

Work for Everyone and Amartya Sen

Dipanjan Rai Chaudhuri

Amartya Sen has written an article in two parts (Developments in West Bengal, *The Telegraph*, 28-29 December, 2007) on industrialisation in West Bengal. He has supported the general direction of the method of industrialisation. Even then, it is heartening to see that he has put caveats in place—"My support for the general economic strategy of industrialization of the government of West Bengal cannot but be combined with questions about the importance of democratic values. I believe I am right in claiming that more practice of "government by discussion " would have not only enriched and improved the process of economic decision-making, it would have actually led to better economic plans and better translation of the general strategy of industrializing - or re-industrializing - West Bengal." Sen has also said that these caveats are relevant not only for past policies, but for the future as well. He is to be thanked for at least such an implicit criticism of the state government.

Further, Sen feels that "very serious consideration" is required for the following points: "the possibility that taking land from agriculture would impoverish the agriculturalists who live on that land, no matter how large an income the new enterprises may actually produce for other people," and "concerns about entitlement failures of specific occupation groups and the effects that this might have on starvation of those groups (no matter what happens to the totality of incomes)."

Of course, in terms of solutions, he asks "is it really essential for the government to acquire the land that is needed, rather than allowing the industrial firm involved to buy it?" It is not clear how this would make a difference to erosion of the basic capabilities of the people who depend on the land for livelihood without being owners themselves (10,000 in Singur).

Even then, his concern for the lives and livelihoods of displaced people can only be welcome.

On the issue of SEZs too, his stance, while not that of an opponent, is at least that of a critic. He says "the wholesale forgoing of public revenue in SEZs as a general policy certainly demands much closer examination and more critical scrutiny."

On the whole, Sen has distanced his support from the West Bengal government's disregard for people's suffering and the protest that has emerged in its wake, its shameless espousal of SEZs and its brokering of land for big business. At a time when people of the state are registering their dissatisfaction and protest in the face of daily harassment from the biggest party of the government, even such indirect criticism from Sen is helpful.

But the fact remains that Amartya Sen is a supporter of the West Bengal government's basic industrial policy. If one strips away all the embellishment, the logic is "to remove poverty, we must increase income". This "income", however, is the neo-classical economist's "income" –comprising, in the example of the Singur factory, the Tatas' profits, bank interest, government revenue, and, only as a fourth component, the wages of the employees. In an unequal society like India, an increase in this "income" may leave poverty unaffected or even in an enhanced

state (an idea of the magnitude of inequality can be gleaned from the UN's 2004 Human Development Report : 42% of India's national income is enjoyed by the richest 20%, while the poorest 20% get only 9%).

Amit Bhaduri has constructed an example of a society with an annual "income" of Rs 23,000 per head, composed of 99 slaves earning Rs 100 annually per head, and 1 owner whose annual income is Rs 2,290,100. Now, if the net income of the slaves does not increase at all, but the owner's income increases to Rs 2,520,100, then the annual increase of GDP will be recorded as 10% ! So, in an unequal society, an increase of "income" or GDP does not automatically mean a decrease in poverty.

Sen knows that there will be criticism along these lines. He anticipates this with the remark "it is often said that the country is not getting anything substantial, because of the inequality of the generated income, from India's high rate of growth of gross domestic product." Very true. What do Singur's residents and the common man in West Bengal have to gain from Tata's huge profits and the respectable wages of a handful of employees?

Sen mentions this criticism, but does not offer answers. He speaks instead of other benefits of increasing "income". "...Public revenue is going up much faster than even the GDP growth that is generating this revenue expansion", which thus "creates a wonderful opportunity to make much larger investments in public education, healthcare, public transport, environmental protection, and other public goods."

Really? The opportunity may be there, does that necessarily lead to investment? Or investment to correct targets? Won't a government with a neo-liberal mindset see what it is that the market wants? Market looks at purchasing power. People who do not purchase are outside the market. If the government has money, it will make malls and flyovers. Let's see what it won't make.

In 2002, 31% of the people between 15 and 35 in this state were illiterate. All these people have lived under the Left Front government's thirty-year-rule, since, at most, the age of ten. In the Left Front government's 24th year of rule, 12,085 primary schools had two classrooms, 12,054 had one, and 1384 had none. (In a primary school, there are 4 grades.) Let's not judge education by quantity. Let's examine quality. Sample surveys have revealed that among third and fourth graders, only 7% of those who do not have private tutors (outside school) can spell their names correctly. The corresponding figure among those who have private tutors is 80%.

Let us look at a sample survey in the field of healthcare, from 2002-2003. On the day of the survey, 7 of 18 health sub-centres were not working. Of 3 Block level health centres, one did not have facilities for testing blood, urine, or stool. 29% of the patients spoke of being treated by quacks. In Birbhum district, only 45% infants had been completely vaccinated, and 53% births had taken place outside any healthcare institution. The back cover of the survey has a telling summary: "Even our survey's limited scope carries the message that the government's health system needs massive overhauling... the failure of the government's healthcare system and the paucity of its services have resulted in the growth of private healthcare. Even extremely poor people have no alternative

but to fall back on private healthcare... the root of the problem lies in the scarcity of government centers and their dysfunctional nature."

