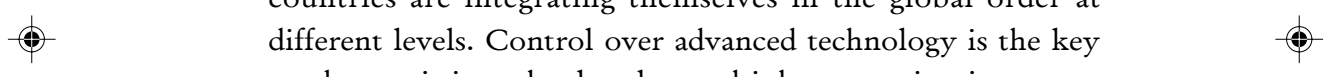






Technology: Breaking the Cycle

Prabir Purkayastha*



The current WTO battles between the developed countries and the developing ones is a defensive one from the point of view of developing countries. While the developed countries want to open their markets further, the G20 or G90 are trying to restrict this as well as extract some concessions. However, a change in the terms of trade demand that we look at the way the global economy works and how different countries are integrating themselves in the global order at different levels. Control over advanced technology is the key to determining the level at which countries integrate themselves. At the lowest rung, are countries that are bartering their natural resources for manufactured commodities. At the middle level, are countries like China, Brazil, India, etc., which are able to win some space for themselves and are able to sell manufactured goods; at the top of the heap are advanced countries, who not only sell knowledge intensive goods but also knowledge itself as a commodity. The key question therefore is how to catch up in technology in order to have a more equal world. The IBSA summit seems an appropriate place to discuss this issue, as it is only by catching up in technology, the larger question of a more equal world can be resolved.

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To those supporting the neo-liberal model of globalization, autonomous development of technology is passé and the only hope of acquiring advanced technology is to become junior partners to global MNC's. In this view, as the MNC's control the current generation of technologies and are creating the next generation ones, the only possible route to advanced technology lies in partnering them. The evidence however does not show that MNC's cause diffusion of advanced technology systems to other countries, such advances tend to remain within the fold of these companies only. The entry of major brand names into other countries is the primary thrust of the MNC's.

Though in opposition to neo-liberal globalization, some radical forces are equally pessimistic about developing technology without the MNC's. Therefore they propose a relatively autarchic and 'closed' economy. Obviously, as this closed economy cannot reproduce all the advances made elsewhere, the need then to reject the consumerist life style of the 'west': the terrain of struggle is then one of life styles.

While issues such as consumerism and paths of development are important, I have argued elsewhere¹ that limiting the growth of technology based on such considerations would inevitably lead at some point to the failure of such a closed economy: it is not possible to build this kind of self-reliance and autarchic economies in the world of today. I will restrict my article to looking at the question of self-reliance in today's globalised world and the implications of this.

There is a need to abstract out the domain of technological discourse from that of the economic one. Na adverse balance of payments may imply technological dependence, but it also may not. One has only to look at the largest debtor nation – the US – to realize that a one-to-one

correspondence of economic issues with technological ones is fraught with certain dangers. The US is running the largest deficit economy in the world with a huge adverse balance of payments, while it is also leading the world technologically. Certain oil economies are surplus in trade terms but completely dependent technologically. A buoyant economy does not necessarily imply a technologically healthy one just as a 'sick' economy does not necessarily indicate failure.

Technology Cycles

It is now largely accepted² that just as there are product cycles, there are also technology cycles. Each technology that enters the market, starts with a number of variants in its early phase, standardises to only a few in the course of a shake out period and then remains in its mature phase for some time before undergoing another cycle of innovation. The technology cycle is like a classical S-curve, so familiar to economists and used in mapping the product life cycles.

A number of studies^{3,4} have shown that firm size helps in entering the market and staying the course. However, it helps less in high technology areas, where entry by small firms is quite common. However, innovation in mature Technologies is much more likely to come from the large firms, where the existing pool of knowledge necessary for such innovation is likely to be within the larger firms. The small firms stay here in niche markets and not as competitive threats to the big.

Perez and Luc Soete⁵ have argued that the development of technology grows through four phases as depicted schematically in Figure 3. Perez and Soete have two phases of what we have termed as the shakeout period. The

comparative costs for the in the technology cycles but also the absolute measure of time in the technology cycle. If the entire cycle from phase I to IV is only 24 months and not 10-15 years as it used to be in the early 20th century, the strategies of entry and survival also needs to change.

Indigenization and the Age of Stable Technology

The earlier policy of developing technology was conceived of entry in the mature phase with indigenization as its key element. It was conceived within a framework of relatively simple and technologically stable production regime. Technology was presumed to be relatively static and the pace of indigenization to be faster in comparison. However, the rapid growth of new technologies and changes in old ones from late 60's onwards were to change adversely the indigenization paradigm.

Technologies of the '50s and early '60s were relatively mature, i.e., had been developed some time back and were not subject to rapid changes. Principles of steel making, development of turbines etc. changed far slower than the current technologies, which are being driven by the micro-electronic revolution. If change is not rapid, indigenization means the ability to increase progressively the indigenous content and reduce the imported one over a period of time. In such a scheme import substitution is the key – once a technology is borrowed, it only needs to generate its inputs domestically in order to achieve self-reliance.

While '50s and early '60s were to see generally stable technology regimes and extension of production as the major thrust, this was to radically change in the succeeding decades. The development of microelectronics and cheap computing Power was to introduce a new dynamism in

almost all production technologies and the capital goods sector. Apart from the relative speed of change of technologies in the '70s and '80s, there was another major development that was taking place globally in the system of production. The post 60's period was to see *an increasing degree of complexity of the system of production and in the product*. The ability to incorporate 'intelligence' in the product was also to see the development of a whole range of new industrial and consumer products. Earlier, it was relatively simple to estimate a country's development – it was strongly correlated to the amount of steel and energy being used by a given economy. However, with the growth of the information and service sector in advanced countries, which today is of the order of 60% of their economy, such co-relations do not work anymore. Further, a study of a cross-section of industrial and consumer products will show that the complexity of today's products are far more than a similar range of products of the earlier period. *Apart from the dynamic nature of technology today, it is also the complexity of both the products and the production systems that has a vital bearing on the policies for engendering self-reliance.*

The earlier attempts at self-reliance were characterized by a highly regulated system consisting of import controls and production controls. These controls were physical and required the administrative machinery to be fully knowledgeable both about the nature of the regulations and the entire range of production systems. Obviously, the speed with which technology was changing and the complexity of the system were also responsible for the crisis of this system. The system was predicated upon a paternalistic but a knowledgeable bureaucracy, which had to guide the fledgling innocents of the industry and would be able to react with necessary speed to the need for import of

technology and goods. Instead, we rapidly developed a predatory bureaucracy and monopoly nexus that was to provide a barrier to growth itself under the changed context. The regime of physical controls discouraged any technical existing lines and tend to mothball such technologies. Most often, large firms buy up the successful innovators after the technology is seen to be successful.

The last but not the least important characteristic is the dependence of such new technologies on state support. Some have argued that resource made available to R&D funding from state sources may mean that more efficient forms of private resources are crowded out. They have therefore argued that private and venture capital is best suited for developing new Technologies and therefore for a disengagement of the state from such funding. The evidence from the US shows clearly that this is not the case. Even with a well-developed venture capital, the role of the state is crucial^{10,11} in nurturing new technologies.

As we have discussed earlier, the two entry points in the technology cycle are either the first phase, where the capital costs are low and knowledge is available in the public domain; the second is the mature phase where the technology is relatively stable and if there are large domestic companies, they can be used to break the cycle of dependence. The energy sector and new automation Technologies are the two examples we will examine further from this standpoint.

If we look at the technology scenario today, energy sector would be a relatively mature technology. In this, there is obviously a renewal of old technology stock that is taking place, with the new generation of automation and materials entering the market, but such renewal is necessarily much slower than the speed with which new Technologies is developing for example in the IT, telecommunications,

entertainment and automation technologies. The strategies that are required for the energy sector are relatively different than that of the new technology sectors above.

The energy sector falls therefore more into the phase IV of the technology cycle that we have identified above. It means that it needs large firms or institutions that have already accumulated enough knowledge to develop the next generation of incremental innovation required for the sector. It also would penetrate slowly, as the capital costs of existing plants are sufficiently high for them not to be written off with any new technology unless it is a dramatically different one with far greater bang for the buck than the current ones.

India has made major investments in nuclear energy in terms of the fast breeder program. Brazil is making similar investments in developing the fuel cycle. It makes sense for India, Brazil as well as South Africa to Pioneer the next generation of nuclear Technologies, specifically for the fuel cycle. If there is a large market for nuclear energy, it is in India and China. So why should we not try and use this market to develop future nuclear technologies, instead of helping a moribund US nuclear industry or a French one?

For coal, South Africa and India have made large investments in coal Technologies. South Africa has one of the most advanced coal technologies for burning high ash coal, as does India. So it makes sense here also, with India's huge market to look at South Africa as India's coal technology partner for clean coal initiative. The US coal programs are not even looking at high ash coals and they have very little to offer to us on this count.

Similarly, the petroleum sector, with Petrobras and ONGC, there are various possibilities that exist in terms of building on the existing capabilities in the oil sector for Brazil and India.

Mass Production to Mass Customization

The production systems today are changing rapidly from mass production of goods to mass customization of goods. Mass production, starting with the industrial revolution to the Fordian paradigm, brought down cost while providing high quality. It achieved this using standardization of components and goods, economies of scale and quality control. *However, it produced rigid production structures, large plants and eliminated or minimized customer choices.* As Henry Ford was reported to have said, “You can have any colour as long as it’s black”. The end user was willing to sacrifice variety for quality and low cost. Customized goods remained but as expensive goods for an elite and a niche market.

This is still the way the majority of manufacturing is performed today. But things are starting to change. In addition to high quality, low cost, and fast delivery, many customers now demand products that exactly fit their needs. We’re moving toward an environment where factories will start combining mass production and customization into “mass customization”. The customer today wants variety and high quality and wants it at the same cost. However, this is not mass customization. *Mass customization* is the customer expecting his or her *exact specification* to be produced in the factory and reach him/her in a matter of days. The factory taking the order from the customer then has to schedule the production process and meet the delivery target of a few days. This is the direction we are moving today in manufacturing systems. (Fig. 3) Nimbleness and agility of manufacture coupled with flexible production processes will determine the winners of tomorrow’s manufacturing companies.

De-Scaling Production Processes

With mass customization, the economies of scale undergo a radical shift. With increasing product differentiation and mass customization, the conventional arguments in favor of economies of scale no longer hold.

The economies of scale have hitherto worked in favor of larger plant capacities. The prevailing economic theory regards the economy of scale to be self evident, subject of economies of scale need a re-examination. The global market prices have also been subject to large fluctuations. Therefore, there is a considerable advantage of having flexible manufacturing or flexible batch processing systems, which can change their product mix based on the current market conditions. Instead of building large plants, a flexible production system that may have lower economies of scale but is able to adapt better to new conditions, may be a much better option. The flexible production systems of this kind require a *variable plant structure that can be re-configured depending on the product mix*. The re-configuring demands a versatile control and automation systems in order to maintain plant efficiencies and quality. With this, it is possible to de-scale the plants and operate at much lower break-even points as a variety of products can be made from the same basic plant.

Directions in Control System Architecture: From Hierarchic to Peer-to-Peer Architecture

From flexible manufacturing to flexible process industries, all demand control systems are plastic and capable of instant reconfiguring of the process. Gone is the Fordian paradigm that has ruled the industrial world. From the

Jurassic age of dinosaurs, we are in the age of de-scaling plants with agile flexible systems to meet the changing environment of the international market.

What happens to the control system under such a regime? Obviously, it is not possible to meet quality and throughput, if the control systems do not have the intelligence to reschedule the process or manufacturing based on market demand. The control systems must be tied to the transaction-processing end of the business so that market demands and customer needs can instantly be translated and scheduled into production of goods. This is the challenge of future control systems.

The control systems must not stop here. They must allow high end mathematical and optimization functions so that more can be squeezed out of the plant and equipment at lower operating costs. Too long have the promised benefits of optimization been unusable as the control system vendors with their proprietary solutions could not deliver the domain specific knowledge that was required to make such systems work. With flexible control strategies and open systems, the layer of optimization and advanced controls is now available to the domain experts to convert into industry solutions. Increasingly, the hardware and the software will be available as freely configurable and open. These elements will then be combined into solutions to meet industry specific needs.

With the earlier advance of mass production techniques, the manufacturing process had been broken down into components, or “cells”. This had led to a more decentralized approach to control. Smaller peer controllers are responsible for individual cells, and these controllers are in turn networked to each other and to a independently, but co-operate with each other and their contractor. More activities take place at lower-level functions. This results in fewer bottlenecks caused as a result of communications and processing by the contractor.

Advanced Control and Decision Support System

Today's control systems all have open system concepts built into them. While the degree and even the meaning of openness vary from system to system, it is difficult to conceive of future automation systems without considering them also open.

The openness of control systems means - both with respect to ability to interface with the outside world and use of industry standard products - makes it possible for domain knowledge to play a vital role in generating control solutions. Increasingly, the focus will shift to higher-level functionality such as neural based techniques or mathematically complex techniques being used for process control. Already, advanced controls (Dynamic Matrix Control, Set Point Controls) are entering the market with Aspen Tech aggressively entering this layer. However, Companies such as Aspen Tech provide tools; the domain specific solutions have to be engineered for each industry. Similarly, Manufacturing Execution systems are entering the industry with players such as Manugistics, I2,15 etc. However, here also, while the tools are there, the individual industry specific solutions have yet to emerge in a big way. The open architecture allows general-purpose tools to be used on general-purpose platforms and tie this into the control system. Those who have domain specific knowledge therefore can enter the layer that lies between the control layer and the Enterprise Resource Planning (ERP) layer to provide agile manufacture and optimize production while reducing operating costs.

The opening of the control system to interface with general-purpose platforms and software has made a major change in the way control systems will be engineered in the future. This allows companies that have domain knowledge

to use advanced optimization tools such as neural networks, mathematical programming, fuzzy logics, and neuro-fuzzy systems to be tied into the control system.

For manufacturing automation systems, it means trying the market requirement emanating from the ERP Level to the plant automation systems through appropriate scheduling algorithms. For the process plants, increasingly advanced control systems are entering the market. The architecture of manufacturing automation systems and process control systems are both evolving in a direction that will see general purpose platforms being used for optimization - Plant scheduling, Advanced Controls etc. and connect these solutions to the automation / Control Systems at one end and the ERP solutions at the other end.

PC Based Automation Tools

As automation systems are used to increase the productivity of labour and reduce labour force, the cost of labour as against the cost of the automation tool really decides the range of industry where such tools are cost effective. In advanced countries, industries that are not very large can also afford such systems because of their high cost of labour. For India, the cost of plants must be Rs.25 crore (about \$6 million) or more to meet the entry-level costs for distributed controls/programmable logic controllers. This implies that a large part of the Indian industry will not be able to automate and increase their throughput/quality unless cheaper automation tools are made available to the industry. Therefore the direction must be such that it can evolve into the kind of architecture that is developing of the industry and the corresponding automation Technologies in the global market. The outline given below starts with the basic building blocks

for a cheaper route to automation of the Indian industry and then identifies advanced controls that can be tied to such automation system.

Low Cost Automation Tools

Once we agree to the need for low cost automation tools, the questions that have to be addressed are as follows:

- Operating System Platform
- Hardware
- Building Blocks for Controls and Operator Interface
- Configuration Tools
- High Level Software – Advanced Controls, MES, Optimization, Simulation
- Mode of Development of the Software
- Open versus Closed Software and Proprietary Vs. Non-proprietary Software

A specification for such a control system is being evolved with a number of entities working together to develop such specifications. We hope to be able to put such a program in place within the next year, not as one single monolithic program but to network amongst a set of entities in order to build this next generation of automation Technologies. However, the purpose here is not to develop such control systems an end in itself, but to help in the process of de-scaling technology and bring the possibility of mass customization at much lower levels of industry, bringing it to small and medium sized firms. Only then can we hope to allow Indian industry not to be revitalized without first a cycle of destruction.

Conclusions

The paradigm of development proposed here is that in order to make large sectors of our industry globally competitive, we need public domain investments both in old and nature Technologies as well as in new technologies. The approach is not to provide specific subsidies but to provide tools in the public domain that can be used in the industry. The automation tools proposed here will make de-scaling industrial processes possible and allow for survival of the Indian small scale and medium scale industry. They will also be important in their own right as cutting edge automation tools and for a place in the global market.

The process of development is as important as the product. We must draw the best of Indian academia, research institutions and laboratories and the industry to provide both the vision and the expertise to develop the next generation of systems. A me-too approach to research without translating it into an industrial solution has been the bane of Indian research. In a period in which technology was stable, an approach that sought to copy extant technology was a feasible option for reaching parity with developed countries. Under conditions where technology obsolescence is rapid, we need to develop the next generation of Technologies and not copy the current ones. At the same time, we must address the specific needs of the Indian industry, specifically its need for low cost automation tools.



Status Paper on Public Health in India








Status Paper on Public Health in India

Prof. Indira Chakravarty*

I. Introduction



India is one of the oldest civilizations in the world, spanning more than 4000 years and witnessing the rise and fall of several Empires, and protecting an unique assimilation of various cultures and heritage. The seventh largest country in the world with a landmass of 3.29 million square kilometers (slightly larger than a third of the United States) and a population of just over a billion with diversity in terms of culture, religion and language. It has a total population of 1,028 million distributed in 28 states and 7 Union Territories. The sex ratio of the country is 933 where women enjoy all legal rights equally as per the Indian Constitution.

The present paper covers the Existing Public Health Scenario of the nation including Statistics, Prevalence of various diseases, Reproductive and Child Health, Immunisation alongwith other supportive issues viz. nutrition and water and environmental sanitation. In the paper I have also tried to highlight certain important Public Health problems specific to India viz. Arsenic toxicity, Street foods, Disasters (natural and man – made), Drug abuse, Tobacco use etc. The availability of manpower including institutional support has also been discussed. Certain important public health programmes viz.

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National Rural Health Mission (NRHM) has also been discussed with is an unique intervention strategy initiated recently. Lastly some forecasts for future is made based on my perceptions.

The paper is written in my personal capacity as an academic deeply involved with the Public Health concepts of the country.

II. Existing Public Health Scenario

1. Population Statistics

In order to assess the health profile of a population, information on its demographic characteristics, viz. **total population group, age group, and sex profile, decennial growth rate of population, literacy among population,** are important as these factors are directly related to nutritional status of the population. They are also used for planning and implementation of any programme for the vulnerable groups

Table – 1 : Important Demographic Features of the Country

Census Year	Population			Decadal variation of population (%)	Sex Ratio	Density Per Sq. Km.	Percentage of Urban Population to total population
	Total	Male	Female				
1931	278.9	142.93	135.79	+11.00	950 a	90	11.99
1941	318.6	168.68	154.60	+14.22	945 a	103	13.86
1951	361.09	185.53	175.56	+13.31	946	117	17.26
1961	439.23	226.29	212.94	+21.51	941	142	17.97
1971	548.16	284.05	264.11	+24.80	930	177	19.91
1981*	683.32	354.40	330.78	+24.66	934	256	23.31
1991**	846.30	439.23	407.7	+23.85	927 b	273 b	26.13
2001	1027.02	531.28	495.74	+21.34	933	324	27.78

Source : Health Information of India : 1999

a : Excludes Pondicherry.

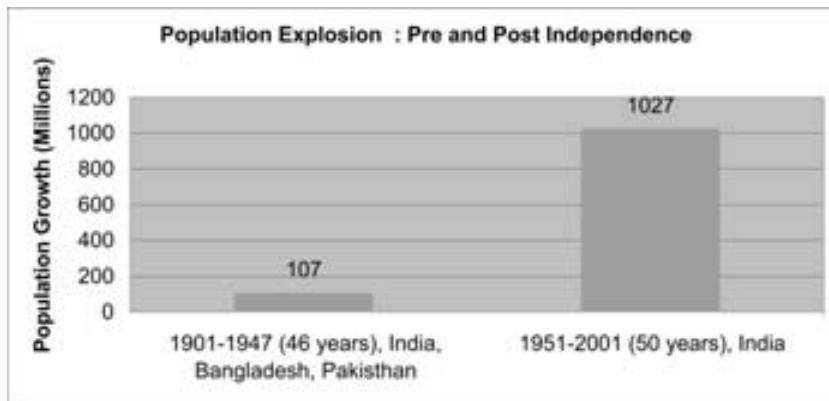
b : Assam and Jammu & Kashmir population not taken into consideration.

* : Includes interpolated population of Assam where the 1981 Census could not be conducted owing to the disturbed condition prevailing in the State then.

** : Includes projected population of Jammu & Kashmir where 1991 census could not be conducted.

Population explosion in India during the last 60 years has become a critical factor for any developmental planning. The population in India (which in the pre-independence era included Pakistan and Bangladesh) has risen from **238.4 million in 1901** to, about **345 million in 1947** i.e. an increase of just about **100 million in 46 years**. On the other hand, the population of India alone has soared from **361 million in 1951** to **1027 million by 2001** - an increase of about **650 million in the last 50 years**. Different population studies also reflect that the largest numbers are in the age groups of 10 to 14 years. This broad based population parameter indicates a large increase in the next couple of years of the adult population. Hence India will not only have to think of how to feed the present one billion population but also the huge number of elderly people in the future. It is an unenviable situation and coping to ensure **Food Security** to all in future must begin at once.

Figure - 1



Source : Chakravarty Indira : The Story of Food Fortification with Micronutrient in India. Proceedings of the Seminar - Need for Fortification in India : 2000

Decennial growth rate of population increased gradually i.e. 14.22% in 1941 to 24.66% till 1981. Thereafter slow decreasing

tendency of decennial growth of population was observed, which is 21.34% in 2001. Maximum growth was observed during 1971-1981, 1981-91. Since population increased areawise population density also increased from 103 in 1941 to 324 in 2001. India's mean sex ratio of 933 points out to a male child bias. However, the sex ratio in Kerala (1058) and Pondicherry (1001) are exceptions.

2. Vital Statistics

Since the dawn of Independence, rapid strides have been made in improving the delivery of health care services to the people. There have also been some spectacular success in this aspect. **Crude Birth Rate, Crude Death Rate, Infant Mortality Rate and Maternal Mortality Rate** – which are important indicators of Health of the vulnerable groups viz. infants, children pregnant and lactating mothers, have improved as seen from Table –2.

Table – 2 : Health Profile in India

Indicators	Decades / Over the years						
	1941-51	1951-61	1961-71	1971-81	1981-87	1987-96	1996-2001
Crude Birth Rate	39.9	41.7	41.2	37.2	32.0	27.4	25.4
Crude Death Rate	27.4	22.8	19.0	15.0	10.8	8.9	8.4
Natural Growth Rate	12.5	18.9	22.2	23.2	21.2	19.3**	17.0
Infant Mortality Rate	134	146	129	110	95	72	66

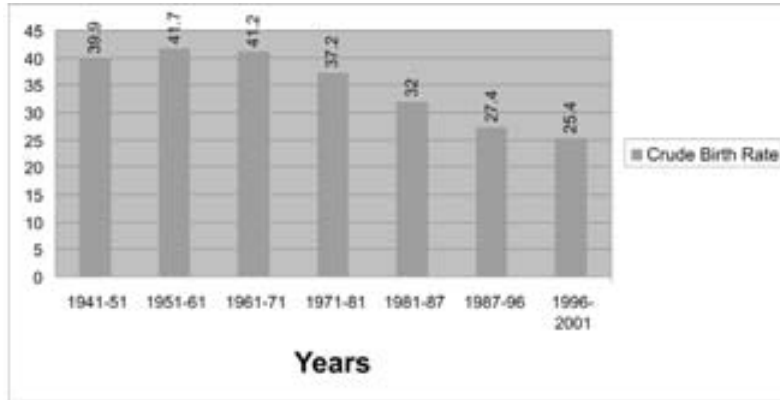
** - Year 1993.

Source : 1. Health Information India 1990, Ministry of Health and Family Welfare, New Delhi;

2. Family Welfare Statistics at a Glance, 1995.

There has been a steady decrease in Crude Birth Rate (CBR) from 1951 to 2001. Maximum percentage of decrease was observed during 1980's though initially just after independence during 1951-61 there was a little increase in CBR (41.7) as compared to that in 1941-51 (39.9). This was possibly the adjustment period.

Figure – 2 : Crude Birth Rate

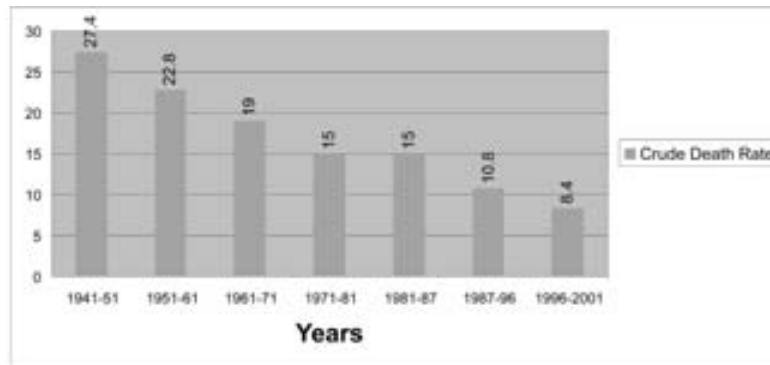


Source : Compiled from –

1. Health Information India 1990, Ministry of Health and Family Welfare, New Delhi.
2. Family Welfare Statistics at a Glance, 1995.
3. SRS Bulletin, Volume 37 (No. 1).

The Crude Death Rate (CDR) sharply declined from 27.4 in 1941-51 to 8.4 in 1996-2001 (Figure – 3).

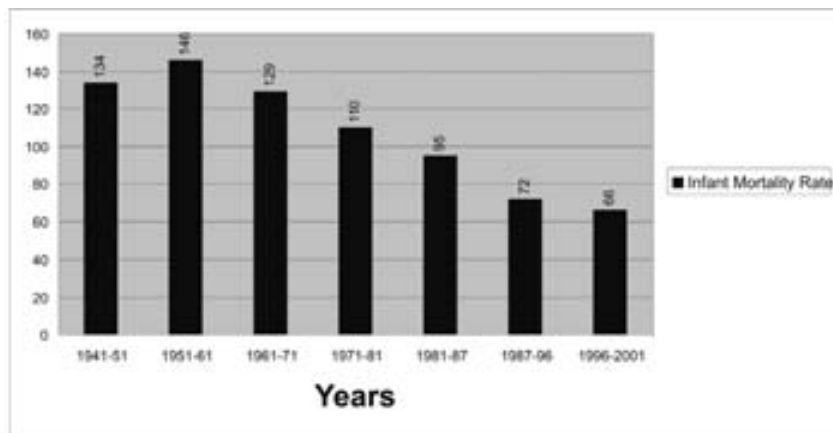
Figure – 3 : Crude Death Rate



Source : Compiled from – 1. Health Information India 1990, Ministry of Health and Family Welfare, new Delhi. 2. Family Welfare Statistics at a Glance, 1995. 3. SRS Bulletin, Volume 37 (No. 1).

The Infant Mortality Rate (IMR) has shown an impressive decline, more in the recent years. From 146 in 1951, it is 66 in 2001 in some of the states particularly in Kerala it has already reached 11 (in 2001) while in other states in Rajasthan it is 80, in Madhya Pradesh it is 86, and in Orissa it is 91. Hence wide inter regional and interstate differences still exist in India which needs to be taken care of.

Figure – 4 : Infant Mortality Rate



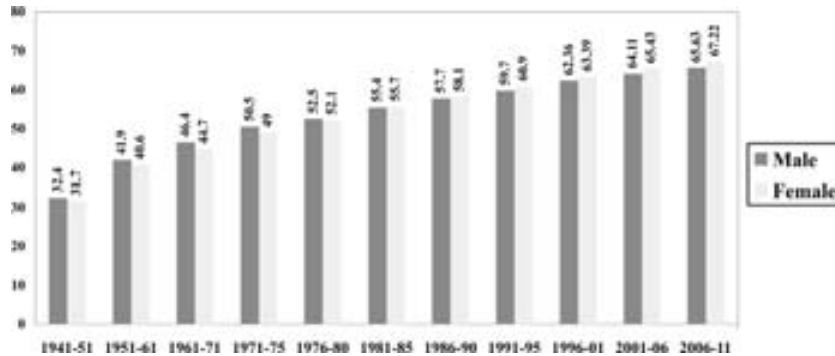
* Increased from 1941 – 134 ; 1951 (156).

Source : Compiled from –

1. Health Information Indian 1990, Ministry of Health and Family Welfare, New Delhi.
2. Family Welfare Statistics at a Glance, 1995.
3. SRS Bulletin, Volume 37 (No. 1)

Expectation of life at birth is an index of the general health of the population. It has steadily increased from 46.4 in 1961-71 to 64.11 in 2001-2006 incase of male and 44.7 in 1961-71 to 65.43 in 2001-2006(projected level) in females (Figure - 5).

Figure – 5 : Changing Trends in Expectation of Life at Birth

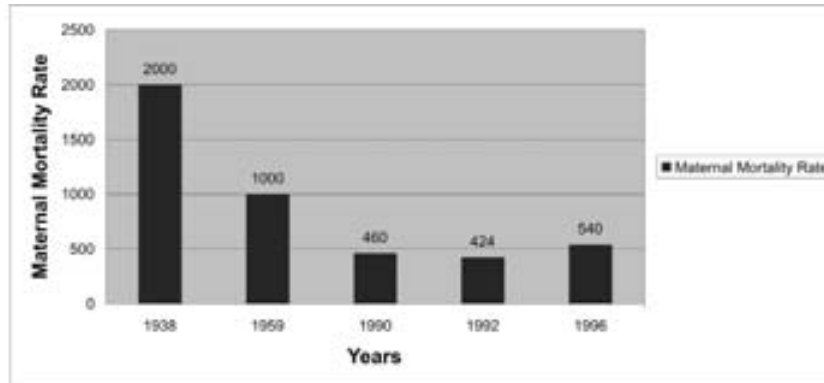


- Source : 1. Health on the March, Govt. of West Bengal : 2001-02
 2. Report of the Technical Group on Population Projections 1996, R. G. India
 3. Statistical Abstract, 1997.

A significant feature of the data of earlier decades is that expectancy of life at birth of male (46.4 in 1961-71) was higher than that of females (44.7 in 1961-71) while in recent years the trend has reversed i.e. females (65.43 in 2001 -2006) have higher longevity as compared to that of males (64.11 in 2001 - 2006).

Maternal Mortality Rate is an important indicator of maternal health. It was very high (2000 per 100,000 live births) in 1938 but slowly came down over the years to 424 in 1990. However till as late as 1996 the average maternal mortality rate at the national level has 540 deaths per 100,000 live births followed by 407 in 1998. These are rather high rates compared to the rest of the world. Hence, there is an urgency of ensuring that all pregnant women receive adequate antenatal care during pregnancy and that deliveries take place under hygienic conditions with the assistance of trained medical practitioners.

Figure – 6 : Maternal Mortality Rate



There is a decreasing trend of babies born of low birth weight i.e. 33% in 1979 to 23% in 2000, but this is still **unacceptably high**, which should be taken care of immediately with proper planning and implementation of suitable support programmes, specially better maternal nutrition and control of anaemia.

3. Diseases Situation in India

Diarrhoeal diseases (including gastro-enteritis), as reported, increased, as population increased, from 92,80,945 in 1991 to 1,07,59,128 in 2005 but deaths decreased drastically from 7493 to 2040, during the same period, with wide variations of reported cases and deaths among states and union territories.

Malaria in India, as reported, reduced drastically including deaths, from 21,17,460 to 2,97,222 and from 353 deaths to 204 between 1991 upto July 2005. Data of 2003 indicated reported 18,69,403 cases and deaths in 1006. Cases showed a peak value around 1976 (64,67,215), with a few (59) reported deaths, reached the lowest in 1987 (16,63,284), with reported deaths of 188, and then reemerged forcefully in 1996 (30,35,588 cases) with deaths of 1010 and then falling. There were no reported deaths due to malaria since 1961 to 1973. So, the reemergence

in cases and increased number of deaths became a formidable public health challenge. There were state wise variations with Orissa, West Bengal, Jharkhand, Gujarat, Chhatisgarh, Rajasthan having huge number of cases.

Table – 4 : Positive Cases and Death out of Malaria

Year	+ve Cases (number)	Death (number)	Death in 2005
1961		0 - 0	Highest in –
1971	49151 - 1322398		West Bengal-63
1972	1428646	0 – 170	Orissa – 61
1981	2701141		Assam – 25
1982	2182302	187-421	
1991	2117460		
1992	2125826	422 – 932	
2001	2085484		
2002–2003*	1842019-297222	973-204*	
Peak Year			
1976	6467215	59	

Source : Directorate of National Vector borne diseases Control Programme, GOI

Dengue cases were on the rise in certain states like Delhi, Gujarat, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan.

Japanese Encephalitis, showed an increasing trend in Arunachal Pradesh, Hariyana, Karnataka, Maharashtra, Tamilnadu, Uttar Pradesh and West Bengal in 2003 to 2005.

Kala-Azar was restricted to some specific pockets, in Bihar (Jharkhand, Uttar Pradesh (may be imported cases), West Bengal, Delhi (imported cases), totaling about 18214 cases in 2003 in India, causing 210 deaths. Provisional data of 2004 and 2005 indicated an increasing trend.

There was sudden resurgence of **plague** in India in 1994 in Gujarat with 876 reported cases and 54 reported deaths and again there 16 cases reported in 2003 with 4 reported deaths, 8 cases in

2004, with 3 reported deaths which meant the plague has not been eradicated. There were also reported cases and deaths in 1964, 1964 and 1966, but no reported cases in other years after 1963.

Acute respiratory infections (ARI) inflict morbidity and mortality in high proportions to young children. Provisional data of 2005 indicated total 22482972 cases of ARI in India resulting in 2492 deaths, incidence deaths being very high in Karnataka (36), Kerala (272), Uttar Pradesh (179), Delhi (345), Himachal Pradesh (170), Haryana (165) and there were more male deaths (1557) than female deaths (877).

Diphtheria, whooping cough, Measles, viral hepatitis and Rabies in India have a still significant prevalence. Reported cases of diphtheria, whooping cough and Measles in 2005 were 5826, 31122, 36,711, respectively which resulted in death cases of 68, 3 and 54 respectively.

Viral hepatitis (all causes) inflicted on 152087 reported cases and deaths occurred in 651 cases. Viral hepatitis had very high incidences in Delhi (9943 cases), West Bengal (4837 cases), Karnataka (16894 cases), Kerala (8905 cases), Maharashtra, (39167 cases), Andhra Pradesh (26503 cases). Deaths occurred in large numbers in Madhya Pradesh, West Bengal, Delhi and Maharashtra.

HIV Positive and AIDS and STD Cases : India is gradually becoming a major country where HIV positive and AIDS cases are on the rise rapidly. Since 1998 HIV prevalence (%) increased in many states upto certain years and then started declining. Cases of AIDS as on December, 2005, were the highest in Tamil Nadu 52036 followed by Andhra Pradesh (14053), Maharashtra (14024), Gujarat (6333), Karnataka (3790), Mumbai M.C.(7686) totaling about 1,17,716 cases throughout the country, males suffering more (83302 cases) than females (34414). The majority (85.73%) cases were contacted through sexual activity, in the age group of 30-44 years (> 50%). A serious challenge is the social stigma to the suffering people.

Other reported cases of **sexually transmitted diseases (STD)**, were 62520, with 16 deaths, in 2005 (for syphilis and 1454 being cases with 76 deaths for gonococci infections). Cases reported did Tamilnadu, Karnataka, Gujarat, Haryana, and Madhya Pradesh etc follow the highest in Andhra Pradesh. Education and awareness generation may play an important role as these diseases are found mainly in particular types of workers and people.

Tuberculosis : National T.B. Control programme, of Government of India prepared various targets for detection of cases. Targets were varied according to situation from 17.32 lakh cases in 1992-93, to 5.55 cases in 2004-05. In many years, more than 100% targets were achieved. According to data of RNTCP case detection in 2005, 97% of the total population were covered by the programme, 5685220 suspect cases were examined, 13% of them were found smear (+)ve, 90% of them were placed under DOTS. The problem is huge. The social factors leading to this do scourge need to be addressed from the health promotive and preventive angles. Social stigma attached to the family having a TB patient has to be remarked through social mobilizers.

Leprosy was never an extinct in India. In 2004-05, 260063 new cases of Leprosy were detected, 376934 cases were discharged as curd, 148910 cases were on record under treatment, and the prevalence rate was 1.34 per 10,000 populations. Early detection of cases and MDT call for vigorous campaign in affected areas. Social stigma associated with this very old diseases of the human society, can only be removed through education a challenging role of the public health professionals. Hot spots of leprosy are places in Andhra Pradesh, Bihar, Chattisgarh, Maharashtra, Orissa, Uttar Pradesh, Gujarat and West Bengal.

Non-Communicable Diseases : Burden of the Non-communicable diseases has an increasing trend in India, both among the 'haves' and the 'have nots.' Diseases of poverty and thereof affluence, constitute, the double burden. Among the non-

communicable diseases, some are also called life style diseases/disorders, which are **obesity, coronary heart diseases, hypertension, diabetes, osteoarthritis**, Faulty eating habits, lack of energy expending exercises, sedentary habits in some other categories of the intellectual working force, are the victims of lifestyle diseases in increasing populations constituting a new threat of huge dimension in the health scenario of the country and demanding, thus, adequate, knowledgeable, skill responses. **Cancer** or neoplasm is on the rise – Early detection and treatment is the response needed to help some types of neoplasm cases to be discharged alive. Among males the oral cancer and among females, cancer cervix, breast cancer, oval cavity cancer have higher risk ratios and age standardized rates. Cases of **coronary heart diseases** rose from 27040912 in 2000 to 35886789 in 2005, is the greatest killer. **Diabetes**, a highly debilitating disease, has also increasing trend – 2,58,14,117 cases in 2000 to 3,10,39932 cases in 2005. Therefore, the burden of both coronary heart diseases and diabetes is so formidable that the challenges thrown by them is hardly being met in the matching response in the country. The cost to treat is prohibitive and accessing available facilities is costly.

