

Development alternatives in an age of globalisation

Deepak Nayar's twin volumes reflect the author's intellectual input as a researcher, teacher and economic thinker on India in this age of market and globalization, says Deb Kusum Das

The two books under review by economist Professor Deepak Nayar offer readers a collection of essays on Development Economics focusing on the theme of Liberalization and Development in one and Trade and Globalization in the other. The thirty essays in these two books reflect the intellectual journey of the author over the past three decades. The selection of the essays, which have been published earlier by the author and now in the form of two books, is guided by the belief that there are some old questions as well as persistent problems which remain contemporary concerns. Further, there are some questions which may no longer matter in a changed world but have an analytical or

penned by a leading thinker on India's development experience. These are a must read by students in Indian universities and abroad engaged in understanding the Indian economy.

The books are structured in terms of fifteen essays each. The essays included in *Trade and Globalization* are in four thematic clusters: Economic theory, world trade, the Indian experience and globalization and development. *Liberalization and Development* has essays grouped under the following categories: Theory, development, industrialization and liberalization. The author's engagement at different stages of his professional life with intellectuals and scholars of development economics, both



structural adjustment, exclusions and inclusions. These three set of essays raises questions as to why the objectives as well as ranges and reach of macroeconomic policies differ across two sets of countries, tries to understand the process of structural reforms in developing countries and attempts to develop an alternative framework to understand the restructuring attempts in developing countries and finally explains why markets and democracy provide no magic wand to ensure prosperity for everyone.

The essays on 'Development' question the available policy space for development and argue for a redesigning of strategies by introducing correctives, stress the importance for learning and unlearning from the development experience of the second half of twentieth century, examines the consequences from short-termism in public policies for economic development and finally the implications for work, livelihood and rights in the context of a global world.

The issues covered under the third theme 'Industrialization' focus on the international context as well as India. The debate on industrialization in India covers the growth or stagnation question of India's development experience as well as trade and industrialization issues. Both the issues are central to any understanding of India's attempt at liberalization on two grounds. One, it shows the importance of macroeconomic environment in the analysis of industrial growth and stagnation and second, the importance of macroeconomic causation in understanding of connects between the external sector and industrialization process. The

international context provides an analysis of the topical issue of relocation of manufacturing production and its implications for industrialization in developing countries and the role of state in the process of industrialization in the context of virtues of openness and markets. The last section of the book deals with liberalization and focuses on India. Of the four essays in this section, the first two analyze the Indian experience in the context of structural adjustment and ensuing economic reforms that began in the early 1990s. The other two essays situate economic liberalization in India in its wider political and historical context.

