

The Professor As Apologist

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[The market economy has many imperfections, on which I have written extensively. But it also creates jobs and incomes, and if the income goes up, government revenues go up, so there is money available for education and healthcare and other things.—Amartya Sen.]

Textbook (neoclassical) economics is a strange discipline. It is timeless. There is a history of economic thought but no history of economic phenomena. Prof Sen has given above a perfect textbook lecture, which he applies, in the best traditions of textbook economics, equally to the early capitalism of 17th century England, the colonial economy of 19th century Bengal, and the late capitalism of present-day India.

Centuries have rolled by, nevertheless, and the lecture given above has become irrelevant in the era of "Jobless Growth."

The burden of Prof Sen's intervention is that the present inflow of big capital into West Bengal will bring jobs.

How many jobs, Prof. Sen?

The water tank manufacturers Patton proposed a 13 million dollar investment in Falta SEZ in July, 2006, employing 250 people -- 3 to 4 jobs per crore of rupees investment.

In 2003 the refined petroleum goods industry in West Bengal (which includes Haldia Petrochemicals) had a fixed capital of Rs 2178.21 crores (total investment -- Rs 3359.05 crores) and 6610 employees -- 3 jobs per crore of rupees of fixed capital and 2 jobs per crore of rupees of investment.

Lakhs of jobs downstream had been promised. Haldia Petrochemicals went into production in 2000. Up to 2003-04 the plastics industry showed 6643 employees, many, no doubt, from pre-2000 days.

How many people will the Tatas employ in Singur? Nobody knows, not even Prof. Sen. It is almost a state secret. But this everybody knows. The Tata Indica (car) factory employs 250 people, and not one of them comes from the people displaced by the factory.

The Bourbons, it is said, learnt nothing and forgot nothing. Also, the talking classes of Bengal, are almost as bad. They have not forgotten B C Roy, but they have not learnt the lesson that (a) implanting sporadic big plants do not lead to industrialisation (apart from Durgapur, what remains?). and

(b) in a state where the number of unemployed in 2004-05 was 33.37 lakh, even according to the conservative, formal estimate of the Finance Minister (Budget speech, 2007), a few thousands of jobs, while certainly welcome, do not provide a solution (B C Roy's "industrialisation" could not prevent the 1959 food movement and the 1967 food movement. The foot-soldiers in these struggles were unemployed youth, destined to play a big part in the final ouster of Congress rule.)

The CPI(M), the media, a large section of the opposition, and Professor Sen have bypassed the main issue to concentrate on a side-issue, the use of agricultural land.

The main issue is whether the virtually jobless massive investments, being touted through ignorance (or malice, who knows?) as the solution to India's economic problems, of which the most glaring and soul-destroying is that of unemployment, do really have this miraculous potential.

People in Bengal have seen enough of "trickle down" since B C Roy's days. People are not ready to listen to sermons, however eminent may the preacher be, to wait for the investments to give rise to jobs and income. They never do. Ask the people of Amlasole. They want an alternative model which can give jobs today, or, at least, tomorrow. Market economy has no such model, and it is painful to see one of the best minds this country has produced fumbling in the coils of that wily retiarus, the market, and promising nothing more than "trickle down".

"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."

Where will the people move out? To industry? Alas, real life in late capitalism has little in common with the timeless textbooks of economics.

Since Prof Sen has studied Singur, he must know what "Sanhati Udyog" has calculated. About 10,000 people will lose their livelihoods. The Tatas have clearly stated they offer no jobs. The few trainees they have picked up were also told that there was no job guarantee. So, presumably these 10000 people, among whom are agricultural labourers, bargadars, van rickshaw pullers, small vendors, and other labourers, will have to survive, presumably on air, for at least 10 years to taste "trickle down". Or, what nobody is articulating clearly, they are the sacrifice. They will move out. Period. To nowhere.

Late capitalism does not have jobs in industry for people "moving out" of agriculture.

"..government revenues go up, so there is more money available for education, healthcare and other things."