In India, the **blindness** prevalence out of all causes of blindness, is 11.2 cases per 1000 population, which is a staggering figure. Many major and minor states and also union territories have higher prevalence than the national average. Among them the notables are Arunachal Pradesh (21.4), Assam (28.7), Haryana (17.8), Karnataka (16.7), Goa (14.3), Chattisgarh (15.1), Jammu & Kashmir (15.1), Orissa (13.2).

Reproductive and Child Health : Reproductive health of women and health of children is not satisfactory as represented by the National Family Health Survey-II (1998-99). It indicated that only 65.4 of mothers got at least one antenatal (AN) checking, 43.8% get three or more check ups, 66.8% got two or more titanus toxoid injections, and only 57.6% received iron and folic acid preparations. There were vast inter state variations. Infrastructural and other logistic

problems awareness among mothers and social taboos are factors which lead to poor coverage. In Case of deliveries, the institution carried only 33.6% of deliveries and health professionals assisted only 42.3% of deliveries. However in Goa, and Tamilnadu, these figures were 90.8% and 79.3 and 83.8%. In Uttar Pradesh, Bihar, Assam, Madhya Pradesh, the figures were below 30%. (So in many states about 2/3 or 4/5 of mothers did not deliver at safe places by safe hands. Large percentages of women (51.8%) did not use modern contraceptive methods. Again these were huge inter state variations. In Kerala, any contraceptive method used was 63.7% in ever married women.

Exclusive breast feeding (0-3 months), was only 55.2% and breast feeding plus proper weaning food (6-9 months) was found in large percentage (68.9%) of children. There were large interstate variations.

III. Malnutrition

Changing Trends in Malnutrition :

Change in the prevalence of under nutrition (**weight for age**) over the years indicate **increase in mild under nutrition** with simultaneous **decrease in moderate and severe categories**.

Table – 5 : Changing Trends in Prevalence of Malnutrition among Children (1 to 5 years) over Decades in Rural Areas

Year	Normal (>=90%)	Mild (75-90%)	Moderate (60-75%)	Severe (<60%)
1975-79	5.9	31.6	47.5	15.0
1988-90	9.9	37.6	43.8	8.7
2000-01	9.0	43.8	41.3	6.4

Apart from weight for age, other indicators like **height for age** also indicated definite improvement in malnutrition (stunting) over the years.

It was observed that Marasmus (Protein Energy Malnutrition) has been reduced from 1.3 in 1975-79 to 0.2 in 2000-01.

Table – 6 : Nutritional deficiency signs in children (1 to 5 years) using Selective Indicators in Rural Areas

Year	Odema	Marasmus
1975-79	0.4	1.3
1988-90	0.1	0.6
2000-01	0	0.2

Body Mass Index (BMI) is used to assess the nutritional status of adults. Persons with BMI value less than 18.5 are considered to suffer from Chronic Energy Deficiency (CED). NNMB data on rural population show steady decline in CED in both males and females over the years. Obesity (BMI 25.0) is a problem among a small percentage of population in all states. This is a life style related disease and needs to be tackled with proper food habits and other physical activities.

Table – 7 : Changing Trends in Chronic Energy Deficiency of Adult Males over Decades in Rural Areas

Year	BMI <16	BMI 16-17	BMI 17-18.5	Normal (BMI 18.5-25)	Obese (BMI >25)
1975-79	11.4	14.7	29.5	42.1	2.3
1988-90	8.8	12.5	27.7	48.4	2.6
2000-01	5.8	9.0	22.6	66.9	5.7

Table – 8 : Changing Trends in Chronic Energy Deficiency of Adult Females over Decades in Rural Areas

Year	BMI <16	BMI 16-17	BMI 17-18.5	Normal (BMI 18.5-25)	Obese (BMI >25)
1975-79	12.7	13.2	25.9	44.8	3.4
1988-90	11.3	12.9	25.1	46.6	4.1
2000-01	7.6	9.9	21.9	52.5	8.2

NFHS-2 (1998-99) indicates in India , 47% of children under the age group of three years are suffering from Undernutrition. Stunting was observed among 46% of Children of this age group. There was wide interstate variation in undernutrition and stunting.

Malnutrition (weight for age and height for age) correlated positively with literacy status of mother, mother’s height (< 145 cm and ³145 cm) and mother’s BMI and Standard of living Index.

Table 9 : Malnutrition among under 3 years Children

	Weight for Age		Height for Age		Weight for Height	
	% below -3SD	% below -2SD	% below -3SD	% below -2SD	% below -3SD	% below -2SD
India (Total)	18.0	47.0	23.0	45.5	2.8	15.5
Male	16.9	49.3	21.8	44.1	2.9	15.7
Female	19.1	48.9	24.4	47.0	2.7	15.2
Urban	11.6	38.4	15.4	35.6	2.2	13.1
Rural	19.9	49.6	25.4	48.5	3.0	16.2
Mothers BMI :						
<18.5 kg/m ²	23.4	57.2	25.9	50.3	2.9	12.1
³ 18.5 kg/m ²	16.5	45.1	21.1	43.3	2.8	15.2

Source : NFHS-2, 1998-99.

Iron deficiency anaemia

Children

Few studies in the sixties mainly in the southern and northern regions indicated anaemia prevalence was over 85%. The Level showed decline upto 70% in the eighties and still remains at around the same level.

NFHS-2 (1998-99) indicates 74.3% of children have any kind of anaemia(Total). There is interstate variation in anaemia prevalence among children i.e. in Kerala it is 43.9%, in Bihar it is 82.3%.

Ever Married Women

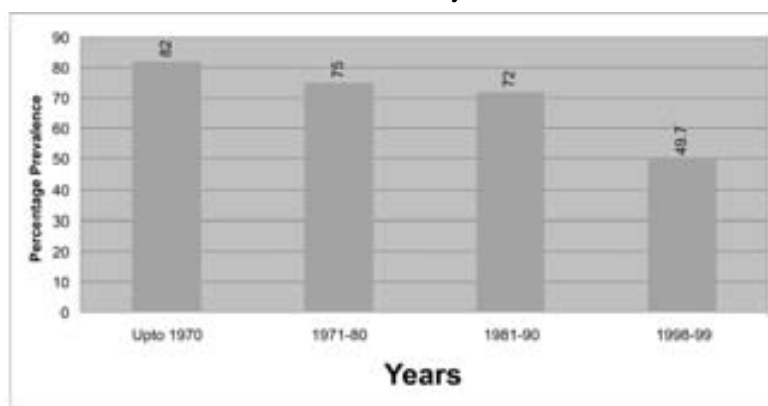
NFHS-2(1998-99) indicates 51.8 percent of women have any kind of anaemia (Total). There is interstate variation in anemia

prevalence among women i.e. in Kerala it is lowest 22.7% and in Assam it is higher 69.7%.

Preganant Women

Studies upto the seventies indicated anaemia prevalence was over 82% which declined to 75% in seventies and to 72% in eighties. This decrease is not at all satisfactory. In some areas over 90% of pregnant women are anaemic.

**Figure – 7 : Iron Deficiency Anaemia among pregnant women*
Trend in 50 years**



*Average of Southern, Northern, Western and Eastern Region of India. NFHS-2(1998-99) indicate the percentage prevalence of anaemia among pregnant women is 49.7.

From the survey conducted in seven states of India (Assam Jharkhand, Bihar, Orissa, West Bengal, Tripura and Gujarat) and Data generated by National Pilot Programme on Control of Micronutrient Malnutrition by the All India Institute of Hygiene and Public Health, Kolkata, which for the first time attempted to monitor the nutritional status of both male as well as female right from infancy upto the geriatric age or post 60 years indicated rates of anaemia to be very high all through life.

Table – 10 : Iron Deficiency Anaemia in Women

Age group	Anaemia in different age groups of women			
	Mild and Moderate Anaemia		Severe Anaemia	
	Range (%)	(Mean of five states)	Range (%)	(Mean of five states)
6 – 12 years	61.9 – 87.1	73.5%	0.6 – 11.0	3.7%
12-18 years	71.1 – 89.3	81.3%	3.2 – 9.1	6.0%
19-45 years	70.8 – 90.4	82.7%	3.6 – 9.3	6.4%
45 – 60 years	68.0 – 88.0	79.1%	3.0 – 9.4	5.9%
60 years and above Pregnant Women	64.8 – 88.2	78.0%	2.2 – 4.5	3.3%
	68.0 – 89.0	79.7%	6.3 – 15.0	11.2%

Source : National Pilot Programme on Control of Micronutrient Malnutrition, All India Institution of Hygiene and Public Health, Kolkata.

Anaemia, has cut across both sexes and all age groups. So it is a **significant public health problem**.

Iodine Deficiency Disorders :

Based on appropriate individual research studies, the estimate of prevalence of Goitre (regionwise) among children was **20% in 1980** which has come down to **8% in 1990**. Study conducted by Central and Health Directorates, ICMR and Medical Institutes indicated no state to be free from Goitre and the prevalence is above 10% (DGHS-1998), that is TGR (Total Goitre rate) of endemic proportions. However, with the introduction of iodated salt, the current body iodine status, as indicated by UIE, has improved in all endemic areas.

Vitamin A Deficiency :

Bitot's Spot :

During last 25 years i.e starting from **1975** down to **2001** the clinical sign of vitamin A deficiency viz. Bitot's Spot among pre-

school children has reduced from 1.8% to 0.7%. However in some of the states, this is still at proportions of public health significance (> .05%).

Night blindness :

The study conducted by **The National Pilot Programme on Control of Micronutrient Malnutrition, at All India Institute of Hygiene and Public Health** in 7 states, namely Assam, Bihar, Jharkhand, Orissa, West Bengal, Tripura and Gujarat indicated high prevalence of night blindness among pregnant women, i.e. 3% - 16% with highest prevalence in Assam (16%). This is corroborated by the findings of NFHS - 2(1998-99) Study. According to this study prevalence of night blindness in pregnant women varied from 0.8% to 23.9% in different states. This is indicative of severe vitamin A deficiency in a highly demanding period of pregnancy.

IV. Water & Environmental Sanitation

After the initiation of Rajib Gandhi Drinking Water Mission and the Sanitation decade, much improvement has taken place both rural and urban areas. Access to clean or safe drinking water from tube wells is available in almost every rural and urban areas, leading to availability of safe water.

In India's urban areas access to drinking water considered safe by the Government's standards rose from about 82% of the population in 1991 to 90% in 2001. This figure, which includes access to non-piped water, could rapidly reach 100%, consistent with the aim of the Ministry of Urban Development to achieve 100% coverage in 2007 (end of the 10 th Plan). Access to piped water rose from 68.5% in 1990 to 74% in 2001. The record of progress indicates that development of the piped water supply infrastructure may be slightly behind schedule, suggesting a need to accelerate investment.

Thus it appears likely that if India sustains investment at a level similar to that of the past decade, it could achieve 100% coverage of water supply infrastructure if not by 2007, as targeted by the Rajiv Gandhi National Drinking Water Mission, then probably by 2012.

The urban population share with access to basic sanitation, which rose from 435 in 1990 to 61.5% in 2001, is likely to improve to 81.5% at the end of the 12th plan, thus exceeding the theoretical MDG target of 71.5%. Here India appears to be on the track.

V. Some Special Cases

1. Arsenic Toxicity

Consumption of arsenic contaminated ground water from mostly domestic tube wells of small to moderate depths have caused havoc of Arsenic toxicity in millions of people in the Gangetic West Bengal and some other states $\frac{3}{4}$ resulting and skin lesions, liver diseases and cancer. Hundreds of have succumbed to death. The proportion of the problem is perhaps the largest of its kind in the world and drew serious attention from all national and international stakeholders, WHO and other international donor agencies. Arsenic from ground water have also entered into the food chain, as it is used extensively for agriculture purposes. This has been shown by All India Institute of Hygiene and Public Health. This is a major public health challenge for India.

2. Endemic Fluorosis

Another threat to public health situation is dental and skeletal fluorosis in large numbers of people in many parts of India (Andhra Pradesh, Uttar Pradesh, Chattisgarh, West Bengal) due to consumption of fluoride that drinking water contains at high levels.

In India, an estimated 62 million people, including 6 million children suffer from fluorosis because of consuming fluoride-contaminated water. The risk of fluorosis in India found to be increasing rapidly in 70's and 80's. During last 15 years with active support of Rajiv Gandhi National Drinking Water Mission, various State Governments have taken up action plans for mitigation of excess fluoride problem in drinking water with support and collaboration of multilaterals, such as, WHO, UNICEF, UNDP and others including NGOs.

India is now among the 23rd nations in the world, where fluorosis is persisting due to excess fluoride in drinking water. Now it is estimated that around 62 million people in India in 17 out of the 32 states are affected with dental, skeletal and/or non-skeletal fluorosis. The extent of fluoride contamination of water varies from 1.0 to 48.0 mg/l.

3. Street Food related Public Health Problems

Street foods are a major source of nutrition for the urban population as well as peri urban population of India. It catches to the nutritional needs of millions. It is the cheapest, most nutritious, has immense variety, is most accessible and provides jobs for millions along with a tremendous use of agricultural and farm products.

However, it is seen that the street foods are quite often unsafe due to microbial contamination along with use of unsafe additives at times.

Hence, to bring a positive trend the All India Institute of Hygiene and Public health in the unique study conducted by them, which developed the **Calcutta Model** and received the first prestigious **Edourdo Saouma award** of the FAO of the United Nations, indicated what is the Management procedure to make foods Safe and Hygienic.

Hence, street foods are a necessity but at the same time causes immense public health related problems. India is taking major steps to solve it, as mentioned above.

4. Natural and Man made Disasters

Every year natural disasters, mainly floods in many areas in India are causing great losses of human life and property, leading to gastroenteritis, malnutrition etc. Typhoons and Sunami like great disaster are also huge public health problems. Man made terrorism incidences are causing huge loss of human life, as well decapitating huge numbers of the victims, and causing great security related stress.

5. Drug Abuse, Drug Addiction including Tobacco Consumption

Taking over the counter drugs without medical prescriptions, using drugs after expiry dates, reusing injection syringes / needles together form a formidable problems of public health, as such practices, lead to drug resistance, complications from under and over dosing, etc.

Drug addiction is another challenging problem which need conversing actions by health professionals, social scientists, psychologists and social activists.

Smoking of tobacco and use tobacco in other forms has also been a great health problem for millions for years. Recent Tobacco control legislation is a mile stone in the way to eradicate this public health menace.

VI. Manpower in Public Health

Primary health care services to which India is committed by Alma Atta declaration in 1978, lay more emphasis on preventive and promotive aspects down to the domestic levels upto the remotest rural areas, with Tribal Health care getting special attention. In rural areas the health care system has three tier systems :

- **Community Health centre (CHC)** : A 30 bedded Hospital/Referral unit for 4 PHC's with specialized services.
- **Primary Health Centre(PHC)** : A Referral Unit for 6 sub-centres, 4-6 bedded, manned with one medical office in charge and 14 subordinate medical staff.
- **Sub-centre(SC) manned with one MPW(F)/ANM and one MPW(M)** : Most Peripheral contact point between primary health centre and community health centre.

Rural Health infrastructure has been given improved facilities under RCH programme by the Govt. of India for constructing labor room, operation theatre and providing water and electric supply in CHC's and PHCs so that essential and emergency obstetric services are further improved.

Now several state governments are creating **Public Health Cadres** – both **Medical** as well as **Paramedical**.

Since 1951 to 2005, the number of medical practioners registered with Medical Council of India, have increased very steeply, (61800 to 76750), covering a population of 109.71 crores with 69.96 practioners for 100000 population. It rose from 17 in 1951 to 70 in 2005. Nurses per 100000 population rose to 80 in 2003. Dental surgeon upto 55344 in 2004. As on Sept. 2004, total no. of doctors required in rural areas in 23109, as against sanctioned posts of 24549. There are shortfalls of all categories in rural areas.

- Physicians – 1457
- Pediatrics – 1607
- Obstetrician and Gynaecologists – 1074
- Surgeon – 1121

Shortfalls were also in other categories.

- Nurse, Midwife - 17244
- Multipurpose Workers (Female)/ANM - 11191
- Health Workers (Male)/MPW(M) - 67261
- Health Assistant (Male) - 5137

Looking at the shortfall pictures in the rural areas, the Health Manpower position is too meager to take up the formidable tasks of public Health challenges, and even they are hardly enough to give adequate medical care. As worked out by WHO, in its 'The World Health Report,2006,' India is one of many countries having CRITICAL shortage of health manpower.

VII. Health Care Institutions

Total No. of community health center, Primary health centers and sub centers, as on Sept. 2004, are as follows :

- Community Health Centre - 3222
- Primary Health Centre - 23109
- Sub-Centre - 142655
- Rural Hospital - 2256
- Urban Hospital - 3694

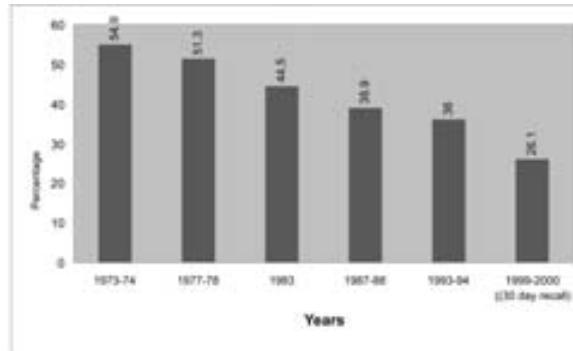
VIII. Other Factors - Socio-Economic Situation

Persons below poverty line (BPL) are likely to suffer from malnutrition, and facility related diseases, such as malnutrition, and facility related diseases, such diarrhoeal diseases, acute respiratory diseases, tuberculosis and such other diseases that relate to non-conducive domestic living conditions. Their poor functional literacy rate, would affect their knowledge and information accessing.

Nearly one third of India's population is still below poverty line. Though it has come down from 55% in 1973-74 to 36%

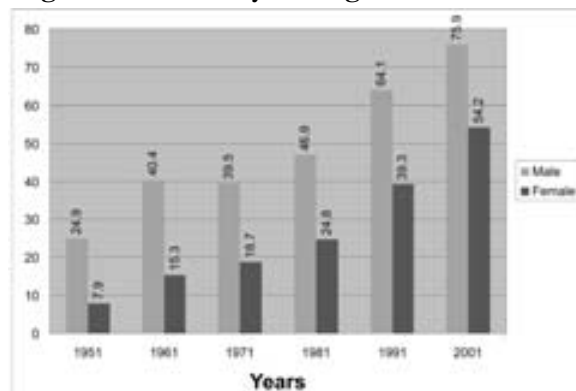
in 1993-94 which is significant achievement, but immediate attention is needed to reduce this percentage.

Figure - 8. : Total Percentage of Population below Poverty Line



The literacy status is known to be an important dimension in the management of the home budget, food choices and all health and environmental practices which in turn affect the nutritional status of the family. The literacy has increased from 16.6% in 1951 to 65.4% in 2001. For female the rate of increase has been 6.86%.. The rise was more during the 1980s as compared to the previous decades.

Figure - 9 : Literacy among Male and Female



Source : Statistical Abstract, India : 1977 (v-1). Health on the March, Govt. of West Bengal, 2001-02. (Census of India : 2001, Provisional Population Totals)

IX. Few Important Public Health Programme

1. National Rural Health Mission In 18 States

Under the mandate of National common minimum programme of HPA Govt. health care is use of seven thrust areas, wherein it is proposed to increase the expenditure in health sector from current 0.9% of GDP to 2-3% of GDP org. the five years, with main fours on Primary Health care. The National Rural Health Mission (NRHM) has been operationlized from April,2005 with special focus on 18 states having weak demographic indicators which includes 8 empowered action groups (Bihar, Jharkhand, Madhya Pradesh, Chattisgarh, Uttar Pradesh, Uttaranchal, Orissa and Rajasthan. 8 north eastern states (Assam etc.) and Himachal Pradesh and Jammu & Kashmir. NRHM gives special emphasis on to the poor and the vulnerable sectors for which cadre of accredited social health activists (ASHA) has been created. It addresses, the issues of health in the context of Sector wise approach addressing Sanitation & hygiene, nutrition, safe drinking water as **basic determinants** of good health and envisages greater convergence among related sector departments i.e. AYUSH, Women & Child Development, Sanitation, Elementary Education, Panchayati Raj and Rural Development.

NRHM is called an omnibus, broad band programme, with states given flexibility to draw checked action plans to attend NRHM goals. RCH-II, NFWP and EAG (Empowered action programme) are subsumed in the NRHM.

It is indeed most encouraging that the states with weak demographic indicators have been given due attention under NRHM with a holistic, all sector conveyance. It is expected that in another seven years since April,2005 (2 years of 10th and 5 years of 11th 5-year plans), the country's public health situations, especially in rural areas which centers 94.86% of the total area of the country, will get a good

face lift matching to needs and comparable to the scenario of the developed nations.

In every way it is an unique programme initiated by the Government which will involve the frontline workers at every steps of decision making and implementation. There will be a holistic coverage of the entire **public health** sector viz. Disease control, MCH care, Environmental Sanitation, Nutrition, etc. in connection of all.

India will definitely be able to make a total turn around if this can be implemented properly.

2. National Programme for Control of Blindness and Vision 2020, The Right to Sight Salient Information

1. The programme was launched in 1976; it is 100% centrally sponsored with a goal to reduce blindness prevalence from 1.4% to 0.3%.
2. However, as per 2001-2002 survey, the blindness prevalence was 1.1%. 10th Plan target was to reduce it to 0.8% by 2007.
3. Achievements in performance of cataract of (the main reason for blindness) survey was almost 100% or more for 1997-98 to 2003-2004; with IOL in order of 105% in 2003-2004 for 4197609 cases of surgery done against a target of 4000,000.
4. School eye screening programme has been initiated as 6% to 7% of children of 10-14 years have problems with their eye sight. Children are being first screened by trained teachers and subsequently confirmed by ophthalmic assistants.
5. During 2002 to 2004-2005 (upto 31st October 2004), total 13,47,20 teachers were trained, and 28,68,21,96 children screened. 101,90,33 children found with

refractive problems and 1,93,039 poor children provided with glasses free of cost.

3. National Anti-malaria programme

Malaria Control Programme was launched as early as in 1953. Malaria in India, as reported, reduced drastically including deaths, from 21,17,460 to 2,97,222 and from 353 deaths to 204 between 1991 upto July 2005. Decreases

4. National Filaria Control Programme

National Filaria control programme (Lymphatic filiarisis) is endemic in 20 states and Uts. For Lymphatic filiarisis elimination, in pilot studies were initiated in 13 identified districts in 7 states and now expanded to 31 districts.

Table 11 : National Filaria Control Programme

	Population Projected 2002-2004 (million)	Filaria Control Units 2002-2004	Survey upto 2002-2004	Filaria Clinics 2002-2004	Inferences
India	51.87	206	27	199	1. Population at risk in 2005 Rural - 347.81 Urban - 124.88 2. Micro-filaria carriers in 2005 0.32 3. Diseased persons in 2005 1-13 (million) Source : NVBDCP Dte, 2005
Status ... High projection (millions)					
Tamil Nadu	9.24	21	1	42	
Uttar Pradesh	7.17	29	2	34	
Maharashtra	6.39	16	6	10	
Bihar	6.00	28	1	31	
Jharkhand	2.22	7	1	7	
Gujarat	3.82	5	4	3	
West Bengal	3.48	10		7	
Kerala	4.35	16	2	9	
Andhra Pradesh	5.90	29	2	5	

Source : National anti-filaria programme; NW Dte. of National Vector Borne Disease Control Programme (NVBDCP), GOI.

5. Kala-Azar Control Programme

Kala-azar control programme was launched in 1991 where in Government of India provided insecticides and anti-Kala-azar medicines and state government provided operational costs for programme implementation.

6. Japanese Encephalitis Control Programme

Cases and deaths from Japanese Encephalitis is slowly declining over the years.

In 2000, cases were – 2593 : in 2005 cases were – 500

In 2000, deaths were – 556 : in 2005 deaths were – 145

7. Dengue Control Programme

Dengu cases recorded from 1998 – 2005 (P) were 650 – 12754 and deaths recorded were 7-215. Peak years were 2003, 2002 and 2001, with 12754 cases and 215 deaths in 2003.

8. National Leprosy Eradication Programme

Efficient implementation of well-planned efforts since 1953-54, India has also very substantially controlled Leprosy. Prevalence rate of 57.6 cases per 10,000 population during 1981 has come down to 2.44 per 10,000 population.

Table 12 : Leprosy Cases

	Leprosy Elimination Area Population (million)	Record Patients (PR)	Patient / 10,000
1981	12.92	2.91	a) 57.6
2004 (March)	358.31	0.266	b) 2.44

Endemic Status (%)	% of Recent Cases	Cases Recorded (March, 2004)	PR / 10,000
Uttar Pradesh	23.0	62575	3.52
Bihar	17.0	44351	4.97
Maharashtra	11.0	29497	2.87
West Bengal	10.0	25757	3.06
Jharkhand	4.0	12918	5.91
Chattishgarh	5.0		
Non-endemic States	25	200116	3.69 (in 228 districts)

9. National Tuberculosis Control Programme

This programme was launched in 1962 and implemented through a network of District Tuberculosis Centres.

Salient Information (Major Data) :

1. 1/3rd of the global TB burden is in India.
2. Two persons die from TB in India every 3 minutes, more than 1000 people every day and 4,17,000 every year.
3. DOTS (Directly Observed Treatment Course), strategy lauched in March, 1997,
4. By October, 2001, 909 million of country's population in 524 districts were covered under DOT programme.

Table 13 : Physical Performance of RNTCP during 2001 – till June 2004

Indicators	2001	2002	2003	Till June 2004
Population coverage (million)	450	530	775	886
No. of cases put on DOTs	471658	622873	906472	576615
New Smear + patients put on treatment	185178	245051	358496	22957

Source : DGHS Report, 2005

10. National Mental Health Programme

The District Mental Health Programme started in 1996 under the National Mental Health Programme, is going on in 22 districts covering 20 states in the country.

11. National AIDS Control Programme

India is gradually becoming a major country where HIV positive and AIDs cases are on the rise rapidly. End of July 2005, cumulative AIDS cases are 111,608. Under NACP -II training has been accorded priority for the implementation of the programme in various hospitals. A comprehensive training has been undertaken in all states for training of all health functionaries in the tertiary, secondary and primary levels of health care.

**Table – 14 : Surveillance for STD cases in India
(period Jan, 2005 to Dec, 2005)**

States / UTs / Country	Total Cases		Total
	Male	Female	
India	364974	545331	910305

Source : National AIDs Control Programme.

12. National Cancer Control Programme

Cancer has become a major public health problem due to increase in life expectancy and changing lifestyles. Approx. 7 lakhs new cases come up every year. Therefore, the programme, started in 1975, was revised in 1984 to strengthen it with the objective.

- Primary Prevention – Health Education and prevention of intake of tobacco
- Secondary Prevention – Early detection of common cancers , viz, cancer of cervix, mouth and breast and other tobacco related cancers
- Tertiary Prevention : Strengthening of the existing institutions for comprehensive therapy including palliative care.

13. Guinea Worm Eradication Programme

Programme started in 1983 – 84 in seven erstwhile guinea worm endemic states. At that time there were about 40,000 reported cases. The last case of guinea worm was reported during July 1996.

14. National Nutritional Anaemia Control Programme

The programme was launched in 1970. Achievement was increased slowly from 55% in 1991 - 92 to 77.8% in 2004-2005.

15. National Goitre Control Programme

The programme was launched in 1962 which was later renamed as the National Iodine Deficiency Disorder Control Programme in 1992. It has adopted USI as the main strategy to control, prevent and sustain elimination of IDD. NIDDCP proposed to completely replace ordinary common salt with iodised salt in phased manner by 1993.

X. Conclusion

To summing the followings are the Public Health Challenges for India :

Despite the fact that in post Independent India, specially in last three decades various demographic and vital statistics indicators have significantly improved due to various public health and medical inputs given by the Central government and State Government. The Public Health challenges of the 21st century are no less formidable than the previous century because of poverty, in equity, gender discrimination, increased urbanization and globalization, population pressure and poor sustainability of various developmental process.

1. Prolonged Epidemiological Transition

Developing countries of South-East Asia are in a phase of epidemiological transition, a period in which the health

problem of the affluent and the not so affluent / poor societies co-exist. These countries including India are bearing double-burden of diseases. Communicable diseases mostly associated with poverty, over population, deprivation arising out of malnutrition and ignorance, crowded and unhygienic living condition, compounded by non-communicable diseases, i.e ischemic heart diseases, high blood pressure, cancer, diabetes associated with affluency, stress, changes in the life style, dietary habits and longer life span. NCDs are coming globally leading causes of deaths during adulthood (15-60 years). Cardio-vascular diseases, cancer, diabetes, mental disorders, physical disability are some of the major causes which contribute increasingly to morbidity and mortality. The health needs of elderly living beyond 65 years are becoming more apparent in developing countries and demanding serious attention.

2. New Emerging and Re-emerging Diseases

If the current trend continues in the 21st Century, TB will remain, as a serious health problem in India. Malaria will be highly prevalent and even the cholera cases will reappear, due to new strain viz. 0139. Newly emerging haemorrhagic fever will cause local epidemics. There will be return of plague and wide spread HIV and AIDs. Recurring outbreak of dengue, haemorrhagic fever are causes of concern. Emergence of drug resistance strain of TB, Gonococcal infection, Malaria in addition to new diseases HIV/AIDs will compounding the public health challenges.

3. Challenges from Environmental Conditions

Arsenic toxicity affecting large number in some parts of the country is a new environmental problem which pose formidable challenges and demand innovation approaches from all stakeholders.

Fluorosis is another environmental diseases out of water consumption affecting thousands in some states. Random use of pesticide and insecticides beyond permissible levels, drug abuse and drug addiction by increasing number of people throughout the country, tobacco consumption in various forms, a surprise resurgence of epidemic dropsy due to consumption of mustard oil by argemone oil occurred in some parts of the country, vehicular pollution and other air pollution, noise pollution due to increased use of automobiles in recent years, frequent natural disaster in the form of floods, landslides, storms, drought also comprise formidable public health challenges.

4. Under-nutrition

Specially among vulnerable section in young children and mothers of reproductive age continues to be huge problem linked up with poverty, inequity, ignorance, lack of dietary diversification. Malnutrition also remain as contributing factor for other diseases. Iron deficiency anaemia, vitamin A deficiency and Iodine deficiency disorders are largely prevalent throughout the country and need to be addressed with innovative approaches as the ongoing national programmes (except for IDD) fail to make significant dent on the problems.

5. Street Food

Is a reality and serves million of the country who commute to cities and towns daily. Unless the street foods are safe and nutritious in all respects including the vending system, cooking and distribution system, display methodologies, millions will be undesirably affected. So provision of the safe and nutritious street food would be point of concern for the public health professionals.

6. Lastly Lack of public health professionals in quality and quantity

Lack of public health institutions to produce of public health professionals, Low priority to public health discipline, less importance to public health specialities, less importance to preventive and promotive health care as compared to curative health care do comprise the situation that India should address adequately and early so that the great public health challenges can be met.

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Globalization, Poverty and Health







Globalization, Poverty and Health

Paulo Marchiori Buss*

The first words I say should express the deep gratitude I have to the World Federation of Public Health Associations for having given me the privilege of being the Leavell Lecturer in this eleventh World Congress and eight Brazilian Congress on Collective Health.

This award means a lot to me. First, I received it from the largest and most important public health association in the world. The Federation brings together more than seventy national associations of all around the world that congregate health professionals working on national health services, universities, as well as on public health academies, schools and institutes and on so many other institutions that are extremely important for the health of their countries' populations. I was introduced to the Federation through a dear friend of mine and one of the most extraordinary supporters of the global public health, Margaret Hilson, who I wish to render homage to.

Second, I'm honored to receive this award because it is named after Hugh Rodman Leavell, one of the public health and preventive medicine professors that most influenced my thinking from back when I started my career until today. Leavell was Professor Emeritus of the Harvard School of Public Health and co-wrote with E. Gurney Clark a seminal book for the doctors of my generation: *Preventive Medicine for the Doctor in His Community*. On that book, they established the basis for the natural history of disease and for

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one of the most widely known and creative explanatory models of the health-disease process. They helped us organize our thinking and understand and distinguish the different levels of applicability of health promotion and disease prevention measures - the greatest objectives of public health and its professionals. Leavell is thus here very rightfully honored and immortalized with this award by this very own Federation.

Public health, both as a Knowledge area and a social practice, has faced gigantic challenges throughout its history. The late twentieth century and the beginning of this Millennium have challenged us with two defying processes: globalization and poverty. On a daily basis, these two phenomena deeply influence the health of the populations. The health of the populations is the first and most important objective of public health and public health professionals.

The commission alerts that “these global inequalities are morally unacceptable and politically unsustainable”. They stress “the lack of equality in key global commercial and financial rules and its unequal repercussions for rich and poor countries”, as well as “the incapacity of today’s international policies to respond to the challenges of globalization”.

What’s being observed is that “the measures taken towards opening the markets, as well as financial and economic considerations, prevail over social considerations. The Official Development Assistance (ODA) does not even meet the Millennium Development Goals (MDG) minimum requirements and is unable, therefore, to fight the increasing global problems. The multilateral system that is responsible for conceiving and applying international policies is also not effective. Generally, it lacks political coherence and is not sufficiently democratic, transparent and accountable. These rules and policies are the consequence of a system of governance greatly established by powerful countries and powerful players. There is a serious democratic deficit in the system’s principles. Most developing countries continue to have little influence over global negotiations

concerning the rules and the establishment of policies for key financial and economic institutions” (OIT, 2004). This can be illustrated by the failure of the Doha Round at the World Trade Organization.

According to Nobel Prize Winner in economy in 2001, Joseph Stiglitz, it was the developed countries who profited from globalization. Countries whose internal savings and technological development, together with strong protectionism – which goes against the golden rule of trade liberalization established by them apparently only to others –, made them the privileged addressees of the world’s wealth.

More recently, even the World Bank, in its World Development Report of 2006 (World Bank, 2005), finally admitted that market forces and free trade will not solve the problem of poverty in the world or even reduce it to bearable levels. The report itself affirms that “only equity is capable of increasing our capacity to reduce poverty”.

Internal and foreign debts, trade barriers and the protectionism of industry and agriculture in richer countries (which hinder the developing countries’ primary and industrial goods) are the roots of the enormous fiscal crisis presently faced by developing countries and of the increasing social debt they have with their people. Almost all taxes collected in these countries, as well as international loans granted by the IMF under strict conditions, are used in postponing debts acquired in adverse conditions in the past, often under non-democratic and corrupt governments. These debts increase under abusive interest rates which are imposed unilaterally by the international financial capital. Consequently, programs destined to fight poverty and other social programs end up underfinanced and ineffective (Buss, 2002).

One of the most harmful aspects of globalization are the brutal attacks promoted by the international speculative capital on more fragile national economies of poor or middle-income countries. The action of the so-called hot governments of many underdeveloped

countries that have a low level of social commitment and are often corrupt.

The low quality of politics and governance of many governments of developing countries causes the wasting of resources and the ineffectiveness of environmental protection and health promotion, disease prevention and health assistance initiatives – if they exist. Generally speaking, the actions of social, environmental and sanitary programs in these countries are vertical, unarticulated and often drained by corruption.

On the other hand, even though the aid provided by foreign countries and the easing of exportations for poor countries (aiming at improving their trade balance) are necessary measures, they are also insufficient for these countries to finally launch their development. That happens because what they gain through foreign trade is not equally distributed among the poor population of these countries, thus remaining totally concentrated on the hands of few, generally the hands of nationals or transnational export corporations.

These factors have a different impact in different individuals and populations. They are cast away from the benefits of globalization and yet vulnerable to its costs. Moreover, the benefits they get from public policies in the health field are very limited.

Globalization and Poverty

Poverty is a multidimensional concept (as well as a multidimensional real situation in life). In the past, the notion referred exclusively to the income of the individual: the poor are those who live with less than one dollar a day, adjusted to the purchase power of the country or region. Even though the wealth of the world – which is presently estimated in twenty trillion dollars per year – continues to grow, around one point two billion people live with less than one dollar a day (in a situation categorized as of “extreme poverty”) and half of the people in the world live with less than two dollars a day

(World Bank, 2002). In Sub-Saharan Africa, almost half of the people live with less than a dollar a day, while thirty-seven percent of the population (four hundred and forty-eight million people) live in similar conditions in South Asia. In Latin America and the Caribbean, two hundred and twenty two million people are poor, out of which ninety-six million, or eighteen point six percent of the population, are indigent (CEPAL, 2005).

However, after the critical work of Nobel Prize Winner in economy in 1998, Amartya Sen, it was clear that a universal poverty line could not be established and applied to everyone the same way, that is, without taking personal characteristics and circumstances into account. Sen (1999) pointed out that the analysis of poverty should also concentrate on the capacity the individual to take advantage of his/her opportunities, as well as other aspects such as health, nutrition and education, which reflect the individual's basic working capacity in a society. The power health promotion has to perform actions among the poor and the strategies of individual and collective 'empowerment' reside in observations like this.

Figure – Health inequalities in less developed countries, 1990-2002

In Brazil, my country, studies show that, as in many parts of the world, infant mortality is related to family income, the mother's level of education, housing conditions, the place in which the child and the family dwell and their social conditions.

This way, among Black individuals (and skin color is a *proxi* of the Brazilian social situation), the average infant mortality rate is of thirty-four deaths per thousand children born alive versus twenty-three in the White population; thirty-five among the poor and sixteen among the rich; forty among mothers with less than three years of education while only seventeen among mothers with eight or more years of education; thirty-five among the rural population against twenty-seven in the urban population and sixty-seven in a poorer northeastern state versus sixteen in a richer southern state.

Figure – *Per capita* health expenditures, by countries' level of income, 1997

To conclude, this data show that globalization has made countries poorer and increased poverty, exclusion and social and economic inequalities. These inequalities are heavily echoed over the health of individuals and the population as a whole.

