

# 'The Importance of Being Amartya Sen'

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India's only social scientist to be decorated with a Nobel Prize, Amartya Sen, recently offered for the first time his views on land acquisition for industrialization in India. Finally, the Pope has spoken up on what is perhaps the most sensitive issue in Indian politics right today.

This essay takes issue with Sen's recent public pronouncements on the topic in an interview given to *The Telegraph* in Kolkata in July. (One could as easily take issue with his panglossian view of Indian agriculture and food security - a view which pretends to explain why colonial-era-style famines cannot happen in a democracy with a noisy media but 20,000 farmer suicides can take place every year and hundreds of millions can suffer from chronic malnutrition. Curious thought.)

One hesitates to add that Sen discusses the ethics of land acquisition. Simply because he doesn't. In a 1500-word interview the term does not appear. It is because Sen appears to be in easy harmony with the views of so many Chief Ministers today that the state has the right to take over the lands of farmers and hand them over to corporations. Why does he think so? Because "when people move out of agriculture, total production does not go down. So per capita income increases. For the prosperity of industry, agriculture and the economy, you do need industrialization. Those in effect preventing that, either by politically making it impossible for an industrialist to feel comfortable in Bengal or making it difficult to buy land for industry, do not serve the interest of the poor well."

The following questions appear in anxious, skeptical heads: Since when did a socialist like Professor Sen become so concerned about making industrialists comfortable? Can't overall percapita income increase even as people displaced from rural livelihoods suffer actual declines in their standard of living? Isn't this precisely what has been happening to millions of displaced tribals and Dalits in this country during the past 60 years, as people like Medha Patkar, Arundhati Roy and others have ably documented? Is bribing the rich (notably, Sen makes no mention of the public subsidy of Rs.850 crores given by the CPM government to the Tatas to lay down the automobile plant in Singur, an unconscious oversight perhaps?) the only way to "serve the interest of the poor?" Has this strategy ever succeeded anywhere? For someone who has ridiculed the trickle-down theory of economic growth leading to the termination of poverty on numerous occasions, isn't Professor Sen being blithely disingenuous in making a claim like the above?

Sen acknowledges that "the market economy has many imperfections... but it also creates jobs and if income goes up, government revenues go up, so there is money available for education and healthcare and other things." What guarantee can he give that the government will not use growing revenues to fund ballooning military budgets, like the kind the nuclear agreement with Washington will perforce involve them in? Isn't he being rudely naïve and socially blind in thinking that health and education have got short shrift in this country over the past half-century because of a mere lack of funds?

There is yet another issue with regard to economic growth and its relationship to the quality of life. Economists typically suffer from a growth fetish and imagine that it can solve most of the problems of the contemporary world. But there are a thousand reasons to suspect that the reported numerical increases in GDP and its growth do not add to the welfare of ordinary people in the country to the degree normally believed. In many cases, "better" numbers are portents of decline and failure in often immeasurable ways. One problem with GDP measures is that if growth is accompanied by rising inequalities and

expenses on guard labor to control growing crime rates, many of the purported benefits are cancelled out. An even more serious intrinsic problem with using the GDP measure as an index of human welfare in a country like India—with such a huge *unmonetized* subsistence economy—is particularly serious: losses occurring in the economic realm outside the measured markets (tribal populations living on gathered minor forest produce or fisherfolk catching fish to eat for themselves along the coastline or small farmers growing their own grain) remained unreckoned. Thus, unsurprisingly, the government will offer figures for the creation of jobs (in say, SEZs) but never for the number of livelihoods (which are more than jobs after all) lost.

The losses will look small only to those who do not have to suffer them. But for those many millions who do, they are of pivotal significance. So often, policy-making elites in independent India are repeating and compounding the errors made by British colonialists who failed to take adequate cognition of pre-existing local subsistence economies, arrogantly imposing the "modern economy" on top of them, as if there was only empty space before the latter arrived on the scene.

A good example of such callousness from present-day India is the SKIL Infrastructure SEZ that has been approved to come up at Nandagudi (near Bangalore) in Karnataka. A Rs 100 crore local economy based on the sale of milk, vegetables and silk cocoons and giving each family of 5 an annual income of Rs 200,000 every year is being supplanted by supposedly more productive modern production units. Compensation is being considered only for *landowners*, not for *wage laborers*. No heed is of course being paid to the breakdown of local communities and the termination of established ways of life and culture and the distress induced thereby. Under the rhetoric of "progress" and "economic development", colonial-era-style crimes are being enacted. Understandably there is a growing pitch of local protest against the project.