Who said this after 25 years of the Left Front's rule? Amartya Sen himself. Both education and health surveys were conducted by the Pratichi Trust he created. (Source: (1) The Pratichi Education report: a study in West Bengal. New Delhi: TLM Books, 2002. Introduction by Amartya Sen. (2) Pratichi (India) Trust (2005), Pratichi Health Report, TLM Books, New Delhi.)

Public transport? The state government has adopted a scheme of restructuring publicly-owned enterprises. "Restructuring" means the right of the government to divest up to 74% of the shareholding to private investors. In the second phase of this scheme, the State Electricity Board and the state transport agencies are due for "restructuring".

"To reduce poverty, income has to be increased"—correct, provided that, along with the increase in income, its distribution benefits the poor. Not through charity, but through employment. Since it is not hugely incorrect to view GDP as a product of the number of working people and the productivity per worker, it can increase if employment increases without reducing productivity. In fact, if distribution is to benefit the working people, this is the best way to increase GDP.

Why is there opposition to "industrialization" based on investment by big capitalists, national and international? Sen views the issue in the context of a debate over "communism" and "anti-capitalist high theory against private investment". So, he has found it necessary to compare Cuba, with its preference for the public sector, and the newly privatisation-loving China. In actual fact, however, the reason for the opposition is not theoretical but rooted eminently in reality. Big private capital (especially in its concern over foreign markets) wants continuously to reduce wages to remain competitive. Thus, it wants a contraction of employment, not creation of employment. Investment by big capital will increase GDP by increasing unemployment, with a distribution skewed against the poor. It thus becomes necessary to look for alternatives to this kind of big capital based "industrialization".

And what comes of the comparison between China and Cuba? Before the "reforms", China had assured healthcare for all. Afterwards, almost 20% of the population has no such assurance. On the other hand, Cuba's healthcare system is so good that the life expectancy of Cubans is almost equal to that of Americans. School education for all has been a success in Cuba. Amartya Sen has himself written all this. Besides, the UN Human Development Report of 2005 places Cuba at number 51 (human development index value 0.838), China at 81 (0.777) and India at 118 (0.619). It is from the work of Amartya Sen and Mahbub ul Haq that people have learnt the importance of the Human Development Index (HDI). What has Cuba to learn from China's way of increasing GDP at the cost of human development? Or has Amartya Sen revised himself; GDP is more important than HDI?

If one sets aside conservative neo-classical / neo-liberal fundamentalism and stare at the reality confronting India today, it will be evident that the unemployment problem will not be solved in this way.

What is the annual increase in the number of people capable of work?

If one takes people between 15 and 59 to be capable of work, then it is far to calculate the annual increase of population in this bracket. According to the 2001 census, there were 4,81,84,000 people in West Bengal in this age bracket. According to a Planning Commission report, in 1998-1999, there were 51.9 crores of people in India in that category, and the projected figure in 20 years stands at 80 crores. Taking this compound rate of increase (2.187%), the number of such people in West Bengal in 2007 is 5,48,62,646. Thus, in 2007, an estimate of the yearly increase in this bracket is 11,99,846. People are looking at around 12 lakh new job-seekers every year in West Bengal.

The Tatas have promised 10,000 jobs (in an unmentioned number of years) and the Haldia Petrochemical Company (already realised) has provided 670 jobs (+1200 jobs for contract labourers in the company +3200 in five years in the Haldia complex +8–10 thousand in five years in the downstream plastic industry). [Source: Haldia Petrochemicals—a lesson in (non)-development, www.Sanhati.com, and the 2007 report of the WB Vidhan Sabha Select Committee on Industry and Commerce.] The stark reality of the unemployment problem is 60 lakh workers in five years, a figure beside which the previous figures for employment generation by big capital are insignificant.

What is needed is a different path of development which will ensure that nobody remains unemployed. People want jobs. If not today, then tomorrow, or at least next year. Not in ten years. Because people cannot survive without food for ten years.

Amit Bhaduri has proposals about an industrialisation which will create jobs (*Development with Dignity*, and a series of articles). At the core of his thesis is full employment through the construction of infrastructure (not relief work—but productive work in keeping with real needs) and labour-intensive industrialisation overseen by local self-governing bodies (like Panchayets). Let big capital invest as it will. But let the government pay attention to methods of building employment-generating industries.

The state government must consider alternative modes of industrialisation which will ensure adequate job creation. It's sad to note that Amartya Sen has instead encouraged them to continue along the path of virtually jobless big investment. □□□

[Translated from Bengali by

Kuver Sinha, Sanhati]