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Berch Berberoglu (ed.) **CLASS, STATE AND DEVELOPMENT IN INDIA**, Sage Publications, New Delhi/ Newbury Park/London, 1992. ISBN 81-7036-255-5 (Ind-HB) Rs. 275/-.

If I am permitted to categorise views on policies into two, I would say that one, the currently fashionable view is that in general, the market system functions in the best national interest, and that the state, by which is meant government, must confine itself to a well defined set of functions — law and order, foreign policy, etc. In this view, that government is best which governs least. And that country does well that adjusts itself to the dictates of market forces. This is the view that underlines the thinking of management institutes and their training, consultancy and research programmes.

The other view, which is quite unfashionable, emphasises equity in society. This view stresses the importance of mobilising the entire population to the task of development, and its analysis focuses on contradictions inherent in unequal societies. In this view, the state in general, acts in favour of the ruling class; the poor are ranged against it. To better themselves they have to face the onslaught of State power. And this analysis therefore addresses the forces that underlie social change. It does not stop with profit figures, but tries to understand what it is that makes an economy work in a certain way. This is the political economy approach— rarely found in management institutes— and not generally popular in the corridors of power.

It was therefore, a surprise to receive a request from the Editor of this journal to review this book. For the articles in this book, rather than champion liberalisation and privatisation as the cure for the country's problems, focus on the social, economic and political forces at work in various historical periods and attempt a comprehensive historical perspective to examine the root causes of stability and changes in the Indian society, with prospects for the future. The authors are distinguished scholars, many of them of a Marxian persuasion - (and one who teaches at the Indian Institute of Management, Calcutta, where a great deal of relevant work, in this context, has been done.)

Class, then, is identified in terms of the extraction of surplus value. Opinions vary on details among the authors in this volume, but not one would dispute the statement that it is an exploitative group that rules. So far as the State is concerned, it has been responding to the needs of different sections of this ruling class which is itself a coalition. The state has tried to function by balancing the various demands made on it, without dismantling the basis for exploitation. For example, land reforms have failed, and an agricultural elite has used its power to gain various benefits — the most recent but not

perhaps the most notorious, being the loan waiver scheme of 1990. The point is lucidly made by Patnaik : “taking the agricultural work force as a whole, the post-independence period has witnessed little improvement in its real income from work, and that within this work force, given widening class and regional disparities, significant sections may well have seen a decline in their real per capita income”. So much for *garibi hatao*. In fact, his conclusion is serious : “the apparent success in inflation control in recent years is large-scale and growing rural under-consumption. This under-consumption, by its very nature, does not show itself in terms of price pressure. It constitutes the corner stone of economic policy in recent years”.

To give another example, Bipan Chandra’s analysis of the Indian capitalist class has important insights — this class chose to support the anti-imperialist movement that was at no stage aged under its leadership — but in order to try and control it “within the political and economic parameters of its own class interests.” And he points out that this class is not homogeneous — there were differences in the degree of development of contradictions within its different segments — such as commerce and industry, finance and industry, region, etc. Chandra points to the short-term dependence of Indian capital on imperialism, but also to its long-term conflict with British capital and colonialism. Its behaviour has to be understood within this framework. His conclusion may have relevance even today : “The crux of the economic question after 1947 was not that of completing the bourgeois democratic revolution, but that of breaking Indian economy’s structural links with world capitalism. The basic weakness of the Indian economy and of its capitalist class lay in its integration with the world economy in a subordinate or dependent position. So long as the structural link lasted, one or the other national or international capitalist group would continue to penetrate it and threaten its autonomous development”. It would be an interesting exercise to study the changes brought about in 1991 in this background.

So much for *hors d’oeuvre*. There are fascinating contributions by Paresh Chattopadhyaya, Sen Sau, Omvedt and several others. While of varying stances and position, all belong to the genre of political economy. All are worth reading. And rather than provide a summary to the readers of this journal, I end with the recommendation that they read it for themselves. And to those who teach these subjects, I would suggest including this book in the list of essential readings.

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