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REVIEW ARTICLE

Not by Growth Alone: the Challenge of Development in a Globalized World

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Abstract
This book is a collection of articles written during a period of six from 2010. Coming as it does after the financial, and later economic, crisis in the Western economies, the themes taken up are highly relevant. Following the best traditions in heterodox economics, the author argues in myriad ways that the single pursuit of aggregate economic growth is neither sustainable nor defensible. Employment has been primed as an overarching objective for both advanced and developing economies and shows how it is linked to economic growth in a sustainable and meaningful way. The unprecedented growth in the global economy since 1820 has been briefly surveyed to show the rise of the West and the decline of the Rest till the middle of the twentieth century. Since then, the developing countries are seen to be in a process of catching up although there is a long way to go. The contribution of the author is in identifying the leading countries which he names as the Next-14. Within this group, the role of the BRICS, with and without Russia, is analysed from the point of the potential for helping the other developing countries. Inequality, discrimination and exclusion that plague most developing countries are also addressed to stress the developmental dimension of the link between employment and growth.

Keywords Employment · Growth · Globalization · Macroeconomic policies

Nayyar, Deepak (2017), *Employment, Growth and Development: Essays on a changing world economy*, Routledge (South Asia Edition).

The book under review here is an important one in the literature on globalization and development studies in that it consciously addresses the linkages among employment, growth and development. The subject is dealt at both the national and international levels so that its importance and interconnections for all countries are well highlighted. Such a treatment is so refreshing in the context of the dominant paradigm of neoclassical economics with its one-sided focus on economic growth

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through the market mechanism. Of course, the focus is much more on developing countries arguing for a balanced macroeconomic and, I would add, macrosocial policies given the multidimensional nature of human deprivation as well as the larger developmental deficit. The book assumes further importance in the context of the ideological confusion and retreat from neoliberal globalization by powerful countries and a concomitant emergence of xenophobia and obscurantism in many countries including India.

The book addresses three critical issues in the contemporary world—jobless growth, unequal growth among countries and unequal development both within and between countries. Despite being a collection of articles published within a span of six years since 2010, the cogency of the arguments put forward is quite robust. Coming as it does after the 2008 financial crisis in the West and the consequent slowdown in world economic growth thereafter, the book provides considerable food for thought in the best traditions of heterodox economics. Employment and its organic link with development are the unifying theme of the book, as the author claims. In so doing, the author goes beyond narrow specialization areas in economics as a discipline, but explores many intersections in the vast area of macroeconomics and development and also stretches into economic history, politics and sociology.

The 10 chapters in the book are divided into three broad parts of "employment and development," "growth and development" and "development, polity and society." The four chapters in the first part address four important issues. Chapter 1 analyzes the implications of the global economic crisis for developing countries in the larger context of the global economy and suggests that the crisis is an opportunity for rethinking policies at the national and international levels. In Chapter 2, the centrality of employment in a macrolevel policy framework is analyzed and the chapter concludes that policies fostering employment with growth ought to trump over price stability and balanced budgets, the two obsessions that characterize the policies of many developing countries including India. I shall elaborate on this important issue later. Chapter 3 analyzes the interactions between macroeconomic policies and human development. This is a two-way interaction. Here employment is posited as the crucial link. The importance of political context is highlighted that often shapes the outcome. Chapter 4 discusses the Millennium Development Goals in prospect rather than in retrospect. It advocates the need for taking into account national contexts and to appreciate inequality in outcomes. It is the view of the author, with which I am in agreement, that the Sustainable Development Goals launched after the expiry period of the MDGs do not quite incorporate the lessons from the past. I will comment on this later.

Part II that comes under the overall theme of "growth and development" also has four chapters. The differential trend in growth rates between developing and developed industrialized countries has resulted in a shift of economic power, albeit modest, in favor of developing countries. This development has been subjected to some detailed analysis here. It must be pointed out that the author had published (Nayyar 2013) a whole book on this issue that, in my view, has greatly helped to highlight the nature of the economic power shift as between developing and developed countries and the leaders who led this shift and its consequences for the emerging world economic order as well as lessons for other developing countries. Chapter 5 is devoted to the general picture, analyzing the evolution of developing countries in the world economy, especially after 1950. It then highlights a group of countries called the Next 14 that led to the shift in economic power. Chapter 6 discusses four countries that formed themselves as a group called the BICS representing Brazil, India, China and South Africa. The political significance of the grouping is also highlighted because there were other countries equally qualified to be members of this group. Chapter 7 is focused on the relationship of China and India with the continent of Africa and its economic development. The emphasis is on cooperation and a plea to pay particular attention to the developmental needs of Africa. Chapter 8 is in fact a sequel to Chapter 6 and should have come, in my view, as Chapter 7. The chapter discusses the significance of the emergence of BRICS, i.e., Russia added to the group called BICS. If rapid growth takes place, it can contribute positively or negatively to the transformation of other developing countries depending on cooperation or competition. The author also recognizes the political significance of the group underlining the economic and political link in such group formation. I shall discuss these three chapters (Chapters 5, 6 and 8) in some detail later.