Globalization and Disease

One of the most noticeable aspects of globalization affecting health is the possibility of transnationalizing transmissible diseases (particularly new or reemerging diseases). Since international traveling has been facilitated and trade intensified, a series of microorganisms can be easily transported through people, animals, insects and food from a country to the other, that is, from any point of the globe to another. Recent examples include the spread of SARS and of the dengue and Bird Flu viruses. Interpersonal transmission of viral hemorrhagic fevers, as in the recent cases of Marburg and Ebola hemorrhagic fevers in Africa, is one of the major doorways for epidemics (now facilitated by fast international air travels). This emphasizes the necessity and the importance of strengthening the global networks of surveillance and diagnosis in health managed by the WHO and partners around the world.

A well-known case is the Aids virus, which possibly originated in a remote region in Africa and spread throughout the world over the last 20 years. Migrating birds can also be accounted for the global spread of infectious diseases, such as the Bird Flu and the West-Nile Virus. Salmonellosis and E. coli infections have often been related to the contamination of fresh or industrialized food circulating between countries. Among the so-called “old” diseases (which reemerge in one region and spread throughout the world) are polio, which had the recent outbreak in African and Middle Eastern countries due to flaws in vaccine coverage; cholera, whose epidemics

affected seventy-five countries in the last forty years and drug trade is associated to international gun trafficking. This is an explosive combination with astonishing consequences, as shown by the World Report on Violence and Health (WHO, 2002).

One of the paradoxes of the current process of globalization is that, despite the fact that the history of mankind is in a stage in which agricultural technology has the ability to produce an abundance of food products, hunger is still very prevalent in the world and causes parts of the planet to undergo a true genocide. FAO (2004) warns that no less than eight hundred and fifty two million people suffer from chronic hunger and malnutrition and that they are the cause of death of five million children every year and cost billions of dollars in productivity losses and decreases in national incomes. These tragic statistics are paired by the information that currently, every year; twenty million babies are born underweight, what most of the times happen because of malnourished mothers.

In Sub Saharan Africa – currently the world region that is most affected by poverty and further results of poverty –, FAO (2004) estimates that no less than thirty-two percent of the population are considered malnourished – a rate that reaches to fifty-five percent in Central Africa and around forty percent in Southern and Eastern Africa. Besides urgent foreign aid for tackling the cruel situation of these countries (such as at least Niger and Malawi at the time this article was written), specialists agree that the problem can only be confronted by means of technical and financial cooperation, as well as through investments in water, the sustainability of ecosystems and in enhancing people's capacities.

Another important consequence of globalization over health are the market-oriented sectorial reforms, extolled by international organizations (World Bank, 1993). These reforms have led to more health inequities. There is no space for public health or for health promotion in these reforms. The only aspects spoken of are the medical care of individuals and how to finance it. The same

applies to the imported models for training human resources – which are ill-adjusted to the country’s cultural patterns and national health systems. That’s why it is imperative that we support the Exchange of this reform proposals for another one seeking to implement egalitarian and solidary public health systems – which should take the *health of the population* into account and not only *do business with disease*.

The Opportunities of Globalization

Globalization has positive aspects, however. If we remember the last half of the twentieth century, for example, right after the traumatic experience of World War II, we will see that the creation of the United Nations, which comprehends the World Health Organization, represents an important step towards international dialogue, peaceful coexistence of nations and cooperation for the progress of all people and countries in the world. (Despite that, there was a great deal of deception and a big loss of trust in the United Nations, which caused member States, organizations and people to demand a broad reform of the system.)

- Eradicate extreme poverty and hunger
- Guarantee the elementary education universalization
- Equality among genders and woman’s autonomy
- Reduce infant mortality
- Improve mothers’ health
- Guarantee environmental sustainability
- Foment a world association for development

The goals were subdivided into eighteen measures and forty-eight indicators. Health is directly related to at least eighteen of these indicators, whose 1990 values should be improved. (WHO, 2005).

The conclusions of WHO's recently conducted evaluation should inspire us into reflection and action:

- if the state of affairs observed in the last five years continue, most poor countries of the world won't be able to meet the modest established goals of reducing infant mortality and mortality among under-fives. Moreover, the goals for the measles vaccine coverage of children under one year of age are also not going to be met.
- maternal mortality is only being reduced in countries that already have low rates. In high-rate countries, rates have either stabilized or increased.
- a few indicators related to the offer of health services have improved more favorably. Those are: the proportion of women receiving care by trained professionals during labor; the use of insecticide-covered mosquito-nets in areas with a high prevalence of malaria; and the improvement of the coverage of assisted treatment to tuberculosis.

The first seven Goals include commitments that ought to be met primarily by the developing countries in order to gradually work towards providing universal Access to minimum levels of wellbeing. Goal eight, which is to "develop a global partnership for development", encompasses both a series of commitments on the part of developed countries to support the efforts of developing countries and a number of elements intended to redress international asymmetries and thus benefit developing nations, including the official development assistance and a trade/financial system capable of providing viable workouts for debt overhangs.

Richer countries established that they needed to invest point seven percent of their national income in aid in order to attain

the Millennium Goals. However, the percentage of internal wealth that richer countries send to poorer countries was halved in the last forty years, going from point forty-eight percent between nineteen sixty and nineteen sixty-five to point twenty four today (OXFAM, 2004).

It should be mentioned that this aid is equivalent to about one fifth of the rich countries' defense budgets or half of what they spend in agricultural subsidies. Stiglitz and Bilmes, economy professors respectively at Columbia and Harvard universities have presented a study with an estimate of a one trillion dollar expenditure for the Iraq War alone (Folha On Line, 10/01/2006).

Figure - Help vs. Military Expenditure

The Commission on Macroeconomics and Health, created by the WHO in the year two thousand, emphasizes that investments in health – that expand the coverage of essential health services among the world's poor through a relatively small number of specific interventions – are fundamental for promoting economic development, reduce poverty and promote world security (WHO, 2001).

One very successful example of the good opportunities brought along by globalization is the effort being made toward child immunization in the poorest countries of the world, which is being put forward by the Global Alliance for Vaccines and Immunization (GAVI), an alliance between the World Bank, WHO, UNICEF, developed countries, private foundations (such as the most generous of them, the Bill and Melinda Gates Foundation) and other partners. GAVI has created a Vaccine Fund that supports basic immunization (DTP + polio), and the use of vaccines against hepatitis type B and Hib in seventy countries with a *per capita* GDP under one thousand dollars. Six million children already received the DTP and polio vaccines (GAVI, 2005). However, at this point, I have to mention Llona Kickbusch's protest in her 2004 Leavell Lecture, in which she said she thought it was outrageous for the global health governance

that the world national governments would allow charitable institutions, such as the Gates Foundations, to have more resources allocated for health than the United Nations' own health organization, the WHO.

One recent and successful example of international mobilization (and also of its potential global impact in health promotion concerning non-communicable diseases and risk factors) is the Framework Convention on Tobacco Control, adopted in May 2005 in the Fifty-sixth World Health Assembly. In September 2005, the New York Presidential Summit analyzed and adopted thirty-two proposals for international treaties. (WHO, 2005).

Different aspects, in order to reduce poverty in the world, specific regions or countries or also to diminish the poverty of specific population groups such as women, children, elderly, etc. They also confront specific health-related situations or problems – such as hunger, malaria, Aids, other neglected diseases and so on. As public health professionals, we are responsible for identifying these initiatives and give them support both globally and locally.

There is not, however, only one way to change the equation globalization % poverty and exclusion % worse health conditions into globalization % equity and inclusion % health. The only thing we can be sure of is that global solutions should be interconnected with national and local initiatives that are specifically oriented to confronting concrete expressions of globalization, poverty and the health-disease situation. With that commitment and this struggle in hand, I am sure that the world can count on the international community of health promotion workers.

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Reflections on South Africa's Democracy
Since 1994: Public Policies and Social
Development – Successes and
Challenges







Reflections on South Africa's Democracy Since 1994: Public Policies and Social Development – Successes and Challenges

Garth L le Pere

South Africa's non-racial democracy was established 12 years ago following protracted constitutional negotiations over a period of four years. Although marked by terrible violence, the transition was far from the racially charged war or insurrection that was widely anticipated or feared. The advent of democracy in South Africa and the prospects it held out for building a common future for its people carried high hopes at home and abroad. This was partly linked to the fact that South Africa's democratic miracle coincided with the collapse of the Soviet Union and thereby, communism. There was also the hope that Africa's largest economy would bring its multiple advantages to address the development challenges and problems of the continent. There was a further expectation that South Africa would punch above its weight in the international arena and champion multilateralism, especially in promoting the causes of the developing world, but Africa in particular. The path that its democratic development would take was thus a critical variable in this regard. Crucially, for most South Africans—but especially the majority—the new era was an opportunity to build a new society based on a political and institutional order that would devote itself to finding solutions to the historical deprivations of apartheid and the deeply entrenched inequalities between black and white.

In broadly assessing South Africa's transition, there are contradictory and worrisome tendencies that have emerged. On the one hand, there is greater stability in the sense that a non-racial democratic political system has been firmly established, where the

rule of law and constitutional authority is fully observed and respected. South Africa faces no imminent military threat, and the state, its institutions and government's constitutional authority are accepted as legitimate and broadly representative. A wide range of democratically-inspired consultations have taken place, responsive policies dealing with a range of socio-economic and public issues have been formulated, and institutions have been established with an emphasis on service delivery, especially for previously disenfranchised communities. The maintenance of political and economic stability is an overarching value and objective. These broad initiatives have been extremely important since they confront potential internal threats to the new order that have been posed by residual political forces from the old order but they also serve as formal mechanisms for state-society interactions based on democratic principles of representation, taxation and accountability. Thus, the machinery of the state has been substantially overhauled since 1994 to give South Africa a unique democratic character and purpose.

On the other hand, the country is faced with a big ledger of social problems, mainly in the areas of poverty and inequality, housing, education, unemployment, HIV/Aids, and personal and property security. These remain the biggest challenges in terms of South Africa's post-1994 social contract. For example, 10m people (23 percent) were living on less than \$2 a day in 2000, and an estimated 37 per cent were living below the nationally defined poverty line of R1000 in 2002. Of those considered to be poor, 61 per cent are African compared to 38 per cent of coloureds, 5 per cent of Indians and 1 per cent of whites; while 72 per cent of South Africa's poor live in rural areas and extended rural unemployment has reached a staggering 51 per cent. In 2004, there were almost 10 million people living in shacks across South Africa. Moreover, the poorest 40 percent of the population received only 6,1 per cent of total income in 2000, while the richest 20 per cent received 64,9 per cent. Broad unemployment is estimated at 41,8 per cent of the economically active population in

September 2003. The HIV prevalence rate was estimated to be 11,4 per cent in 2002 (about 4,8m). In 1997, South Africa had the highest murder rate in the world with 64 per 100 000 and remains an extremely violent society: in 2002/3, there were 47,4 murders per 100 000 people, 115,3 rapes and 1286,5 assaults. Sadly, all these problems come with a gendered dimension—data for women are much worse than for men. The poverty rate among female-headed households in 1995 was 60 per cent or twice that for male-headed households and this is linked to the concentration of female-headed households in rural areas. And unemployment among women is also higher at 47,8 per cent in September 2003, compared to 35,7 per cent for men. The HIV/Aids prevalence rate for women is 12,8 per cent, compared to 9,5 per cent for men. Women are very vulnerable to sexual crimes and domestic violence.

All this data suggests that apartheid legacies remain deeply embedded in society and as miraculous as South Africa's transition has been, it has not made the necessary inroads in addressing these key social issues. Existing social divisions and fault-lines are still in place and indeed, have deepened and new fractures have emerged in the class structure with a newly empowered black middle class seemingly the main beneficiaries of the new order. Although improving in many areas, ties and linkages between government and state organs *and* society remain uneven in breadth and depth and there is considerable potential for domestic stability to break down because of the dead-weight of the new government's inherited social burden.

It becomes important, therefore, to briefly consider that nature of the state as it existed at the time of South Africa's negotiated transition. While perhaps strong in military terms, it was weak as a base for regulating social relations because the rationale of apartheid was its exclusive, repressive and discriminatory nature. This helps to explain why the 'historic compromise' was possible since there was a sense of inevitability that, once in motion, the process from apartheid authoritarianism to non-racial democracy could not be stopped and

when institutionalised, it would be irreversible. The form of power underpinning the apartheid state was infrastructural, meaning the ability to put in place organisational, institutional and administrative systems that could perpetuate white rule. But it was unable to establish this kind of power to fully control and crush the activity of trade unions, community organisations, student movements, and political formations—generally the liberation movement spearheaded by the African National Congress (ANC), its United Democratic Front affiliates, the Pan African Congress (PAC) and the Black Consciousness Movement. Its only resort was the repressive arms of the state which also proved very problematic for the purpose. This was reflected in the inability of the States of Emergency and the National Security Management System to establish despotic power over society and even in efforts’ for example, to craft an industrial relations system that could extend the state’s infrastructural power by ‘legitimising’ black trade unions. Hence, the political conditions that prevailed could *neither* reinforce authoritarianism *nor* did the liberation movement have sufficient capacity to make possible the revolutionary overthrow of the state. This conundrum thus contained the seeds for the bold moves initiated by FW de Klerk in accommodating the new realities in society and unbanning political organisations in 1990, and thus, paving the way for the start of negotiations for a new constitution and political dispensation.

The state’s weakness at the time of the transition was also reflected in regulating social behaviour and carrying out many basic functions. There was, for example, the problem of regulating cross-border traffic which contributed to large increases in the flows of illegal goods—into and out of the country—which included drugs, arms and money laundering and there was also a large influx of illegal migrants from many parts of Africa and the world. During the 1980s, organised crime increased in South Africa because policing resources were diverted to controlling political opposition, and gangs mutated into syndicates with relative ease. And during the transitional period

of the 1990s, organised crime took on an international character with the growing influx of foreigners from Africa and beyond which opened up new opportunities for alliances with domestic gangs. While there has been significant improvement over the last five years, the state was also unable to manage either taxation or the provision of public grants to needy citizens. The government-appointed Katz Commission in 1994 found that tax morality was very low. A study by the South African Revenue Service (SARS) in 1997 estimated that the default percentage on income tax was still more than 25 per cent and that as many as half the citizens eligible for tax remained unregistered and outside the tax net. Although the eligibility criteria for pensions and social grants were widened and their levels increased, many intended beneficiaries did not receive the money that was due to them because the delivery system was inefficient, corrupt and geographically restricted. This was especially true in rural areas where delivery still relied on highly inefficient 'homeland' administrations.

However, during the latter half of the 90s, public agencies have been transformed or established, enabling the state to enhance its management and regulatory systems and capabilities in exercising its basic functions including policing, welfare delivery, border control and taxation. The significant improvements in its capacity to formulate policies and manage social delivery platforms have allowed the state to establish a greater degree of stability and social order. Take a few examples. The Scorpions (as part of the National Prosecuting Authority (NPA)) was established in 1998 to combat organised crime and although the number of syndicates rose from 196 in 1996 to 230 in 2003, the Scorpions managed to arrest 2 400 key syndicate members in 2002/3. Violent crime has also started to decrease: according to South African Police Service (SAPS) data, the murder rate dropped from 67,2 per 100 000 in 1994/5 to 47,4 in 2002/3. In 1997, SARS was given institutional autonomy by the Treasury and has re-organised and modernised itself under astute and strong leadership, thereby leading to a dramatically expanded taxpayer base and enhanced

taxpayer compliance. In addition, substantial tax revenue was derived from prosecution of tax delinquents (over R1,1 billion in 2002/3) as well as effective seizure of illegal drugs at border posts (R11 million in 2002/3).

Targeted public policies and an increased revenue base have resulted in impressive improvements in basic social service delivery. Between 1994 and 2000, an additional 4,8 million people were supplied with clean piped water. By 2001, nearly 85 per cent of the population had access to clean water. By the end of 2000, 1,2 million new houses provided formal accommodation for five out of ten shack dwellers and between 1994 and 2003, almost two million housing subsidies were approved for an expenditure of R24,2 billion. Government funding for HIV/Aids has increased tenfold from R342 million in 2001/02 to R3,6 billion in 2005/06. The number of people benefiting from social grants increased from 2,6 million in 1994 (at a cost of R10 billion) to 7,7 million in 2004 (at a cost of R34,8 billion). One of the most impressive developments have taken place in the provision of electricity: by last year, over 2 million households have been connected to the national power grid. Education and training has become the largest single item in the national budget: expenditure has risen from R31,8 billion in 1994 to R75 billion in 2004/05. This amounts to 7 percent of GDP, which is one of the highest proportions in the world. Progress with land reform has been less satisfactory. In 1994, the target was to redistribute 30 per cent (25,5 million hectares) of white-owned land to blacks over five years, on the principle 'willing-buyer-willing-seller'. This principle has recently come in for review since, to date, a little over one million hectares of 1,3 per cent have been delivered over the last six years. If reform continues at this rate, only 4,6 per cent will have been distributed by 2015. And of 64 000 registered land restitution claims, only 20 per cent have been settled thus far.

On the basis of all of the above reflections, we come now to the critical matter of the ANC's single party dominance. Three

highly successful national elections (as well as local government elections in 1995/6, 2000, 2006) have established formal mechanisms for citizen representation but of course, all have been dominated by the ANC. As a theoretical point, the literature on democratic transitions tells us that formal political democracy needs a ‘real’ political opposition, that is, a real contender which is capable of winning state power at the ballot box. Another important element of this literature is that two successful multi-party elections are sufficient to demonstrate that an environment exists for genuine political competition and the consolidation of democracy: by 2004, solely by this criterion, South Africa had qualified. However (and this point is critical), since the South African transition was not simply from an authoritarian regime to a democracy but also from a white minority racist regime to a non-racial one, the issue of political competition was necessarily offset and counter-balanced by the need to secure the new ANC government’s non-racial character against possible backlash from blacks and whites alike. In this respect, one-party dominance in South Africa has been a stabilising force: the ANC’s strength—electorally and politically—has reduced uncertainty about the distribution of power and prevented a struggle for state power on a racial or ethnic basis.

However, there is a feeling that ANC dominance has, at the same time, reinforced race and nationalism as central ideas for political mobilisation such that any political expression based on social and economic interests is discouraged. Contestation amongst groups and individuals over access to state power takes place *within* the ANC (or at least within the ANC/Confederation of SA Trade Unions/SA Communist Party alliance) and sometimes heated clashes lead to calls to break up the alliance which is often seen as outdated and artificial. But differences over policies and interests have been overshadowed by shared nationalist ideas, a shared history of struggle, ideological solidarity, and programmatic allegiance to the Freedom Charter. Hence, government leaders have relied heavily on the ANC and party

discipline to secure support for, or at least compliance with, unpopular macro-economic policies such as Growth, Employment and Redistribution Strategy (GEAR) and lately, the Accelerated and Shared Growth Initiative of SA (ASGISA) which are essentially neo-liberal in character. The ANC has a reputation for centralised but democratic internal control from its decades in exile, and some argue that this tendency has become even stronger since it took over the reins of government in 1994, but is especially pronounced under President Mbeki since 1999. The absence of interest-based parties weakens the state-society interface by limiting inclusion and restricting the channels for social influence over state policy. Although the National Economic Development and Labour Council (NEDLAC) is supposed to provide a forum for this, it is generally seen as a rubber-stamp and as an ANC-aligned clearing-house for draft policy and proposed legislation. This is perhaps mirrored in the limited emergence of an explicit ‘pro-poor’ voice in the policy process because it seems that the ANC has not been very concerned with the political mobilisation and participation of its mass membership, which helps to explain the dramatic decline of branch activity and community participation outside the periodic election campaigns. On the other side, even business’s ability to interact with government is tightly structured, although within a firmly business-friendly framework. The government engages with economic interest groups through a set of individual bilateral working groups involving labour, big business, black business, agriculture and international investors. This arrangement allows for gathering of views and testing of ideas which is very different from formal representation in policy formulation and evolution, and hence does not allow for negotiation *among* these groups over the positives and negatives of certain policies or burden-sharing that might come with external shocks. Quite critically, lack of policy influence does not provide such groups with the necessary incentives to take risks in making long-term commitments of resources.

Race relations are also relevant since they cast a long shadow over what is being discussed here. What has been another central factor in the stability of government and countering threats from the 'old order' has been a human rights regime that emphasises *individual* equality and rights as a way of transcending issues of race and ethnic difference. In the constitutional negotiations, the National Party's attempt to retain and protect racial and ethnic 'group' rights, was defeated through the promotion of a bill of rights based on the Freedom Charter. In the nation-building project, President Nelson Mandela promoted national unity and racial reconciliation and he did so within a language of liberal human rights. Hence, nation-building through human rights, was embodied in the letter and spirit of the Truth and Reconciliation Commission (TRC), established in late 1995 and concluding its mandate in 2001. Controversial as the TRC process remains, it was not merely an exercise in individual and group reconciliation but provided a profoundly a human rights arena that accommodated a diversity of views and perspectives on apartheid, based on the principle of 'no reconciliation without forgiveness'. The overarching nation-building ideology of reconciliation is concerned with forging a national identity through equality, regardless of race, ethnicity, or gender. But we must bear in mind that it runs the risk of glossing over the multiple socio-economic problems and inequalities highlighted above. The substantial racial inequalities, no doubt apartheid's greatest legacy, are too stark to be ignored and have been addressed in the human rights agenda mainly through legal measures. The celebrated documents which underpin South Africa's democracy—the Constitution and the Bill of Rights—promote judicial and political rights very successfully but also emphasise the social and economic rights of citizens to basic services such as housing, health and education. These rights have been harder to achieve and several cases to advance them have come before the Constitutional Court, which has argued for a shift in state policy for their realisation. What this demonstrates is that approaches to race relations based on rights or on reconciliation

may have been necessary as means to stabilise post-apartheid politics and reinforce transitional accommodation but they have not strengthened linkages between the state and society and have not adequately improved race relations within society. There have been, for example, high incidences of violence by white farmers against black workers and many whites remain the first-line victims of crime.

As with race relations, Black Economic Empowerment (BEE) has contributed to stability but there are some who argue that it is undermining economic stability and investor confidence. BEE and employment equity (affirmative action) were key implicit elements in the accommodation between the ANC and big white business which took place shortly into the constitution period of the transition. There was a trade-off between maintaining macro-economic stability and accepting the imperatives of globalisation, on the one hand, *and* transferring economic power to blacks, on the other. This accommodation has framed economic reform efforts since 1994, but has been given a more forceful impetus by President Mbeki. The face of big business, essentially white in ownership and management, has changed as a result of the creation of a new class of black owners and managers. This has been one of the most visible manifestations of change since 1994, but has accelerated significantly under President Mbeki's leadership since 1999. Big business can no longer be characterised as being exclusively white and leading business conglomerates and companies, banking houses and financial organisations have become more multi-racial in their composition. This deracialisation of the upper tiers of the capitalist and managerial class has made a critical contribution to the stability of the new government. However, BEE and equity-based programmes have their limitations as is well known: there is a narrow group of visible beneficiaries who surface over and over again in any major deal that requires a BEE component; there have been many instances of window-dressing and 'fronting' as well as reversals because of poor management, skills and lack of experience; very few BEE interventions have created

new business entities, expanded the country's wealth base or significantly contributed to job creation; and there is also a belief that foreign direct investors have avoided South Africa because of a real or perceived heightened risk that would come with possible BEE control over their equity. BEE also has a 'jitter-effect' such as occurred with the meltdown in mining share prices following early leaks of the Mining Charter in 2002. In 1999, the ANC established a semi-official BEE Commission whose report has stimulated sectoral transformation charters as well as the enactment of legislation in 2002 to promote broad-based empowerment. However, both government and the private sector have yet to resolve the challenge of embedding BEE in a process of economic growth, which would broaden the distributive benefits. At the same time, the strong focus on BEE within established white business has seen small business development to support black entrepreneurship not enjoying the attention it deserves.

Next, let us consider the presidential style of President Mbeki whose approach to nation building has been very different from the reconciliatory thrust of President Mandela. If forgiveness and reconciliation of the past glosses over differences of the present, then President Mbeki has emphasised continuity with the past as this is manifested in the wide gap between those on the opposite sides of the apartheid divide, in both racial and economic terms. He has strongly argued that a common future must be predicated on an African political identity for *all* South Africans. The term 'African' has two overlapping meanings in the manner used by President Mbeki: the black majority of South Africans and their needs and aspirations; *and* those people with African origins whether on the African continent or elsewhere in the world. His position was articulated as early as 1996 in his 'I am an African' speech at the adoption of the new Constitution. In a 1998 parliamentary debate on the TRC, the President raised the stakes by referring to South Africa as a country of two nations: one white and relatively prosperous, and the other black and mostly poor. Since mid-2003, he has extended this 'two


nations' idea to argue that funds and resources must be transferred from the first to the second economy to ensure greater access to skills, capital and life opportunities for blacks.

Coming to macro-economic policy, this has been characterised by distinct attempts to provide a stabilising growth environment. This has promoted a sharper focus on micro-economic issues such as lower costs of services (especially in energy, transport and telecommunications), enhanced labour skills and improved productivity. However, some economists argue that several elements of macro-economic policy—in particular fiscal policy—have succeeded in their objective of stabilisation but others such as monetary and exchange rate policy have had the opposite effect. Fiscal policy since 1994 has focused on deficit reduction and improved financial control and accountability, aimed at improving the state's financial situation, which the apartheid government had left in a chaotic state. Fiscal restructuring, which also had to take account of re-organising the machinery of the state and public sector at all levels arising from the constitutional negotiations, has been one of the greatest success stories of the transition. Indeed, the South African Treasury, under the leadership of Minister Trevor Manuel since 1999, is regarded as one of the best among developing countries in establishing international best practices. Supported by greatly improved tax revenue collection, the fiscal deficit was lowered from 10,1 per cent of GDP to below 3 per cent between 1993 and 1999, with similar declines in levels of public debt. This kind of discipline has allowed expenditure to be significantly re-allocated to social service provision for the black population. In monetary and exchange rate policy, the focus has also been on the health of financial variables with a consistent focus on low price inflation. Here too policy was very successful and inflation dropped below 10 per cent in 1993 for the first time in two decades, while foreign exchange reserves have risen to \$15,5 billion in 2005 and climbed steeply to over \$20 billion in 2006. The liberalisation of external capital flows and the financial system which was part of the


‘implicit bargain’ between the ANC and business—together with the narrow focus of monetary policy on controlling inflation—have resulted in extreme short and medium term fluctuations in the exchange rate (although this has recently remained in a narrow band). There have been capital flow crises in 1996, 1998 and 2001 which were addressed with large interest rate increases and at least in 1996 and 1998, with massive sales of foreign currencies in fruitless efforts to defend the Rand’s value (and this did not occur under Minister Manuel’s watch). Since 2000, the Rand has been left to float freely, and its recent stability has inspired more confidence, although exporters think it is over-valued. At the same time, the adoption of an inflation-targeting framework under present Reserve Bank Governor, Tito Mboweni, has helped to maintain price stability as well as to promote increased output and capital formation.

What all this suggests is that South Africa’s post-transition path has not been neither smooth, linear, and direct nor will it be short. However, in its transitional politics, policies and institutional changes, it has accomplished remarkable progress which has proved essential for its stability and the consolidation of its democracy. While historical social divisions remain and are consequential for the eventual success or lack thereof in addressing deprivation and inequality, reform and reconstruction of the South African state has included establishing new links with society. This has resulted in the state being much stronger now than at the initial stages of the transition. This stable political and institutional equilibrium, however, has to do battle with low-levels of average individual income, high levels of absolute poverty and weak welfare delivery systems. This could lead to growing popular pessimism and a risk-averseness about preparing for the future as most people are too caught up in worrying about their day-to-day problems. Nevertheless, we cannot envisage any major crisis for the state that would lead to its collapse; rather a sound platform exists in policies and institutions for developing higher levels of welfare intervention, improved equity and inclusion across society, and stronger state-society

linkages. State collapse would mainly entail the emergence of a revolutionary movement with an effective populist base that is capable of taking advantage of increased marginalisation, dissatisfaction, and exclusion of larger numbers of people. This Peronist alternative seems highly unlikely, given the embedded nature of pluralism, a strongly entrenched civic culture and a responsive state. However, it is clear that there needs to be a full moral assault in the coming years that aggressively deals with South Africa's dual economy by developing more coherent strategies for promoting equity and reducing poverty. Meeting these aspirations might require fundamental changes to the economic policy framework for growth and redistribution. Incremental changes continue in all policy and institutional arenas and at all levels of society, and over time these are likely to contribute to changes in the social structure that further improve state responsiveness and citizen welfare.



Democracy, Cultural Diversity and
the Question of Hegemony: The
South African Dimension Within the
Context of IBSA







Democracy, Cultural Diversity and the Question of Hegemony: The South African Dimension Within the Context of IBSA

Francis A. Kornegay

Introduction

How can South Africa's recent historical experience be related to the question of 'democracy and cultural diversity' at levels of governance ranging from its continuing transitional nation-building project to the question of its role in Africa, extending into the international arena of global governance – including, especially, its trilateral relationships within IBSA? Here, in trying to answer this question, it is important to first conceptualize South Africa's political transition to democracy in 1994 as one entailing the democratization of the country's cultural diversity from one of a repressive and discriminatory cultural separatism and marginalization imposed by the apartheid racial dictatorship toward what might be termed a still evolving democratic cultural pluralism under African majority rule. However, the fact of cultural diversity and pluralism implies a democratic transition that has to be understood in terms of implications that go beyond considerations narrowly defined in purely socio-racial terms – central though 'race' is to the South African narrative.

The 'race question' in the South African context, as elsewhere in other socio-racially defined multicultural societies, must necessarily be located within a broader setting of cultural diversity. This, in turn, should be extended politically to encompass what the great Italian communist, Antonio Gramsci long ago conceptualized as hegemonic 'struggles for position' on the 'cultural front'; struggles

that are strategically germane to a society's political dynamics whereby a country's national consciousness and self-image, ideologically influenced worldview and consequent foreign policy identity are determined and operationalized.

This paper, therefore, will begin by attempting to locate the political transition of black South Africa within the wider, unfinished democratizing of the country's multiracial-ethnic cultural diversity and its still contested institutionalized cultural apparatus; placing this process, in turn, within the comparative context of similar transitions that have transpired or are underway in India and Brazil, in their respective democratizing experiences. This effort, in addition, will factor in the U.S. experience of socio-racial transition, given relevant contrasts and similarities existing between South Africa, Brazil and the U.S. Moreover, there is the not irrelevant political reality wherein the U.S. looms large as a factor in each IBSA country's foreign policy calculus and as a factor in determining IBSA's role within an international system transitioning from one colonially rooted in geopolitical-economic patterns of 'Global Apartheid' toward one of potentially greater democratic global governance and economic rebalancing between North and South.

The comparative framework for considering South Africa's historical and contemporary experience with democracy and cultural diversity sets the stage for delving in detail into what is characterized here as the political managing of cultural diversity. This raises fundamental issues of governance in a manner in which the conceptual definition of the American experience by the late Harold Cruse, author of *The Crisis of the Negro Intellectual* can be applied to the South African experience and other's as well. In the mid-1960s, Cruse - a former communist, African-American nationalist, influenced by Gramsci - asserted that the "American group reality demands a struggle for democracy among ethnic groups, rather than between two races" in as much as what was called "a racial struggle over civil rights" was, "in reality, the contention in America among

several different ethnic groups of which Anglo-Saxon Protestants and American Negroes are only two.”

So much for notions of ‘American exceptionalism’ on matters of race and ethnicity, though the socio-racial dimension necessarily interacts with and defines “struggles for democracy among ethnic groups” not just in America but in South Africa, Brazil and in other multiethnic, socio-racially divided societies. Nevertheless, Cruse’s depiction of the American experience could, with variations along the same theme of “a struggle for democracy among ethnic groups” – which, in essence, comes down to a power-struggle for dominance and ascendancy – be applied to other socio-racial, multicultural national experiences in which the democratization of cultural diversity is germane to establishing democratic governance overall. Further, there is a globalization dimension to such struggles that has been posed by Yale Law School Professor Amy Chua. She has introduced the notion of “market-dominant minorities”: “ethnic minorities who, for widely varying reasons, tend under market conditions to dominate economically, often to a startling extent, the ‘indigenous’ majorities around them.” Among several of the case-studies she dissects in her book, *World on Fire: How exporting free market democracy breeds ethnic hatred and global instability* (Doubleday, 2003) are populist Latin American shifts to the left by formerly marginalized Amerindian communities in Venezuela and other Andean countries.

The challenge to a policy of achieving a democratic political management of its diversity is here deemed universal to all multicultural societies; a challenge made all the more complicated in an age of contested neo-liberal globalization. Within this vein, South Africa’s experience resonates more broadly with the challenges uniquely facing Africa as a whole: arriving at dispensations allowing for a democratic political management of diversity in multicultural ethno-linguistic societies cobbled together under the European imposition of colonial dispensations where territorial boundaries had never before served as a constraint in the shaping of pre-colonial

African political communities. Here, beneath the surface of South Africa's socio-racial template within the continent's most highly developed urban-industrial economy, the question is posed as to whether its struggle toward democratic governance and the continuing post-apartheid transition it is experiencing makes South Africa an exception to the African rule.

At this point, any notion of South African exceptionalism comes under challenge. Moreover, it leads into what inevitably has to become an increasing preoccupation with questions of 'citizenship and identity' within South Africa's national space and extending into its regional neighbourhood, given the current protracted transformation of the pan-African landscape into what the African Union (AU) envisions as 'regional integration communities,' a process that is critically strategic to South Africa and the continent's external engagement in interregional economic cooperation such as proffered by IBSA. Such an evolution carries with it regional and human security considerations that also have to be taken on board such a project as a prelude to looking more broadly at the global governance implications of the democratizing of cultural diversity in terms of Africa's standing in the international system. However, before embarking further into this narrative, a brief definitional reference to terminologies is in order.

The South African experience with the democratizing of cultural diversity tends to focus attention on the obvious fault-lines of race and racial division and identity. What is problematic about 'race,' as an analytical tool, whether in the South African or any other context is that 'race' is simultaneously irrelevant and relevant to a discourse on cultural diversity. The increasing advance of knowledge in the biological sciences, especially in human genomics, has confirmed the invalidity of 'race' as concept for defining differences within the human species. And in as much as 'race' connotes 'sub-species,' there are no sub-specific differences among the modern hominid, *Homo sapiens sapiens* apart from morphological phenotypic variations based

on environmental adaptations that have evolved over eons of human migratory movements throughout the planet.

But the irrelevance of ‘race’ scientifically cannot obliterate the socio-political reality of ‘race’ as an artefact of Euro-centric hegemony accompanied by the ‘facts on the ground’ created by this hegemony in the racially divided societies of the world. Hence, reference made in this paper to ‘socio-racial’ aspects of cultural diversity; ‘socio-racial’ being the more apt terminology, though it is used interchangeably with references to ‘race,’ ‘racial’ and/or ‘racism.’ Making ‘race’ irrelevant as a political reality assumes a deracializing dialectic of empowering democratization and political redress. This inevitably entails ongoing conflict between dominant and formerly subordinate socio-racial groups in Cruse’s “struggle for democracy...” Hence, the salience of the power equation in any consideration of democracy and cultural diversity.

Within this context, ‘cultural diversity’ is deemed to encompass a panoply of fault-lines and cleavages that can include the ‘socio-racial,’ the ‘ethnic’ (and ethno-linguistic) as well as religion, nationality and caste – all of which can interact with one another in different combinations of identity formation under the umbrella rubric of ‘culture’ – which, in turn, can inform a class analysis and critique of socio-political dynamics. ‘Culture,’ however, refers to more than simply idiosyncratic human differences among different communities, biogeographic and geographic populations. Culture, within the context of ‘democracy and cultural diversity’ refers more importantly to Gramsci’s notion of the ‘cultural apparatus’ – a phenomenon that takes in strategically important institutionalized sectors within state and society that constitute ‘terrains of struggle’ among Cruse’s contending ethnic groups struggling for democracy.

The cultural apparatus encompasses policies, institutions, constituencies and personalities involved in defining and determining the direction and priorities of a society: institutions of higher learning, publishers, electronic and print media, media practitioners, decision/

policy-makers, editors, advertisers, foundations and funding sponsors, arts and culture bodies and critics, research centres, institutes and ‘think tanks’ – the so-called ‘knowledge sector’ generally. Thus, we are not simply talking about ‘culture’ narrowly defined as in the performing arts and entertainment; but much more broadly about institutional and social relations that influence the way people think at virtually all socio-economic, racial, ethnic and class levels in a society; institutions and vehicles that vie for ‘hearts and minds’ of the larger society in an agenda setting ‘battle of ideas,’ thereby shaping the political dynamics of public policy, electoral outcomes, consumers tastes and patterns as well as values and aesthetics. ‘Identity politics’ and ‘culture wars’ are symptomatic of salient aspects of the politics of cultural diversity in a democratic society or one transitioning to democracy.

Finally, what do we mean by ‘democracy’? This is a problematic term given its tendency to be conflated with ‘Westernization,’ which, in turn, is a culturally loaded conception burdened by subliminally racist notions of Western superiority as a somewhat sanitized proxy for ‘white supremacy.’ A more culturally neutral conception of democracy as a universal dynamic in political development cutting across nations, cultures and continental regions of the world, would be to conceive of democracy as a reflection of levels and quality of popular participation in a society’s governance and development. Placed in this context, the participation principle is easily transferable to a critical analysis of how democracy applies to a given society’s cultural diversity; the extent to which popular participation in governance, development and economic activity reflects a high degree of democratic cultural pluralism or a situation in which a majority or important minorities are culturally marginalized on the basis of socio-racial and/or ethnic exclusion and subordination.