In what is ultimately a vain attempt to restore lost glories from Bengal's vanished past Sen accepts the party line that "it is sometimes underestimated the extent to which Bengal has been de-industrialised (sic). Bengal was one of the major industrial centres in the world, not only in India. In European writings, Bengal has again and again come up as being one of the most prosperous areas in the world as an industrial base. The kind of reputation that some parts of Italy gained later (sic)." He then draws on distant historical writings from Ptolemy and Pliny, the Elder to Fa-Hien to justify the present-day industrialization of Bengal on the backs of its peasantry. Times are truly rough when a man of Sen's intelligence and stature has to find such remote and shallow justifications to make his case.

What about a free market in land?

All these brilliant economists parleying constantly with power don't tire of singing the glories of the free market. But where is the famed free market when it comes to land? If rational consumers can be trusted to demand the correct amount of toothpaste at the right price and rational workers can be trusted to sell the right amount of labor power at the appropriate wage, one is baffled by the presumption that farmers cannot be relied on to sell their land at fair prices! Why so much song and dance about land acquisition in the first place if markets are working freely and if the will of people is being registered in the price of land? If there is a deficit of information no one will object to farmers being exposed to relevant data and projections (without entering too much fantasy). But beyond that, why not stay loyal to the tenets of economic science and let markets roll out results instead of pre-empting them with dictated policy maneuvers from Washington or Cambridge? Why can't the government stand behind the operation of a free market in land (instead of interfering with it), just as it does in the world of financial paper?

What if the democratic poor themselves prevent land acquisition, by refusing to sell (read, surrender) their lands? What would Sen have to say, for instance, to the woman

who came to Delhi last December to register her protest, one arm in bandages after a brush with the police while she was attempting the impossible - trying to harvest the paddy crop from her own field in Singur? Logically, Sen would have to maintain that such people stand in the way of their own prosperity by not allowing what would be in their own greater long-term interest. Just like the decimation of the European or Russian peasantry in the course of industrialization in those parts of the world was in their own long-term interest. How, for instance, does Sen view the resistance put up by the peasants of Nandigram? Or the way women were raped and subjected to unspeakable forms of barbarism by the police and CPM workers? "I have not studied it in the way I have studied Singur. So I won't comment", was his revealing reply. Economists were never known for their moral swiftness.

It doesn't mean that Sen is right about Singur. He argues that the protest by the people against the seizure of their lands "not only goes against the policy of the West Bengal government but also against the 2000-year history of Bengal." What is so holy about the *Bhadralok* class in charge of the political affairs of the state? So what if the protests go against the policy of the government? Isn't that what protest in a free, democratic society is all about anyway? And if something had currency in the depths of the past, assuming Sen is entirely right about it, does it naturally validate its wisdom today? Human populations then were a fraction of what they are today. Even if the ancient and medieval worlds knew some form of industry, high energy, resource and water-intensive industrialization only gathered speed some decades after the 18th century industrial revolution in Britain. There was no environmental crisis, pollution, mercury, lead and arsenic poisoning when Ptolemy was reading the accounts of Mediterranean traders who had visited India. What sense does it then make to long nostalgically for a past whose wisdom would be an inevitable anachronism today, when people are called upon not to produce and grow, as the economists would like, but to survive, conserve and create, as men like Tagore and Einstein were keen to remind the citizens of the world ages ago?

Besides, for the 10,000 livelihoods that the Tata project in Singur is taking away it may be providing employment to some few hundred people, who are unlikely to be from the ranks of the displaced peasantry. (Where are the jobs Professor Sen and others seem so concerned about?) The spoils from projects like Singur will accrue to big capital and a handful of high-salaried skilled workers, leaving out all those that automated industry finds redundant today. Landless workers, sharecroppers, rural artisans, small vendors and others will have to wait (mostly in vain) for the meager, distant benefits of "trickle-down" to percolate to them. Cold comfort.

Sen also overlooks the fact that the Tatas have received for their project in Singur an area several times the size of what they will actually need for the factory (seeing as they intend to replicate the plant they already have in Pune on less than a few hundred acres of land). In other words, he is blind to the massive windfalls corporate India is accumulating these days from publicly subsidized land scams in the real estate sector.

Sen is eager to point out that "prohibiting the use of agricultural land for industries is ultimately "self-defeating", that you can't say in a market economy that "this is fertile agriculture land and you should not have industry here." "The locations of great industry, be it Manchester or Lancashire, these were all on heavily fertile land (sic). Industry has always competed against agriculture because the shared land was convenient for industry for trade and transportation... there is no way in which you will be able to avoid industrialisation around Calcutta, any more than you could have avoided it in London, Lancashire, Manchester, Berlin, Paris, Pittsburgh. You will find industry will come up where there are advantages of production, taking into account also the locational preferences of managers, engineers, technical experts as well as unskilled labour."