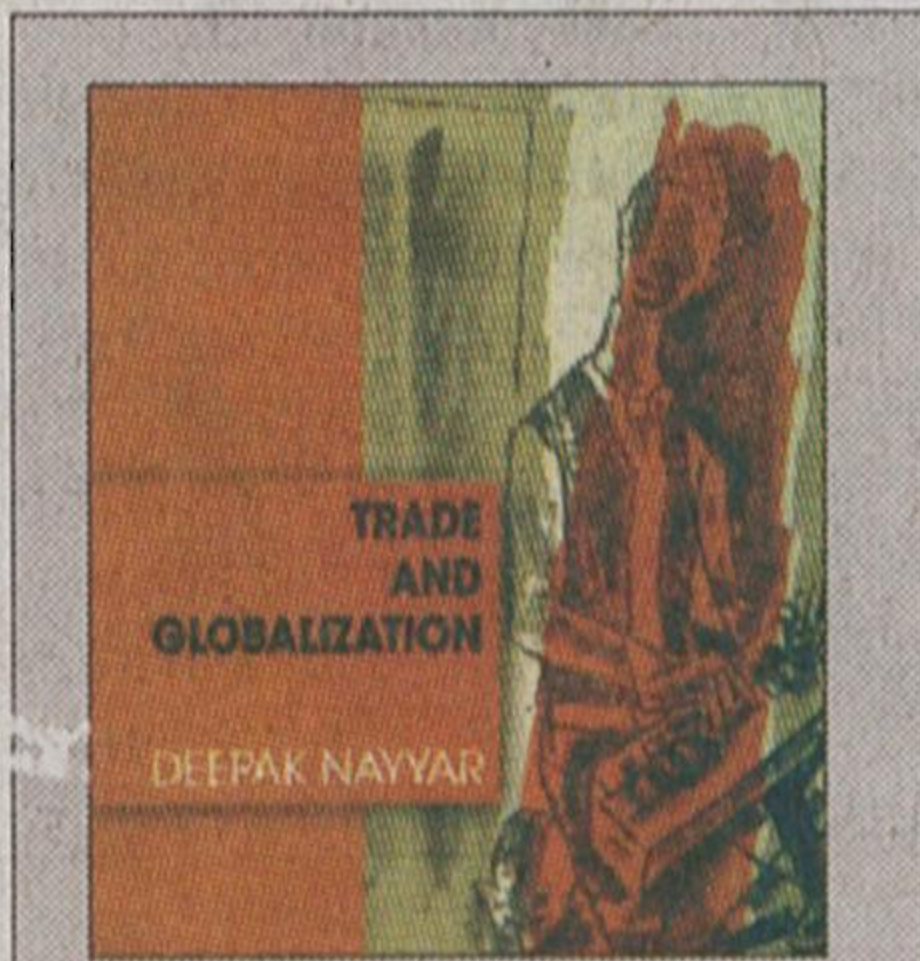
The second book covers a set of essays which are squarely in the domain of international economics, which has been a professional engagement in research and teaching. The selected essays exhibit a heterodox and unconventional approach from the pen of a leading critic of globalization. The volume begins with the limited domain of trade theory and ends with a wide canvas of globalization. As with the other volume, there are four thematic clusters: theory, world trade, Indian experience, globalization and development. In the section on "economic theory", the author argues that orthodox trade theory, despite its analytical elegance, ignores many dimensions of the real world and goes on to state that simplicity of theory is no match for the complexion of reality. Against this background, the essays provide new perspective and consider issues that have been neglected in mainstream economics. Three essays focus on the evolution of thinking on free trade and reasons for departure from free trade, economic analysis of international trade in services in terms of theory and policy and theoretical insights into international labor movements. The essays that form the core of "world trade" focus on trade flows and institutional arrangements. The

analytical pieces on issues of transnational corporations and manufactured exports, east-south trade, NAFTA and South Asia and trade in services are some of the contemporary themes in any debate and research on international economics.

The selected essays encompass broader topics like multilateral trading systems, regional trade blocs, transnational corporations etc. The issues of economic interaction, especially trade between East and South, and the evolution and change over time of institutional arrangement for world trade are two very significant analytical essays in the volume for readers with an interest in India's position in the world economy. The Indian experience is presented with essays on issues that are crucial to India's integration into the world economy — balance of payments, capital controls, trade with socialist countries and the internationalization of firms from India particularly from the point of view of mergers, acquisition and investments. The final section deals with essays that capture the theme of globalization and development with focus on strategies, international migration and governing globalization.