In short, the participation principle introduces the power equation into the question of democracy and cultural diversity. And

the power equation, in turn, introduces the ‘politics of redress’ as a dynamic in the democratizing empowerment of formerly subordinate and marginalized cultural majorities and minorities; the ‘politics of redress’ referring to the political compulsion to redress imbalances in power, resources and opportunities as a means of arriving at a ‘level playing’ field of equality – a dynamic that generates an inherently conservative resistance on the part of dominant groups.

The South African Experience in Comparative Perspective

It is often observed about IBSA that the three countries, as emerging ‘middle powers’ dominant in their respective regions in the global South, have gravitated toward one another because they are ‘like-minded’ democracies. Between them, India, Brazil and South Africa also represent a major portion of the world’s cultural – and biological – diversity and all that this diversity carries with it in terms of each country’s respective historical baggage of socio-racial and colonial conflict, accommodation and transitions to democratic governance. It is therefore instructive to examine the South African experience in democracy and cultural diversity from a comparative perspective with certain relevant aspects of the history of South Africa’s IBSA partners. All three countries share an African heritage albeit, in India’s case, the African connection is an ancient one rooted in the paleo-history of humanity’s ‘out of Africa’ migratory expansion into global species hegemony. However, it is in the realm of identity politics, interacting with each country’s democratization where, for the moment, some useful comparisons can be made between South Africa and Brazil.

South Africa, in the aggregate, can be depicted as an ‘Afro-Eurasian’ social formation wherein the racialized “struggle for democracy among ethnic groups” comprised a tripartite power-struggle between ‘Bantu, Boer and Briton’; one in which the country’s

African majority, defeated militarily in British imperialism's confrontations with Zulu nationalism and the northern Sotho forces of Sekukune, were forced into racial subjugation at the expense of the early 20th Century clash between British imperialism and the socio-racial ethnic nationalism of an emergent Afrikanerdom; the subsequently politically dominant Afrikaners, in turn, finding themselves at mid-century, confronting a resurgent African nationalism during the post-World War II Age of African Decolonization. Like the U.S., South African socio-racial dynamics were patterned on what has been depicted as an essentially Protestant 'Anglo-American model' where "power relations and socio-political structures were based on two distinct groups: the Northern European and African prototypes" involving a "stable racial order achieved and perpetuated through enforcement of an inflexible two-track system whereby extreme racial polarization is involved between two opposing somatic prototypes: the proto-Nordic types with blonde hair, pale skin, and sharp facial features, and the proto-African type, with crispy hair, very black skin, voluptuous facial features." This model prevailed in South Africa in spite of the intermediate group identities that emerged amongst Coloureds and ethnic Indian descendants of South Asian immigrant labour brought into the Natal sugar plantations (which coincided with similar influxes of South Asian labour brought into the Caribbean).

Brazil and the Arabo-Iberian paradigm

While the black South African and African-American socio-racial experiences share historical interactions of mutual influence – in terms of their respective national liberation and activist protests movements – based on the cultural separatist logic of the 'Anglo-American model,' the Afro-Brazilian became virtually invisible under a far more permissive and subtle, but more effectively disempowering system of socio-racial cultural domination depicted as "the Arab-

Spanish-Latin American pattern.” This depiction is based on the thesis that the Iberian model of racism draws much from the historical experience of a socio-racial system developed when the Iberian Peninsula was under Arab rule, subsequently “exported to the Americas as part of the Spanish and Portuguese conquest in the sixteenth century.” Native Amerindians were added by the Spanish and Portuguese to “their already-enslaved black populations brought from Iberia. ‘The first black slaves that came to the Americas were not slaves from Africa, but black slaves that came from the Iberian Peninsula, who spoke Portuguese and Spanish’,” an experience that departs radically from North American slavocracy.

The cultural assimilationist logic of the Iberian experience, underpinning the now contested myth of Brazilian ‘racial democracy’ proved to be no less racist than the cultural separatist logic under which black South Africans – and African-Americans – laboured while being far more marginalizing given the racially demobilizing consequences of a system that allowed for a far more relaxed and intimate social interaction between ‘races’ but which, inevitably was based on a Euro-centric assumption of white supremacy: “Whites lived in close physical proximity to black and American Indian populations, however those of a white European ancestry (Spanish and Portuguese) had the political and economic power. The lightness or darkness of one’s skin strongly affected one’s social rank.” Brazil’s mythology of ‘racial democracy’ obscured what, in essence, was an effective racial dictatorship, though Brazil has a long history of black resistance, from slave revolts, including the famous ‘Republic of Palmares’ to post-slavery organized black movements that, according to Alexandra Puerto, only began to gain visibility in the attention of scholars in about the last decade and a half.

Without going into the interesting dynamics that have unfolded in Brazil’s experience of a democratization of its racialized cultural diversity, recent examples of critical treatments of Afro-Brazilian struggle are ‘The Brazilian Black Movement in the Twentieth

Century: A Middle-Class Mulatto Monopoly?’ by Alexandra Puerto (1997) and ‘The Workers’ Party and the Elimination of Racial Inequality: a New Stage in the Politicization of Race in Brazil,’ by Lesley A. Wagner (March 2005). It is important to point out however, that unlike the South African and U.S. experiences, there was a tendency toward socio-racial class alliances emerging between dominant whites and mixed-race mulatto/coloureds against blacks within Iberian and francophone Latin America which some critics have pointed out, has historically retarded racially conscious black political mobilization in Brazil – or, in the case of Haiti, evolved into violent black-mulatto/coloured socio-racial class and political polarization. In the Anglo-Caribbean, on the other hand, black-South Asian ethnic tensions have been the order of the day in Trinidad and Tobago and in Guyana.

These multiple contradictions have made for a very complicated and confused terrain of identity politics across an inter-American panorama of conflicted encounters between European, Native Amerindian and African with important East and South Asian sub-streams thrown in for good measure. The differing cultural politics of race in Brazil and the U.S. alike must be understood within the context of these multicultural hemispheric socio-racial dynamics. In the case of Brazil, the identity challenges confronting the Afro-Brazilian struggle for democracy within Brazil’s wider polity has important cultural implications. This has to do with arriving at a consensus on Brazil’s national identity wherein its elite boasts of Brazil having the largest black/African descended population in the world outside of Nigeria, but where it is unclear what this is intended to convey in terms of the Brazil’s self-image apart from the evolution of its African and global South diplomacy.

Is Brazil a majority white society with a 44.6% black minority? Or, if the estimated 38.4% of brown ‘Pardos’ are included, does the black Brazilian minority suddenly transform into a 83% black or Afro-Amerindian/Mestizo majority ruled over by a Euro-Brazilian minority elite? It is questions such as these that necessarily

inject a considerable amount of ambivalence in Brazil's increasingly forthcoming race relations stripped of its 'racial democracy' mythology. And this is while Brazil gropes toward a workable affirmative action/black empowerment formula against the backdrop of an increasingly politically assertive Amerindian or Afro-Amerindian/Mestizo trend in South America's leftward move out of the U.S. 'Monroe Doctrine' sphere of influence. These are considerations that presumably present important dilemmas for the Afro-Brazilian black movement within and outside the ruling Worker's Party as well as for political Brazil as a whole in terms of the ongoing democratization of the country's cultural diversity.

India and the South Asian 'Out of Africa' connection

The nuanced complexities of Brazil's racialized "struggle for democracy among ethnic groups" is matched by similar complexities in the post-apartheid South African struggle where socio-racial group identities are more sharply drawn and compartmentalized based on the 'Anglo-American' race model shared with the U.S. But, before delving into South Africa's complexities on this score, what about India – especially given India's much closer historical connection to South Africa and its race struggles and the prominent role immigrant Indians and their descendants have played in the South African struggle? While at first glance, India would appear to fall outside the African-derived racial template of cultural conflict in its decades older decolonizing democratization experience, there is nevertheless, a more ancient African connection that appears to form part of India's interregional cultural dynamics interacting with its system of social castes. Southern coastal peninsular Arabia, extending to Pakistan and southern India formed humanity's initial 'out of Africa' migration route from the Horn of Africa that resulted in South Asia, including the Indian sub-continent becoming the pivot of the further

demographic globalization of the species. South Asia, as a result, retains “the prime position in retaining African genetic diversity” with “peninsular India,” according to anthropologist Stephen Oppenheimer, serving as a “rich transitional ethnic and geographical zone between West and East Eurasia.”

This transitional ethnic richness includes relic African phenotypic communities as well as dark-skinned south Indians betraying similarities to Hamito-Semitic Northeast African communities; Northeast Africa serving as the launch pad for early ‘out-of-Africa’ migrations. Thereafter, the South Asian arc from Arabia to southern India became the fulcrum for further migratory patterns in the peopling of the world. This migratory dynamic dates roughly back to 70,000 years ago. The much later northern Indo-Aryan invasion of the Indus Valley in around 1500 BC seems to have contributed to India developing its own internal interregional socio-racial, light-dark skin polarities which, in fact, is often anecdotally remarked on by South African Indians socialized in South Africa’s socio-racial crucible of race conscious identity formation. In spite of these cleavages, post-colonial India’s democratization of its cultural diversity has produced a powerful pan-Indianism remarked on by Pavan K. Varna in his *Being Indian: The truth about why the 21st century will be India’s* (Penguin Books, 2004).

What has emerged is what Varna describes as a “new supranational Indian culture”; one influenced by “elite aspirations but no longer controlled by them.” Rather, what is described is a phenomenon fuelled by a “media and communications revolution” interacting with a “gradual but definitive democratization of the social order and the unprecedented expansion of the economy.” The upshot has been “a far more homogenized Indian than Indians are aware of or willing to accept.” Apart from the still dangerously vast socio-economic gap that exists within India responsible, in part for fuelling Maoist insurgencies in several marginalized provinces, the Indian experience depicted by Varna raises interesting questions about

whether or not a similar dynamic of pan-African ‘homogenization’ could take place – or indeed may actually be taking place – in South Africa, extending into the rest of the African continent under the steam of a similar media/communications revolution via the South African Broadcasting Corporation (SABC), MNet, Vodacom, SA Brewries, Shoprite and other commercial expansions beyond the Limpopo – in a word, a South African culturally homogenizing ‘sub-imperialism.’ (Not that the rest of Africa would be un-contested terrain given the emergence of Nigeria’s ‘Nollywood’ film industry phenomenon, taking a page out of India’s ‘Bollywood,’ the world’s largest film industry. Indeed, Nigerian ‘Nollywood’ has already made its presence felt in South Africa.) But then, posing such a question begs others; questions having to do with South Africa’s collective self-image and that of its constituent socio-racial communities. Here, a complicated identity conundrum emerges, especially among African black South Africans.

South African identity contradictions: ‘blackness’ in transition

During the Black Consciousness dimension of the ‘above ground,’ internal South African struggle, ‘black identity’ encompassed what were considered ‘non-African’ black South African minorities among Coloureds and Indians as well as the African majority in a ‘black united front’ against the apartheid regime. The ‘national question’ became a bi-polar socio-racial confrontation. Post-apartheid, the national question transformed into a ‘multipolar’ socio-racial configuration. The politics of redressing socio-racially based imbalances and backlogs has injected a new intra-black class competitiveness between the African black majority and the ‘non-African’ black minorities that has dialectically realigned the black consciousness paradigm into a narrower scope of South African black identity. The new realignment of blackness amongst African black

South Africans tends to draw a distinction between black and ‘non-black’ – as opposed to ‘non-African’ – South Africans; between the African ‘black’ majority and ‘non-black’ South Africans, effectively shifting Coloureds and Indians into the same minority camp as white South Africans.

These dialectics belie the ‘non-racialism’ of the newly dominant ideology of the National Democratic Revolution. In the process, this contradiction underlines the developmentalist transformation that must unfold if the demands of the politics of redress are to be satisfied as a precondition to deracializing the South African political economy. At this point, non-racialism will increasingly become the reality accompanying South Africa’s democratic cultural pluralism. But how, in the meantime, will such a process of post-apartheid socio-racially defined class struggle within and between groups shape South African national identity? To what extent will such a continuing “struggle for democracy” contribute to or detract from the forging of a truly non-racial civic nationalism? Could this process witness a descent of nationalism into the type of ethno-linguistic and/or regional power-struggles that have tested the stability of other much less materially developed African states?

These questions flow logically from some of the findings of the South African Presidency’s release in June 2006 of the report titled, *A Nation in the Making: A Discussion Document on Macro Social Trends in South Africa*, a continuation of the work done on government’s Ten Year Review. Known as the ‘Macro Social Report,’ it presents some interesting ‘national identity’ findings among Africans, Coloureds, Indians and Whites that require careful reflection. While overall progress in building a non-racial society finds expression in the new constitutional order, the “FutureFact PeopleScape 2004 Survey” of South Africans 16 years and older turns up the following trends in terms of how each socio-racial group defines its “Primary form of identity.” To the question, “How would you describe yourself?” 82% of Whites consider themselves ‘A South African’

followed by 78% for Coloureds, 70% for Indian/Asians but under half at 44% for Blacks/African. To a limited extent, the much lower South African identity allegiance registered by African black South Africans could be offset by the fact that on this same question, far more black South Africans, at 23%, consider themselves 'An African' compared to 5% for Whites and 4% each for Coloureds and Indian/Asians.

But the implied pan-African identity of African black South Africans diminishes when compared to 18% of Blacks/Africans surveyed whose primary form of identity is ethno-linguistic: Zulu/Xhosa/Swazi, etc. (A similar propensity toward stronger 'ethnic' as opposed to 'racial' identity showed up in an earlier survey published by the Centre for Policy Studies in 2005: Race and Ethnic Relations Barometer.) Thus, between the less than half of African black South Africans considering themselves 'South African' and those for whom ethnicity is their primary allegiance, the question emerges as to whether the weakness in post-colonial national identities bedevilling the stability of much of the rest of Africa is a potential problem confronting South Africa as well within a context of growing post-apartheid intra-black class polarization. And if these findings are coupled with those emerging from a recent survey conducted by Plus 94 Research, a market research affiliate of Gallup, then the 'black identity' crisis of African black South Africans appears all the more reinforced.

The findings published in the Sunday Times under the inflammatory heading, "Blacks are the biggest racists," indicated that: "The survey found that even though African people were most likely to be victimised by other races, almost half of South Africans had experienced discrimination at the hands of Africans. 44% of respondents claimed to have experienced an attitude from Africans they believed bordered on racial discrimination" compared to 27% experiencing such behaviour from Whites. But, in addition, "blacks are also more likely to treat other blacks worse than they treat people of other races." (*italics added*) This apparent black tendency toward

intolerance was picked up in an earlier Centre for Policy Studies ‘race barometer’ survey conducted in 2004 which noted that African black South Africans were more conservative on a variety of social integration indicators compared to other groups. However, given the imposed cultural separatist regime of the apartheid era and the greater degree of black South African isolation during this period as a consequence of South Africa’s isolation (save for those in exile), black relative intolerance hardly comes as a surprise.

Missing from the Macro-Social and Plus 94 Research surveys is any indication of the socio-economic class and/or income grouping of the respondents. This would provide a greater resolution of data for interpreting the potential political implications of the identity preferences recorded. To what extent does the emerging black elite from which leadership in political, economic and corporate governance is recruited reflect the implied ‘identity crisis’ findings of these surveys? Whatever the case, these findings cannot but constitute a challenge confronting the capacity of the post-apartheid black political class and intelligentsia. It is a challenge concerning the fostering of social cohesion and a transcendent civic nationalism among a critical mass majority of black South Africans. It is they, after all, who must constitute the centre of gravity in an evolving non-racial national identity.

The capacity of South Africa’s black elite to cope with such a challenge necessarily involves the political management of South Africa’s cultural diversity as well. To what extent can this task be democratically managed within a context of socio-racial group disparities in allegiance to ‘South African’ and ‘African’ identities? To what extent are ‘South African’ and ‘African’ identities compatible in the unfolding shaping of South Africa’s national identity within the pan-African regional integrationist context of South Africa’s interaction with the rest of southern Africa and the continent as a whole? To approach an answer to these and other related questions, however, one must consider the extent to which black South Africa’s elite is in control of South Africa’s destiny.

Governance and the Political Management of Diversity: Is S. Africa an exception to the African rule?

South Africa's internal political dynamics of national identity formation are intimately caught up in the question of democracy and cultural identity. What may appear to be operating is a cognitive dissonance between allegiance to a 'South African' identity that may not necessarily involve identification with the African continent clashing with an ethnically rooted (as opposed to a pan-African) 'African' identity that may override a sense of a common South African nationhood. If this is indeed what is transpiring in the South African cultural diversity conundrum, such tensions could pose a major inhibiting factor in South Africa's IBSA role based on its regional-cum-continental leadership presumptions.

If one conceptualizes IBSA as a 'middle power' alignment of the global South within a larger process of the reordering of the international system into a multipolar, post-Western order moving toward the democratization of global governance in a culturally diverse world, South Africa's role is inextricably tied to the project of elevating the African continent out of its bottom-rung status within this changing world system. This, in effect, is the vocation of the African Renaissance which South Africa's post-apartheid revisionist activism set in motion via the ongoing institutional restructuring of the inter-African system.

African sub-ethnicity: the curse of micro-mini 'nationalism'

The challenge of the African Renaissance re-emphasizes the question of governance. In this vein, South Africa's unfolding experiment in the political management of diversity mirrors the larger continental challenge facing Africa and virtually every member state

of the AU. Namely, the challenge of democratically managing of diversity; how to share power within culturally diverse multiethnic and/or regionally distinct polities; how to navigate inter and intra-state relations within sub-regions of the continent that reflect the cross-border spill-over of multicultural contradictions that are the cause of tensions within and between states; how to manage sub-ethnic diversities within superficially homogenous ethno-linguistic communities – for example: intra-Shona (Zimbabwe), intra-Somali (Somali-speaking regions in the Horn of African), intra-Zulu or inter-Nguni (South Africa).

Africa's recent experience, after all, is as much about intra-group warfare as it is about inter-group confrontations even as conflicts in many regions of the continent involve an interplay between inter and intra-state dynamics. Within this context, one might argue that South Africa's recent experience is no different and that any notion of a uniquely South African 'exceptionalism' viz-a-viz the rest of Africa in this regard would seriously underestimate the governance challenges facing South Africa, let alone the rest of the continent. This is compounded by the urgency of closing widening poverty gaps between expanding black middle classes alongside equally expanding black underclasses mired in poverty and despair.

Given what appears to be the strong ethnic character of post-apartheid black South African identity, the years of pre-transition Zulu civil war within KwaZulu-Natal may need to be re-examined within a wider African context of not merely ethnic, but sub-ethnic centrifugal forces challenging the cohesion of post-colonial Africa. Readily coming to mind in this regard was the bloody aftermath of the Chitepo assassination that almost destroyed the Zimbabwe African National Union (ZANU) in exile and that could yet re-emerge in the internal leadership succession struggle within Zanu-Patriotic Front (ZANU-PF) amid reports of sub-Shona dynamics within the party. Lesotho's mono-ethnic character did not save it from near collapse into failed statehood, clumsily rescued by South Africa's 1995 joint

military intervention with Botswana, any more than Somalia's mono-ethnic character has saved it from collapsing into statelessness amid endless clan and sub-clan rivalries and warlordism. And Somalia's mono-ethnic clan warfare could yet unhinge Ethiopia's pseudo-democratic cultural diversity.

Nation-building and identity: democratizing the cultural apparatus

Seen within this wider African tapestry of sub-ethnic, sub-cultural conflicts, South Africa's muted black-on-black ethno-linguistic tensions lurking beneath the surface of socio-racial contradictions between 'South African' versus 'African' identity allegiance could potentially pose serious challenges to Pretoria's leadership of the African Renaissance, accompanied by its leadership role as Africa's representative in South-South cooperation and North-South interaction – which begs a reiteration of the question of the extent of the post-apartheid black elite's control of South Africa's destiny as they are burdened with the task of reconciling these contradictions. And here, a major role falls to the cultural apparatus and the control of its constituent institutions and networks in setting society's agenda on the broad cultural terrain of contestation in knowledge production, the dissemination of ideas and the interpreting of reality. In short, between black political control of the state apparatus and white economic control of the economy, where does the black elite stand in relationship to the challenge of democratizing the cultural apparatus? Here, a useful point of reference is Moeletsi Mbeki's summary critique of Black Economic Empowerment (BEE) within the context of what he terms the Minerals and Energy Complex (MEC) as the core of the South African political economy (much as President Dwight David Eisenhower's Military-Industrial-Congressional Complex defines the core of the American political economy as reflected in current U.S. foreign and national security policy).

Mbeki argues that the South African transformation quid pro quo involved a trade-off between a politically dominant black upper middle class agreeing to preserve the MEC which, in effect, has been to the detriment of the South African manufacturing sector – hence their exclusion from Codesa (Congress for a Democratic South Africa) II negotiations along with organized labour – in exchange for the MEC facilitating BEE; BEE being widely perceived as the vehicle of co-optation of a segment of the black political class into the overwhelmingly white economic oligarchy and its institutional ‘soft power’ spin-offs in civil society. This implied diluting of the political transition to the benefit of ‘market-dominant’ whites has provided the basis for a pattern of black elite recruitment into the corporate commercial private sector and continuing white domination of strategic sectors of institutionalized civil society that forms the playing field in the struggle for hegemony on a cultural front where the African Renaissance is anything but assured. White control of the corporate commercial print media and of major tertiary institutions of higher learning are cases in point, interacting with issues of controversy surrounding attempts to assert greater black influence (if not control) over the cultural apparatus which inevitably comes under attack from the white political opposition and sectors of the white media and tertiary education establishments.

Black ‘fronting’ in S. Africa’s white media

While the commercial corporate print media hypocritically attacks the South African Broadcasting Corporation (SABC) as a propaganda mouth-piece of the ANC government, the nominal black editorships in the English-language press belies a situation in which a coterie of veteran white journalists and section editors with their own long-standing ties to the MEC economic oligarchs exercise their own brand of control over the dissemination of news, commentary and opinion. Black editorial subordination in

the new South Africa is purchased by the circumstance of extreme commercial corporate media ownership concentration – reflecting the extreme oligarchic concentration of the economy as a whole – in the MEC-linked Johncom, Media 24, Heinz magnate Tony O’Reilly’s Independent Media and Caxton publishers which is reportedly in the process of buying Johncom’s media interests. This means that there is a dearth of top editorial jobs to go around in the print media industry and black editors who hold down such positions are lucky to have them. But they must behave themselves! Therefore, they are not prone to ‘rock the boat’ and will defer to their white deputies and/or senior veteran sub-editors; an example of structurally influenced ‘fronting.’

Within the context of this structured system of institutional control, the development of indigenous South African news analysis and commentary from non-black and black South Africans alike is stunted. Among other things, this is reflected by heavy reliance, especially in the English-language press, on foreign news copy. This happens in a manner that carefully manages the reading public’s understanding of major international developments. For example, the Sunday Independent relies heavily on articles selected from the Washington Post in its coverage of the Middle East; this in spite of the fact that the Post is a major media actor in Washington’s virtual ‘ministry of information’ comprising a public-private propaganda partnership accommodating the pre-emptive war policy of the Bush Administration and its boomeranging strategy of sectarian geopolitics in the Middle East.

The Sunday Times, which has a very slim op-ed commentary section – all the better to more effectively filter South African commentary and the issues agenda – compared to the Sunday Independent and City Press, carries an entire New York Times supplement. And virtually all South African newspapers, from The Star and the Mail & Guardian to the Sunday newspapers rely on their stock left-of-centre contrarians for ‘progressive’ balance in none other than John Pilger and Richard Fisk (on the Middle East) – two

white non-South African critics whom, whether they know it or not, are being effectively employed to occupy a space that could well be occupied by any number of equally articulate South African critical intellectuals covering the range of commentary provided by Fisk and Pilger. City Press, on the other hand, edited by Mathatha Tsedu, which brands itself as ‘Proudly African’ is Afro-centric to such a fault that little in the way of non-African international news, commentary and opinion finds its way into its ‘Features’ section, thereby, by omission, complementing the imported biases of the other Sunday print media. However, Tsedu is unique among South African journalists, black and non-black alike, in introducing Afro-centric themes into the mainstream media in a manner that would have been unheard of prior to 1994 – or in a manner that has never happened in the overwhelmingly white-controlled U.S. media.

An alumnus of that Western journalistic fraternity of socialization, Harvard University’s Neiman Fellows programme that any number of black and white South African journalists have participated in, Tsedu did not become domesticated into the type of non-ideological ‘objective’ liberalism that this programme seems to foster. As a result, the manner in which he was booted out as editor of The Sunday Times by fellow former black journalism activist Connie Molusi of Johncom on the apparently convenient pretext of the bottom-line raises serious questions about how much room for transformation there is in the South African print media. Tsedu’s fate along with the mysterious ‘rustification’ of former Business Day deputy editor Jethro Goko, amid that paper’s close alignment with the South African Institute of International Affairs on foreign affairs commentary, would appear to be but the tip-of-the-iceberg of a far from transformed corporate commercial print media culture; one that essentially mirrors the dominance of the white economic oligarchy in spite of BEE and appearances of titular black editorial and/or executive control of this sector of the institutionalized cultural apparatus.

Decolonizing the Academy: The case of Wit's white American fixation

However, the South African “struggle for democracy” in the English-speaking Academy appears equally uphill, with even more blatant transgressions in the service of maintaining white dominance of the institutionalized cultural apparatus. Here, Johannesburg’s University of the Witwatersrand (or Wits) stands out as prime example number one not simply in the tenacity of its white faculty and academic management resistance to change under titular black leadership, but in its unique propensity to impose imported white American academics on the Humanities, the School of Social Sciences and the Department of International Relations (IR). There are even white American candidates to head up the IR department at Wits, though in this case, the international search for the successor to the outgoing white American incumbent has turned up a number of highly qualified and academically respected non-South African black foreign affairs and Africa area specialists.

While the IR search has dragged on into an apparent stalemate given the seeming reluctance to appoint what would be Wits IR’s first black head of department, observers of the university’s convoluted transformation politics speculate that if a white successor – American or non-American – is not chosen, than a comparatively weak black head of department will be chosen as a ‘Plan B’ for retaining an appreciable amount of residual white control. The fact that white American leadership and influence of a major South African institution could become the issue it has at Wits more than ten years after apartheid is testimony to the tenacity of the colonial pattern of institutional racism persisting at Wits and more generally in the English-speaking Academy in spite of an expanding black tertiary student population at formerly white universities in South Africa. Continued white academic dominance of South Africa’s tertiary institutions mirrors the more general white dominant institutional profile of the

South African knowledge sector including research centres and think tanks, though changes albeit uneven, have been underway in many instances.

One of the stock refrains in response to concerns raised about the absence or limited number of blacks manning strategic positions in this sector of the cultural apparatus is the sector's non-competitiveness with government and the private corporate world in terms of black recruitment, given more lucrative salaries outside of academia and any number of research fields. However, there may be a measure of disingenuousness in such rationales explaining an absence of blacks or black candidates in research and academia linked to what may be a tendency to keep academic faculty salaries artificially low – as a socio-racial 'non-tariff barrier' – given the offsetting inherited wealth of many white South African academics via endowments, trusts, transnational 'kith and kin' ties and international funding networks that such academics may have recourse to, in addition to the availability of lucrative outside consulting opportunities. This is an area of research into the institutionalized transformation resistances to democratizing cultural diversity that urgently needs to be undertaken as a means of devising appropriate governmental interventions for building and nurturing black intellectual capital in the tertiary sector. One can imagine here, cries of infringing on 'academic freedom' much as American white 'Dixiecrat' southerners used to rebel-yell 'states rights'!

Enter the 'Native Club': Crisis of the S. African black intellectual?

The fact of the matter, if the South African state is aspiring to become developmental, implying greater transformational intervention in the economy, this developmentalism may need to be extended to the broad terrain of the cultural front as well. As the 'Native Club' imbroglio attests, the media sentinels of the economic

oligarchy are ever vigilant to even the softest forms of intervention that the state and its allies in civil society might mount to advance black intellectual empowerment – not that South African black intellectuals have shown a lot of resolute aggression in this regard given how ill prepared they were to the orchestrated backlash to the idea of a ‘Native Club’ that was immediately forthcoming in the white print media.

Given the dearth of black intellectual capital in the knowledge sector generally, including academia and the research-‘think tanking’ sector as well as strategic editorial control in the print media, plus a lack of sufficient dissemination of Afrocentric and/or counter-Western perspectives to market friendly non-ideological liberalism, a counter-hegemonic ‘Native Club’ project devoted to consolidating black intellectual resources for empowerment and democratizing of the cultural apparatus is long overdue. It would need inventing if it didn’t already exist. However, there is a perception afoot that the counter-reaction from within the white print media was so overwhelmingly fierce and sorties from ‘Native Club’ proponents so few that, indeed, the one-sidedness of the ensuing debate may have driven the ‘Native Club’ underground. This seems hardly the case though fixations on “who is a ‘native’,” quickly side-tracked any debate over substantive issues pertaining to the ‘Native Club.’ The club’s proponents, as a result, are having to carefully and methodically regroup. However, some of the issues generated by the ‘Native Club’ debate may be indicative of where issues of democracy and cultural diversity stand in present-day post-apartheid South Africa.

West African perspectives on a South African debate

Two west African perspectives on the ‘Native Club’ – one francophone, the other anglophone – are instructive, not just because of how other Africans perceive black South Africa, but what

their commentaries, superimposed on the black politics of South African identity, say about the complexities of the African intellectual condition overall. Cameroonian scholar, Achille Mbembe, professor of history and politics at Wits, and a theorist of ‘Afro-cosmopolitanism’ takes the term ‘Native’ literally as a ‘nativistic’ anti-foreign expression. He interprets the ‘Native Club’ as “but one example of the nativist renewal engulfing the country” in which a “dangerous” shift has allegedly occurred “from non-racialism to nativism,” with all this implies in terms of xenophobic nationalism. Never mind the fact that, given South Africa’s unique socio-racial experience which, like the similar ‘Anglo-American model’ of U.S. race relations, devalued all that was African and ‘black’ in contrast to the assimilationist cultural compulsions of French-speaking Africa. Mbembe misses the dialectical cultural logic of race consciousness as a transitional vehicle of empowerment en route to a more democratically pluralistic deracialization of the post-apartheid social formation. Hence, a seemingly naïve disappointment of having been let down by the fact that the South African ‘Miracle’ did not immediately transition into “a truly non-racial, modern and cosmopolitan society”; one that would amount to “the best gift Africa had ever given to the world.”

Mbembe’s ‘rainbow blues’ appears to reflect one who prematurely protest too much and too loudly as his impatient vision allows for no middle ground of social deconstruction and reconstruction on the road to the African version of the perfect society. In this, Mbembe risks jumping into bed with South Africa’s white neo-liberal opposition which admits of no such thing as an unlevel playing field of inherited social deficits pitted against the inherent advantages of privilege. Afro-cosmopolitanism, on these francophonically rooted terms leaves little room for an autonomous black intellectual, cultural, political and economic space within a democratizing cultural diversity of the knowledge sector of the MEC-dominated South African political economy. Such innocence does

not cloud the critical vision of Nigerian Adekeye Adebajo, head of the Centre for Conflict Resolution (CCR) affiliated with the University of Cape Town.

Adebajo comes at the ‘Native Club’ question from the perspective of sympathetic critic whose misgivings have more to do with the ‘hit the ground stumbling’ manner in which this initiative got off the ground rather than whether or not it should have seen the light of day to begin with. According to Adebajo, the ‘Native Club’ committed three “strategic blunders”: its government links and funding smacking of intellectuals compromising their independence by not maintaining “a critical distance from power”; the fact that the ‘Natives’ effectively left “the framing of the debate to their predominantly ‘settler’ critics; and their neglect of the “sacred heritage and legacy of WEB DuBois, George Padmore and other Pan-Africanists.” It is hard to find fault with this critique, especially that having to do with the culturally hegemonic ‘hearts and mind’ battle being waged by the predominantly white ‘settler’ detractors of what the semi-restless ‘Natives’ have wrought. But on the point concerning reservations about the government connection in the launching of the ‘Native Club,’ this is not as straight forward as it appears.

Adebajo’s point, on this score, is essentially neutralized by the bifurcated distribution of power in transitional post-apartheid South Africa. This reality greatly dilutes the political ascendancy of what still constitutes a liberation movement regime waging an uphill struggle against entrenched white power in the form of an internationally connected economic oligarchy for whose print-media mouth-pieces are the very “predominantly ‘settler’ critics” alluded to by Adebajo. Under these ambivalent circumstances, whose power should one prioritize speaking truth too? Sunday Independent cultural columnist Robert Greig identified the Centre for Policy Studies, the Institute for Global Dialogue and the Africa Institute of South Africa as being among “a bevy of compliant institutions” of the ANC government.

‘Native Club’ compromised? The fallacy of the government connection

Apart from failing to specify what he means by “compliant institutions” and whatever complicity said institutions are complicit in, it is not clear what, in Greig’s estimation, would constitute non-complicit institutions within the context of South Africa’s post-apartheid politics of redress – which, in effect, makes the black majority-ruled government and the ruling ANC alliance, fractious as it is, the real opposition in a continuing liberation struggle against residual white power. Thus, to the extent that such institutions are on the same ‘wave-length’ with government in the unfolding politics of redress, Greig may have a point about “compliance.” But then, maybe not. After all, within the context of the politics of redress, the “bevy of compliant institutions” Greig refers to share in the same black empowering class interests with the ANC government and its allies in civil society. In that sense, said “compliant institutions” essentially fall within the parameters of the state defined as the politically dominant coalition of forces inclusive of government and civil society. Does this then automatically suggest that black or predominantly black institutions in civil society have no independent intellectual identity of their own; that the ruling coalition of forces comprising the state is a monolith with everyone marching in lock-step even though white economic oligarchies the world-over, South Africa included are by no means monolithic?

This is a critical point worth belabouring in as much as South African civil society generally faces an identity crisis when it comes to relating to government on a constructive basis of critical and selective engagement. Those in the white dominated corporate commercial media are obviously of no help on this score. Otherwise, how this compromises the intellectual independence of the ‘Native Club’ in the conventional sense of being compromised by associating with government beyond ‘guilt by association’ is unclear. The

foregoing reflects the highly distracted nature of the socio-racial battle for hegemony on the South African cultural front.

South African black intellectuals, carrying their own baggage of identity conundrums in terms of what takes priority – the inherently fragmenting micro-mini ‘nationalisms’ of intra-racial ethnicity versus a more expansive pan-African black South African identity, versus again, the question of who constitutes a ‘real’ South African and who or who is not ‘Native’ or a ‘settler’ – are kept so much on the defensive (not to mention their comparative lack of resources and institutional cohesion and stability) by a constantly mobilized, vigilant and proactive white commentariate, that they never get around to focusing on the substance of what ought to be part of the vocation of black intellectuals the world over: namely, the reinterpreting of historical and contemporary reality away from the mythologies and assumptions of white Euro-centric ‘Westernism’; indeed, redefining what constitutes the ‘West’ as a precondition to carrying forward the kind of ‘Dialogue of Civilizations’ being espoused by former Iranian President Mohammad Khatami with the backing of the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Such a re-interpretive process has as much relevance to the inter-religious dimensions of cultural conflict and diversity as the socio-racial aspects. For the reference point of the Euro-centric ‘West’ is the highly selective notion of a ‘Greco-Roman, Judaeo-Christian’ civilization which conveniently omits acknowledgement of Islam; Islam forming part of an Abrahamic inter-faith trinity with Christianity and Judaism as sister religions. They emerged out of a common Afro-Asiatic geo-cultural linguistic region encompassing North Africa and Nile River Basin, the Northeast Hamito-Semitic Horn of Africa, the eastern Mediterranean and the Middle East. Thus, a more appropriate definition of the ‘West’ would position it as the western extremity within an essentially non-European eastern sphere of human civilizational evolution, the eastern extremity comprising the Sino-

Indian Hindu-Buddhist-Confucian traditions. Thus, 'Greco-Roman, Judaeo-Christian' would give way to an essentially non-European 'West'; one defined as encompassing an 'Afro-Asiatic, Judaeo-Christian-Islamic' civilization. Hence, the notion of a culturally polarized 'clash of civilizations' underpinning a 'war on terror' between Islam and West or the Huntingtonian notion of 'the West against the Rest,' would give way to an Inter-Abrahamic dialogue within the larger scope of a dialogue between civilizations. South Africa, indeed, is well placed to lead such a dialogue given its culture of inter-faith democratic pluralism and inter-Abrahamic tolerance between Christians, Muslims and Jews as well as other faiths.

Such a narrative of re-interpreting historical and contemporary reality is in line with the current geopolitical-economic power rebalancing currently underway in the world at large. The IBSA alignment is but one multilateral reflection of what might be termed the multipolar democratizing of cultural diversity at the level of global governance. However, the foregoing is illustrative of only a fraction of the vast reconstructive undertaking that black-cum-'Native' intellectuals must embark on alongside the more 'bread and butter' issues of bridging the growing socio-economic class divides that are suggestive of cultural revolutions that are intimately intertwined with the democratization of cultural diversity; transforming cultures of poverty that sustain informal sectors of larger economies into the socio-economic mainstream – a challenge facing all three IBSA countries.

In the South African context, this challenge was cogently summarized by University of Cape Town Vice-Chancellor Njabulo Ndebele in making the following admission: "We have never had social cohesion in South Africa – certainly not since the Natives' Land Act of 1913. What we definitely have had over the decades is a mobilising vision. Could it be that the mobilising vision, mistaken for social cohesion, is cracking under the weight of the reality and extent of social reconstruction, and the legitimate framework for debating these problems is collapsing?..." (italics added)

Poverty and the Imperatives of Cultural Revolution: A comparative summary

Waging socially reconstructive ‘wars on poverty’ is a challenge facing South Africa along with Brazil and India; India, in fact, increasingly having to wage counter-insurgency campaigns in some of its more marginalized provinces while having to confront its major cultural diversity challenge of maintaining a democratic inter-faith culture of tolerance between Hindus and Muslims. Apart from having to deal with an increasingly restive Muslim minority – the second largest in the world after Indonesia – the Maoist insurgencies carry with them their own implications of socio-economic cultural revolution, accompanied by political accommodations that may be foreshadowed by neighbouring Nepal having to politically come to terms with its own Maoist insurgency in that country’s transition from an autocratic monarchy.