There are only two chapters in Part III and, as the sectional heading suggests, it goes beyond economics and economy to politics and sociology. Chapter 9 deals with globalization and democracy. As globalization spread across the globe, the aspirations of the people for a better life have also increased and spread across many developing countries. However, the author recognizes that there is no direct relationship between globalization and democracy. In fact, globalization could lead to curtailment of national sovereignty, as we have witnessed in many countries, and could lead to tensions between the government and people. The author envisages that this could lead to some checks and balances on globalization. True. It could even herald an era of retreat from globalization of the kind witnessed since 1990. The rise of Donald Trump as the President of the USA and the strident agenda of Brexit in the UK are just two powerful examples. In my view, in many developing countries this could also lead to authoritarian regimes of a populist kind where exclusion and inequality are justified in the name of narrowly construed nationalism as in India or in the name of maintaining law/order and the need for a strong government, as in the Philippines. What kind of politics will evolve out of this dangerous situation seems to be an open question. The last chapter addresses an age-old, but increasingly relevant, issue of discrimination and social justice in both rich and poor countries, but with a focus on India. The answer in the form of affirmative action is examined critically with the author arguing for more foundational remedies.

While the above summary version could suffice for a conventional book review, I am tempted to comment and elaborate on some selected issues in the form of a more detailed review. In that way, I hope to tempt the younger scholars and those young informed media professionals to examine the issues raised in their respective national contexts and take the discussion forward. In particular, I would also like to impress upon them the advantage of examining macroeconomic issues in a broader canvas and interrelated context in the best traditions of heterodox economics.

One of the most fascinating chapters in this book is the one on "Why Employment Matters: Reviving growth and reducing inequality." The central argument here is the centrality of employment for growth or more aptly, employment-centered growth that will also be an inequality-reducing one. The author states that such an argument is applicable to both developing and developed countries. Both these sets of countries have been experiencing an increase in economic inequality ever since the domination of the agenda of liberalization and globalization in national macroeconomic policies. A slowing down of growth as well as employment has not only worsened income distribution but also created a situation of low quality of employment that has added to the worsening nature of inequality. Instead of promoting profit-led growth by giving all kinds of concessions and incentives to firms for investment, it is important to augment consumption, especially in countries with a current account surplus, as for example, in Germany and China. There is a decline in the share of wages in national income in these countries as well as in those where there is a current account deficit. In the latter, private consumption has been sustained by debt financing and asset inflation. The story of a decline in share of wages is also true for developing countries, especially in the emerging economies that account for a larger share of the output of the developing countries. One of the crucial reasons, the author points out, is the mobility of capital and the immobility of labor combined with flexible labor markets. It is pro-capital all the way.

For attaining rebalancing in the world economy, there is need for redistribution of income within the countries with the current account surplus. That means they need to shift from too much export-oriented growth to home market-based growth that is possible through an employment strategy which will increase the share of wages in the national income of these economies. For the USA and EU countries with a current account deficit, a strategy to increase exports should be adopted. For emerging economies with the current account deficit—remember India—export-led growth has only limited potential because if all the countries adopt the export-led route to growth it will exacerbate the global imbalances. Here, again the prudent macroeconomic policy is to adopt policies to expand the domestic demand and thus the domestic market. And here again the best route is to pursue an employment-oriented growth strategy.

Given the absence of any coordinated policies at the international level, national policies assume great importance. During the golden age between 1945 and 1980, aggregate growth rate was far higher than during the age of liberalization and globalization since then, contends the author. Growth was led by both wage-led and profit-led policies, and therefore, unemployment was also less. But this is true only for the industrialized economies. Aggregate growth has been unprecedentedly high for emerging developing economies since 1980, especially for the large economies of China and India. However, the author is absolutely on the spot when he argues that it was profit-led policies that dominated both developing and industrialized economies during the age of liberalization and globalization resulting in jobless growth. In addition, this profit-led growth strategy was largely based on export, i.e., dependence on foreign markets. This, however, invites the fallacy of composition since all countries cannot maintain export surplus at the same time. The neglect of the domestic market can also defeat this strategy whenever the contraction in the domestic demand is greater than the growth in the export demand. This strategy has also driven down not the wage income but also the conditions of work in the name of labor market flexibility. All efforts were to attain price competitiveness, and when it is done by a large number of countries, it is a clear case of race to the bottom. Jobless growth is then the result. It could, in my view, even lead to "job loss" growth, as has happened in India during 2012–2018 (see Kannan and Raveendran 2019) because the strategy of profit-led growth is also a strategy of growth based on increasing labor productivity, i.e., higher and higher technological changes that require lower and lower inputs of labor per unit of output. In such a situation, a country may end up with reasonably high aggregate growth, but with more displacement of labor than absorption of labor. The profit-led growth not only leads to higher inequality with the share of wages going down and share of profits going up, but also creates rental income for profit-earners in the process of liberalization and privatization acquired through patronage of governments.

