

## Why Investment Matters

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When a person of such calibre and stature as Professor Amartya Sen speaks on something like industrialization, the social impact is bound to be considerable. It is interesting that Professor Sen has spoken to a leading English daily and has supported, with some mild criticisms, the idea of building up the proposed automobile factory on Singur's highly fertile and productive land. The interview, published on 23 July, has in all probability enchanted the ruling Marxists of Bengal. The interview has eschewed some vital issues, but it has also opened up the scope for discussion on a number of points.

On the issue of Nandigram, Professor Sen has avoided any comment saying, "But I have not studied it in the way I have studied Singur". How far he has studied Singur is not clear, however. In one place, Professor Sen is reported as saying, "In countries like Australia, the US or Canada, where agriculture has prospered, only a very tiny population is involved in agriculture. Most people move out to industry. Industry has to be convenient, has to be absorbing." The remark is perceptible enough. But Professor Sen has not taken into account how many are going to lose their work on account of the automobile factory and how many are going to be absorbed. Because the area of the factory is highly fertile, it provides employment to many. On any count, at least 10,000 persons are going to lose their present occupation, while the agreement between the Tatas and the West Bengal Government does not contain any clause on employment. The chief minister is now claiming that the factory will provide employment to 4000 people. Before the disclosure of some parts of the agreement, the official claim was 10000; but now the figure has dropped to 4000. If Professor Sen has studied the case of Singur seriously and has made at least a tentative cost-benefit analysis of the project, it should also be clear to him that the vast majority of the people now displaced from their occupations will have to move to the informal sector, not to industry and many of them will swell the ranks of the dispossessed having no hope of life. Neither the Tatas nor Mr Buddhadeb Bhattacharya nor Professor Amartya Sen can devise a mechanism through which the displaced will be absorbed into industry. He has also not mentioned the amount of freebies that are given to the Tatas, which, according to Professor Ashok Mitra's estimate, is of the order of Rs 850 crores.

Professor Sen has expressed the opinion that proximity to Kolkata makes Singur a better choice than Kharagpur. Is he aware of the fact that only five miles away from Singur, there is plenty of land available for industry? Did the Government of West Bengal behave prudently when it showed the richly fertile land of Singur to the Tatas, and the latter were quick to choose it because located beside the expressway, it would serve their long-term purposes. One might ask with some degree of apparent reasonableness: why not places like the Kolkata Maidan instead of the richly fertile land of Singur? Towards the end of the interview, the eminent economist has said something that only betrays a mood of abject surrender to the logic of the market, which here means the logic of the

working of big capital. He says that the Government cannot attract investment and at the same time ask investors to go to places like Siliguri. To quote Professor Sen, "That is not the way the market economy works. The market economy has many imperfections, on which I have written extensively. But it also creates jobs and income and if the income goes up, so there is money available for education and healthcare and other things. So in order to do that, you have to give the market economy the operational rationale of choosing one location over other, depending on their market-based calculation. You cannot be governed by the market but nor can you ignore the market if you want to use the market as one of the instruments in advancing the country." The crucial question is whether market imperfections have to be meekly accepted and promoted or whether they should be reduced as far as practicable. When a particular corporate group is given freebies lavishly, the dominant consideration seems to be the satisfaction of its desire for maximum profits. It is naive to expect that a government which gives such concessions to the corporate sector and even unleashes police terror in order to curry favour with corporate capital, will try to promote education and healthcare with any degree of seriousness. Rather, the possibility is very much there that it will also promote privatization and marketization of these basic necessities. Using the market for the advancement of the country necessarily requires the increase of purchasing power in the hands of the broad majority of the people, and it is difficult to see how this can be achieved if the profit calculations of the corporate sectors are given the first priority and the employment potentialities of the units they are going to build up is low. The way the Government of West Bengal has behaved in case of Singur and Nandigram should make it clear that it wants to be governed by the market rather than use the market for development. Reduced to its essentials, Professor Sen's logic of the market seems to be something like that: promote marketization in the interests of corporate capital and then some residue will be available to the people. This is the typical logic, which all apologists of the corporate bourgeoisie are in the habit of parading. The question basically is not one of whether acquisition of agricultural lands will create shortage of foodcrops; it is one of whether the industrialization programme of the government will better the quality of life of the people currently engaged in agriculture and related occupations. A broader question is that whether the frantic competition for wooing corporate capital and big foreign capital is good for the advancement of the country and whether it is inherently sustainable.

Professor Sen should be reminded of one stark fact. The so-called high rate of growth that the country has achieved by following the logic of the market in recent times is dominantly one kind of exclusive growth that keeps outside its purview the broad majority of the people. One may utter the worn out cliché 'There is no alternative'. Venezuela has provided one alternative, and countries like Cuba and Bolivia, despite their past mistakes, are trying to provide alternatives. Venezuela has come to understand the character of sharks through experience, and is under no illusion about the so-called 'beneficial effects' of big investment. In India, serious and sensible persons like Professor Arnit Bhaduri are trying to suggest alternatives, not with platitudinous moralizing but with concrete logic and facts. Is there nothing to learn from them? Professor Sen

should also be reminded that the consideration of the profit of the Tatas has taken the lives of 11 tribals of Kalinganagar and the frantic desire to serve the interests of the Salim group led to the gunning down of at least 14 persons in Nandigram (no policeman was injured in either case), where the conscientious people are building up a health center at their own initiative, not out of the revenues of the government.

To try to reconcile the profit maximizing bid of corporate capital and the employment of the police for satisfying this bid with the enhancement of the entitlement of the people might be a comforting one, but it is hardly practicable. It is hardly sustainable too. □□□