While these insurgencies belie India’s quest for ‘great power’ status alongside China (which has its own post-proletarian cultural revolution socio-economic polarization posing major challenges to long-term stability), South Africa’s post-apartheid challenge of effecting a socio-economic cultural revolution shares similarities to the more socio-racially defined challenges that continue to bedevil the Americas in terms of overcoming the marginalized status of African diaspora and indigenous Amerindian communities. Here, the overlapping similarities in the cultural challenges inherent in fighting poverty that South Africa and Brazil share with India, overlap again, in terms of their socio-racial dimension with the historical experience of the U.S.

In comparative terms, African (and Coloured) black South Africans, Afro-Brazilians and African-Americans comprise the most strategically situated – or potentially situated – black populations in the world within white-dominated (or formerly dominated in the case of South Africa) multicultural settings. Their respective

revolutions over the past decades represent different variations along the same theme of unfulfilled promise from the standpoint of a democratization of cultural diversity argued in this paper.

Black revolution deferred: the American 'Reconstruction' experience

Within the context of the western hemispheric trilateral dialectic of conflict and accommodation between Amerindian, African and European, the American experience saw two aborted attempts at socio-racial revolution with culturally democratizing spin-offs and implications: the post-civil war First Reconstruction of 1865-1876 abolished racial slavery and incorporated African descendants into civil and political society under the Lincolnian Republican party of the emancipation and allied Union Leagues in which reconstruction governments introduced the first systems of public education in the former slavocracy but which failed to fulfil the economic promise of '40 acres and mule' as the cornerstone of black "community reconstitution, economic independence, and self-governance" before Reconstruction's overthrow by the restoration of a southern 'home rule' racial dictatorship (accompanied by the 1887 Dawes Act which dismantled Native American tribal sovereignties); followed by the unfinished 'Second Reconstruction' which, in broader terms encompasses 1932-1965, beginning with the Rooseveltian era ushering in welfare state capitalism under the New Deal but which, in African-American terms, took in the mid-1950s to mid-60's civil rights movement culminating in the Voting Rights Act of 1965, followed by the onset of an insurgent 'Black Power' movement and President Lyndon B. Johnson's 'War on Poverty.' These became casualties of the Vietnam War and a conservative white 'backlash' which began the ascendancy of the current Republican era starting with the Richard Nixon administration – the Republican and Democratic parties having changed places on race.

The Nixon administration marked the beginning of the end of the Second Reconstruction except for a brief four year Democratic party interlude under President Jimmy Carter before the introduction of ideologically conservative Republicanism under Ronald Reagan. The carving out of an autonomous African-American political identity as a corollary to national (as opposed to racial) integration was short-circuited by this history as well as black leadership failure to carve out a dual strategy of black political independence via a black or black-influenced political party as advocated by Cruse, interacting with strategies of interracial (and now, increasingly multiracial) collaboration. However, the cultural dynamism of black America unleashed by the civil rights and cultural proto-nationalist movements became one of the 'soft power' agencies of the American cultural dimension of globalization brought on by the lucrative commodification of 'blackness' and the 'black is beautiful' spin-off from the Black Power late 60's. Beyond that, a disempowering assimilationist co-option of the black middle class has eroded the vitality of a potentially progressive black role in American politics.

Black revolution contained: S. African realities of economic concentration

At the opposite end of the spectrum in majoritarian demographic terms, black South Africa has asserted its political autonomy via the capturing of state power which has generated its own democratizing cultural dimension in the protracted 'Africanization' of South Africa as the country integrates itself into the rest of the continent as a major African power. But the domestic challenge of overcoming the consequences of rejecting the nationalization of key sectors of the economy and/or the economy's radical restructuring under the duress of post-Cold War Western triumphalism appears to dilute the potential for constructing a developmental state.

The continuing over-concentration of South Africa's key economic sectors, reflected in a largely untransformed cultural apparatus limits the democratization of South Africa's cultural diversity which should reflect a more pro-African, pro-third world dominance of public discourse though, crucially, in the foreign policy realm hegemony on this front has emerged. But can this foreign policy, as it unfolds in the rest of Africa and as Pretoria projects itself as Africa's foremost power in the diplomacy of South-South cooperation and North-South power dynamics, develop stronger domestic underpinnings in terms of the black political class coming to grips with two interrelated developmental state challenges: the de-construction and restructuring of an over-concentrated economy reflecting in the co-optive domination of the white economic oligarchy which is not necessarily supportive of the global South thrust of Pretoria's foreign policy and would be more comfortable with a more pronounced pro-Western alignment; and the fashioning of a national grassroots participatory development policy linked to a mobilizational strategy of social reconstruction in poor rural and urban communities.

Tackling these admittedly formidable challenges should give further momentum to the democratizing of South Africa's cultural diversity by more decisively contributing to the closing of the socio-economic divide that has rapidly emerged post-apartheid. In the meantime, this internal challenge is more than matched by the contentious cultural politics of the African Renaissance that Pretoria must navigate within the fledgling institutional terrain of an African Union riven by rivalries between anglophone and francophone Africa, interacting with sub-regional rivalries that include ambivalence over South Africa's leadership role. It is this baggage of inter-African cultural diversity politics that Pretoria brings into its South-South relationships such as IBSA. But here, South Africa's internal political dynamics surrounding its grappling with cultural diversity and its post-apartheid foray into the rest of Africa converges with challenges confronting Afro-Brazil within the context of a convergence of interest between South Africa's and Brazil's African agenda.

Black revolution Lusophone style: The Brazilian Africa policy connection

What some see as the “growing importance of race in the Brazilian public sphere” is reflected in what appears to be a major investment by a section of Brazil’s fledgling black political class in the ruling PT. In the international sphere, South Africa’s Africa policy could conceivably benefit from what has been reported as the PT’s promise to its black constituency to “strengthen cultural and economic ties between Brazil and Lusophone Africa. Among other things, this is reflected in close relations between Brazil and Angola while relations between Luanda and Pretoria have been marked by considerable ambivalence stemming from differences over the war that was waged against UNITA and Angola’s own regional power aspirations. These saw it align itself with Zimbabwe in the Great Lakes conflict against South Africa’s anti-military interventionist peace diplomacy. However, an even more pronounced encouragement of a pan-African dimension in Afro-Brazilian relations with Africa is the “Meeting of Black Parliamentary Politicians of the Americas and the Caribbean” convened in 2003 in what was seen as “these countries’ desires to create a transnational community of African-descended parliamentary politicians through annual meetings and an eventual transnational congress.”

To the extent that such an evolution has Brazil’s backing, such a policy would appear to acknowledge the AU’s African diaspora initiative which South Africa has also bought into in terms of its focus on the Caribbean. While this unmistakable sign of a home-grown pan-African dimension to Afro-Brazilian political advancement is an encouraging sign of a democratizing trend in the socio-racial expression of Brazil’s cultural diversity, a measure of caution may be in order in terms of how deeply rooted an Afro-centric consciousness is among black Brazilians. This has to do with two constants remarked on as “the dominance of a middle-class, mulato leadership, and the

inability to mobilize the majority of the Afro-Brazilian population.” Within this context, a related uncertainty is the extent to which this socio-racial democratization of Brazilian cultural diversity is a pervasive trend running throughout the society or a phenomenon more contingent on the electoral fortunes of the PT, plus the extent to which black political fortunes are tied to the PT much as African-American political fortunes have been tied to the Democratic party in the U.S. Whatever the case may be, questions of identity, as a legacy of Brazil’s ‘racial democracy’ myth, may bedevil the emergence of an autonomous Afro-Brazilian identity impacting on the Brazilian cultural apparatus.

But cultural diversity dilemmas confronting Afro-Brazilian identity need not necessarily affect the thrust of Brazil’s interrelated Africa and global South policies. These are ultimately based more on national interest calculations – in which the status of Afro-Brazilians do increasingly figure – reflected in Brazil’s, South Africa’s and India’s coalescence in their trilateral relationship in an alignment reflecting a broader trend toward middle power regional resurgences and readjustments. These can be seen in each country’s regional-cum-continental relationships and repositionings viz-a-viz their neighbours as well as in their trilateral relationship with one another. This is a process involving reassessments of national and foreign policy identities which must inevitably affect the culture of international relations as other middle-range and regional powers rethink their strategic postures in a fluid environment of eroding unipolarity amid increasing multipolarity.

Conclusion: Democratizing cultural diversity as a ‘Work in Progress’

From a global governance perspective of democratizing cultural diversity, the IBSA alignment, taking into account each country’s internal politics of cultural diversity and its management,

thus falls within a larger trend reflected, for example, in Turkey's prioritizing its relations with its Arab-Persian/Sunni-Shiite neighbours in the Middle East while balancing its bridging role between the Islamic world and its NATO allies in the Euro-Atlantic community along with Israel; the emergence of Iran as a regional power in the Middle East, Central and 'Greater West Asia' accompanied by a Sunni identity crisis amid a Shiite ascendancy affecting other regional powers like Egypt which is also caught in a sphere-of-influence tug-of-war with Ethiopia in northeast Africa; the Russian 'great power' comeback and reconfiguring of the Central Asian pipeline and security architectures in tandem with China; Japan's strengthening of its already close security alliance with the U.S.; the emergence of Venezuela as a Caribbean and South American power within a regionally consolidating South America revolving around a Brazilian-led Mercosur; and IBSA's merging into a larger Brazil-Russia-India-China-S. Africa (BRICSA) counter-globalization grouping of powers seeking to balance security of energy/resource supply with security of energy/resource demand.

The South African niche within this reconfiguring of world power is to carve out a democratic developmental space for Africa within a global system linked to a renaissance of the global South. For this, the IBSA connection holds out much promise as an anchor for this South African vision; one which Pretoria is simultaneously trying to effect within its own country in a continuing struggle to overcome contradictions inherent in the nature of the compromises and trade-offs that came with the negotiated settlement known as the South African 'Miracle.' In this, the democratizing of cultural diversity remains a work in progress mediated by a power equation that translates into the Lusophone liberation refrain: 'A luta continua.'





Democracy and Cultural Diversity








Democracy and Cultural Diversity

Mridula Mukherjee



When discussing cultural diversity, one needs to distinguish between multicultural and plural societies. Multicultural societies are those whose members have different visions, conceptual vocabularies and organizing principles, know this to be so and agree to disagree. This makes contemporary multicultural societies different from plural societies, with the former stressing equality of cultures and the latter plurality and co-existence. Moreover, there is an aspect of critique of the dominant culture which multiculturalism has and plurality lacks.

The important question posed by scholars is one of how multicultural societies can evolve a broadly shared culture or a composite culture. This is a pressing issue as the unitary nation-state and the assimilation model is no longer desirable or practicable. A sense of belonging can be fostered by constitutional democracy, the state (whose institutions are impartial and whose laws ban discrimination) and a flourishing civil society. A shared culture is essential for belonging and can be created by cultural interaction. Cultural boundaries weaken, get blurred, beliefs are contested and interrogated and a loosely held and fluid body of beliefs emerges. To complement this cultural interaction, public institutions ensure equal power and equal Access to members of the non-dominant cultures in political, economic and cultural spheres.

For example, to take the case of Britain, its literary, musical and culinary cultures now include Afro-Caribbean and South-Asian elements. Also, a composite religious ethos and culture have

emerged, with inter-faith dialogue and multi-religious worship at its core.

In many ways, India is one of the best examples of composite culture, be it in cuisine, music, films, dress and arts, to which Hinduism, Islam, Christianity and secular modernity have contributed. This composite culture shapes the “self-understanding” of different communities – the ‘openness’ of the Indian Muslim compared to, say, a West Asian Muslim, being a case in point. However, it has its limitations – it is not fully inclusive and interactive and tribals and Muslims tend to be marginalized.

The fascinating paradoxes of multiculturalism in the US are highlighted in the work of **Nathan Glazer**. He believes that while the popular writings on multiculturalism would suggest that it is on the defensive in the sphere of ideas, it has met with success in the sphere of action. Again, this is not so much the success of ideas as the need for pragmatism. Multicultural policies and perspectives are adopted by business and politics because of the need to be effective. Multiculturalism is most successful in education, especially public elementary and secondary education, and in writing on education. Multicultural themes are included in textbooks and curricula by official directives. Glazer notes that the attack on multiculturalism is strongest from the right, which alleges that it erodes American culture. This, in his view, is unfair as it targets only an extreme variant of multiculturalism, whereas multiculturalism in a basic sense means respect for other cultures.

Again, Glazer points to the paradox that multiculturalism refers to culture, yet the major forces and demands around it are essentially political. Multiculturalism began with the civil rights movement of the 1960s demanding equal rights for blacks and was taken up by the women’s movement, which, too, demanded equality as well as recognition – for example, emphasis on women related themes in textbooks, etc.

Glazer stresses an important difference between multiculturalism in Europe and the United States – in the US there were no minority groups of distinctive culture concentrated in an area and interested in maintaining that distinctiveness, as was the case in Europe. Interestingly, immigrants have favored integration into American society and continue to do so, if only for the economic benefits that come with assimilation. Groups demanding recognition under multiculturalism are limited to blacks, women and Hispanics. This suggests that the influences of assimilation are stronger than those behind maintaining difference. Minorities in the US have not demanded separateness; they have demanded inclusion in American society and the political system. The only groups which have a distinct identity and want to keep it so are the blacks. Even there multiculturalism amounts to recognizing their identity, rather than their culture. Glazer sums up this paradox beautifully – the battles of multiculturalism and identity are all fought out in English, even if they are over the role of Spanish.

Glazer adds a cautionary note that 9/11 could signal a break with this pattern of inclusion if the reaction of the Muslims and Arabs who are harassed is to stress the difference of their culture. He reminds us that it has taken the US three centuries to integrate the blacks.

For Britain, scholars such as **Tariq Madood** argue that contemporary developments in Britain indicate that ethno-religious divisions are as persistent as the racial/color divide. However, the oppositional character of ethnic minority ‘self-concepts’ has not necessarily undermined integration. Public discourse and political arrangements are challenged but they adjust to accommodate and integrate the challengers. Thus ‘ethnicity’ or ‘blackness’ is less of an oppositional identity, it is perceived as a way of being British. Hybridity is not a sub-state nationality, it is a form of complex Britishness, a hyphenated identity like black-British or British-Indian that seeks to negotiate a space *within* British nationality, unlike the

Scots or the Irish. For Madood, while changes in white British attitudes are needed for integration, equally necessary is an open and liberal multiculturalism – a multiculturalism that is sensitive to persons as individuals as well as to the collectivities that they have a sense of belonging to.

Another fascinating story is that of Trinidad. The paradox is of a vibrant multicultural practice rooted in history existing alongside divisive tendencies and communal mobilization in contemporary times. On the one hand, three major festivals, Carnival, Phagwa (Divali) and Hosay (Moharram), have traditionally been and continue to be celebrated by people of all three communities, Christian, Hindu and Muslim. On the other hand, there is sharp political polarization. Divisions surfaced for the first time during the anti-colonial struggle when Indians stayed away from the movement and supported the continuation of colonial rule on the ground that it safeguarded the interests of a minority group like them. Subsequently the mother country and its imagined cultural and racial purity has become a rallying point around which communal mobilization of Hindus has taken place.

It is felt by some that there is need for an incisive critique of post-modernists and certain anthropologists – the former for privileging notions of cultural identity at the expense of class and economic exploitation and the latter for providing a theoretical validation for racial mobilization by analyzing Caribbean society primarily through the category of race.

In Malaysia, we have the complex intermeshing of ethnic blocs, sub-ethnic groups and classes in the nation-state, which has three distinct communities, Malay, Chinese and Indian. There are internal divisions among these communities. For example, Indian Malays are divided into regional, linguistic and religious groups. In the period after Malaysia's independence in 1957 and the 'sons of soil' policy pursued by the Malay majority, there is the spread of communalism. This is reflected in the "declining aura" of

multiculturalism that could have been the basis of a composite culture in Malaysia.

Indian multiculturalism can best be understood in the context of its rich historical experience, which includes both conflicts and attempts at negotiation. Early territorial states in India recognized the existence of several non-state terrains and their cultural specificities. The impracticality of administrative centralization in large state structures established as a result of territorial expansion was acknowledged in the injunction of the Dharmashastras to retain the character of the conquered territories. Bharatvarsha connoted a country of many janpadas and the cultural difference between the communities of different janpadas was recognized in the absence of the notion of a “foreigner” in the territorial sense. Given the diverse religious practices rooted in cultures of communities, recognizing this diversity by accommodation was the only way out of constant conflict.

There was the evolution of a fairly flexible secular state which accorded freedom to different religious groups during the medieval period. However, both orthodox and heterodox ideas continued to flourish and contend with each other. The role of the bhakti saints and the Sikhs was significant but it must be remembered that they could not successfully challenge the rigid hierarchical social order and sway a large proportion of rural society. Hindu and Islamic leaders did not attempt to study and understand each other’s beliefs and ideas. Even Akbar’s attempt to encourage the study of secular subjects was unsuccessful and religious syllabi were popular among both Hindus and Muslims. Meanwhile, although the intermediary class of shopkeepers, financiers and traders, as well as artisans, grew in numbers and affluence, they did not challenge the hegemony of the feudal and priestly classes. Thus cultural integration and growth and the continuance of a secular order became completely dependent on the interests of the elites.

A Pakistani scholar, **Tahir Kamran**, argues for diversity within religious traditions by tracing two principal contending

tendencies within Indian Islam from the sixteenth century onwards. While Akbar, Prince Khusrav and Dara Shikoh initiated and attempted to popularize a liberal multicultural Indo-Persian brand of Islamic culture, scholars like Sheikh Ahmed Sirhindi, a Sufi from the Naqshabandi order, laid the foundation of social exclusion in the sixteenth century by demonizing Hindus as kafirs and Shia Muslims as heretics. Kamran shows how the exclusionary version of Islam gained strength during the decline of the Mughal Empire and the period of colonial rule. The Ashrafs from the minority provinces of Northern India, equipped with modern education, acted as the vanguard in fostering the idea of Muslims as a separate nation, which was carried to its logical culmination by the politics of Jinnah and the Muslim League. From 1947 onwards Kamran unveils a Pakistan state that has constantly attempted to cement an exclusionary Pakistani national identity through the three basic concepts of Islam, Urdu and the Hindu/India as the other. This attempt has had major consequences like the language controversy in East Pakistan and the secession of Bangladesh, the marginalization of Sindhi language and resultant resentment among Sindhis and the 1965 Indo-Pak War. Kamran persuasively argues for the reclamation of liberal, secular space within Pakistani society and politics by revisiting the shared ethos of the culturally and ethnically divergent communities within Pakistan.

Recent studies have also pointed to the erosion of composite culture as it has existed in tradition. Many factors have played a role in this, from modern politics to uneven economic development and the constraints on mobility. The result has been the resurfacing of religious, ethnic, caste and linguistic identities, though there was still a vast space for a shared culture, normative systems and institutions, unlike in Europe and America. Some argue that the multicultural approach there – ‘public recognition of cultural difference’ – is irrelevant for India. In India the composite culture approach is relevant as it recognizes difference only at the individual

religious and ritual levels of traditions but promotes sharing in other cultural domains. This approach of multi-communitarianism, it is suggested, when combined with 'civic culture' or new cultural ideologies based on social justice, freedom and democracy, would be the basis of a new order of composite culture in India.

There are as many forms of composite culture and multiculturalism as there are societies, indeed even thinkers on the issue. Yet as long as there is a shared civilizational ideal of living with dignity, composite culture and multiculturalism will remain much traversed paths towards it.

Democracy

The struggle for freedom imparted certain ideas which take the form of values as they are internalized by the people. Anti-imperialist nationalism, democracy, secularism, and a pro-poor orientation were some of the most important of these. The prolonged nature of the mass movement helped to ground these deep in the minds of the people. Since the Indian national movement was one of the greatest mass movement of modern times, the reach of these is very extensive and deep.

The most important of these, which went hand in hand with anti-imperialism or nationalism, was the value of democracy and civil liberties.

The idea of democracy spread through nationalist workers to villages and *mohallas*, as well as through the written Word. But most of all it spread through actual political practice. The Congress was a proto-parliament. The very name, Congress, was inspired by the US Congress. Elections in the party organization were from the bottom up. The AICC was like the Parliament and the Working Committee was the Cabinet. Important decisions were taken through voting at annual Congress sessions. Kisan Sabhas, trade unions, student unions, all demonstrated the practice of democracy. The movement

was based on political programmes and methods of struggle that required mass participation for their success. It is the direct participation of people in politics that ultimately ensures democracy. It was not British but the movement for independence that internalized democratic practices in India.

The leaders of the Indian national movement had a strong commitment to democracy and civil liberties.

For Nehru, democracy and civil liberties were absolute values, ends in themselves, and not merely means for bringing about social change and social development. In 1963, he said, “I would not give up the democratic system for anything”. Democracy was also necessary for national unity. He had a “revulsion against all that smacks of dictatorship, regimentation and authoritarianism”. He believed in “socialism by democratic consent”. In fact, in this respect he broke with the dominant Marxist Communist paradigm of the time and rejected the notion of a minority revolution.

Indian leaders were also great champions of civil liberties. Lokmanya Tilak writing in the Kesari, on 16 June 1908 said, “Liberty of the Press and liberty of speech give birth to a nation and nourish it”. Gandhiji Said, “Civil liberty consistent with the observance of non-violence is the first step towards swaraj. It is the breath of social and political life. It is the foundation of freedom. There is no room there for dilution or compromise. It is the water of life. I have never heard of water being diluted”.

Jawaharlal Nehru wrote in 1936: “If civil liberties are suppressed a nation loses all vitality and becomes impotent for anything substantial”. The resolution on Fundamental Rights, passed by the Karachi Congress in 1931, guaranteed the free expression of opinion through speech or the press, and freedom of association.

The crucial link between maintaining cultural diversity and democracy was very well understood in India. The linguistic, religious, and ethnic diversity is guaranteed by the right to civil liberties, as the final test of democracy is the right to protest.

Democracy is not, however, a magic wand that can perform miracles. Despite democracy, or because of its inadequate functioning, threats to the culture and even existence of minority groups do occur. But the point is that without democracy, things could be much worse. Democracy does put a premium on popular support, including of minority groups and also creates space for resistance.





Índia e Brasil:
Dois Modelos de Desenvolvimento
em Perspectiva Comparada







Índia e Brasil: Dois Modelos de Desenvolvimento em Perspectiva Comparada

Marcos Costa Lima¹

“Se há uma definição universalmente aceitável da modernidade, é esta: a de que, ao nos ensinar a empregar os métodos da razão, a modernidade universal nos permite identificar as formas de nossa própria modernidade particular”.

Partha Chaterjee²

1. Introdução: A Mundialização, o campo Científico e Tecnológico e os Países Periféricos

A aceleração do processo de mudança na produção de ciência e tecnologia, com a difusão de inovações radicais tem sido entendida para um grupo significativo de autores, que estamos numa fase de passagem para uma era de informação e conhecimento, evidente, sobretudo, nos países que comandam e dão o ritmo da economia mundial (LUNDEVALL, 2001); (CASSIOLATO, 1999); (OCDE, 1992).

Este complexo processo tem suscitado múltiplas interpretações, enfeixadas no termo globalização que, malgrado a compreensão polissêmica, tem algumas características fortes já estabelecidas: em primeiro lugar, que se trata de uma nova fase de internacionalização do capital, iniciada nos anos 80 e resultante de políticas de liberalização e de desregulamentação seja do comércio mundial, das relações de trabalho e das finanças, sob a hegemonia do

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² Chaterjee (2004), Pp..51 e 101.

capital financeiro. Sob esse regime, tendem a crescer o desemprego mundial e a precarização do trabalho, bem como aumentam as desigualdades entre países, ao nível da renda e das condições de existência (CHESNAIS, 2005). Em segundo lugar, embora o setor produtivo não mais conduza o processo, têm papel destacado as grandes corporações multinacionais, quer pelo ritmo acelerado de oligopolização e de concorrência, quer pela capilaridade e presença mundial, dominando praticamente as complexas relações que envolvem a ciência e a tecnologia³.

Esta irracionalidade intrínseca ao atual paradigma que se sustenta no tripé: i) forma social capitalista; ii) uso intensivo da energia fóssil e das técnicas para transformar energia em trabalho e iii) tradição do iluminismo, ao ser radicalizada na vertente neoliberal, tem provocado substantivos efeitos perversos, evidenciados, por exemplo, na versão de 2001 dos “Indicadores do desenvolvimento mundial” elaborado pelo Banco Mundial, que chama a atenção para o incremento das disparidades entre ricos e pobres no planeta, onde dos 6 bilhões de habitantes, 1,2 bilhão vivem com menos de US\$ 1 dólar dia⁴. Em 1999 produziu-se quatro vezes mais riqueza que há três décadas e dos US\$ 32,5 bilhões produzidos neste mesmo ano, 80% foram gerados nos países desenvolvidos. Outros indicadores desta concentração informam que 15% da população mundial que representam os ricos consomem 50% da energia comercial disponível; seus gastos de energia *per capita* são 10 vezes superiores aos gastos dos habitantes em países de renda baixa e 90% dos usuários da internet vivem nos países ricos.

O Estado nacional estabelece, em termos abstratos, as condições de produção do conhecimento; regula as políticas de

³ Estima-se que estas multinacionais participem em 2/3 das trocas comerciais e que 40% do comércio mundial seja realizado internamente a estes grupos (Cassiolato, 1999).

⁴ Dados recentes do IBGE afirmam que metade das famílias dos Estados do Ceará, Paraíba, Rio Grande do Norte e Alagoas vivem com uma renda média mensal de ½ Salário Mínimo.

concorrência no mercado e os mecanismos de apropriação legal do setor privado, que dinamiza a inovação tecnológica. O Estado nacional real – aquele da periferia -, se encontra fragilizado, seja porque o controle de algumas das variáveis macroeconômicas se acha fora do país, seja pela presença hegemônica de capitais produtivos internacionais em setores estratégicos do país, seja pelo volume da dívida externa ou ainda pela dependência de tecnologias geradas no exterior. Se, como queremos chamar a atenção, o aparato científico e tecnológico passa a ser um dos fundamentos da legitimação do Estado, que se baseia fortemente na racionalidade técnica para manutenção do sistema social, esta mesma racionalidade pressupõe um processo de geração de conhecimento científico e tecnológico passível de apropriação legal e econômica, requerendo, portanto, um planejamento sofisticado e políticas públicas que o gerenciem e controlem. Ora, um Estado fragmentado não terá condições de estabelecer competentemente esta tarefa, perdendo, por conseguinte, em legitimidade, a não ser que altere e aprofunde a crítica sobre o *status quo*.

É necessário atentar para o fato de que nas economias de mercado, a opção por novas tecnologias tomadas pelas empresas não coincide necessariamente em sua motivação com o objetivo e interesses da Nação ou, ainda, com a política científica e tecnológica explícita ou implícita de um governo. Neste sentido, faz-se urgente estabelecer a questão: - Qual será o papel da C&T no processo de desenvolvimento de países que acumularam “atrasos” ou profundas desigualdades sociais em seu interior?

Tem-se dado prioridade, nos países do Sul, às ciências aplicadas à produção e à extração de recursos naturais com o objetivo de “alcançar” ou “reduzir” a distância com os países industrializados, através da importação maciça de equipamentos e *know-how*, sempre na direção de critérios de produtividade e de retorno rápido para os investimentos. Contudo, ao querer colocar a C&T a serviço do desenvolvimento e não apenas dos interesses de uma minoria, é urgente

uma revisão crítica e rigorosa das metas e prioridades da política científica e tecnológica.

A inovação científica e tecnológica tem estado no coração do desenvolvimento das economias desenvolvidas e é um dos vetores da competição mundial⁵. O acontecimento da economia do conhecimento como objeto mesmo de produção e de competição conduz a romper com a visão de um processo linear (da pesquisa fundamental à vulgarização industrial) e com a oposição entre as inovações de processos e produtos.

O encurtamento do ciclo de inovação e o casamento das inovações de processo e produto são o que justifica o estabelecimento em rede dos atores cujas competências se distribuem ao longo das cadeias de valor para satisfazer um mesmo mercado final. Mobilizam-se os saberes especializados e, portanto, é necessário identificá-los e avaliá-los através de: i) concentrações espaciais das competências científicas e técnicas; ii) análise das regiões identificando as tecnologias-chave a nível agregado; iii) peso das regiões em termos de depósito de patentes e de publicações científicas (por região de residência do inventor); iv) avaliação dos domínios científicos no que tange os diferentes campos tecnológicos e, v) concentração regional dos organismos de pesquisa bem como das empresas para as quais a tecnologia estrutura fortemente a atividade (Mytelka, 1999).

É necessário saber que a dimensão científica e tecnológica atravessa o conjunto das atividades econômicas e não somente as atividades reconhecidas como *hightech* e que os territórios que não dispõem de uma forte concentração científica, técnica e industrial aos

⁵ Investimentos em Pesquisa & Desenvolvimento em alguns países em percentual do Produto Interno Bruto: México, 0,3; Portugal, 0,7; Índia, 0,8; Espanha 0,9; Brasil, 1,1; China, 1,1; Reino Unido, 1,9; França, 2,2; Alemanha, 2,4; EUA, 2,8; Japão 3; Finlândia 3,3 e Suécia 4,3. Em bilhões de dólares, a distribuição é a seguinte: Taiwan 11; Rússia 12; Brasil 14; Itália 16; Canadá 17; Índia 19; Coreia 22; Reino Unido 29; França 35; Alemanha 54; China 0; Japão 103 e EUA 282 (in : Arbix, Glauco et al, 2005, pp.235-270)

níveis regional e nacional, nem por isso se encontram colocadas fora do desenvolvimento econômico.

2. O desenvolvimento Asiático pós-década dos 80.

Conforme assinalou o economista Ajit Singh⁶, *“não seria exagero dizer que a expansão econômica de um número considerável de países asiáticos no pós-guerra se constitui no mais bem sucedido exemplo, em toda a história, de industrialização e crescimento rápido por um período de tempo prolongado”*.

O chamado modelo asiático, com ênfase na empresa, na poupança e no investimento, em particular concernindo o setor empresarial privado, bem como em um relacionamento privilegiado entre a empresa e o Estado tem seus exemplos fortes no Japão e na Coreia. Este padrão de desenvolvimento foi, sem sombras de dúvidas, o mais dinâmico da economia mundial dos anos 80.

Se for estabelecida uma comparação com a América Latina para o mesmo período, temos que enquanto nesta região o crescimento econômico despencou de 6,0% ao ano para 1,6% ao ano, no Leste da Ásia a tendência foi oposta, com uma taxa anual de 7,8%. Na América Latina isto se deve, sobretudo, ao péssimo desempenho industrial e não ao baixo desempenho da agricultura, ao passo que entre os asiáticos, um e outro setor teve bom desempenho.

No contexto de expansão asiática merece destaque ainda a economia chinesa, ao expandir-se a uma taxa de quase 10% ao ano na década de 80, um ritmo um pouco menor do que aquele apresentado pela Coreia.

Antes da sua independência, a economia indiana permaneceu estagnada, crescendo a taxa de 0,8% entre 1900 e 1950 e nas primeiras décadas após a independência até os anos 1980, houve

⁶ Singh, 1997, p.1.

um certo crescimento econômico médio de 3,4% ao ano., que acompanhado de uma certa expansão demográfica, fez com que o efeito líquido sobre a *renda per capita* fosse inferior a 1,5%.

Embora com desempenho medíocre até os anos 80, a Índia foi um dos poucos países no mundo a atingir uma tendência de aceleração significativa em sua taxa de crescimento nesse período. Foi a época do desenvolvimento *para dentro*, capitaneado por Nehru, estatista tanto na produção quanto no controle da economia, praticando uma política de substituição de importações e desestimulador do investimento externo. Nos anos 80 foi a vez de Rajiv Gandhi, neto de Nehru e filho de Indira Gandhi, ambos assassinados. Com Rajiv a economia indiana adotou algumas reformas liberalizantes, com redução dos impostos e tarifas e estímulos aos investimentos industriais privados. Essas políticas fizeram com que a economia do país passasse a crescer em média 5,8%, mas sempre ameaçada pelos gastos governamentais, que acabou por deflagrar a crise fiscal no início da década dos 1990.

No período 1990-94 houve queda no crescimento, mas já em 1995 a economia voltou a crescer a 7% ao ano, atingindo a sua indústria, pela primeira vez, uma taxa de crescimento similar àquelas dos NICs do Leste da Ásia.

Nos anos 90 e nos primeiros anos do novo século, a divergência entre as trajetórias de crescimento da Ásia e América latina parece que se exacerbaram. A China continuou a crescer a uma taxa média anual de 10% ao longo dos anos 90 e 8.7% durante 2000-04.

Tabela 1 - Taxas de crescimento do PIB na China, Índia, Coréia, Brasil e México. 1955/94

	1955-60	1960-70	1970-80	1980-90	1990-94
China	-	5,2	5,8	10,2	12,9
Índia	-	3,4	3,6	5,8	3,8
Coréia	4,5	8,6	9,5	9,7	6,6
Brasil	5,5	5,4	8,4	2,7	2,2
México	5,9	7,2	5,2	1	2,5

Fonte: World Bank;ONU. In Singh, op.cit.p.7

A Índia, por sua vez superou a Coréia em sua taxa de crescimento da economia, enquanto o Brasil declinou a mesma taxa de 2.8% nos anos de 1990, para 2.0% durante 2000-04 (ver a tabela 2).

Tabela 2 - Crescimento da Economia Mundial: 1990-2004

País/Região	Crescimento Anual do PIB		Crescimento Setorial Anual : 1990-2001			
	1990-01	2000-04	Agricultura	Indústria	Manufatura	Serviços
China	10.0	8.7	4.0	13.1	12.1	8.9
Índia	5.9	6.2	3.0	6.1	6.7	7.9
Coréia	5.7	4.7	2.0	6.3	7.6	5.6
Brasil	2.8	2.0	3.3	2.4	1.5	2.9
México	3.1	1.5	1.6	3.7	4.2	3.0
América Latina	3.2	1.5	2.4	2.9	2.1	3.2

Fonte: World Development Indicators, 2003

A taxa de crescimento da China que superou os 12% no setor manufatureiro desde o início dos anos 90 foi algo espetacular. O crescimento do setor manufatureiro na Índia e na Coréia também foram substantivos, enquanto aqueles do Brasil e da América Latina caíram consideravelmente. O valor agregado da manufatura na China mais que triplicou nos 90, ao passo que na Coréia praticamente duplicou, enquanto na Índia cresceu 34.4%, mas no Brasil, declinou em 11.2% (ver tabela 3).

Enquanto a China aparece, definitivamente como um país que caminha para se tornar um super-poder, não é óbvio afirmar que a Índia ou o Brasil estejam tomando esta direção. Um quarto do PIB indiano ainda é proveniente da agricultura, sendo uma boa parte originária da agricultura de subsistência.

Tabela 3 - Mudança Estrutural no setor manufatureiro na década de 1990

País/Região	Valor -Agregado na Manufatura (US\$ milhões)			Participação das manufaturas exportadas no total das mercadorias exportadas		
	1990	2000	% Variação	1990	2001	% Variação
China	116,573	372,836	319.8	72	89	17
Índia	48,908	65,614	34.4	71	77	6
Coreia	72,837	144,376	198.2	94	91	-3
Brasil	90,052	79,984	-11.2	52	54	2
México	49,992	107,166	114.4	43	85	42
América Latina	255,228	338,774	32.7	34	49	15

Source: World Development Indicators, 2003

Cerca de 94% das terras agricultáveis possuem menos de 5 hectares em tamanho. Não obstante o setor se responsabilizar por 58.5% da força de trabalho empregada do país (233 milhões de trabalhadores); 31.6% dos quais são classificados como lavradores e os outros 26.9% como trabalhadores agrícolas sem terra (SAHA, 2004). E isso não é uma base adequada para se consolidar um super-poder econômico.

Os componentes manufaturados da economia brasileira são bem superiores aqueles da Índia; 21% do PIB brasileiro provêm desse setor, ao passo que apenas 16% da Índia. Mas o setor manufatureiro do Brasil tem crescido a um ritmo mais lento do que o da Índia desde 1990. O Brasil também não tem feito muito progresso na melhoria do conteúdo de suas manufaturas para exportação. Entre 1990 e 2001, a melhoria foi apenas de 2 pontos percentuais, comparados aos 6 da Índia e aos 17 pontos da China (ver a tabela 4).

**Tabela 4 - Mudança Estrutural na Economia nos anos:
participação dos setores no PIB**

País/ Região	Agricultura			Indústria			Manufatura			Serviços		
	1980	2000	Varição	1980	2000	Varição	1980	2000	Varição	1980	2000	Varição
China	27	13	-12	42	51	9	33	31	-2	21	34	13
Índia	31	25	-6	28	26	-2	17	16	-1	31	48	17
Coreia	9	4	-5	43	41	-2	29	30	1	68	54	-14
Brasil	8	9	1	39	34	-5	25	21	-4	53	57	4
México	8	8	0	28	27	-1	21	19	-2	64	69	5
A.L.	9	8	-1	36	32	-4	24	20	-4	55	60	5

Source: World Development Indicators, 2003

Os excelentes indicadores de crescimento econômico dos países asiáticos como um todo, traduziram-se nos últimos quinze anos, em aumentos salariais reais e no nível de emprego (estima-se que nos anos 80 a renda per capita média destes países aumentou em 50%) o que, se comparado ao declínio de 15% na América Latina e de 25% na África sub-saariana, evidenciam as assimetrias entre os modelos⁷.