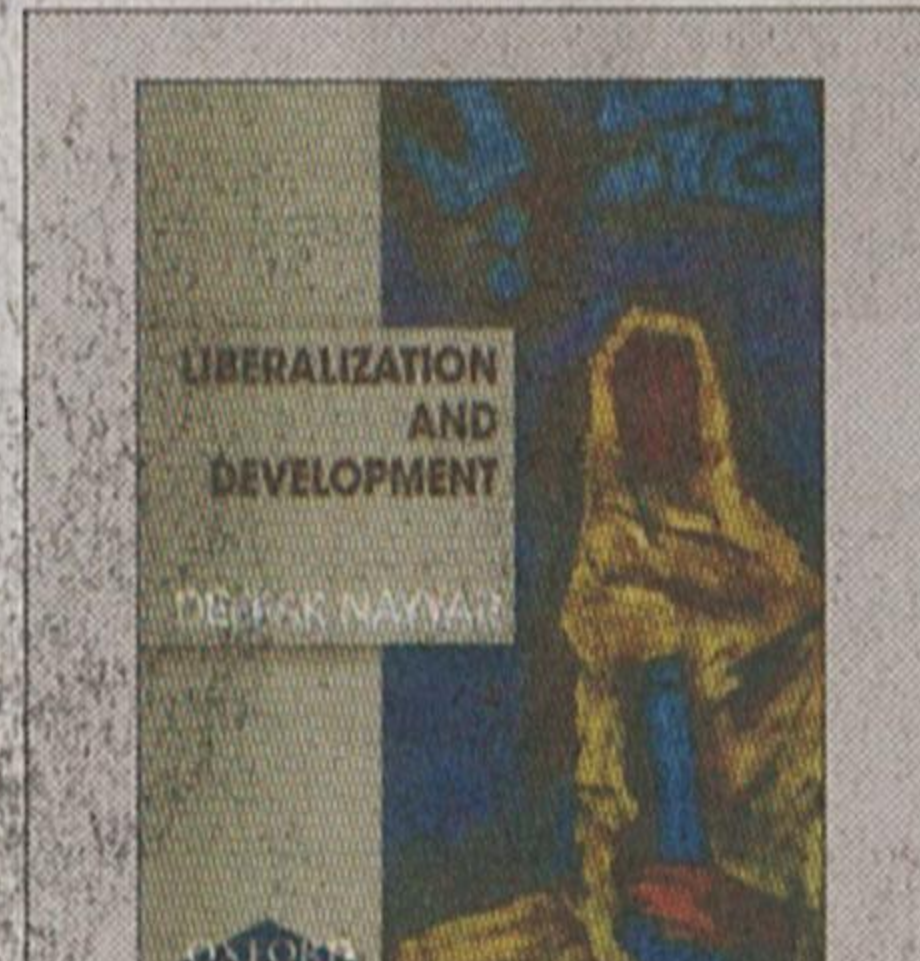
The author brings together in these two volumes essays which reflect his intellectual input as a researcher, teacher and economic thinker on India in the age of market and globalization and his critical examination of many contemporary issues which are relevant for our understanding of Indian experience against the background of development through liberalization and globalization. I would like to end by saying that though the essays are from papers published earlier, in the words of the author, "there is a charm not very different from discovering old photographs in an album. But the utility or the value is for the reader to judge".

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Trade and Globalization

Deepak Nayar
Oxford, Rs 795



Liberalization and Development

Deepak Nayar
Oxford, Rs 795

historical relevance. It is also important to mention that some of these essays have been widely dispersed in space and time and are difficult for the reader to find at one go. Hence, putting together a selection of essays under appropriate themes in the form of books makes it possible to reach out to a larger audience.

The essays reflect the author's long standing and often critical engagement with the challenges of development. It would be appropriate to state at the outset that these selected essays provide students and practitioners of development economics a look at India's roadmap towards globalization and liberalization and are a rich analysis of the Indian experience. Secondly, the mix of theory and policy, applied research and empirical work, and a look at the world economy and India's makes it a very rich collection

liberal as well as orthodox, provides readers with an unconventional perspective on aspects of international development, liberalization and globalization of India.

The themes explored in *Liberalization and Development* range from macroeconomics through industrialization to development with reference to the changed context shaped by liberalization. The focus of the book is two fold: First, it provides a macroeconomic analysis of development and not "micro-theoretic" development economics. Two, the approach is heterodox and unconventional, questioning orthodox economics not only in its prescription but also in its analysis and diagnosis of the problems in development. The essays under the theme 'Theory' covers issues like macroeconomics in developing countries, macroeconomics of