

LF also champions secularism and attacks communalism.

The views of the NF-LF on liberalization are not coherently articulated except that it seeks more autonomy for the public sector. **In practical terms most of NF-LF provincial leaders, such as Bengal's Communist premier Mr. Basu and Bihar's premier Mr. Laloo Yadav, are keen on attracting foreign direct investment for their provinces.** Karnataka has already enjoyed the benefits of economic reforms. The Communist Basu even promises foreign investors peace from labour-strife in his province.

On balance, in the short to the medium term:

- A Congress majority government or a coalition government around the Congress party would continue economic reforms and liberalization. A Congress government could even begin the privatization process.
- A BJP party centred coalition government is unlikely to reverse the direction of economic reform but could slow the pace, and perhaps narrow the scope for FDI, as the government may pander to nationalists. Reforms would continue and limited privatization is also possible.
- An NF-LF coalition government, though highly unlikely at this stage, can also be expected to continue the reform and liberalization process. The privatization process may not be launched under an NF-LF government.

**Long-term prospects.** In the long-term, the reform and liberalization process in India can be expected to deepen and widen its coverage.

Overall, economic interests in India, to a large extent, are in favour of further deepening of reforms. The middle class supports reforms because commodity market reforms did away with tariffs and license restrictions on consumer goods. Beyond access to world class consumer goods, the middle class is also enjoying expanded job opportunities created by the current round of domestic and foreign investment in technology-based industries, such as basic and cellular telecoms, tourism, automobile, electronics, computer software and programming.