Segundo o ILO, economias como Taiwan, Coréia, Singapura e Malásia apresentaram escassez de mão-de-obra. O emprego industrial cresceu a taxa de mais de 6% ao ano em média e os salários reais aumentaram a uma taxa média de 5%.

Quanto aos indicadores de pobreza, que são controversos, sobretudo se tomarmos em consideração a tipologia de critérios estabelecida, diz Singh que esta apresentou uma queda de 28% entre a população chinesa em 1980, para 10% em 1990, o que parece exagerado. Na Coréia, também uma queda pela metade, de 10% para 5% no mesmo período e, na Indochina de 29% para 15%.

Em comparação com a América Latina, o mesmo relatório do ILO informa que entre 1980 e 1990 houve uma queda constante no nível de emprego do setor moderno, tendo o emprego assalariado caído a uma taxa anual de 0,1 durante os 80, o que reverteu a tendência localizada entre os anos 50 e 70, quando se deu uma expansão do emprego moderno. O salário real médio também apresentou queda e

⁷ Singh, idem, p.5.

o salário mínimo caiu em média 24% em termos reais em toda a região. É o fenômeno consagrado da “década perdida”.

Em trabalho recentemente apresentado, André Nassif⁸ estabelece uma boa comparação entre as políticas de desenvolvimento estabelecidas pela Índia e Brasil ao longo dos anos 1950-80, quando os dois países implementaram instrumentos protecionistas semelhantes como altas tarifas de importação e barreiras não tarifárias e licenciamento de importações, entre outros. A diferença ficou por conta de ser o modelo indiano de substituição de importação (ISI) fortemente influenciado pela União Soviética, estabelecendo um rígido padrão de planejamento, até hoje mantido, a exemplo do 10º Plano (2002-07) malgrado as mudanças liberalizantes dos anos 1990⁹.

Quadro 1 - Planos de Desenvolvimento

Planos de Desenvolvimento	
Brasil:	Índia:
Plano de Metas: 1956-60: infraestrutura (energia elétrica e nuclear, carvão mineral, refinarias de petróleo e transporte); indústrias pesadas (automotores, e bens de capital); construção civil em Brasília; desenvolvimento regional (Sudene)	1º Plano de Cinco Anos (1951-56): sem estabelecimento de prioridades 2º Plano de Cinco Anos (1956-61): Bens de capital, mineração, metalurgia básica; apoio à pequena e média empresas
Plano Trienal: 1963-65: o Plano teve como principal alvo a diminuição do processo inflacionário. Também pretendeu resolver alguns gargalos estruturais da economia brasileira	3º Plano de Cinco Anos (1961-66): Bens de capital, química e insumos básicos (aço, energia elétrica e combustíveis)
1º Plano Nacional de Desenvolvimento: 1972-74: infraestrutura (elétrica e nuclear e transporte); metalurgia, petroquímica e construção naval	4º Plano de Cinco Anos (1969-74), metalurgia básica, minerais não ferrosos (alumínio, cobre e zinco); indústria de engenharia pesada, química, fertilizantes e construção naval.
2º Plano Nacional de Desenvolvimento: 1974-79: bens intermediários (minério, petroquímica, fertilizantes, papel e celulose); infraestrutura (energia, petróleo e auto-estradas); bens de capital	5º Plano de Cinco Anos (1974-79), metalurgia básica, exploração petróleo e refinaria, fertilizantes

⁸ Nassif, André (2006), National Innovation System and macroeconomic Policies: Brazil and Índia in Compared Perspective. Paper prepared for the Globelics Conference on Innovation Systems for Competitiveness and Shared Prosperity in Developing Countries. Trivandrum, Kerala, Índia, October, 04-07.

⁹ Veja a seguir quadro comparativo sobre os Planos de Desenvolvimento elaborados pelos dois países, de 1950 aos dias atuais.

1º Plano de Longo Prazo: 1 PPA 1996-99: infraestrutura física e social: comunicações, energia, recuperação ferrovias e ensino básico	6º Plano de Cinco Anos (1980-85), infraestrutura (carvão, energia elétrica e atômica, transporte), bens de capital (apoio à reestruturação) eletrônica.
2º Plano de Longo Prazo: 2 PPA 1999-00: infraestrutura física e social: transmissão de linhas elétricas, recuperação ferrovias, educação, apoio à pobreza e saneamento básico	7º Plano de Cinco Anos (1985-90), Educação, setores baseados em ciência e tecnologia (energia nuclear e eletrônica), infraestrutura e setores intensivos em trabalho (agricultura).
	8º Plano de Cinco Anos (1992-97), setores baseados em ciência e tecnologia, educação, infraestrutura física e social (energia, transporte, comunicação, irrigação e saneamento)
	9º Plano de Cinco Anos (1997-2002), infraestrutura física e social; agricultura, setores baseados em Ciência e tecnologia (energia atômica e aviação e indústrias de IT); educação
	10º Plano de Cinco Anos (2002-07), setores baseados em ciência e tecnologia; educação, infraestrutura física e social (energia, transporte, comunicações, irrigação e saneamento)

Fonte: Baseado em informações disponibilizadas pelo Conselho estratégico da Presidência do Brasil (www.nae.gov.br) e Nassif, André, (2006a). In Nassif, André (2006), op.cit.p.14

Quais as causas de diferenças tão acentuadas entre as duas regiões, América latina e Ásia? Não há acordo entre os analistas, se forem confrontadas as análises ortodoxas e heterodoxas. O Banco Mundial que segue a corrente neoclássica afirma terem suas recomendações para as políticas de desenvolvimento em todo o mundo seguido as lições decorrentes da experiência asiática, que foram bem sucedidas, o que não é correto. O tema em questão é importante para Singh, pois o rápido crescimento asiático e a sua sustentabilidade trouxeram conseqüências para as idéias vigentes sobre os modelos de crescimento e desenvolvimento.

O autor estabelece uma lista comparativa, que não nos parece ocioso aqui reproduzir, tendo em vista que a mesma introduz os pontos adotados por uma e outra região, de forma diferenciada: i) a

questão da eficiência das políticas industriais (negativas para a América Latina); ii) a questão da abertura: até que ponto essas economias asiáticas foram abertas durante a fase de crescimento? (os latino-americanos seguiram as exigências de Bretton Woods); iii) a natureza da concorrência nos mercados domésticos; iv) o papel da poupança e do investimento no crescimento econômico (também negativa para a América latina); v) o problema do endividamento externo (os asiáticos não vivenciaram a crise da dívida); vi) relação entre políticas tecnológicas, industriais e de competitividade internacional (ponto central, quando a América Latina opta pela importação dos pacotes tecnológicos); vii) relação entre os fundamentos econômicos: estabilidade macroeconômica e políticas industriais (nós seguimos o *mainstream* macroeconômico e abandonamos as políticas industriais).

Ao contrário da ortodoxia neoclássica, que atribui às taxas muito elevadas de investimento e poupança do Leste Asiático, basicamente à administração macroeconômica prudente, às taxas de inflação muito baixas e às reduzidas flutuações da taxa de câmbio; uma visão mais complexa e mais realista desse processo de acumulação é estabelecida por Singh¹⁰, que salienta o papel central dos lucros, tanto como indutor dos investimentos, quanto como meio de pagamento dos investimentos. O nexo lucratividade-investimento, não foi resultado espontâneo da mão invisível do mercado, mas de medidas de políticas governamentais e da interação entre governos e empresas, como fatores centrais para sua geração e sustentabilidade (o caso dos *chaebols* coreanos). O resultado líquido foi o grande aumento da propensão à poupança e ao investimento, combinadas com taxas elevadas de crescimento econômico, que estimularam o progresso técnico e a ampliação do fenômeno do “*learning-by-doing*” que, cumulativamente se desdobrou num círculo virtuoso de maior competitividade e crescimento econômico mais rápido. É evidente que esse modelo não poderia ser sustentável, caso não tivesse se

¹⁰ Singh (1996)

processado endogenamente uma distribuição de renda e de riqueza, o que foi um aspecto decisivo no Leste da Ásia, ou seja, o de crescer aceleradamente com uma distribuição relativamente igualitária (o caso das reformas agrárias na Coreia e no Japão são exemplo).

Tabela 5 - Performances do Investimento na China, Índia, Coreia, Brasil e México. 1955/94
(Investimento doméstico bruto enquanto percentual do PIB)

	1955-60	1960-70	1970-80	1980-90	1990-94
China	-	-	-	35,0 ^(a)	42,0 ^(b)
Índia	-	18,4	22,6	23,9	23,9
Coreia	14,3	25,1	31,8	31,2	36,7
Brasil	16,4	26,1	26,2	21,5	20,5
México	15,1	21,4	25,2	23,1	22,4

Fonte: World Bank; ONU. Asian Development Bank; CEPAL In Singh, op.cit.p.9

Concluindo, os asiáticos adotaram políticas industriais agressivas e vigorosas; os seus governos foram sistematicamente intervencionistas e adotaram padrões de desempenho (em relação às exportações) em troca de subsídios e concessões. Os governos tiveram um papel decisivo na elevação e sustentação da propensão a investir por parte das corporações nacionais; fizeram uso de políticas financeiras e de competitividade para criar rendas que estimularam o lucro das corporações, mas tomando medidas para que as rendas não fossem consumidas improdutivamente e, sim, transformadas em novos investimentos. Como se vê, evitaram adotar a premissa dominante do “*market friendly*”, propaladas desde Washington.

Uma outra questão importante é saber se a experiência asiática pode ser reproduzida, e a resposta terá que ser dada numa dimensão mais ampla, seja pela estagnação japonesa no início dos anos 90, seja pela posterior crise asiática em 1997, que se iniciou pelo *bath* e prosperou pelo *rublo*, pelo *real* e o *peso* argentino. O ambiente

econômico mundial de hoje é bastante diferente daquele dos anos 80, quando a mundialização financeira estava apenas dando os seus primeiros passos. Os instrumentos de intervenção que foram largamente utilizados pelo Japão e a Coréia não são mais permitidos hoje em dia.

2.1 A China e a Índia

O ex-embaixador do Brasil nos EUA, Rubens Barbosa afirmou recentemente que um estudo do National Intelligence Council (NIC), instituto de pesquisa vinculado à CIA, nos EUA, projetou para 2020 a emergência da China e da Índia como potências políticas e econômicas globais e comparou esse fato ao surgimento da Alemanha no século 19 e dos EUA no século 20. Atualmente, não há dúvida quanto à crescente influência global da China nos assuntos econômico-financeiros e comerciais. Basta analisar a participação chinesa no comércio internacional, na produção industrial, o efeito da demanda chinesa sobre os mercados de *commodities* e de energia e a compra de títulos do Tesouro dos EUA (o economista François Chesnais¹¹ citou a cifra de 20% destes títulos em mãos dos chineses).

A evolução da Índia para alcançar o status de potência econômica, contudo, não é tão evidente, pois para poder equiparar-se à China ainda há um longo e árduo caminho a percorrer. Também o Brasil, no mesmo estudo do NIC, é projetado como uma potência econômica global, o que obrigaria o país a realizar esforços e mudanças ingentes, se tomarmos como parâmetros os números estabelecidos pelo Livro Branco de Ciência e Tecnologia, produzido pelo MCT em 2001¹².

¹¹ In : *Nova configuração do sistema mundializado: relações EUA-China e União Européia*. Conferência realizada em 21 de julho de 2005 no Programa de Pós-Graduação em Ciência Política – Universidade Federal de Pernambuco.

¹² O ex-ministro Ronaldo Sardemberg dá a dimensão do desafio brasileiro: “Para alcançarmos, daqui a dez anos o patamar de 2% do PIB em investimentos em P&D, num horizonte de crescimento médio do PIB da ordem de 4% ao ano,

A China e a Índia são os países que têm apresentado as melhores performances na corrida ao desenvolvimento econômico. Contudo, os desempenhos e as características dos dois países são bastante diferenciados. O que a China tem feito na indústria, a Índia faz nos serviços. O ímpeto manufatureiro chinês é impressionante. O setor industrial passou de 41.6% do PNB em 1990 para 52.3% em 2003. O crescimento do setor serviços na Índia também é de chamar a atenção. A porção dos serviços com relação ao PNB do país cresceu de 40.6% em 1990 para 50.8% em 2003. Mas a força dos dois países da Ásia esconde fragilidades nas duas economias. A participação da indústria na Índia tem sido basicamente estagnada, ou 27.2% do PNB entre 1990 e 2003, o que corresponde à metade da contribuição da indústria na China. Ao mesmo tempo, a participação dos serviços na China cresceu de 31.3% em 1990 para 33.1% em 2003. A China apresenta um modelo de tipo clássico de desenvolvimento puxado pelas manufaturas, com quatro fatores principais em seu projeto de industrialização: uma taxa de poupança nacional de 43% do PNB, o progresso intenso na construção de infra-estrutura, os Investimentos Externos Diretos e uma vasta reserva de mão-de-obra de baixo custo. Em contraste, a taxa de poupança nacional na Índia é bem inferior, ou 24%, e apresenta uma infra-estrutura muito precária, além da atratividade dos investimentos externos diretos ter sido baixa, não ultrapassando US\$ 4 bilhões em 2003, se comparada aos US\$ 53 bilhões que chegaram na China por ano em 2003 e 2004.. Mas essas diferenças não paralisaram a Índia¹³. Ao optar por um modelo

assim como a ampliação da participação das empresas para o menor hoje vigente nos países desenvolvidos, os investimentos em P&D devem crescer à taxa média e anual de quase 12%. Isso significa que, de um lado, o setor público – federal e estadual – necessitará elevar os investimentos à taxa média anual de 7%; de outro lado, será necessário ao setor privado incrementar seus investimentos, de forma correspondente, da ordem de 15%, aproximando-se dos padrões dos países da OCDE”. Livro Branco de Ciência e Tecnologia, pp. xi-xii. MCT, Brasília.

¹³ Como afirmou Andrei Volodin (1997), passada a crise do baixo crescimento do ano fiscal 1991-92, que foi de 0,9%, a economia indiana recobrou fôlego e atingiu crescimento recorde nos anos seguintes, 1992-93 e 1993-94, de 4,3% ao ano. Em 1997 o ritmo aumentou para 5,3%.

centrado nos serviços, a Índia pos de lado os constrangimentos relativos à poupança, à infra-estrutura e ao IDE que durante muito tempo atravancavam seus passos. Ao se firmar nos serviços, valorizou sua maior força: uma parcela da mão-de-obra bem educada, a competência na tecnologia de informação e a proficiência na língua inglesa. O resultado foi o renascimento nos *softwares*¹⁴ de serviços, no processo de fornecimento de serviços, multimídia, redes de gerenciamento e integração de sistemas que permitiram a este país superar as suas deficiências crônicas na industrialização. A China, por outro lado, é deficiente na maioria dos serviços privados, especialmente no varejo, distribuição e serviços profissionais tais como contabilidade, medicina, consultoria e serviços de advocacia. Exceções existem como é o caso das telecomunicações e companhias aéreas. Se a manufatura chinesa prospera e a Índia continua a avançar nos serviços, os países industriais ricos irão enfrentar grandes e novas dificuldades. A teoria da liberalização do comércio e da globalização afirma que não há muito a se preocupar. O problema é que algumas das premissas básicas serão afetadas. De fato, os modelos de economia aberta englobam dois setores, os comercializáveis (*tradeables*) e os não-comercializáveis (*non-tradeables*). Para os ricos, nas economias desenvolvidas, a perda de participação no Mercado para produtos de baixo valor agregado dos países em desenvolvimento é aceitável na medida em que exista para eles uma garantia de supremacia para o setor de serviços *non-tradables*, que esteve durante muito tempo protegido da competição internacional. Contudo, hoje, quando o conteúdo de tecnologia intensivo produzido pelos trabalhadores de colarinho branco pode ser exportado de qualquer lugar do mundo no simples clique de um “mouse”, as regras do jogo mudaram. Muitos serviços se tornaram comercializáveis, não somente na ponta cadeia de valor dos operadores de *call-centers* e dos processadores de dados, mas crescentemente nas fases mais valiosas do trabalho dos

¹⁴ A pesquisa comparativa realizada por N.S.Siddharthan et al.(2005) entre a Índia e a China, analisando um conjunto de 319 firmas, revela o grande avanço indiano no *software* e a melhor performance da China com relação ao *hardware*.

programadores de softwares, engenheiros, contadores, advogados, consultores e médicos. Os modelos de desenvolvimento intensivos em serviços tais como os da Índia, ampliam o campo da competição global. Como resultado, novas pressões são estabelecidas sobre os altos salários no mundo desenvolvido.

2.2 A pobreza na Índia: um desafio a enfrentar

Segundo o Ministro de Estado para o Planejamento da Índia, o Sr. M. V. Rajasekaran, quase 26% da população do país ainda vive abaixo da linha de pobreza. Esta afirmação foi feita por ocasião da Comissão de Planejamento que estabeleceu o objetivo específico de redução da pobreza no Décimo Plano Quinquenal em 5% pontos percentuais. Ainda de acordo com suas palavras a percentagem de pessoas vivendo abaixo da linha de pobreza no país declinou de 36% em 1993-94 para 26.1% em 1999-2000. A redução na pobreza pode ser atribuída ao processo geral de crescimento e à geração direta de renda a partir de vários programas anti-pobreza introduzidos pelo governo. As políticas de alívio a pobreza neste décimo Plano se estabelece a partir de três estratégias: (i) aceleração do crescimento econômico; (ii) desenvolvimento humano e social através alfabetização, educação, saúde, nutrição, satisfação das necessidades mínimas, elevação do status econômico e social dos setores mais vulneráveis; e (iii) ataque direto à pobreza através do emprego e por programas de geração de renda e construção de moradias para os pobres¹⁵.

¹⁵ Não obstante estas considerações, é controversa a afirmação segundo a qual a pobreza tem sido reduzida na Índia a partir das mudanças econômicas dos 90. Jha Raghendra (2000), em detalhado estudo afirma que houve ampliação da desigualdade após as reformas, como resultado de três fatores: i) um deslocamento dos ganhos do trabalho para a renda do capital, ii) o rápido crescimento do setor serviços – particularmente vinculado aos setores bancários, das instituições financeiras, dos seguros e do Estado – com uma conseqüente explosão da demanda dos trabalhadores qualificados e, iii) uma queda na taxa de absorção do trabalho durante o período da reforma. Já N.R.Bhanamurty et al(2003) chegam a conclusões que apontam a queda das desigualdades no período.

Desde a independência em 1947, até 1980, o crescimento da Índia esteve amplamente relacionado ao processo de planejamento. Os objetivos e metas dos Planos Quinquenais definiam a trajetória da economia. As discussões sobre os erros ou desvios dos objetivos, eram tidas como basicamente endógenos e havia pouco espaço para as comparações internacionais e, de fato, o papel do comércio internacional como capacidade para gerar crescimento foi tratado como de menor importância.

Nos anos 80, contudo, argumentos segundo os quais os arranjos institucionais e a abordagem endógena com relação ao comércio exterior e à indústria careciam de mudança radical ganharam força e as idéias de abertura comercial e de privatização foram vitoriosas entre os países em desenvolvimento. De todo modo, fica claro na Índia de hoje que desde os anos 80 houve uma alta nas taxas de crescimento, que estacionadas antes entre 3 e 3,5% do PIB, passaram a 5,9% ao ano. E desde então, de 1981 a 2001, ou vinte anos, a taxa média de crescimento foi de 5,6% ao ano. Mas a pergunta central é se este crescimento perdurará ou se chegou a um limite? Quando olhadas do ângulo dos setores econômicos, que mostram mais de perto a realidade, a participação da agricultura no PIB do país caiu. O setor terciário, ao contrário contribuiu com 45% do PIB nos anos 90, e o secundário teve discreta alteração negativa. Se forem observadas as contribuições setoriais no PIB em 1980 e 1991, encontramos o seguinte: a agricultura passou de 27,6% para 14,6%; a indústria de 28,1% para 25,4% e o terciário, de 46,1% para 60,0%¹⁶. Portanto, evidencia-se uma queda abrupta da agricultura e uma pequena queda na participação da indústria. E esses dados têm efeitos diretos sobre o emprego e para o conjunto da economia, pois se 60% do crescimento deriva dos serviços, ao mesmo tempo 60% da força de trabalho ainda encontra no setor primário a sua sobrevivência, ou seja, o arranque do setor serviços não tem correlato na empregabilidade, o que evidencia uma fragilidade do modelo no médio prazo.

¹⁶ Babu (2005)

Mesmo tendo crescido em média mais de 5,6% de 1980 a 2003 e projetando crescimento de mais de 5% por ano até 2005, 70% da população ainda vive no campo; o setor externo cresceu 16% em 2004, alcançando cerca de US\$ 150 bilhões, 28% do PIB, o que corresponde a menos de 1% do comércio mundial; o investimento externo líquido é reduzido, tendo alcançado US\$ 3,4 bilhões em 2004 e a taxa de poupança efetiva em 2004 foi de 28% do PIB. Apesar do rápido crescimento dos últimos anos, o que permitiu uma relativa redução da pobreza, e a despeito de um cenário político e social doméstico muito complexo, a Índia, sem reformas econômicas e políticas radicais, dificilmente terá o papel que está sendo projetado pelo NIC. Para alcançar o status de potência econômica global a Índia terá de criar condições para o rápido desenvolvimento do setor industrial, que hoje representa apenas 28% do PIB, pouco mais da metade do setor de serviços e com desempenho de baixo dinamismo. A economia indiana não será capaz de transformar-se numa economia

- pós-industrial conduzida apenas pelo setor de serviços de tecnologia da
- informação (IT), que representa 4% do PIB. Será muito difícil dar um
- salto qualitativo sem o desenvolvimento rápido de um setor industrial
- forte e competitivo. País em desenvolvimento, com o dobro do crescimento demográfico da China (em 25 anos sua população superará a da China), a Índia embarcou numa série de reformas estruturais visando a aumentar a taxa de crescimento econômico, mas necessita reduzir as imensas diferenças regionais e realizar uma reforma política que também seja capaz de reduzir a pobreza.

Dentre as reformas e os programas de modernização de médio e longo prazos se destacam políticas de redistribuição de renda com vista a minorar as desigualdades individuais e regionais, ao aumento no investimento em infra-estrutura para reduzir as ineficiências e gargalos, à redução de tarifas aduaneiras ainda altas para padrões desenvolvidos (acordo de livre comércio com a China está sendo negociado), à discussão no Congresso de uma reforma tributária que reduza a evasão de impostos, diminua a proliferação confusa de tributos diretos e promova a introdução do IVA depois de quatro tentativas. Na área industrial, as medidas tomadas recentemente pelo governo de Nova Délhi se aceleram. Inspirado no exemplo da China, bem como no de outros países do Leste Asiático, o governo indiano planeja permitir que os 29 Estados do país criem Zonas Econômicas Especiais que vão estender ao setor industrial as mesmas reduções tributárias e a flexibilização da legislação trabalhista que ajudaram a transformar, de forma significativa, nos últimos dez anos, o setor de IT da Índia, tornando-o competitivo internacionalmente. A Índia já se deu conta que sua projeção como potência econômica nos próximos 15 anos vai depender do esforço interno de modernização e racionalização de sua economia, mas necessita, sobretudo, de políticas concretas inclusivas e efetivas de geração de empregos e de distribuição de renda.

3. O quadro internacional das Tecnologias de Informação e de Comunicação

O peso das atividades de inovação na economia pode ser auferido através de dois pontos de vista: pelos recursos que mobiliza em equipamentos, recursos humanos, orçamentos, pesquisa e por seu impacto na atividade econômica. Os indicadores têm demonstrado que o peso da inovação tem sido considerável e apresenta uma tendência ao crescimento no tempo. Como afirma Domenique Gullec¹⁷, a produção per capita

¹⁷ Domenic Guellec (1999), *Économie de l'innovation*, Paris: Éditions de la Découverte, p.9.

foi multiplicada por vinte depois do século XIX nos países ocidentais, em grande parte devido ao avanço tecnológico. O número de patentes aprovadas que eram de algumas centenas nas EUA no século XIX, passaram a ser superiores a cem mil nos anos 1990. O número de pesquisadores foi multiplicado por dois na Organização para a Cooperação e o Desenvolvimento (OCDE) entre 1960 e 1990 e o dispêndio em pesquisa e desenvolvimento (P&D) civil no Produto Interno Bruto (PIB) subiu de 1 para 2% no mesmo período.

Em 1999 o total das despesas em P&D atingiu USD 710,4 bilhões¹⁸, dos quais a União Européia participa com 26,2% os EUA com 39,4% e o Japão 15%, ou seja, a Triade abocanha 80,6% dos gastos. Se incluirmos demais países da OCDE, como Austrália, Canadá, Israel, Suíça entre outros, a correlação de gastos não se altera muito com relação aos anos 1970.

O prêmio Nobel da economia, Robert Solow, mostrou que a relação entre conhecimento e crescimento não é evidente, nem imediata; pois a utilização eficaz das tecnologias de informação e de comunicação, como de resto a de outras tecnologias, está fundada em um processo de reorganização e de aprendizagem em todos os níveis, abarcando a economia como um todo.

Pascal Viginier¹⁹ nos fala do paradoxo europeu, pois a produção científica da região é considerada de boa qualidade em seu conjunto, mas não se traduz suficientemente por inovações comerciais, no seu entender por falta de uma organização eficaz dos elos entre a ciência e a indústria. O problema aqui, a meu ver, é a obliteração do entendimento da economia, digamos, neoclássica, que quer pensar a economia sem a sociedade.

¹⁸ OST(2003), *Les chiffres clés de la Science & de la Technologie*. Sous la direction de Philippe Mustar. Paris : Economica., p.17.

¹⁹ Pascal Viginier (2002), *La France dans l'économie du savoir : pour une dynamique collective*. Paris : La documentation Française.

Tabela 6 - Despesas em P&D e Participação dos Pesquisadores

	Despesas em P&D dos principais (bilhões de dólares) (ppc* corrente)		Participação do pessoal de (por mil ativos)	
	1981	1996	1981	1996
França	11	27,8	10,6	12,5
Alemanha	15,5	39,6	12,7	11,7
Reino Unido	11,4	21,7	11,7	9,5
União Européia	51,6	132,6	8,6	9,5
Japão	24,8	82,8	9,6	13,3
Estados Unidos	76,7	193,8	11,5	13
OCDE total	156,2	459,2	10,2	11,7

Fonte: OCDE

* Paridade poder de compra

Por certo a teoria da inovação está muito centrada na microeconomia e nos avanços da firma, mas estas não existem em abstrato e as relações de competitividade e do emprego por certo estão relacionadas à acumulação do saber e à rápida mobilização nos processos produtivos, mas não podem sublimar a sociedade como um todo; os processos educacionais, os acessos desiguais que geram exclusão e desigualdade tanto social quanto territorial.

Uma definição dada por Viginier²⁰ sobre a economia do conhecimento, que eu gostaria de ampliar para sociedade do conhecimento, “*descreve ao mesmo tempo uma disciplina da economia, cujo objeto de pesquisa é o conhecimento, e um fenômeno próprio do período contemporâneo que se traduz por uma mudança no funcionamento das economias, tanto no que concerne aos processos de crescimento quanto à organização das atividades econômicas*”.

Nos países que conformam a OCDE, a intensidade das TICs (total mercados de TICs / PIB) aumentou, sobretudo pelo incremento das telecomunicações, para uma média de 8.3% em 2001,

²⁰ Op.cit,p.17.

para bens e serviços somados. O setor de software ainda representa menos de 10% do total, mas ao mesmo tempo é o setor que mais cresce, a uma taxa anual próxima a 16% desde 1992. Em países como a China e a Índia, este crescimento é ainda mais espetacular. (OCDE,p.14)

O setor de software está entre os que se expande mais rapidamente na OCDE, tanto em termos de valor agregado quanto em termos de emprego e investimento em pesquisa e desenvolvimento (P&D). Em 2001 os mercados mundiais de software de pacote foram estimados em 196 bilhões de dólares, 95% dos quais nos países da OCDE (p.17).

Como afirma estudo recente da OCDE as empresas mundiais investem cada vez mais em software e a participação nominal do software na formação do capital fixo bruto do setor empresarial cresce de forma constante desde 1990, tendo atingido no final deste período 13,6% nos EUA e 11,9% na Finlândia.

Outro aspecto ligado ao setor de software é que este recebe uma parte significativa do capital de risco, 20% do total investido em tecnologia nos EUA e mais de 30% na Europa e estão muito associados ao processo de patenteamento, numa relação que atinge algo em torno de 7% do total de patentes concedidas.

No tocante à comercialização de bens e serviços, em que pese o difícil dimensionamento, pela diversidade de canais de distribuição e pirataria²¹; o valor comercializado em suportes físicos aumenta de forma sistemática e, entre os países da OCDE, a Irlanda e os EUA representaram mais de 55% das exportações da OCDE em softwares no ano 2000. A Irlanda tornou-se o centro europeu de produção e distribuição de softwares dos principais fornecedores mundiais desse produto, a ponto de ser responsável por 40% dos softwares de pacote e 60% dos softwares comerciais vendidos na Europa.

²¹ O comércio de software é subestimado porque, em geral, tratar-se de bem e serviço intangível, está baseado mais no valor dos suportes físicos (CD-ROM, disquetes), do que no conteúdo e é freqüentemente associado ao hardware. O software distribuído pela via digital não é computado nas estatísticas comerciais.

Em termos de valor das exportações de serviços de software (basicamente serviços de informação e de informática) a Irlanda foi imbatível, atingindo o 1º lugar em 2000, seguida pelos Estados Unidos, que exportaram respectivamente (USD 5,48 bilhões e USD 4,9 bilhões).

O comércio de bens do setor TIC (excluindo software), na OCDE praticamente duplicou entre 1990 e 2000. Neste primeiro ano as vendas de mercadorias destes países representavam 6,6% do total, chegando a 13% no último ano. Quanto ao valor associado, as vendas (importação mais exportação) passaram de USD 160 bilhões para USD 580 bilhões. O maior segmento do setor de TICs é o de equipamentos de informática, representando 43% do total em 2000, os componentes eletrônicos 36% e os equipamentos de comunicação 21%.

Tamanho foi o avanço do setor, evidentemente associado ao hardware que a qualificação em TIC se tornou uma competência hoje exigida, passou a ser tão fundamental para o trabalho quanto a capacidade de ler, escrever e contar. De fato, tornou-se uma mudança estrutural de grande envergadura.

Os investimentos em TIC vêm crescendo devido ao rápido declínio de preços e ao aumento da demanda de aplicativos. Segundo estudo da OCDE, estes investimentos que no início dos anos 1980 situavam-se em menos de 15% do setor empresarial, passaram a 30% em 2000, embora não fossem homogêneos entre os periféricos, numa variação que atingia 14% na França, 16% na Alemanha, 28% na Finlândia e 30% nos EUA.

Tabela 7

Expenditure on business R&D as a percentage of GDP, 1992-2001							
	1992	1997	1998	1999	2000	2001	2002
Finland*	1.21	1.79	1.94	2.20	2.41	2.42	
Germany	1.66	1.54	1.57	1.70	1.75	1.76	1.75
France*	1.49	1.39	1.35	1.38	1.37	1.37	
UK	1.38	1.16	1.17	1.23	1.19	1.23	1.24
EU average*	1.18	1.13	1.14	1.19	1.22	1.24	
USA	1.90	1.91	1.94	1.98	2.04	2.10	2.06
OECD*	1.49	1.48	1.49	1.53	1.56	1.62	

*Most recently available figures are for 2002.
Source: OECD/STI

© OECD, Main Science and Technology Indicators (May 2003).

3. 1 O modelo Indiano de software

Na Índia, a aplicação de IT para o domínio público, da mesma forma que o espetacular crescimento da indústria de software é um fenômeno recente. Conforme assinala S.S.Gill²², diferentemente do que ocorreu na maioria dos países desenvolvidos, foi o governo indiano quem tomou as primeiras iniciativas de promover a introdução da IT no país. Em 1977 o governo iniciou a computarização de suas repartições, criando o Centro Nacional de Informática (NIC), sobretudo para apoiar os ministérios que produzem grande volume de dados. No período de governo de Rajiv Gandhi foi empreendido um grande esforço para disseminação de IT e em 1986 foi criado NIC-Network (NICNET) que tentou ligar por telecomunicações todos os distritos da Índia. Em 1990 o NIC passou a utilizar os satélites para estabelecer as redes e a Internet chegou logo após alguns anos. O autor faz um inventário desse processo, chamando a atenção para os efeitos indiretos que a introdução das ferramentas de IT teve sobre uma burocracia de estado lerda e ineficiente e que se comunicava entre si através do correio. Evidencia também os ganhos de tempo nas atividades de planejamento, com a facilidade que se passou a ter na coleta de informações de todo o país. Um exemplo marcante do que foi este processo está no setor das telecomunicações. Em 1997, a Índia possuía somente 15.5 milhões de telefones, passando a 40 milhões ao final do plano quinquenal. Ao mesmo tempo foram incluídos mais seis milhões de telefones celulares ativados durante o período, o que triplicou a disponibilidade desta infra-estrutura.

A aplicação de IT pode ser dividida em duas fases. Na primeira fase, que vai do início dos anos 1970 a 1990, foi empregada para atingir as necessidades da indústria de defesa, de pesquisa, planejamento, onde a questão do tratamento dos dados era

²² S.S.Gill (2004), *Information Revolution and Índia*. Nova Delhi: Rupa & Co.,p. 211-212.

fundamental. A segunda fase marca um verdadeiro divisor de águas no uso das Tecnologias de Informação e de Comunicação (ICT) tanto para o setor público quanto para o setor privado. Em termos de especialização, os estados do sul, notadamente Karnataka, Andhra Pradesh, Tamil Nadu e Maharashtra lideraram o processo. E a resposta está na infraestrutura educacional, de pesquisa e industrial. S.S.Gill afirma que existem em Karnataka 125 faculdades de engenharia, 252 em Tamil Nadu e 250 em Andhra Pradesh. Estes governos estaduais ao perceberem que não teriam condições para financiar uma ampla base tecnológica e permitiram que a iniciativa privada estabelecesse instituições próprias. Em Karnataka existe apenas uma faculdade pública de engenharia; em Tamil Nadu são quatorze, e oito em Andhra Pradesh.

Mas não foi apenas o incremento do número de faculdades de engenharia que deu ao Sul do país esta vantagem. A indústria eletrônica de Defesa também se localiza nesta região, que estabelecem uma demanda ao crescimento da pesquisa especializada. E, finalmente, os famosos Institutos Indianos de Ciência (IISc), a partir de onde a maioria das incubadoras de alta ciência e pesquisa prospera, estavam localizados no Sul do país. Portanto, foi uma poderosa base educacional e tecnológica que permitiu a estes estados liderarem o uso de IT como mecanismo de crescimento.

De todo modo, mesmo que a *digital divide* esteja se ampliando entre o Norte e o Sul da Índia, é necessário assinalar que o país vem se especializando na baixa cadeia de valor da inovação, ou como querem alguns, realizando o trabalho tipo *cyber-coolie*, de baixa criatividade e valor agregado. Esta talvez seja a maior fraqueza do sistema de software indiano e, por isto mesmo é que os Institutos de Tecnologia da Informação (IIIT) destes estados estejam pós-graduando engenheiros de software, que são aqueles capazes de produzir inovações²³.

²³ Os EUA forma 800 engenheiros PhD em ciências da computação por ano, enquanto a Índia, 100.

O décimo plano quinquenal do Ministério de IT assinalou o problema, ao dizer que o número de engenheiros de software com alta especialização acadêmica vem caindo nas empresas indianas.

Muitas firmas dos EUA se apóiam em programadores dos EUA e têm ampliado suas bases de operação na Índia, através de subcontratação e estabelecendo centros de desenvolvimento de softwares na Índia.

O crescimento pujante da indústria de software na Índia tem beneficiado substancialmente as firmas dos EUA, sejam usuárias ou desenvolvedoras de produtos de software. Fala-se mesmo em economias totais da ordem de 30% para as firmas norte-americanas²⁴. Estes benefícios são ainda maiores porque as firmas de software indianas competem ferozmente entre si por contratos. Como resultado, os usuários incorporam a maior parte dos ganhos do comércio.

As grandes empresas norte-americanas vêm ampliando suas bases de P&D na Índia, a exemplo da General Electric, onde sua base em Bangalore emprega 1.800 engenheiros dos quais 40% são PhDs e o restante têm o mestrado. Recentemente a GE enviou uma equipe de 18 desses engenheiros para a Espanha estudar a manufatura de um produto produzido pela filial local. Retornando a Bangalore, esta equipe encontrou uma solução alternativa para o mesmo produto com um ganho de 35% em produtividade.

A IBM, por sua vez, acaba de ampliar o número de seus funcionários na Índia, de 9 mil em 2003, para 43 mil em 2006, em trabalhos de Processamento de dados, desenvolvimento de software, *call centers* e pesquisa, hoje o segundo maior centro da IBM depois dos EUA. É evidente que os baixos salários de uma mão de obra especializada conta sobremaneira. A área de serviços de tecnologia responde por metade das receitas anuais de US\$ 91 bilhões da empresa e, neste aspecto a Índia é imbatível. E aí estão disputando com companhias indianas como a Infosys Technologies e a Wipro.

²⁴ Ashish Arora; V.S. Arunachalam, (1999), *The globalization of Software: The case of the Indian Software Industry*. Pittsburg: Carnegie Mellon University.

A Índia exporta 2/3 do que produz na indústria de software, ao passo que o seu mercado interno é ainda pequeno²⁵. O contrário da estratégia brasileira, que vende basicamente para o mercado interno. Uma segunda constatação é que o desenvolvimento de serviços de software indiano para os EUA tem sido de valor substantivo para muitas grandes e médias empresas de IT que liberaram e deslocaram seus produtos e laboratórios domésticos para projetos de maior valor e mais criativos.