In other words, one should repeat all the industrial blunders of the white man which have brought the species to the environmental precipice today. How about learning from the Chinese for a change, who themselves learnt from their bitter SEZ experience and passed a Land Conversion Act nearly a decade ago to ensure that land was not taken from agriculture for industrial purposes anymore? Doesn't the state play a key role in the location and kind of industrial investment? Could British industrialists during the early phases of capitalism have got their way without the bitterly resisted Enclosure Acts which not only enabled convenient location of industry but perhaps even more importantly, paved the way for forcible removal of peasant populations from the countryside so as to make land and resources accessible to industry, in addition to making available to it a labor-force desperate for alternative means of survival, not to forget a ready-made market for industrial products? Modern industrialization, historically, is a form of conspiracy against the public, though intellectuals like Sen see only "freedom" emblazoned in gold letters wherever industrial interests hold sway. All else belongs to backwardness and the dying past where peasant conservatism runs rife. Submit, therefore, in the name of freedom, to the destructive sweep of corporate industrialization.

Like most other economists, Sen does not take seriously the possibility of rural, small-scale, low-impact sustainable industrialization as a means of improving the lot of the poor. That the sort of industrialization by corporations (involving heavy use of energy, water and other resources) that he and other economists advocate with such zeal might devastate this country's ecology permanently is of no concern to him. Environmental matters are largely ignored by such experts. Deforestation, desertification, the groundwater crisis, climate change, the melting of glaciers, the growing incidence of floods and many other such problems—all symptomatic of fundamental ruptures in the sub-continent's ecology—do not strike the growth economist as matters for which his policy-prescriptions are directly responsible.

And what happens to agriculture and employment?

Sen is remarkably silent on the issue of farmer suicides. There is virtually nothing in his recent writings on the topic. That they might be directly resulting from the pincer movement of rising costs and falling prices for output in which farmers are caught, thanks in good measure to official state policies since the 1990s to please the WTO and the IMF is not a possibility he explores. A credit crunch, after all, has afflicted peasantries in all sorts of times and places throughout history.

That Indian agriculture could have been made deliberately sub-optimal from the point of view of small and marginal farmers—by policies engineered by Washington's imperial institutions in the interests of global agribusiness and routed through the ministries in New Delhi—in order to drive the peasants off the land and make it possible for companies like Monsanto or Cargill (or even Reliance or Walmart) to gradually take control of the large food market in India is a very important hypothesis to consider. It could explain much of what has transpired in the Indian countryside over the past decade and a half. However, economists like Sen do not get anywhere near such considerations. Call it good intellectual discipline in the ideological stronghold that that sturdy guild called the Economics profession has always been. ("There is no strategic planning—conspiracies—even at the highest levels of corporate establishments. All that's wrong with the world is either due to market imperfections or because markets have not been allowed to function smoothly.") Or, if one reads Chomsky, "thought control in democratic societies."

Why should a rising economic power worry about such archaic matters as self-sufficiency in food? That countries like Australia—from whom India has been importing wheat in recent years—recently had serious droughts (the worst in recorded history) isn't

something that bothers the economist schooled in the wisdom of free markets. It also doesn't make him ponder that Western nations (sobered by the memory of wartime shortages) have zealously ensured (through unfair subsidies and suchlike) their self-sufficiency in food.

Economists and policy-makers fond of dreams like Sen's are all too keen to entice farmers and agricultural laborers away from the land for better urban, industrial pastures. But where are the jobs they all keep promising of, which would provide compensatory incomes to the migrating poor?

When Europe industrialized and moved millions away from rural occupations (over a period of centuries, one may add) conditions were such as to allow for sufficient absorption of displaced populations elsewhere. In the cities factories were coming up, requiring both unskilled and skilled labor. Mines were being developed to supply the raw materials for industry. The world was living very far from its carrying capacity. Externally, colonies in the new world served as sinks for surplus labor. Writing of the Scandinavian experience, noted historian Eric Hobsbawm has written that "with the rapid rise in population a growing number of the rural poor found no employment. After the middle of the 19th century their hardship led to what was proportionately the most massive of all the century's movements of emigration mostly to the American Mid-West..."

Conditions for countries like India today could not be more different. Transitions of the sort that pundits like Sen expect are not even remotely possible.

Even a casual consideration of Indian economic realities today illustrates the points being made. It is a sobering official statistic (Economic Survey, 2007) that between 1991 (when liberalization of the economy began) and 2004 (the last year for which reliable data is available), the entire organized sector of the Indian economy (including both private and public sectors) could give employment to 0.3 million fewer people! (In 1991 it employed 26.7 million people. In 2004, 26.4 million. Meanwhile, the total work force grew from 370 to 430 million.) The organized private sector gave jobs to 7.7 million people in 1991 and 8.3 million in 2004, an unimpressive growth of 600,000 jobs in 13 years! (Now, while net jobs created in the organized economy may be growing at 100,000, 200,000 or even 500,000 per year, 10-14 million people are getting added to the work-force every year: An Australia is being added to the work-force each year even as job generation is at the rate of a modest South Delhi colony!) Roughly the same number of people in the industrial work force as in 1991 today produces 4-5 times as much industrial output as in 1991. This has understandably made the top quintile of the population much wealthier.

