

Book Reviews

Krishna Bharadwaj. *Accumulation, Exchange, and Development: Essays on the Indian Economy.* New Delhi: Sage Publications. 1994. 395 pages and Index. Hardbound. Indian Rs 350.00. Paperback. Indian Rs 195.00

Before her death in 1992, Professor Krishna Bharadwaj had reached the prime of her intellectual growth so that her mature thought on classical political economy and her ideas on development paradigms had begun to coalesce into a single whole. As the title of the book under review implies, this work of the late Indian economist comprises a study of the general problems of economic growth, accumulation, exchange, distribution, and development based on the theory of surplus, including its generation, appropriation, and distribution in society. The author applies classical theory to the complex development process in the developing economies, and to the specific problems of the Indian economy in the industrial, agricultural, and commercial sectors.

The book consists of eleven essays, which have been published before in journals and books on different occasions—a reason why the book is repetitive. However, these reiterations do make for clarity, cogency, even brilliance, of the author's approach and argument. These essays on the political economy of India are divided into three interlinked sections: (1) The Accumulation View, (2) Processes of Production and Exchange in the Agrarian Economy, and (3) The Course of Development.

In the first section the author emphasises that the accumulation (of surplus) approach of classical economy is more appropriate and realistic than the neoclassical approach of the demand-and-supply market equilibrium in understanding the development problems of the Indian economy. In the Eighties, she says, the Indian economy was integrated into the world economy, and that international trade has attracted more attention since then, although the main economic problem of India has been neglected, viz., “generating a pattern of development that diverts a part of the population wholly engaged in agriculture into other activities that provide, in first place, a dependable livelihood and, secondly, evolve a progressive structure of economic activities that sustain productive employment” (p. 23). Her focus on the poverty and unemployment of agrarian populations of South Asia is the main thrust of these essays.

In the essay on production and exchange in the theories of price formation

and economic transition from the pre-capitalist to the capitalist economy, the author concludes that one of the internal contradictions of capitalism is its tendency towards concentration and centralisation of capital. She thinks that emphasis must be put on the class-differentiation of Indian peasantry.

Another essay of the first section delineates, from an historical perspective, the crucial relations between agriculture and industry as they develop from the pre-capitalist to the capitalist period. According to her, the typical problems of the agriculture-industry relationship emerge in the context of the process of accumulation. In the analysis of developing economies, therefore, the concern must shift to the creation and mobilisation of resources. Efficient allocation of the given resources, as emphasised by neoclassical economists, is a secondary problem.

Analysing the various paradigms in theories of development (classical-Marxian, Keynesian, and neoclassical) in another important essay, the author suggests that it is possible, under the peculiar conditions of the Indian economy where the majority of the population depends on agriculture as a means of making a living, to derive from the classical and Marxian theories an alternative paradigm which objectively and realistically analyses the problems of accumulation in a much more open framework—with institutional variations, such as contractual strategies (p. 90).

The second section of the book examines the structure of India's agrarian economy and develops the notion of "interlinked markets". The topics covered here are farm size and productivity, the so-called technical relations in agriculture, tenurial conditions and the mode of exploitation in some villages of Orissa, commercialisation in Indian agriculture, and a macroeconomic framework for the Indian economy.

The last section deals with the contradictions in the Indian development process. She critically examines agricultural price policies and the structures of employment and takes an exception to the viability of a development strategy that puts more stress on commodities and technologies and tends to deprive labour, in both agriculture and other organised sectors, of the benefits of development and growth.

In the last three essays, which deal with agricultural price policy, the formation of labour market, and the "labour" approach as a strategy of development, the author points out that neoclassical strategies of development have failed in South Asia. Two critical issues are raised. First, as regards the employment and progress of labour, there has been very little change, as a large part of the population (about 70 percent) has a precarious livelihood based in agriculture. The transfer of labour from the agrarian sector to industry, the first condition of industrialisation, has proceeded very tardily. Second, broad aggregates, such as labour participation, employment, per capita consumption of basic goods, concentration coefficients for land distribu-

tion, and the large number of households under the poverty line, all indicate that no viable social change has occurred. There are also growing inter-regional and inter-sectoral disparities and inequalities, as well as widening wage differentials (p. 355).

The author says in conclusion that “neither the ‘trickle-down’ view on development nor the ‘welfarist’ perspective on poverty alleviation appears to be viable as long-term strategies [sic]. Creating small entrepreneurs and petty private-sector activities on the basis of incentives provided in specific markets (subsidies for credit, assets or raw materials) have not introduced substantial changes. What is needed, it would seem, is a restructuring of the processes of income generation and demand management, to allow diversification of livelihood for those who are currently precariously dependent on agriculture” (pp. 381-382). “Such a restructuring”, she concludes, “would demand institutional innovations for establishing cooperation and coordination within the small-scale activities” (pp. 381-382).

As India and Pakistan share many economic problems, particularly in the areas of agriculture, industrialisation, employment, and development, this important book by Professor Bharadwaj will also help understand the complex problems faced by the Pakistani economy. It will be useful to development economists, anthropologists, policy planners, theoreticians, and economic historians.

It may also be mentioned that another important work by Professor Krishna Bharadwaj, *Perspectives on Capitalism* (edited jointly with Sudipta Kaviraj), was earlier reviewed in this journal by the present writer (*The Pakistan Development Review*, 29:2, pp. 175-183).

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