Tabela nº 8 - Mercado de Software em Países Selecionados em 2001

Country	Sales (10 ⁶ USD)	Exports (10 ⁶ USD)	Employees	Sales / GDP	Industry Development Index ^a	Domestic Industry Development Index ^b
US**	200,000	n.a.	1,042,000	2.0%	0.5	0.5
Japan*	85,000	73	534,000	2.0%	0.8	0.8
Germany	39,844	n.a.	300,000	2.2%	0.9	0.9
UK	15,000	n.a.	n.a.	1.0%	0.4	0.5
India	8,200	6,220	350,000	1.7%	7.8	1.9
Brazil	7,700	100	158,000	1.5%	2.2	2.2
Korea	7,694	35	n.a.	1.8%	1.1	1.1
Ireland ³	7,650	6,500/3,000#	25,000	7.4%	3.4	0.5
China	7,400	400	186,000	0.6%	1.8	1.7
Spain*	4,330	n.a.	20,000	0.7%	0.4	0.4
Taiwan*	3,801	349	n.a.	1.2%	0.7	0.6
Israel*	3,700	2,600	15,000	3.4%	1.8	0.5
Finland	1,910	185	20,000	1.6%	0.7	0.6
Singapore	1,660	476	n.a.	1.9%	0.7	0.5
Argentina*	1,340	35	15,000	0.5%	0.4	0.4
Mexico	<1,000	n.a.	n.a.	<0.2%	0.2	0.2

Fonte: F. Veloso, A.j.Botelho, T.Tschang e A.Amsden (2003) a partir de várias fontes.

* não disponível 2000 ** 2002

^a Vendas divididas pelo tamanho da economia medidas pelo PIB, e seu nível de desenvolvimento medido através da razão PIB/per capita. ^b igual ao Índice, mas considerando somente as vendas domésticas. # segundo número da Irlanda exclui as exportações da Microsoft.

A indústria de software indiana é hoje amplamente complementar àquela dos EUA e para lá exportam mais de 60% de

²⁵ A disponibilidade de computadores pessoais na Índia é de 0.6%, contra 13% na Malásia; 6% no Brasil, 2% na China e 1.5% no Egito. In: S.S.Gill (2004), *Information Revolution and India*. P, 215. New Delhi: Rupa & Co.

sua produção. As firmas indianas²⁶ provêem a manutenção essencial e os serviços, permitindo às firmas norte-americanas de usarem seus exíguos quadros para trabalhos de maior valor agregado, tais como desenho e desenvolvimento de novos tipos de aplicação.

A indústria indiana se especializa na exportação de serviços desenvolvidos na parte inferior da cadeia de valor, competindo basicamente em custo e viabilidade dos talentos em software. Grande número destes profissionais em software tem custo muito inferior àquele dos EUA²⁷.

Embora as firmas dos EUA não terceirizem aspectos como análise, especificação e desenho de alto nível, nem tampouco sistemas de larga escala de integração, as firmas indianas têm habilidade para prover esses serviços de maior valor.

Tabela 9 - Número de funcionários e estrutura IBM nos países em desenvolvimento

Região	2003	2006	Operações
Índia	9 mil	43 mil	Data Centers; desenvolvimento de softwares, call centers, pesquisa
China	4,2 mil	7,2 mil	Desenvolvimento de softwares, data centers, centros de demonstração, pesquisa
Brasil	4,5 mil	9 mil	Data centers, laboratório de desenvolvimento do Linux, call centers
Leste Europeu	2,9 mil	5,1 mil	Data centers, laboratórios de desenvolvimento, centros de serviços

Fonte: IBM e Business Week in: Valor, Terça-feira 6 de junho de 2006 p. B4

²⁶ A maioria das grandes firmas indianas de software aperfeiçoa os serviços que prestam. Elas são conhecidas como “centros de desenvolvimento offshore”, ou firmas ODC, e controlam tanto as exportações quanto os mercados de software. As mais conhecidas são as grandes Wipro, TCS, Satyam e Infosys, e uma relativamente nova, a Pentasoft. Cada uma delas tem uma folha de pessoal com 10,000 pessoas e mantêm dúzias senão centenas de contratos há qualquer tempo. Algumas delas têm grupos para serviços customizados, como a Infosys’s, que trabalha com a Nortel em telecomunicações. (A. Amsden et al (2002).

²⁷ Enquanto o salário anual de um engenheiro de software na Índia alcança uma variação que vai dos US\$ 500 a 900 dólares mês, nos Estados Unidos esta variação se situa entre US\$ 4.000 a 9.000 / mês

Desde 1980 a indústria indiana de software cresceu a taxas impressionantes, passando de menos de US\$ 150 milhões exportados nesta data para US\$ 4 bilhões em 1998 -99 e com valores de venda no mercado interno de US\$ 1.7 bilhão²⁸. Estas exportações, contabilizadas o BPO (*Business Process Outsourcing*) alcançaram US\$ 18 bilhões em 2005. A taxa anual de crescimento desta indústria foi de 40,5% entre 1995-99. Hoje, a maioria das empresas de software da Índia provê serviços *offshore* para grandes Companhias transnacionais, sendo que muitas delas estabeleceram centros de pesquisa e desenvolvimento na Índia.

Estudos pioneiros²⁹ sugerem que o caminho para a evolução desta indústria envolveu dois tipos de serviços orientados para exportação e a combinação destes dois tipos, a saber: empresas alocavam pessoal para servir diretamente aos clientes fora do país, o que pressupunha um longo contato com companhias e às vezes o envio de equipes para trabalhar “*offshore*” nos EUA, diretamente nos setores de sistemas de informações das corporações e eventualmente construindo sua própria capacidade para fazer todo o sistema funcionar desde a Índia.

Atualmente, com o “*boom*” do setor, a Índia se vê pressionada a estabelecer um salto ou “*upgrade*” para contrabalançar, seja o crescimento interno dos salários, seja para enfrentar a concorrência potencial de países na Ásia. Portanto, a tendência é de buscar mover-se para atividades de maior valor agregado ou subir na cadeia de valor.

Como afirmou Alice Amsden³⁰, a abordagem sobre o tipo de firma em software se distingue pelo mercado que serve, seja doméstico seja internacional. Além disso, a questão de vender software

²⁸ Nasscom (1999).

²⁹ Ashish Arora e S.Athrey (2001), The software Industry and India's Economic Development. Discussion paper n° 2001/20, UN/Wider.; Ashish Arora, V.S.Arunachalam, Jai Asundi, Ronald Fernandes (1999) , The Indian Software Industry. Unpublished manuscript, Heinz School, Carnegie Mellow University, Pittsburgh.

³⁰ Alice Amsden; S.Sadagopan, F. Ted. Tschang (2002), Technological upgrading in the Indian software industry: a framework base don business strategies and R&D capabilities. ABDI Working Paper. Draft. p.3.

de pacotes ou serviços a clientes também diferencia o tipo de firma. Arora³¹ discute como a capacidade das firmas indianas foi aperfeiçoada, movendo-se em primeiro lugar do trabalho no local (*on site*) para o trabalho *offshore*.

A indústria indiana, como vimos anteriormente, está se difundindo geograficamente no interior do país, o que também ocorre no Brasil, mas em nosso país de uma forma ainda muito concentrada. Muito embora Bangalore hospede as mais importantes firmas, elas também estão em Bombay, Hydebarad, Madras, Delhi, Calcutá e Pune. Mas, ao contrário do Brasil, o mercado doméstico indiano ainda é muito pequeno e a comunicação de banda larga é bastante limitada.

As firmas domésticas tiveram algum sucesso em países em desenvolvimento, com produtos verticalizados para bancos e pacotes contábeis. O tamanho das firmas indianas de software é bem maior do que as brasileiras. Muitas empresas daquele país ultrapassam o valor de comércio de US\$ 300 milhões e já são empresas internacionalizadas, ao passo que no Brasil conta-se nos dedos aquelas que chegam a este valor³².

As vantagens de localização da Índia com relação à Irlanda, Europa do Leste, China e Filipinas, no que tange aos serviços de desenvolvimento de software para clientes no exterior, devem-se à estrutura de universidades e centros de pesquisa, bem como à formação de engenheiros especializados no setor; ao domínio da língua inglesa e ao sistema legal e comercial que é similar ao do Ocidente. O Estado indiano, como o brasileiro, também está por trás de medidas que deram suporte e estruturaram o setor em tão pouco tempo.

³¹ A. Arora, (2000), "Software development in non-members countries: the Indian case". Information Technology Outlook. Paris: OCDE.

³² O que pode ser aferido pelo valor das exportações. Enquanto a Índia tem exportado acima de US\$ 17 bilhões em 2005, no Brasil este valor não excede os US\$ 300 milhões.

No longo prazo, tanto a Índia como o Brasil apresentam desafios gigantescos, sendo os principais aqueles relacionados ao grande número de pobres e ao analfabetismo³³, bem como a uma infraestrutura muito deficiente em muitos aspectos. Em favor da Índia, um certo distanciamento do padrão de consumo ocidental e uma maior autonomia de setores estratégicos, pela nacionalização das suas indústrias automobilística, de biotecnologia, de fármacos, nuclear, de defesa e de software. Embora as firmas dos EUA não terceirizem aspectos como análise, especificação e desenho de alto nível, nem tampouco sistemas de larga escala de integração, as firmas indianas têm habilidade para prover esses serviços de maior valor.

3.2 O Brasil e sua Política de Ciência e Tecnologia

Segundo MOTTA VEIGA (2000:27) é necessário reconhecer que a dinâmica industrial brasileira dos anos 90 não foi capaz de instaurar um ciclo virtuoso de expansão da capacidade produtiva da indústria via novos investimentos. A abertura comercial, entre outros resultados negativos, não reorientou a economia na direção das atividades exportadoras, da mesma forma em que não alterou o padrão setorial de especialização internacional da indústria do País, herdado dos anos 80 e, finalmente, foi incapaz de eliminar mecanismos setoriais de promoção e proteção que, segundo ele, ainda no final dos anos 90, reproduziam um viés anti-exportador.

Procedendo a uma análise das mudanças e permanências da indústria brasileira, entende o economista que as mudanças na estrutura industrial foram limitadas e estariam associadas, seja em relação ao desempenho produtivo, seja aos novos investimentos, à liberalização das importações, mas também ao crescimento do mercado

³³ Na Índia, de uma população hoje de 1 bilhão e 100 milhões, contam-se 40% de analfabetos e 20% de semi-analfabetos. In: S.S.Gill. op. cit, p. 216.

interno, pós 1994, à vigência de regimes setoriais de incentivo e, secundariamente, à formação e consolidação do Mercosul, até 1999.

Em termos de comércio mundial, a participação brasileira alternou-se entre 0,9% do final dos anos 70, para 1,4 % entre o final do governo Geisel e o início da crise da dívida externa em 1984. A partir daí, iniciou-se um longo declínio e deterioração da competitividade das exportações de bens industriais, que permanece até hoje. A década de 90 não alterou o quadro negativo dos anos 80 e MOTTA VEIGA chega a falar em “*esgotamento do processo de transformação estrutural da pauta de exportadora*” (Idem:29).

Comumente, o complexo CT&I é considerado como “elemento chave para o crescimento, a competitividade e o desenvolvimento de empresas, indústrias, regiões e países” (VIOTTI & MACEDO, 2003, p. xxi). A tríade competitividade-crescimento-desenvolvimento parece constituir um objetivo tão desejável quanto auto-evidente. Questionam-se os caminhos que deveremos adotar para chegarmos a tal destino, os preparativos necessários para emprendermos tal viagem, a bagagem que devemos levar, mas o fim permanece universalmente desejável. Assim, pode-se afirmar que a liberalização do mercado de TIC na década de 1990 não produziu, tanto quanto alguns almejavam, a modernização tecnológica da economia brasileira.

Sendo os sistemas nacionais de inovação (SINs) produtos históricos, decorrentes de trajetórias específicas dos países que os adotam, os países periféricos necessitam construir e amadurecer seus SINs com objetivos e direções distintas daqueles presentes nos países centrais, daí ser fundamental observarmos as trajetórias de países com problemas mais semelhantes, à exemplo da Índia. Segundo TIGRE et al (1999:186), a estrutura institucional que compõe o SIN brasileiro passou por diversas transformações na década de 90, caracterizadas, sobretudo, pela redução da responsabilidade do governo em relação às instituições de pesquisa. Estabelecer uma síntese sobre os pontos nevrálgicos do atraso brasileiro no setor (COSTA LIMA, 2004), sem

esquecer que a própria natureza das crises e as instabilidades político-econômicas, dela decorrentes, estão na raiz do problema: i) Ausência de uma Política Industrial coerente e autônoma, capaz de nortear e dar rumo aos investimentos no setor; ii) Débil relação com as necessidades de desenvolvimento, sobretudo pelo longo projeto da ISI (Industrialização por Substituição de Importações), mais importadora do que criadora; iii) Falta de convergência dos planos em C&T com as estratégias de desenvolvimento econômico social e político; iv) Modelo errático de C&T que privilegia o curto prazo, sem continuidade e desarticulado; v) A Ciência e a Tecnologia não efetivamente consideradas como atividades estratégicas e prioritárias para o desenvolvimento nacional;vi) Pequena participação do setor privado na produção de C&T, demonstrada pelo número de pesquisadores e engenheiros atuando em empresas localizadas no País; vii) Extrema dependência dos “pacotes tecnológicos” exógenos; viii) Baixo nível de apoio em C&T às pequenas e médias empresas; ix) A capacidade em recursos humanos, contraditoriamente formada pelo Estado, sem os recursos suficientes para um melhor desempenho; x) Concentração regional dos Investimentos no setor; xi) Isolamento da Comunidade Científica (apesar do papel que exerce de protagonista centra), às demandas do setor industrial; xii) Forma autoritária de condução das políticas de C&T, com reduzida participação da comunidade científica nas decisões das propostas e alocações de recursos. Xiii) Inexistência ou controle “laxista” do Estado com relação às importações realizadas por grandes corporações multinacionais; xiv) Ausência de responsabilização do grande capital internacional na relação entre lucratividade e desenvolvimento sustentável no País.

Na década de 80, o Governo Brasileiro julgava que uma Política Nacional de Informática dizia respeito basicamente à proteção de uma incipiente indústria de *hardware*. Por conta de uma compreensão fortemente industrialista do fenômeno informacional, as perspectivas promissoras de uma nova economia, de uma economia do intangível, da informação, do conhecimento, do *software*, foram negligenciadas.

No caso acima, uma percepção demasiado linear do impacto da CT&I na sociedade impediu que políticas adequadas de desenvolvimento fossem concebidas. Um aspecto claramente cultural, mais que a ausência de informações adequadas, coloca em perspectiva aquilo que se pode entender como “competitividade-crescimento-desenvolvimento”. Uma cultura sempre tem seu modo próprio de ser racional. Se o desenvolvimento brasileiro foi, em grande medida, formatado a partir da importação de pacotes tecnológicos – pensemos aqui na construção de nossa indústria automobilística ou no programa de energia nuclear brasileiro – ou seja, consumidor ao invés de produtor de CT&I, pode parecer lógico inferir que o mais racional é mesmo comprar essa mercadoria, que sua produção é cara e de retorno incerto. Vindo de um bem sucedido processo de substituição de importações, processo no qual a compra de tecnologia foi entendida, *grosso modo*, como um atalho para o desenvolvimento, o governo brasileiro não esteve atento à importância da produção de Inovação nessa nova economia. Talvez essa *rationale* explique o motivo pelo qual o balanço tecnológico brasileiro das duas últimas décadas tenha estado invariavelmente no negativo (ver CASSIOLATO & ELIAS in VIOTTI & MACEDO, 2003).

O processo de desenvolvimento científico e tecnológico nacional tem uma trajetória de forte instabilidade, com irregularidades de financiamento do setor, com obstáculos institucionais, seja de natureza organizacional, legal ou de recursos humanos. Muito embora tenha consolidado um sistema nacional sofisticado e sem paralelo na América Latina, apresenta inúmeras debilidades. Os anos 90 não diferem do padrão que se estabeleceu desde os anos 50, quando da criação do CNPq, quando sabemos que os recursos financeiros para o setor aumentaram entre 1993 e 1996, reduziram-se entre 1997 e 1998, estabilizando-se em 1999 e, desde então, tem sofrido novas quedas, em que pese a entrada em vigor dos Fundos Setoriais.

O investimento em inovação tecnológica é caro e de retorno incerto e, no Brasil, fortemente financiada através de recursos estatais. Em 2000, por exemplo, os investimentos em P&D no Brasil corresponderam a 1,05% do PIB, percentual bem inferior ao investimento de países como a Alemanha, Canadá, Coréia EUA ou França e comparável, com alguma vantagem, ao investimento de países como a China, Portugal e Espanha. De um total de R\$ 11,4 bilhões investidos, os dispêndios federais e estaduais representaram, respectivamente, 42,6% e 17,6%. No passado recente, a criação de alguns fundos de incentivo à P&D dentro das empresas visavam claramente à difusão de uma cultura da inovação em nossa economia, cujos objetivos maiores foram minorar o risco do investimento em inovação e preparar essas empresas para uma nova lógica competitiva. Experiências de parceria entre Governo e Iniciativa Privada, como, por exemplo, o projeto que resultou no seqüenciamento do genoma da *Xyllela fastidiosa*, indica caminhos que podem conduzir a uma revisão da cultura consumista que sempre tivemos com relação à CT&I. Isso pode reverter a cultura mencionada e a tendência que se estabeleceu nas empresas brasileiras após a liberalização do mercado e que se opõe a uma tendência internacional, qual seja, a tendência ao *upgrading* da produção. “Neste ajuste produtivo foram privilegiadas [no Brasil] faixas médias e baixas do consumo e equipamentos básicos à produção” (CASSIOLATO & ELIAS, 2003, p. 274). A empresa brasileira elevou a produtividade cortando custos, adotando uma “estratégia defensiva de racionalização da produção” (idem).

O resultado líquido de tais movimentos tem sido uma progressiva erosão da competitividade internacional das empresas brasileiras, que se manifesta na perda de importância do país no comércio internacional a partir do final da década de 80. [...] “A participação das exportações brasileiras no total das exportações mundiais, que era de 1,3% em 1981, passou para 1,5% em 1984, caindo para 1% em 1993 e para 0,93% em 2000 (Ibidem).

A atuação do Estado³⁴, seja no âmbito federal, seja no estadual, continua sendo fundamental, tanto na reversão desse quadro, quanto na ampliação daquilo que comumente se reputa como o sentido social da inovação tecnológica: promover capacidade-competitividade-crescimento-desenvolvimento. Os investimentos estatais em CT&I deverão continuar sendo elementos centrais na definição do tipo de apropriação e de relação que a sociedade brasileira poderá estabelecer com um padrão técnico em constante reconstituição.

Desta perspectiva, interessa ressaltar a existência de padrões de apropriação bastante diferenciados de região para região. A esse respeito, salta aos olhos as disparidades regionais em termos de distribuição do estoque de capacidade científica e tecnológica: os eixos Sul e Sudeste concentram mais de 60% da capacidade de C&T. Se observarmos os recursos dos governos estaduais aplicados em C&T para o ano de 1999, o quadro é ainda mais dramático. Enquanto os governos do Sudeste despendem 73,99% e aqueles do Sul, 14,05%, os estados nordestinos não mais que 8,08% (MCT, 2000, p. 25).

Como está dito no *Livro Verde*, “uma das diretrizes estratégicas para C&T deveria ser elevar a participação dos Estados nordestinos com menor nível de desenvolvimento nos investimentos de C&T”. Justamente a alocação de uma parcela significativa dos novos fundos setoriais para essas regiões teria como objetivo reduzir as diferenças socioeconômicas.

³⁴ A atuação estatal nos sistema de saúde, como regulador, como investidor e consumidor, tem sido fundamental para garantir uma atuação destacada em áreas fundamentais da saúde pública, tais como a produção de vacinas (ver Gadelha, 2002). Em 2004, o Governo Federal, através da FIOCRUZ, no Rio de Janeiro, adquiriu uma unidade de produção de medicamentos da GlaxoSmithKlein, agindo de modo a ampliar a participação nacional nessa importante área. Este pode vir a ser um ponto onde a cooperação Brasil-Índia pode acarretar frutos bastante positivos.

3.2 A Indústria de Software no Brasil

Um estudo recente realizado em cooperação pelo MIT e a FUNCEX (2002), a partir de coleta de dados secundários e entrevistas com 57 empresas líderes em vários segmentos da indústria de *software*, revelou que a indústria nacional no setor tem mais um conjunto de realidades do que uma identidade. Caracteriza-se por uma forte demanda doméstica que desestimula as exportações, por uma fragmentação do mercado nacional, com firmas de menor porte e avessas à cooperação e por uma inserção na economia política mundial de tecnologia da Informação (TI) mais desvinculada dos grandes centros. Ao mesmo tempo, o Brasil representa hoje o sétimo mercado de software do mundo, com vendas de US\$ 7,7 bilhões em 2001, rivalizando em dimensão com a China e a Índia. Entre 1991 e 2001, a participação do segmento de software como percentual do PIB mais do que triplicou, passando de 0,27% para 0,71% e a sua participação no mercado de TI cresceu 2/3, sendo o segmento mais importante deste mercado, hoje (op.cit:13).

O documento em questão revela ainda que a maioria destas empresas tem seu modelo baseado em produto, mas são os serviços que asseguram a maior fatia de sua comercialização. A tecnologia destas empresas foi desenvolvida pela própria empresa e apenas uma pequena parcela fez uso de tecnologia originária das universidades. A quase totalidade destas empresas obteve financiamento externo, através do capital de risco privado e de programas governamentais, estes últimos tendo desempenhado um papel importante na modernização da gestão e na orientação estratégica para o crescimento das empresas, que ainda apresentam rarefeita presença no mercado internacional, à diferença das similares indianas, como veremos a seguir. Finalmente, estas empresas atuam nas áreas de telecomunicações, em software de gestão integrada e automação industrial, além de produzirem softwares para os setores bancário e financeiro. As áreas de *software*

para *e-business*, gestão de documentos e conteúdos, ocupam uma posição intermediária.

Numa análise sobre as forças que estas indústrias apresentam, destacam-se: a flexibilidade e a criatividade, a sofisticação de alguns de seus mercados-alvo e uma agressiva experimentação no mercado de produtos. Entre as fraquezas, foram identificadas: a ausência de incentivos à exportação, o custo Brasil e a limitada experiência no mercado aberto, que só teve início em 1990, dez anos após a Índia. O mercado é fragmentado, povoado de pequenas empresas pouco cooperativas e que não têm capacidade de impor-se internacionalmente. O estudo ressalta que o principal fator negativo é não ter existido, até o presente, um verdadeiro envolvimento da maioria destas empresas na comercialização de *software* no exterior, o que reforça a natureza do projeto que apresentamos, pois a política Indiana para o setor tem características justamente opostas, podendo sinalizar como uma imagem ou alternativa para o Brasil.

3.3 A Performance da Indústria Indiana de Tecnologia da Informação (TICs)

O tamanho da indústria Indiana de TIC (*software*, *hardware* e periféricos) foi de US\$15.8 bilhões em 2002-03 e cresceu para \$19.6 bilhões em 2003-04. A indústria Indiana de *software* cresceu extremamente rápido através dos anos 1990 e passou a ser 20 (vinte) vezes maior em 2002-03 do que foi há dez anos atrás; a taxa de crescimento anual dos rendimentos, de 1990-91 a 2002-03 foi de 40.6%. As exportações crescendo para US\$ 9.9 bilhões representaram 79% dos negócios da indústria Indiana de *software* que atingiram US \$12.5 bilhões em 2002-03. Em 2003-2004 o mercado de software, de produtos e serviços na Índia foi de US\$ 16.5 bilhões. A maior parte do crescimento dessa indústria deveu-se ao crescimento internacional e foi obtida pela exportação (80%) e não por vendas de afiliadas no estrangeiro. Cerca de 69% dos softwares exportados pelas TICs

Indianas têm o destino dos EUA, 8% seguem para a Ásia e 22% para a Europa. Outro aspecto importante é que mais de 90% desta indústria é de software de serviços para clientes³⁵.

Durante 2003-04 os serviços em TICs (Business Process Outsourcing) cresceram de 54% e atingiram US\$3.6 bilhões e sua participação nas exportações totais de TIC é de 25%.³⁶

O Cluster de Software in Bangalore

O cluster de software no Sul da Índia e que ganhou reputação como o *Vale do Silício* asiático, fica na cidade de Bangalore. Nesta, que segundo alguns analistas é a mais inglesa das cidades indianas é uma indústria orientada para o conhecimento e intensiva em capital humano, que tem atraído para o país, tanto produtores quanto consumidores de software, fazendo da cidade um portão para o trabalho qualificado. O estado indiano tem apoiado decisivamente o crescimento desta indústria.

Estima-se que cerca de 25% da indústria de software estão localizadas em Bangalore: das 274 maiores companhias de software do país, 70 estão aí situadas³⁷.

O Parque Tecnológico de software em Bangalore começou com um punhado de empresas em 1990, passando para 183 unidades registradas em 1998 e, já em 2000, contava com 200 dessas empresas. Este *cluster* consiste de pequenas, médias e grandes empresas, incluindo as gigantes do setor como a Motorola, Texas Instruments, HP e aquelas indianas como UNFOSYS, WIPRO, entre outras. Desde o final dos anos 80 o Parque tem feito ampliar o número de colaborações entre empresas indianas e estrangeiras, envolvendo atividades informais e formais de sub-contratação e distribuição.

³⁵ Cf. Siddharthan (2005).

³⁶ Esses números foram obtidos em: Data Source: NASSCOM (National Association of Software and Service Companies) Strategic Review Report 2004.

³⁷ In: Balasubramanyam (2000;:350)

As atividades realizadas em Bangalore consistem basicamente em serviços profissionais: produção e montagem, consultorias, treinamento e processamento de dados. No passado estas atividades eram desenvolvidas por companhias indianas no próprio local, mas, recentemente, houve uma mudança gradual para o trabalho *offshore*, que passou de 5% para 45% dos ganhos desta indústria.

A Associação Nacional de Companhias de Software e de Serviços (NASSCOM) estimou que a indústria indiana de software empregava 140.000 pessoas em 2000. O Parque Tecnológico de software em Bangalore estima que a cidade é hoje responsável por 53% das exportações de todos os Parques similares no país.

Estudiosos³⁸ têm afirmado que entre os principais fatores positivos no desenvolvimento de *clusters* está a presença local de instituições de pesquisa e ensino universitárias, que fornecem engenheiros, técnicos e cientistas, mas também o apoio decisivo do Estado, através de subsídios, redução de taxas, apoio de infra-estrutura e de equipamentos, bem como suporte no crédito.

Bangalore é bem servida de serviços educacionais, com a instalação do renomado *Indian Institute of Science e da Bangalore University*, onde estão localizados quatorze *Colleges* de Engenharia, preparando e atualizando engenheiros de software e de computadores. Há também no local diversas empresas estatais de comunicação e defesa, e indústrias privadas importantes de máquinas ferramentas, aeronáutica, eletrônica.

A indústria de software da Índia muito se beneficiou do conhecimento de seus engenheiros, que durante os anos 1960 e 70 migraram para os EUA e acabaram por retornar nos anos 80. Foram estes pioneiros que, com o conhecimento e as relações adquiridas nos EUA acabaram por implantar as primeiras firmas de software na Índia³⁹.

³⁸ Entre outros: Siddharthan e Nollen (2005)

³⁹ Estima-se em 40.000 por ano a fuga de cérebros da Índia rumo aos EUA, neste período. In: Balasubramanyam; op.cit.

Um outro aspecto relevante para o fortalecimento do *cluster* Bangalore foi o Investimento Direto Externo (IDE), pois nada menos que 66 corporações multinacionais se estabeleceram no local, entre 1986 e 1992.

A vantagem dos baixos salários, comparativamente à Inglaterra e os EUA, para profissionais altamente qualificados, pode ser realçada através dos ganhos de um engenheiro de software, que em 1994 recebia em torno de 26.000 libras esterlinas no Reino Unido, enquanto na Índia recebiam o equivalente entre 1.000 a 2.000 libras esterlinas ano⁴⁰.

As firmas estrangeiras fizeram substantivos lucros, ao transferirem sua área de processamento de dados para Bangalore e para outros locais na Índia. O exemplo da British Airways é significativo, ao pagar somente 4.000 libras esterlinas por ano pelo trabalho de 200 contadores locais, o equivalente a um quinto das vinte mil libras em média que seriam pagas no Reino Unido⁴¹.

Os Balasubramanyam discutem em seu artigo uma questão teórica de relevo, a saber, o de tratar-se o caso de Bangalore, ou da Índia em geral, mais como uma região de ‘enclave’ típica, como acontecia nos anos 1950 e 60, onde a base da exploração estava nas *plantations* ou nos minerais. Os autores reforçam a questão ao indagarem se as firmas estrangeiras se engajavam em Pesquisa & Desenvolvimento (P&D) na Índia?

A resposta parece consistente. Para os autores, as empresas estrangeiras não apenas se utilizam da mão-de-obra qualificada barata, porque, pela própria natureza do produto, o software, esta atividade requer dos engenheiros indianos que busquem novos métodos de processamento de informação, que é trabalho de P&D, uma atividade com foco na solução de problemas. Portanto, é uma atividade que cria desdobramentos positivos para o país. Em geral, a maioria dos

⁴⁰Balasubramanyam; op.cit.;p. 355.

⁴¹ Balasubramanyam; idem,p.355.

profissionais indianos de software trabalha em projetos específicos, tais como desenhar softwares para bancos, instituições financeiras, para o setor de reserva de empresas aéreas, de gerência contábil de grandes empresas, entre outras atividades. O IDE desenvolvido em software é distinto daquele do passado, porque é intensivo em conhecimento e porque envolve criatividade e aprendizado, é uma atividade cooperativa. Não é só o ganho do acúmulo de conhecimento tácito, pois cada firma guarda não apenas sua *expertise*, mas também sua propriedade intelectual. Como afirma Subramanyam⁴²: “*Existe a oportunidade de discutir e debater o último desenvolvimento da indústria, de identificar os princípios gerais, e de aprender coletivamente*”.

De todo modo, os indianos estão conscientes de que o futuro na está apenas a depender das vantagens de custo que a empresa possa ter, mas da sua habilidade de avançar na cadeia de valor e competir na base da qualidade.

4. Conclusões: Algumas comparações entre a produção de software indiana e brasileira

O estudo produzido pelo MIT em 2002 sobre a Indústria de software no Brasil introduz um conjunto de comparações entre o modelo indiano e aquele nacional. Segundo o documento, a indústria de software brasileira representa uma parcela significativa do PNB brasileiro (1,5% em 2001), sendo maior e mais diversificada que a indiano. A produção do mercado brasileiro de software no mercado brasileiro de TI vem aumentando, representando mais que o dobro da Índia (24% em 1999). Não obstante, as exportações da Índia são imensamente maiores do que as nacionais. No Brasil, a forte demanda doméstica produz um conjunto de estímulos para as empresas de

⁴² Idem, p.358.

software com um viés anti-exportação, firmas menores e com menos autonomia para inserção internacional.

Se observarmos comparativamente o custo da mão de obra no setor de software, temos que o custo hora de programador na Índia é de US\$ 24 em média, enquanto na China este valor varia entre US\$ 12 e 25 e no Brasil entre US\$ 10 e US\$ 20 (para a função mais bem paga de Analista de Sistema Sênior).

Uma dimensão frágil do software brasileiro é sua estrutura industrial. Existe um déficit de grandes empresas capazes de fazer face aos grandes gigantes mundiais. As cinco maiores empresas indianas de software, todas elas vendiam mais de US\$ 300 milhões, contra cerca de US\$ 50 a 100 milhões para as maiores brasileiras (MIT, op.cit,p.58). A dinâmica de cooperação entre as nacionais também é muito baixa.

No tocante ao financiamento do setor, este é um aspecto problemático no Brasil, com experiência de capital de risco muito recente, sem falar na instabilidade interna da macroeconomia. Neste aspecto a Índia tem um mercado de capital de risco mais desenvolvido.

Com relação à imagem internacional para o software nacional, enquanto a Índia aparece como um gigante nos serviços, a Irlanda na localização do software para a Europa e a China, no hardware, ainda não se cristalizou uma imagem que se possa associar ao software brasileiro.

Contudo, o fato de que mais de 90% do software indiano é exportado e quase todo software brasileiro é absorvido no mercado doméstico também pode ser visto, em termos estratégicos, como uma fraqueza do primeiro e uma força do segundo. Isto significa que a Índia está enfraquecendo sua própria vantagem competitiva no diversificado setor de suas exportações manufaturadas e ajudando na melhoria da produtividade, com base na manufatura e no setor de serviços intensivos em tecnologia, de seus rivais, enquanto a base produtiva de sua própria economia continua tecnologicamente atrasada. O Brasil pode ser um bom exemplo para a Índia aprender como preparar a economia para uma rápida absorção de software e da

tecnologia de comunicação e informação em diversos setores de sua base produtiva.

A cooperação entre os dois países em software e nos setores de TIC pode também abrir novas portas para o adensamento da cooperação e realização da integração econômica em diversas outras áreas. O Brasil e a Índia desenvolveram, por exemplo, bastante bem suas indústrias aeronáuticas, as quais são tecnológica e financeiramente independentes das companhias multinacionais. A Índia tem ainda capacidades relevantes nas tecnologias de mísseis e espaciais, bem como no campo da energia nuclear, ao mesmo tempo em que o Brasil estabeleceu uma liderança global no campo da bioenergia. A indústria automobilística brasileira, por outro lado, é totalmente dependente das corporações multinacionais baseadas nos EUA, na União Européia e no Japão. Todas estas linhas de produção são fortemente dependentes de software e tecnologia de desenho. Se o Brasil e a Índia se unirem em cooperação técnica, juntos, os dois países podem conquistar vantagens competitivas no mercado global em todos estas e outras áreas. O Software é um multiplicador de produtividade para todos os setores da economia e este efeito multiplicador se torna mais forte e profundo naquelas economias que alcançaram um grau de capacidade tecnológica endógena e um grau de independência tecnológica dos países capitalistas centrais. Juntos eles terão o poder de desafiar a hegemonia do centro, o que não poderão fazer por si sós.

No tocante à formação da mão-de-obra, o Brasil ainda forma um pequeno número de profissionais na área de software. Na Índia, a região de Bangalore é o principal centro de exportação de software e serviços do país, com um grande número de engenheiros que se formam a cada ano, sendo 25.000 engenheiros de software e computação, o que tem feito acorrer à região a maioria das grandes corporações mundiais do setor: Cisco, Hewlett-Packard, Oracle, entre outras.

Concluindo este trabalho, ainda embrionário, é importante salientar que até bem pouco as diplomacias brasileira e

indiana estiveram muito distantes, não percebendo as reais oportunidades que se abrem para esta cooperação, que deve ir muito além das Tecnologias de Informação e Comunicação, mas adentrar nos diversos campos da ciência, da cultura, do meio ambiente e da sociedade.

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Brazil: National Identity and South American Integration









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The India, Brazil and South Africa Dialogue Forum (IBSA or G-3) represents more than a trilateral cooperation initiative among three nations, since each one of its member States is the core of regional integration processes, namely the South Asian Association for Regional Cooperation (SAARC), the Common Market of the South/South American Community of Nations (Mercosur/SACN) and the South African Customs Union/South African Development Community (SACU/SADC). Despite some natural difficulties inherent to this enterprise, Brazil is working towards the consolidation of the South American integration process due to its economic weight, political and diplomatic will and national identity. Although the country is the only nation in the subcontinent that speaks Portuguese, language is not a significant barrier because Spanish is a similar idiom. Brazil, as well as its neighbors, represents a new society, which formation began five centuries ago in a context of European expansion.



Religious and ethnic conflicts are a marginal reality in the region where as compared to other parts of the world. Brazil, in particular, has received several migratory trends of population and managed to integrate them in one unique culture and language, a

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society that still is in the making. In addition to a common historic tradition, Brazil shares with its neighbors substantial migration waves that are related to political and economic regional problems, mainly in the second half of the 20th century. Therefore, Brazil's national identity, flexible and in the making, is progressing to the built of a South American identity without any great difficulty. This process impacts, but also is impacted, by a multidimensional South American integration.

Brazil's relations with its South American neighbors and, in particular, the built of an integrated regional space in the subcontinent stand for the main goals of the nation's diplomacy. First of all, it seeks to preserve and deepen Mercosur and, at the same time, to enlarge integration to the whole of South America. Argentina and Venezuela, in this scenario, are the priorities. Also, this project is linked to the preservation of Brazil's relative autonomy in the context of globalization, an indispensable condition for the construction of a national project that allows the nation to contribute, as a power pole, in the structuring of a multipolar international system. Surpassing the present crisis is vital to the sustainability of this relevant achievement which is Mercosur, preventing the implementation of the Free Trade of the Americas (FTAA) in its current status as proposed by the US.

Facing the emergence of a new world order, Mercosur is the first South American, and Latin American, integration process, that has gained significant results and has opened regional alternatives for a better international stand for Southern Cone nations. Addressing the issue of Mercosur's future when the process faces its first crisis leads to several strategic issues. Has the initiative reached its limits or is this a passing storm? Which solution is the best? The deepening of the process with the creation of supranational institutions and its enlargement to new members or, on the other hand, a setback of goals and schedules, focusing on a more realist stand?

In spite of the path chosen to solve this crisis, the creation of a system of structured relations amongst South American nations rests on this choice. And, in order to deal with the issue of Mercosur's future, it is necessary to identify its foundations, evolutionary trends and domestic and international challenges in the turn of the century. Most of all, it is important to identify which dimension of Mercosur was hit harder.

In the beginning of the 1980s, Brazil and Argentina nearness served as the core of regional integration that led to the creation of Mercosur in 1991. Contrary to common knowledge, this nearness *was not the product of democratization*, but of a previous process that was much more complex and deeper: democratization was only one of its aspects. The first cooperation agreements were signed in 1979 and 1980 by Videla and Figueiredo.