It is strange hearing these words, linking the market to education or healthcare, from the initiator of The Pratichi Trust's surveys of primary education and healthcare in West Bengal. He should know better.

There is no market for millions of the literate poor. No demand. A few "Eight class Pass-walas" will suffice for the market. So, the government will never be overly worried about mass literacy, drop-outs, a proper education for millions. The money may even be there. But it will be spent on other things. The latest proof is the fizzle-down of the "neighbourhood school" based "education for all" proposal and its replacement by *Sarva Siksha Abhiyan*, which has degenerated, at least in this state, into nothing more than some forced spending without policy or direction.

In spite of Prof Sen's forceful expositions, may be, his life-work, capital and governments continue to regard female health, children's health, and, in general, community health as non-marketable stuff, just as they regard a proper education for all. No demand. No government expenditure.

So, Prof Sen's premises don't hold out to the end. The investments will bring profits to big capital, and some taxes to the government (provided the target is not in a SEZ). The few employees will get good pay, perhaps. That is all. The overall unemployment picture will not change, quality of life outside the factory enclave will continue at its worst.

People need something else, and it is disappointing to find that Amartya Sen cannot help the helpless with ideas for this.

"The government's policing has been in some cases over-strong.....It is possible that in the past, the violence committed by the government was greater, but from what I hear, it is possible the opposite might be the case now."

Does the "some cases" include Nandigram? Although Prof. Sen has "not studied it in the way " he has "studied Singur", he reads newspapers and, may be, looks at the TV. Is he at peace with what he read and, maybe, viewed on the TV?

This writer had the honour and misfortune to help in a minor way Justice Bhargava's tribunal on Nandigram. Rape, stuffing rods into the female sex organ, shooting into a retreating crowd of women and children—these are some of the material to be found in the depositions before the tribunal. A spot of "over-policing", no doubt. And, pray, what acts even the scatter-brained opposition has been perpetrating "now", which is "greater", from what Prof Sen hears, than this violence?

Of course, Laxman Seth says that these are lies, because no raped woman would talk of it, and Laxman Seth is an honourable man.

Perhaps it is better to remain at Singur. But, there, too, it is different to recollect any act of the opposition which can match the murder of Tapasi Malik., or have the opposition taken to burning chowkidars of Tata's Wall in secret? Of course, Tapasi Malik was not killed by policemen, and both the interviewer and the interviewed steered clear of the acts of the CPI(M). So, Prof Sen might claim a caveat on this issue, too.

Finally the main issue the interviewer and the professor found important: the use of agricultural land for industry. The main question here is not economic, it is one of rights. It may be good economics, or un-avoidable economics. But has a citizen of India, who owns land, the right to say No to a package he considers inadequate in compensation for his land? Prof Sen shows that a better and fairer package should have been offered in Singur, and talks of the 'tactical' mistake of the government. But, nowhere does he say, in so many words, that the citizen has a right to his land, the right to say No. He reminds readers "it is very important in a free country, any people can come in and go out from any place they like and you cannot establish restriction of movement either by the goevenment or the Opposition." Quite. But, in a free country, presumably, it is quite in order to take away land from the owner by a simple notification of the government (everyone knows about the 1894 imperial law).

Even the rulers in Delhi are mulling over demands for setting up a National Rehabilitation Commission without whose approval no displacement of people will be allowed in any project. Prof Sen opposes bureaucratic directives to capital of the kind " I want it in Siliguri and Bankura but not here", but it is sad to observe that he does not once say that the real mistake of the government was a bureaucratic one in Singur, too, because the would-be-dispossessed were not

adequately consulted (a point even conceded by Jyoti Basu). In fact, the government emphasises that, under the 1894 law, consultation is not mandatory. Prof Sen wants the government to correct its tactical mistake regarding the value of the land in future deals, but presumably this, too, will be a unilateral action by the government, for nowhere is it mentioned that the affected are also to be consulted. So, bureaucracy (which earned a strict NoNo in dealing with capital) seems okay in dealing with the affected people. □□□

[Rai Chaudhuri's reflection is in response to Prof. Sen's Interview published in The Telegraph, July 23, 2007]