Unemployment is perhaps the most devastatingly urgent socio-economic and political issue in India. Without serious changes in the framework of economic policy it is quite likely that the ballooning numbers of unemployed (especially male) youth will generate unmanageable amounts of frustration and urban violence—which can only serve the nefarious populist purposes of political parties who need disaffected young men to drum up the necessary hysteria and political support. Other than rising crime, communal and caste riots can be expected to grow in frequency.

This gloomy scenario should make the policy-making elite and government strengthen and implement schemes like the rural employment guarantee scheme on a war footing - even if it means taking public resources away from other expenditure heads.

And what about democracy?

And what of democracy, whose paeans Sen never ceases to sing?

Perhaps economists are too educated to realize that politics inevitably intrudes on every significant economic transaction in this world. Or perhaps they are not educated

enough and haven't come across their senior colleague Abba Lerner's view that "Economics has gained the title of queen of the social sciences by choosing solved political problems as its domain." Maybe they have breathed too much of the rarified air outside the real world to know how dirty the entire business of land acquisition is in India. Or maybe they are too illiterate in history to remember how bloody and rapacious the enclosure movement was in Europe when it was in its early stages of industrial capitalism.

Where has modern industrialization happened without the use of force with or without the assistance of the state? Did the peasants of early modern Britain vacate the commons, the forests and the open fields to allow the formation of enclosures by virtuously understanding the great merits of the satanic mills bemoaned by William Blake? Didn't Britain go into peasant insurrections repeatedly over the early centuries of industrialization, all the way till resistance ceased after the passing of the Corn Laws in 1846?

Listen to famed historian, Christopher Hill, writing about the enclosures in 17th century Britain: "the royal policy of disafforestation and enclosure, or of draining the Fens, as applied before 1640, involved disrupting a way of life, a brutal disregard for the rights of commoners...a consequence of the policy was to force men to sole dependence on wage labour, which many regarded as little better than slavery." And here is another authority, Eric Hobsbawm, writing of England a century and a half later : "Some 5000 enclosures under the private and general Enclosure Acts broke up some six million acres of common fields and common lands from 1760 onwards, transformed them into private holdings...The Poor Laws of 1834 were designed to make life so intolerable for the rural paupers as to force them to migrate to any jobs offered. And indeed they soon began to do so. In the 1840s several counties were already on the verge of an absolute loss of population, and from 1850 land-flight became general." Finally, the great historian E. P. Thompson : "Enclosures were a plain enough case of class robbery."

Sen keeps referring to "the standard experience" of industrialization and economic growth. It bears recall that in almost every case democracy has been conspicuous by its absence at the crucial stages of modern industrialization—which inevitably involves coercive displacement of large numbers of the rural population.

Didn't voting rights for European workers come after bloody and bitter struggle lasting centuries? Did the conservative French peasantry not stick like a thorn in the flesh of the bourgeois classes even into the 19th century? Did the Russian kulaks yield to Stalin's ruthless collectivization, or Chinese peasants to Mao's *Great Leaps Forward*, from love of industrial communism? Or is it not true that their lives were taken in the tens of millions before their remaining numbers were fed like fodder into the mills of modern industry and mining, leaving many others starving and begging in the streets of Moscow and Shanghai? More recently, South Korea and Taiwan were openly authoritarian societies while industrializing. War beyond the borders also means war within.

Sen assures people that "the prosperity of the peasantry in the world always depends on the number of peasants going down." One way to achieve this of course, is to simply kill off a chunk of them. Remarkably, perhaps because he has not seen the SEZ Act of 2005, Sen fails to notice that the entire SEZ strategy of economic growth, long abandoned in China as environmentally and socially destructive, is only a pilot experiment in corporate totalitarianism in disguise.

Nandan Nilekani of Infosys noted in an August 2006 interview to London's *Financial Times* that India is the first country in history to be industrializing and urbanizing under conditions of universal adult franchise, a fact which has gone remarkably unnoticed by the pundits and experts the world over. When the British state moved large numbers of

the rural poor out of their homes and fields, only propertied white men could vote. The US was a slave-owning aristocracy in which only white men had the vote when the great migrations happened. Women did not vote till the 1920s and African-Americans not until the 1960s. (India had universal suffrage before the US.) Soviet Russia and China have been totalitarian societies when forcing the peasants to move or collectivize.

These facts only underscore the peculiar situation in which formally democratic India finds itself today as it asks the rural population to abandon their customary ways of life to make way for industrial prosperity and the imminent greatness of the nation. □□□

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