Democracy's comeback with Presidents Raul Alfonsín and José Sarney took place in a problematic economic and diplomatic situation due to the debt crisis and the pressures of the International Monetary Fund (IMF). However, in 1985, the Iguazu Declaration was signed, followed in 1986 by the Integration and Cooperation Programme and, in 1988, by Brazil-Argentina's Treaty of Integration, Cooperation and Development, that predicted a ten-year period for the creation of a Common Market among these two nations. The Brasilia-Buenos Aires axis was established.

Mercosur: As a Reaction/Adaptation to Globalization

In 1990, President Bush launched the Enterprise for the Americas Initiative (EAI), which envisioned the creation of a free trade area from Alaska to Tierra del Fuego, that represented the starting point of the FTAA's future proposal. At first, however, the process evolved into a North American integration that, in January 1st, 1994, was implemented: the North American Free Trade Agreement (NAFTA).

Brazil's answers to these new challenges and to the negative effects that spread from Color's government choice of a subordinate global stance came from Itamaraty, which efforts offered a compensation to this path and became real with the acceleration and enlargement of Brazil-Argentina integration. In March 1991, the Assunção Treaty that created Mercosur was signed, joining Brazil, Argentina, Paraguay and Uruguay. This Treaty started the tariff reduction of all products and anticipated the creation of a Common Market, and the full liberalization of intraregional trade and the adoption of a common external tariff amongst these four countries for December 31, 1994. It should be noticed that the original schedule as envisioned by the Sarney-Alfonsin agreements was almost cut in half. The purpose of the Minister of the Economy, Zélia Cardoso de Mello, team was to give a new meaning to Brazil-Argentina cooperation, by turning it into an instrument for the acceleration of tariff reduction, mainly through the participation of Uruguay and Paraguay. So, an integration with development ambitions was transformed into a tool of neoliberal economic policy.

Collor impeachment process, followed by his resignation and Itamar Franco's government (1992/1995), added to the overwhelming negative results and frustration linked to the previous alliance with Washington and the neoliberal strategy of economic deregulation, privatizations and passive opening (without compensations) to the international markets, led to a natural deep change of path in foreign policy. Brazil's new diplomatic agenda attempted to sustain a low profile on its disagreements with the US, addressing only specific problems. In 1993, serving as Brazil's Minister of Foreign Relations, Fernando Henrique Cardoso stated that "it is true that the US is our main individual partner. However, a privileged integration with them would be impossible due to the dynamics and vitality of our exports to the North American market, in which we face several restrictions. US markets are not open to Brazil. Brazil does not have the doors keys to North America."

Mercosur as a Platform for International Insertion

Since the beginning of the 1990s, Brazilian diplomacy was forced to abandon the Third World rhetoric of solidarity amongst developing nations, focusing on the opposition to specific international rules regarded as unfair and obstacle to development of peripheral nations. A significant number of issues linked to the former foreign policy paradigm was eliminated from the international agenda and replaced by new ones such as human rights, the environment, nuclear program, intellectual property rights and the end of the protection of market shares of the national computer industry. The adoption of several different international regimes, the attempts to sustain a satisfactory relation with the US and the opening of the Brazilian market, as well as the recent implementation of the Monetary Stabilization Plan (Plano Real, July 1994), tried to enhance the trust of external investors in the country and to adapt it to these new realities. Although these measures, signaled the acceptance of international rules, Brazil has not abandoned its diverse partnerships or its *global trader* features.

How was it possible to reconcile these two dimensions? During the 1980s, the conditions for the nation's international insertion have become even more sensitive, and Brazilian diplomacy was not able to sustain the same intensity of its relations with the most important regions of the world. Relations with the European Community and with Japan became even more difficult due to their growing protectionism and new external realities. At the same time, the Soviet zone and Third World crisis disturbed the possibility of sustaining privileged links with these regions.

Therefore, as these international conditions worsened, Brazil invested even more in the creation of a new regional reality. Due to the integration with neighboring nations, Brazil, and its Southern partners, expected to gain both immediate economic benefits and to improve its regional basis to achieve a better international

stance. In this sense, Mercosur was not only an end itself, nor its trade dimension was its main goal, in spite of official statements, but should be viewed as part of a broader project. When the US proposed the creation of NAFTA, Brazil reacted in 1993 launching the initiative of a South American Free Trade Area (SAFTA) and by creating, linking South American and Africa nations, the South Atlantic Peace and Cooperation Zone (SAPCZ), in a strategy of concentric circles spreading from Mercosur.

The first project was designed to attract other South American nations to join Mercosur, by negotiating free trade agreements. Bolivia and Chile agreed, in this context, to start talks regarding some kind of cooperation with Mercosur. The creation of the South American integration area, with Mercosur as its core, enlarged the room for maneuver and the resistance capability of these individual Latin American nations (such as Chile) whereas faced by NAFTA's power of attraction.

In relation to the second project, the idea was to create another concentric circle in the South Atlantic space, through Mercosur cooperation with post-Apartheid South Africa and newly pacified nations in Southern Africa. This new space would represent an area for economic growth, by exploring existing and potential economic complementarities. Moreover, this initiative enlarged the framework of South-South cooperation, in addition to opening up a permanent route towards the Indian and Pacific Oceans, enhancing even more the possibility of strategic alliances with medium powers and/or emerging markets of the Third World.

In December 1994, during the Miami Summit, President Clinton renewed the proposal for the creation of a free trade hemispheric zone, called the FTAA. At the meeting, Brazil argued in favor of the future convergence and cooperation of the different existing integration projects, denying the possibility of establishing bilateral agreements with the US. Added to this, Itamaraty managed

to ascertain that these efforts would not lead to exclusion of contacts and agreements with other areas such as the European Union (EU). Faced by the advances of the US, Mercosur and the EU started talks that lead to signature of the first inter-bloc agreement, the European Union-Mercosur Inter-regional Framework Cooperation Agreement in Madrid, December 1995.

As expected, Mercosur's rather positive results in the economic field and the cooperation with other poles of integration in a context of growing economical and technological competition in the North led to growing divergences with the United States. Not only the permanent broadening of trade relations inside Mercosur is an issue, but also other elements, such as *an integration from below*. In addition, it seems to be much clearer that Mercosur has as an implicit goal: *the maintenance of an industrial basis inside its territory*, creating conditions to sustain the ongoing presence of transnational corporations here.

Beyond these solid advances, Mercosur's agreements with other areas, such as Europe and Eastern Asia, significantly bothers the United States. So, since the end of 1996, but specially after the beginning of Clinton's second mandate, Washington has been attacking Brazil and Mercosur trade practices and its nearness to other processes of integration.

For its turn, the cooperation with EU and Asia, is being harshly attacked by the United States. This scenario can be deduced from Clinton's speech to the Senate in 1997, asking for the approval of fast track: "We need to act, to expand our exports to Latin America and Asia since these two regions are growing fast or we will be left behind as these economies strengthen their ties with other countries." (Política Externa, 1997, p. 66) In other words, the integration with the United States means to become importers of North American products. Charlene Barshefsky, the former US trade representative, stated for a Senate Commission that "the growing attention that Mercosur is getting not only in South America and in the Caribbean,

but also in Europe, Japan, and China is viewed (by us) as a threat to US trade interests and also to our own leadership in the hemisphere.”(O Estado de São Paulo, apud Política Externa 1997, p. 57)

The Real Crisis and Mercosur

However, in 1997, the Asian financial crisis affected the region negatively, a situation that was worsened by the stock market collapses of Asia and Russia in 1998. This produced a fly away of capitals in the “emerging markets”, specially in Brazil (loss of 50% of exchange reserves). In the beginning of 1999, Brazil had to strongly devalue the Real (two reais would account for one dollar). Brazilian high costs of imports hit Argentina deeply, who previously enjoyed a trade surplus with us. It was the beginning of the so-called Mercosur crisis that some identified as the end of the regional integration process.

More than a crisis of integration in itself, this represented the erosion of an economic model and, specially, of the international context that it was based upon. The world economical reality in the end of the 1990s is particularly different from the one at the decade’s beginning. The global financial instability, the slow down in the economic growth and also the recession in the region, the debacle of social indexes and the increase of unemployment altered the internal political situation, leading to the erosion of legitimacy of Mercosur’s countries governments. Furthermore, the situation in Argentina worsened due to its presidential elections. As soon as Fernando de La Rúa, was elected, the rhetoric was one of conciliation and of revival of the integration process. The same thing happened in Uruguay, after Battle’s victory. Moreover, due to the steady recession in Argentina, although Brazilian exports had diminished, the imports from Brazil had not grown significantly.

The Brasilia Summit and South American Integration

Facing this growing set of challenges, the reaction of Brazilian diplomacy was to foster South American integration, promoting the Brasilia Summit. This initiative occurred at the same time that the United States was feeling the first signs of a recession and during its presidential elections. Therefore, since July 2000, Washington launched a package of projects in order to block Brazilian advances and to accelerate the negotiations and the implementation of the FTAA.

White House's official sanctioning of Plan Colombia in August 31, 2000, intended to help in the narcotics war, and the simultaneous Brasilia Summit, a joint meeting of South American governmental officials, made clear that two opposing (but related) trends are developing in South America. These trends represent two different kind of answers to the end of the political-economical stability that was reached in the beginning of the decade. Such stability was characterized by the primacy of market economy, the total openness of domestic markets as a way of taking part into the globalization process, and the adoption of neoliberal policies of privatization and deregulation in the domestic field.

However, this new situation created serious social problems (in spite of official speeches) that sooner or later started to influence the political and economical realms. This reality, long concealed by financial stability, came in to full force when the stock markets started to drop progressively from 1997 onwards, reaching its peak in the beginning of 1999 by the flight of speculative capitals and the Real devaluation. During this period, several political crises erupted such as in Paraguay, Ecuador, Venezuela and more recently Peru. It goes without saying that in almost every country of the region social clashes also took place.

This was the context in which Plan Colombia was launched by the US. In addition to the show of force in the narcotics war (and against the leftist guerrillas) and in support of President's

Pastrana government, Washington was also attempting to put forward an example to other countries that it was paying attention to developments inside the region: supporting allies and punishing the outcasts. Sharing its frontiers with Colombia is Venezuela, where President Chávez not only peacefully dismantled the ongoing political model, similar in all of Latin America, but is also designing a new domestic regime and an autonomous diplomatic behavior (promising a revival of nationalism and of the Third World movement).

As a consequence of the challenges posed by the globalization process, a trend towards nationalism could be noticed in the region, reinforced by the recovery of the social agenda by several political forces. Almost simultaneously, governance crisis took place in Ecuador, Bolivia, Peru and Paraguay, added to recurring political instability in Venezuela, the internal strife in Colombia and the deepening of economic recession in Argentina and Uruguay.

Brazil's decision to call the South American Summit in Brasilia, that proposed the creation of a South American Free Trade Area, at the same time that Mercosur's own survival was being questioned seemed to surprise some analysts. However, this process is easily understood and was rationally motivated by the country's crisis and by the growing international and regional difficulties. Thus, Brazil needed to recover an autonomous (yet, not confrontational) diplomatic speech, criticizing the "asymmetrical globalization".

In part, the search for international alternatives was also motivated by the growing preoccupation of Brazil's business sectors, facing a long-term recession and the risks that an adhesion to the FTAA would bring. In a contradictory stance, the answer to Mercosur's crisis focused on the widening of the integration to all South America. Therefore, Brazil's previous 1993 SAFTA initiative seems to be taking shape in mysterious ways. In this sense, further talks were scheduled for October, in order to establish a free trade area that comprises Mercosur and the Andean Pact.

Moreover, the present economic and political difficulties and US offensive for the creation of the FTAA (made easier by Mercosur's crisis), American pressures against some leaders of the region (Fujimori and Chavéz) and Plan Colombia, are seen as interferences in South American countries domestic affairs. A growing militarization of Colombian domestic conflicts generating refugee flows and other problems is also worrying the countries of the region. So, this new proposal, besides the economical needs, has a political dimension. In this context, Brazil finds some room to exercise its regional leadership, in concert with its neighbors, even strengthening its virtual candidacy to a seat in a reformed UN's Security Council.

Argentina's Collapse and the Summits of 2002: Mercosur and South America

The collapse of Argentina in the end of 2001 represented the beginning of the bankruptcy of a model of international insertion. The Peso-US Dollar parity increased export prices and favored imports. Only because of Mercosur the crisis had not reached its worst level, since Argentina sustained a positive trade balance with Brazil. Politically, however, Argentina's government paid little political attention to regional integration, sustaining a pro-US stance that was almost cartoonish. Although the nation's received no material advantages in exchange, they invested in what was defined by the late Minister of Foreign Relations Guido de Tella as *relaciones carnales* ("flesh relations") with the US. This position ignored both the realities of world power and Argentina's long term national interest.

At the same time, Argentina was competing with Brazil, weakening the bloc that helped the nation's sustainability. The peak of this paradoxical situation was reached when Cavallo returned to the Minister of Economy during De la Rúa government (Cavallo occupied this position in the former Menem's administration). Cavallo sabotaged the Common External Tariff trying to make Mercosur

unfeasible and facilitate the implementation of the FTAA. Nevertheless, as logic showed, the erosion of the model started with the breakdown of privatization and accelerated with Real devaluation. A prolonged four-year recession and a total indifference towards the population led to a social upheaval in December 2001.

At the first, the government tried to sustain the economic project, but a new social explosion proved that the devaluation of the peso and the external debt moratorium were necessary. New governmental authorities expressed their will to relaunch the integration process with Brazil, strengthening Mercosur, added to diversification of external relations, trying to escape a pattern of sole dependence with the US, which agenda was not even favorable or complementary to the Argentine one. A cleverer path seemed to be taking place, as shown in the Mercosur's Buenos Aires summit, politically supported by a manifesto that defended the growth of Mercosur, and reaffirmed the goals of integration, and that was signed by two hundred Brazilian personalities.

In a framework of deep astonishment generated by the crisis in Argentina, the Brazilian elections, in the midst of the international financial instability, the old clashes between the Mercosur and the FTAA agendas continued their silent struggle. Clearly, these are two competing strategic projects: a *South American* one, that seeks to preserve the autonomy of the Southern part of the continent, and, the other, a *North American* one, that has the goal of uniting the whole hemisphere, with the US as its hegemonic center.

The II South American Summit that took place in Guayaquil, Ecuador, in July 26-27, 2002, continued the Brazilian diplomatic initiative that started in 2000 in Brasilia from August 31st to September 1st. In spite of Mercosur's integration, the collapse of Argentina and the political pressures upon the majority of the nations in the subcontinent, added to the US and international financial and economic instability, this reunion showed Brazil's political will to advance South American economical and political cooperation.

President Fernando Henrique Cardoso, who gave his speech in the name of all, criticized the protectionist trade policies of First World countries, expressed his doubts about the FTAA viability in the present circumstances, and his distress for the lack of results of Mercosur-EU's negotiations. In addition to criticizing North American policy, although without clearly referring to the US, FHC's speech defended the need for an association linking Mercosur and the Andean Community.

The meeting ended with the signature of two joint declarations, one regarding Integration, Security and Infrastructure for Development and another related to the creation of a South American Peace Zone, added to the initiative of social and economic development established with neighboring Amazon nations. The skepticism of several analysts is not justified in this sense, since the meeting signaled a change of path, furthering proposals that were first presented in Buenos Aires at the Mercosur Summit that same year.

The Joint Declaration regarding Integration, Security and Infrastructure for Development advanced the proposals defined in the Brasilia Summit creating a forum to the making of common security policies and the deepening of integration. Whereas faced by the current difficulty of new trade liberalization rounds, the creation of an infrastructure network linking transports, communications and energy sector of South American nations provides concrete steps to the physical integration of these economies. The result is much more promising than the institutional incentives related only to trade enlargement.

Lula's Government and South American Integration

Lula's election caused a great deal of apprehension inside and outside Brazil, towards the incoming government future actions.

Most expected an ideological international behavior and an unprepared president. However, diplomacy based on a strategic and tactical sense and a long range vision, which elements are going to be discussed, were noticed. As seen, although the present course of Brazilian foreign policy started in the second half of FHC's mandate, there were no significant changes at that moment. The former President had not possessed the will or political basis to implement modifications that could go far beyond timid critic rhetoric. Lula's inauguration has transformed this situation and, in the beginning of his government, Brazilian foreign policy has known a remarkable development and leadership that is surpassing many expectations.

To fulfill his strategy, Lula's government International Relations are characterized by three dimensions: an economical diplomacy, a political one, and a social agenda. The first dimension is a realist one, the second aimed at offering resistance and assertiveness, whereas the third is a propositive one. They represent a project that was being matured for more than a decade that is consistent with the balance of forces present in the country and the world, and not a headstrong policy.

Considering the first point of view, it is necessary to keep the channels of First World talks open, gaining resources such as investments and technology, also negotiating our foreign debt and giving indication that the government is willing to fulfill its international commitments, without any sudden break. For its turn, the political diplomacy represents a field for the reinforcement of national interests and Brazil is acting as a true protagonist in International Relations, with the clear intent of developing an *active and affirmative diplomacy*, ending a phase of stagnation and emptiness.

Lula's government put Itamaraty back on its former strategic position of formulating and implementing Brazilian foreign policy. Previously, FHC dominated the political agenda ("Presidential Diplomacy") and Minister Malan the international economical one, leaving to the Ministry of Foreign Relations only the technical and

bureaucratic role of the negotiations and the critics. The nomination of Ambassador Celso Amorim as Foreign Affairs Minister, a career diplomat, that served as Chancellor in Itamar Franco's government represented a sign that our foreign policy was back on its tracks.

Finally, Lula's internal governmental project also has a significant international impact, since its social projects are an answer to the need for and agenda that seeks to deal with the asymmetries brought by the globalization based only in free trade and investments. The campaign against hunger has a symbolical meaning that indicates the built of an alternative social-economic model in response to the neoliberal globalization crisis. Such actions as the stimulus to the internal market and savings, of internal production and the reform of domestic components that impede a more qualified international action (for instance, social inequality, unemployment, crime, weakness and administrative disorder and fiscal chaos), represent the development of this project. The combination of social, energy, urban, agrarian, and productive policies showed a real political will. At the same time, the president's charisma seemed to have merged in his open and ordinary personality the characteristics that the world most admires in Brazil. This has allowed Lula to sustain an intense international agenda as the speaker of this project.

Acting with optimism and political will, Brazil is permanently generating actions in the international arena. Previously the country was suffering from a low self-esteem, since Collor and Cardoso's governments viewed the nation as lagging behind the adjustments demanded by rich countries. Nowadays, on the contrary, the country considers itself as an actor, with the same leverage as others, detaining the ability to negotiate and represent a project that might help to implement the demands of a social agenda in globalization. Instead of vague contesting speeches and a practical obedience, the country has presented proposals and put in to practice the measures that it had been able to. In fact, there was some limited room for similar maneuvers in the 1990s, but it was not used.

In practical terms, the Brazilian government has surpassed the previous inertia and searched for alliances outside the hemisphere as a means to improve its sphere of influence in the international arena, from the standpoint of an active and pragmatic attitude. The reconstruction of Mercosur and South American integration, creating room for Brazilian leadership are the main priorities. Moreover, the solidarity towards Africa is also fundamental, linking ethical values and the national interest. The purpose of deepening relations (and creating a “strategic partnership”) with emerging powers such as China, India, Russia and South Africa, among others, as well as constructing a Mercosur-EU association and the appreciation of international organizations (mainly the UN), added to economic advantages, indicates the will to contribute to the consolidation of a multipolar international order. The democratization of International Relations as a principle was clearly stated.

One of Brazil’s first actions was in Venezuela, when it aided this neighbor country that was undergoing a two-month general strike sponsored by the opposition against Hugo Chavez’s government. In addition, Brazil proposed the creation of a Group of Venezuelan Country Friends, in concert with OAS mediation (the group also included Brazil, US, Chile, Mexico, Portugal and Spain). Brazilian proposal generated critics from the Venezuelan opposition, and some discomfort in the US. Washington was surprised by Brazilian’s diplomacy agility and tried to gain control of the initiative as an attempt to minimize Brazil’s emerging leadership in South America.

It is necessary to point out that Brazil and Venezuela had been experiencing permanent and friendly relations that are not related (or conditioned) to any specific government or period of time. Border control treaties, as well as economic complementarities, integration of transports and energy nets accords, date back to 1994 in Itamar Franco and Rafael Caldera governments (La Guzmania Protocol). It is also worth to remind that almost two years ago, due

to an oil workers strike and take over of oil plants, former president FHC, sent the army to keep this services working. So, Brazilian aid does not represent any kind of “left solidarity” or interference in another country’s internal affairs, as argued by the Venezuelan opposition, since it answers to a request of a democratically elected government and is in compliance with the principles of international law. The economical or political chaos in its frontiers (that already is a reality due to the Colombian conflict), is not interesting to Brazil, even more if accompanied by a collapse of the Venezuelan economy or a civil war. Moreover, Brazil was concerned with the break up of constitutional rule and the overthrow of a democratically elected government. Similar crisis had been successfully and previously avoided in more than one occasion by Mercosur, for instance, in Paraguay.

Considering South American and Mercosur integration, defined both as priorities, Brazil offers its neighbors a most needed partnership to regain their economic growth, an indispensable condition to make integration a concrete, not a virtual reality, and to create the chance of a global strategic action that reverts the growing marginalization that the region is undergoing. Good governance and development for all South America can only be guaranteed by regional integration, which is also an indispensable asset in FTAA talks.

Looking backwards, the built of this South American sphere was being articulated during 2003. The XVIII Rio Group Meeting that happened in Cuzco, and the inauguration of Argentinean president Nestor Kirchner (both took place in the last week of May), represented converging movements that signaled the return of South American diplomacy and integration.

This new reality has helped to reinforce the policy launched by South American countries to develop the physical infrastructure (transport, communication and energy) as a means to re-start the integration process. President Toledo from Peru proposed that the international creditors of the countries from the region destined 20% of their loan repayments to these infrastructure works.

On the other hand, President's Lula Brazil views this initiative as an important strategic matter, advancing in substance, policies put forward by FHC's government in its closure. Therefore, BNDES (Brazilian Development Bank) has already started to finance the works of South American integration. Marco Aurélio Garcia, special advisor of Foreign Affairs for the presidency, revealed that the government intends to duplicate the resources destined to this project, as well as to search for IBD and other financing institutions support.

For his turn, President Kirchner made clear Argentina's will to change the path of the country's economic policies followed in the last fourteen years, pushing neoliberalism aside and searching for a model sustained by public investments and the fight of poverty. Whereas considering the international arena, the new president showed his intention of creating a strategic alliance with Brazil, rescue Mercosur and to actively cooperate for the deepening of South American cooperation. One's attention is called by the evolution of these new policies, from the era of Menem's "flesh relations" (*relaciones carnales*) with the US to a posture of balanced distance towards this nation. For the White House, this movement was a cause of concern since it might represent an autonomous Brazil-Argentina power pole.

Therefore, it is possible to notice a rebirth of South America diplomatic actions and integration process, with the simultaneous consolidation of domestic agendas for social and economic development. In addition, South America's diplomatic actions, are not confined to this regional sphere, but reflect a coordinated action in the world. Summing up, Peru's already announced participation in Mercosur, the support for the further adhesion of the countries from the Andean Community as well, and the real advances gained in the field of physical infrastructure integration represented a new political mood in South America. New governments had taken power with similar external guidelines and others have significantly changed their agendas seeking a convergence with Itamaraty.

Another additional example of the ongoing power of Brazilian government's diplomacy was the built of another alliance of "variable design" (*geometria variável*), G-20. G-20 has effectively taken part at the WTO Meeting in Cancun (that was preceded by President's Bush phone call to Lula, which is revealing). Friendly, but defiant, Brazilian diplomacy has created its alliance with developing countries that are affected by First World's protectionism and agricultural subsidies. In order to sustain, its relevance and deal with the indifference of rich countries whereas confronted by the needs and claims of the Third World, Brazil maintained its high level contacts and also managed to create IBSA.

Other initiatives worth mentioning were Lula's trips to the Arab countries of the Middle East such as Libya and Syria, and a rapprochement with Sub-Saharan Africa. This tour was also important not only to the general scope of Brazilian-African relations, but also to advance the creation of an institutional link among Mercosur and the South African Development Community (SADC), that has South Africa at its core in the Southern part of the continent (South Africa is a country that also is a member of G3 and a partner in other multilateral alliances and talks of our diplomacy).

All these initiatives together have impacts on Brazil-US bilateral relations and, most certain, in FTAA talks. At the present moment, the FTAA is undergoing a decisive moment and Presidents Lula and Bush are preserving their high-level meetings, as well as permanent diplomatic contacts. These contacts reveal that Brazil's has some leverage towards the US and shows an appraisal of Brazil's leadership role in South America and in the world's diplomatic arena.

Bush's declarations that he might not be willing to eliminate the considerable agricultural subsidies to his producers and the ongoing protection of steel were related to the 2004 presidential election (and his quest for reelection, that he eventually won that year) and unilateral practices designed to defend the North American economy. The discussion of subsidies, non-tariff barriers, intellectual

property rights, government procurements and other issues would be left for the WTO and Bush would have some kind of justification to present to his electorate. During the FTAA meeting that took place in Port of Spain, these positions were made clear by the US. However, these issues are crucial for Mercosur, mainly Brazil. On the other hand, there are other issues in the FTAA that do not interest us, which makes the process of negotiations difficult.

Also, these setbacks are related to other structural issues of North American hegemony, such as the costs of its decisions regarding the Iraqi War. In this sense, whereas confronted with the growing difficulties in the FTAA talks, the White House must rely on Brazil's support. However, it is highly unlikely that the former structure expected for the FTAA will come together during 2005 or even in the near future: it may be the case for the creation of a *mini-FTAA* or *Light FTAA* that will deal only with trade issues. Clearly, the revival of the North American and Brazilian economies seems to be the most immediate goal, in order to facilitate trade. The biggest problem is that, without Brazil's support, the FTAA will not be implemented and the US already has access to other countries economies, which scope is far more limited than the Brazilian one.

For his turn, Lula's government started to exercise a strong hand in the defense of Brazilian economic interests. As a global trader, the nations wishes to keep its relations with different areas of the world, also giving priority to Mercosur and South American integration. After reversing North American expectations that the government was going to be guided by leftist policies, Lula, instead, has gained Washington's "admiration". It is important to notice that as soon as Brazilian diplomacy started to contest some guidelines of US hegemonic power and stress its autonomy, a certain amount of leverage was created. Therefore, it was possible to call attention to our social-economic demands and infrastructure projects with neighboring nations. On the other hand, Brazil's diplomacy properly prepared itself to face this unavoidable and tough dialogue among

opposites, by strengthening its stance in the world and in South America.

In the end of 2004, the South American Community of Nations (SACN) was launched linking Mercosur's nations to the Andean Community, together with Chile, Guiana and Surinam. Soon after, new governments were elected in Chile and Bolivia (Bachelet and Morales), followed by complicated initiatives of nationalization by the latter, Argentina's and Uruguay's rivalries (the Papeleras affair) and a relative political strain in Argentina-Brazil's relations. However, the comeback of a social and national agenda in several of these nations is not an obstacle for integration. On the contrary, *it is a necessary condition for the emergence of an alternative political, social and economic project in the region*. In the beginning of the 21st century, the formation of regional blocs constitute a clear trend in the international arena. Even the already established European integration is facing several hurdles. Therefore, when the time is coming for the deepening of South American integration with Mercosur as its center, it is natural that the political agenda is getting a little tense, since each country is trying to search for a better position in the process as a whole. A process that, for sure, is going to be faced by advances and setbacks.

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Public Policy and Social Development







Public Policy and Social Development

Jayanti Natarajan

The topic I have been asked to speak on today is, at one level, disarmingly straightforward: “Public policy and social development.” Yet, this apparent simplicity masks a nuanced, textured and multi-layered linkage. It interrogates us and asks us a compelling question: what is the essential mandate of policy makers?

What is the nature, the job as it were, of government? This is an important question because, to my mind, in recent years we have seen much debate and discussion on it without arriving at satisfactory conclusions. Is the role of public policy and of its framers limited to being a neutral referee among society’s many stake-holders? Is government essentially a managerial exercise?

On the other hand, should public policy and governance necessarily be more interventionist? Does it have a more substantial core, and an agenda to it?

To me these questions are not just theoretical indulgences; they are life and death issues. Indeed, the two varying approaches to public policy and to government - or at least the perceptions of these - helped swing a national election in my country two years ago.

As I see it, in countries such as ours - developing nations like Brazil and India, and South Africa - there is an almost moral obligation to public policy.

It is incumbent upon the public service, the political leadership and the government in the broadest sense of the term,

to frame policies, programmes and laws that bridge the divide between the haves and have-nots, between the healthy and the sick, between the affluent and the indigent, between women and men, to give that extra boost to those who in our societies need it the most, to - in the immortal words of Mahatma Gandhi - “wipe every tear from every eye”, or in the words of Amartya Sen, “develop the human capability of all individuals, encompassing women and men alike.”

There is, then, a direct correlation between public policy and social development. For countries such as ours, it is - as the colloquialism goes - a no-brainer, an issue beyond dispute.

It has often been argued that with economic reforms and deregulation, with market forces increasingly determining the world around us, the role for public policy interventions in the ambit of social development is shrinking.

I will put it otherwise. The economic growth in countries such as India and Brazil, the opportunities world trade and the knowledge economy are providing some of our citizens, make the challenges for policy movers and shapers that much sharper. The window before us is narrowing - and we have to compress much more achievement into shorter time frames.

Seeing the benefits eight per cent economic growth rates have brought many of their countrymen, the less well-off in India - as I imagine in Brazil or South Africa or elsewhere in the developing world - are impatient and restive, hungry for their moment. And in democracies, popular impatience is reflected almost ruthlessly at election time.

Social development, then, is not just an ancillary byproduct of public policy. It is its most desirable outcome.

India has over three decades of experience in measuring poverty, and in devising a wide range of development programmes, based upon an analytical evaluation, of the concept of the poverty line.

The Nineties witnessed a momentous shift in India's perspective on poverty. The perspective widened beyond the traditional definition of income poverty, to focus on deprivation - and the importance of issues like education and health.

The right to good health, to proper nutrition, to a decent quality of education, are all, vital, basic, and legitimate entitlements of citizens, especially those who live below the poverty line. These basic entitlements are, or should be the inalienable birthright of every citizen in a Just democracy. It therefore becomes the responsibility of the State to ensure universal coverage for basic needs, and public policy thus becomes central to assuring people their rights.

The rights and freedoms of women are fundamental to social development, and in my experience, public policy is essential to achieve the social, economic, political and cultural development of women. In India, due to the intervention of public policy in the form of legislation, it became mandatory for 33% seats in local government to be reserved for women. The empowerment of women that followed the leadership of 3 million women, who now hold office in local government, is gradually but surely changing the landscape of development. Other laws relating to property rights, and legislation against domestic violence, have empowered women further.

India is a young country, and no social development can be meaningful, unless the rights of young people are established and implemented. In this area, as well, public policy and legislation have intervened to ensure that child labour is prevented, and children below 14 years of age, encouraged to attend school.

Today, our perspectives have deepened and widened, even more. Moving beyond, we have begun to examine fundamental concerns of democracy, like alienation and powerlessness of the poor, pointing to the roots of poverty being embedded in social structures, and the preoccupation of mainstream society with a conventional growth-cum development economic strategy.

In this enlightened quest, we often find that political policy priorities are distinct from priorities, that may be recommended by conventional economists. Our goal should be to strive towards an empowerment that includes food and employment security, access to land, and equality for all. When a public policy, seeks to take radical measures to achieve this empowerment, it is quite possible that the structure of governance, has to be flexible enough to absorb this disjuncture. As Albert Hirschman has pointed out, the blame for many economic disasters lies NOT in the use of economic policies considered to be wrong, but the blind pursuit of policies considered by theorists to be RIGHT. We have now learned that for public policy to meaningfully impact upon social development, we have to find our own unique model, which addresses best, the pressing concerns of our peoples.

Ultimately the goal should be the achievement of the third stage of empowerment which follows after relief, and anti-deprivation measures... namely Power sharing that extends to the last citizen in our democracies. When the last has been achieved, our fight will have been worthwhile.

To illustrate my case, I move now to specifics. In the past two years, in my country, the crucial role of public policy in social development has been recognized in more than one programme:

- The UPA government has launched the National Rural Employment Guarantee Programme, aiming to provide the dignity of labour - and a minimum wage - to every rural Indian who is unemployed or feels the need and necessity to seek a job to fulfil his or her basic needs.
- New laws have been framed to ensure positive discrimination in institutions of higher learning for historically deprived communities. This will take care

that the economic development fuelled by the “knowledge sector” - by India’s technological and scientific skills - is not socially skewed but incorporates the imperatives of social development.

- Like in Brazil’s wondrous Amazon rainforests, India’s forests and jungles are home to both flora and fauna, and to the aboriginal communities - the Scheduled Tribes, as we call them - that have co-existed with these since the dawn of human civilization. A new public policy regime is in the works that will protect the biodiversity and wildlife of the forest, and yet give land rights to the tribals, allowing them security of tenure and agricultural prosperity.
- The Indian prime minister, Dr. Manmohan Singh, has spoken of the urgency of rejuvenating India’s primary public health care facilities and giving the country a composite health coverage programme. This will, necessarily, be driven by public policy, albeit with participation from both governments and civil society institutions, with public-private partnerships.

In all the examples I have cited, the relationship, the direct impact of a progressive public policy measure on the greater common good, on social development in its widest sense, is clear.

Friends, this is not India’s endeavour alone, or Brazil’s or South Africa’s - or that of any individual country. On the midnight of August 14-15, 1947, as India awakened to freedom, our first prime minister, Jawaharlal Nehru, made a very moving and evocative speech. I would draw your attention to one particularly telling sentence, which has stayed in my memory.

“Peace,” Jawaharlal Nehru said, “has been said to be indivisible; so is freedom, so is prosperity now and so also is disaster in this one world that can no longer be split into isolated fragments.”

There is much to learn from these words. Like disaster, its converse, social development, is also indivisible. The health of our people - in Rio or Brasilia as much as in Delhi or Mumbai - cannot be split into isolated fragments. A symbiosis is written into our charter. Brazil, India and South Africa, have to work together.

I want to focus today on a common public health challenge that confronts us all - and which we are addressing and must continue to address as a collective. I refer, of course, to the scourge of our times - HIV-AIDS, a cunning, clever, formidable and deadly foe that has claimed 25 million lives worldwide.

It is a threat to India's effort to achieve robust economic growth; to Brazil's resolve to efface poverty; to South Africa's quest for a gender equitable society.

I was glancing at some figures the other day - related to the impact of AIDS on the Millennium Development Goals - and was left shaken. In countries where national HIV prevalence exceeds 20 per cent, the GDP in 20 years could be two-thirds lower than what it would have been if the virus had not been around. Think about it, if for every dollar we had, we were left with only 33 cents ... It is a scary thought.

India alone has more than five million people living with HIV, some of them in abject poverty, some of them primary bread-winners in devastated families. Every year, 600,000 infants contract AIDS, often from mothers who have themselves been infected unknowingly, for no fault of their own. According to UNAIDS, the rates of HIV infection are rising among women in every region of the world, and more and more younger women are getting infected.

Is ultimate annihilation of AIDS not an appropriate quest for public policy? Can the India-Brazil-South Africa (IBSA) framework not be used to propel a public policy initiative beyond borders to defeat the HIV virus?

It is not as if we don't have weapons in our armory. Next generation anti-retrovirals have prolonged lives for people living with HIV, and are much more easily available and affordable.

Indian pharmaceutical companies have played a major role in this increased access, as indeed have Brazilian companies. The Brazilian universal Access to treatment programme has proven that it is possible to deliver life saving interventions to those who need it most when the necessary resolve is in place. My co-panelist could perhaps tell the story better.

Anti-retrovirals could lengthen lives, but not, finally, save them. The situation was - and is - crying out for a vaccine. This is how human civilization has won the great health wars of history, against smallpox for instance. This is how HIV-AIDS must be conquered.

Ponder the data. A European Union and World Bank study pointed out that a 50 per cent effective vaccine, delivered to 65 per cent of adults, could reduce infection rates by between 25 and 60 per cent, depending on the nature of the epidemic in which it was used. This could be the benefit from an IMPERFECT vaccine. I don't need to tell what a perfect vaccine could do.

How can the IBSA framework contribute to this? As leading scientific nations in our continents, we have the technological acumen and the intellectual capital to help finally GET that vaccine.

In June 2005, the science and technology ministers of India, Brazil and South Africa met in Rio and formally recognized the "importance of science and technology in the development of their countries, in the effort to eradicate poverty and promote SOCIAL INCLUSION."

The ministers pledged to the "beginning of trilateral work" to focus on, among other areas, "HIV-AIDS, tuberculosis and malaria." "The process of development of an HIV-AIDS vaccine," the ministers said, "must be accelerated."

Just months later, in October 2005, an IBSA workshop on the search for an HIV-AIDS vaccine was held in South Africa.

Positive recommendations emerged from this workshop as well as the agreement that the collaboration between the three countries would benefit from the best international expertise to foster real progress, and be couched in concrete mechanisms within the countries to support the collaboration.

It is by belief that IBSA must posit itself as the FULCRUM of the global campaign against HIV-AIDS and the quest for a vaccine. Our trilateral resources are needed not just to help develop the vaccine, but, when it arrives, to ensure fair Access through national public health systems, to tackle issues of affordability, and take the vaccine where it is needed most - in our countries and elsewhere.

Ladies and gentleman, it goes without saying that each country has to find its own way round the social development pitfalls that lie in its path. There are, however, rare moments in history, rare challenges of such geographical scope and social magnitude that allow us the opportunity of uniting all of mankind - or at least the peoples of Brazil, South Africa and India - under one banner.

Find an expeditious and efficient answer to the AIDS conundrum, and striving towards that crucial vaccine, is one such moment. Let us grab it. A collective policy prescription can illumine social development in our three countries, our three continents. And our one common planet.