

Negation and Affirmation

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Professor Amit Bahduri, who has throughout his career opposed the postulates and conclusions of mainstream theoretical economics in terms of both logic and abstraction, has of late been engaged with single-minded devotion to the task of demystifying the real nature of growth, industrialization and development in the less developed economies with particular reference to India. This task has entailed the demolition of the apologia for the current pattern of development offered by Manmohan Singh and his whiz-kid economists, who are pampered by the World Bank and the IMF. Prof Bhaduri has recently got several essays written, by him on the subject compiled in a book. The collection of essays [*The Face You are Afraid to See*, Penguin India, 2009] is a fascinating reading and the method of exposition simple and lucid, intelligible to non-economists.

One part of the effort is directed towards the exposure of the so-called 'freedom' of the market as conceived by the dominant mainstream political parties. The objective of the second part is to devise alternative ways of industrialization and development.

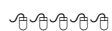
A few disparate citations from various essays may help in illustrating the method of exposure. For example, in the first essay (*A Failed World View*), Professor Bhaduri writes, "The problem with politicians who suddenly change their views is that they change their posture but not their ideology. Their interests remain the same. Otherwise how can we explain Prime Minister Manmohan Singh talking in 2008 of insulating India and how he foresaw the current financial crisis eighteen months ago, when on 18 March 2006 he told a global audience that the Reserve Bank of India would prepare a roadmap on full capital account convertibility to integrate the Indian financial system completely with the global capital market." (pp22-23) Again, in course of laying bare the fact that the high growth experienced by the economy was in essence one of jobless growth, he writes, "People desperate for a livelihood join the ranks of the so-called self-employed in the unorganized sector, the fastest growing category, marked by long hours of work with negligible earning, lack of any social security or labour protection and extensive use of child labour." (p-33) The satire on the attitude of the educated middle class is expressed in the following remark, "Our educated middle class demonstrated its excellent education until recently by banishing all sceptical thoughts about the efficiency and intrinsic wisdom of the market resulting in high corporate growth led by financial globalization. Can this global financial crisis give us the courage necessary to reeducate ourselves and view the 'logic of the market' more logically?"

In another essay, the author has outlined how a process of forcible land acquisition is taking place by the state with a view to helping big corporate capital. He aptly calls it developmental terrorism, and accuses the mainstream political parties, the Right and the Left alike, of imple-menting this process with ruthlessness. The author makes a characteristic remark, "In a wave, country after

country—Argentina, Brazil, Bolivia, Ecuador, Venezuela—have now rejected the path to (non)development. Does our left has no lesson to learn?"

In another essay, the author excellently shows the connection between growing inequality and the current pattern of high growth. Growing inequality creates a section of highly affluent persons that create the demand for the goods, non-basic by Indian standards, turned out by the corporate sector, and the inequality is aggravated by rendering thousands homeless and jobless, while creating a tiny section of highly paid employees who work in the corporate enterprises. In another place, the author points out that the foreign trade sector of India is incapable of sustaining this growth process, and hence the pattern of growth "is being sustained by a rapid expansion of income and expenditure among the richer income groups of society (the top 20 to 25 percent at most)..." One can easily see that the recent unimaginable pay hike for college, university and school teachers, bank officers and employees, administrators and other government employees etc fits reasonably well with Prof Bhaduri's observation of Manmohan's economics.

Yes, Professor Bhaduri does not stop at negation; he has a number of affirmative suggestions as well, and in the process of offering them, he has scornfully rejected the thesis of 'There is no Alternative'. This is best illustrated in two essays, in which he advocates conscious action for the rise in the purchasing power of the masses by launching a nationwide programme of productive employment in the rural areas. Professor Bhaduri has outlined the rationale and feasibility of such a programme in detail, and also explained how the financial and other constraints can be overcome. He has also argued that local panchayat bodies must be given as much power as possible and a system of checks and balances may be introduced under the supervision of local banks. In two essays (*Alternatives in Industrialization and The Imperative as an Alternative*) he has powerfully argued the case for an alternative, and shows that given the country's resource endowments, such an alternative is not only desirable but also feasible. This collection of essays will enable the reader to see through the fraud that is imposed on the people in the name of development and industrialization, and to form ideas about a pro-people path of development. Apologists of the World Bank, IMF and present-day liberalizers will no doubt dislike this dissent and new agenda, but there is no doubt that they will find little by way of answer when they try to address the issues raised by Professor Bhaduri. One demerit of the production seems to be that sometimes the language of a few passages contained in separate essays appears almost identical. Some editing in this regard would have been helpful. This does not however detract from the qualities of the collection. □□□



The Face You are Afraid to See,
Amit Bhaduri
Penguin India, 2009