

## Illusion and Reality

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In 2007, Prof Amit Bhaduri wrote a 4000-plus-word article in *Seminar*, based on his B N Ganguli memorial oration the previous year at the Centre for Studies in Developing Society, captioned 'Economic Growth : A Meaningless Obsession?' He snapped fingers at the media for ceaseless transmission of "confusing, even conflicting, economic signals". People in the media might be enraged at such pungent bashing but Bhaduri had reasons to write so ingenuously. Why should the readers including scholars be imposed or "accustomed to think of urbanization, industrialization and 'development' and accept" the logic of globalization and liberalization through the market without scrutiny?

A distinguished theoretical economist, Bhaduri did very impressive research, beginning with economic structure of backward agriculture and then having set the pace in scanning theoretical issues in growth and capital theory. Students of economics remember him for his new pointers in the treatment of macroeconomic themes, given the multisectoral framework. But he broke out of somewhat mathematically obscure periphery of economic sciences in the 1970s when he formulated 'semi-feudalism' anew when the Marxists of conflicting schools were in a fierce debate on the class character of Indian state. In the recent years, he devoted himself to theoretical and policy issues pertaining to globalization and Fund-Bank reform. To this writer that's an important transition for one who is profoundly committed against armchair economic theorization and thinking. The first imprint of this turn in Bhaduri is his book *Development With Dignity*. The latest title under review—\**The Face You Were Afraid To See* is perhaps the next step in strengthening his link with footsoldiers in the battle and polemics against the neo-liberalism, the ideology of megacorp-led globalization—a "process of creative destruction; creation of corporate wealth through destruction of poor" (p121) correlated with lopsided income inequality in the interests of 'a society of selfish individuals to an optimum' (p27).

The book is a collection of essays, familiar to hundreds of activists who are up against development-induced displacement or market-driven development whose most agonizing reflex is abysmally slow growth of employment. Bhaduri lambasts the apologists of market-worshippers for tendentious theorization "as an example of how high theory verges on the idiocy when it becomes ideologically inconvenient to take the history of the dialectical relation between the state and market seriously". (p50). Market is 'coercive', wrote Eric Meiksons Wood, former editor, *Monthly Review* in the early 1990s. The prefix 'free' before market makes a ludicrous oxymoron that suits the neo-liberal right. "Destruction of livelihoods and displacement of the poor in the name of industrialization, big dams for power generation and irrigation and the 'modernization' and 'beautification' of our cities"—all are for free markets which made the 1980s "the decade of displacement". A review article 'Models and Methods in Development-Induced Displacement' By Ranjit Dwivedi in *Development and Change* is a very good read in understanding the market-democracy mismatch and the 1980s, "a decade of displacement" followed by 'the decade of popular resistance to displacement'.

The author laments in the introductory essay, the ruling classes reduce “developmental politics in our democracy to a calculation of how to maximize for themselves the benefits of development irrespective of what happens to the poor majority”. In other words, the cardinal principle of a welfare state—“the greatest good of the greatest number”—is made a ridicule of its six decades of growth (or decay) after the independence. Unfortunately, some of India’s distinguished economists including a few with global fame arguing for *laissez faire* in trying to prove themselves as admirers of Marshall and Keynes ignore, Bhaduri regrets, “the mockery of the original Keynesian and social democratic vision of corporate capitalism” (p113).

Bhaduri explains the stark reality of the predatory growth—incidentally the caption of one of his essays—with amazing brevity : the risk, borne by the people or the public while profit going to the privileged few, the worshipers of neo-liberal finance capital pushing through liberalization, privatization and globalization or its oft-used acronym LPG.

The money or credit-driven growth which the media highlights through Sensex tickers skips the crude reality of growing hiatus between the egalitarian line and the concentration curve and in pathetic contrast, “goods consumed by the rich have greater income elasticities greater than unity” (p74).

The post-reform financial and economic policies in India after 1991 (Samir Amin makes a dividing line as independent India embarked on ‘comprador’ capitalism in 1991 and not before) begins the era of denial of “resources to the poor in the rural economy because they have no purchasing power”, the impress of which being “relatively low comparative sectoral productivity”. (p138). The state under the triumvirate—the Prime Minister Manmohan Singh, erstwhile finance minister P Chidambaram (carried forward by his successor Pranab Mukherjee) and deputy chairman of Planning Commission Montek Singh Ahluwalia is “an agent rather than a regulator of private business” (p 97) as desired by the World Bank and the IMF. Bhaduri doesn’t spare his own tribe too—the economists who are turning their eyes deliberately from ‘grand historical illusions’. The first essay—*The Failed World View*—he makes no secret—“explains how economic theory maintains the form of an academic discipline, and becomes in content a powerful ideology in the service of the ruling classes”. □□□

[Essays like *Development of Developmental Tourism? Predatory, Growth, Alternatives in Industrialisation and Labour and Industrialisation* are widely read.]

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\*THE FACE YOU WERE AFRAID TO SEE

by Amit Bhaduri