The focus on price stability and the assumption that it will lead to full employment has been belied in both industrialized and developing countries including the emerging economies. The author therefore argues for a rethinking on macroeconomic policies in both developed and developing countries. He notes the recent setbacks to the orthodox policies on price stability and its underlying liberalization ideology. However, it is quite possible that he may not have envisaged that a stronger attack on the liberalization and globalization policies would come from the Far Right than the social democracy-oriented Keynesians, in a political sense. For developing countries, the author argues for a return to a developmental approach to macroeconomic policies based on an integration of short-term countercyclical fiscal and monetary policies with long-term developmental objectives. This remarkable insight with its message of inclusion through growth with employment—or rather employment with growth—has not found much favor not just in India where it is urgently needed but in most other countries and prominently in China. Of course, countries with a debt burden have not been allowed to even think along these lines by the Bretton Woods institutions—IMF and World Bank—that largely determine a country's access to borrowing not only from these institutions but also from foreign finance in general. Focus on price stability, cutting government expenditure in the name of fiscal consolidation and a consequent downsizing of the role of the state are the staple diet of the continuing macroeconomic policy mantra. The author rightly notes that there is nothing in macroeconomics that suggests an optimum fiscal deficit. Government borrowing can be justified if it is used for investment—especially for developmental projects—and the rate of return from such investments is greater than the interest rate to be paid. Given the need for capacity creation in social sectors such as education and health, I would say the rate of return should be viewed more from a social point of view than financial rates of returns of individual projects. If the overall growth is greater than the average real interest rate and if the government has the capacity to generate a revenue growth rate equal to the interest rate at the least, then the government's future ability to invest will continue to be strong. It is here that countries like India has a problem in the form of rent-seeking and administrative inefficiency that dampens the government's ability to collect revenue that is due.

This chapter focusing on the importance of employment as a macroeconomic objective and how it is integrally related to domestic demand, profit-led and wage-led growth and fiscal policies is remarkable in its clarity and power of argument.

What is not said is the political economy of why such a desirable macroeconomic policy has not been adopted at both the national and international levels.

The chapter on MDGs provides a number of insights. It came about as an international agenda led by the United Nations on the basis of a millennial summit of the heads of government in 2000. They were mainly meant to reduce poverty and advance human development capabilities and capacities of countries in basic developmental indicators. But as the author rightly notes, there was no accountability either for the national governments or for the international organizations because "the constituencies—poor countries and poor people—that might have invoked it simply did not have the voice, let alone any power of sanction. What is more, as it turned out the MDGs did not quite serve their larger strategic purpose of changing the discourse on development" (p. 83).

Neoliberal argument for MDGs, the author notes, is based on the virtues of economic growth, good governance and foreign aid. Such a simplistic formulation is rejected by the author when he focuses in the chapter on the importance of the process of change in an economy embedded in a larger society as well as the initial conditions. There are also design flaws, the multiplicity of goals and their overlapping nature, the measurement of outcomes—some in terms of rates and some in terms of completion of a target by a specified year and so on—and some others as statement of intentions. Such a hodgepodge of objectives are bound to present innumerable difficulties in monitoring as well as proper measurement of outcomes. And that is what has happened. However, the author thinks it is useful to think of a modified set of MDGs beyond its expiry year—2015—because they provide a template for assessing progress in reducing poverty and different forms of human deprivation. He argues for a generalized MDG objectives and a nationally contextualized one that should be complimentary. He also advocates that the phenomenon of inequality should also be factored rather than aggregate outcomes. The need for cognition of means, i.e., underlining the process of change has also been discussed. For example:

> Economic growth is necessary but it cannot be sufficient to bring about development. It is necessary to create institutional mechanisms that would transform economic growth into meaningful development by improving the living conditions of people. Employment creation provides the only sustainable means of poverty reduction. Employment creation is also the essential foundation of growth that includes ordinary people. Policies should not be prescribed once and for all, because there are specificities in time and space. External finance is a complement to but cannot be a substitute for domestic resources. The role of the state remains critical in the process of development (p. 90).

In the entire book, the author has articulated so eloquently the respective roles of the market and the state; it is not one of market vs state. That this basic premise is often forgotten in the neoliberal discussions in this country is testimony to the power of capital, in fact corporate capital, over every other institution in the society today.

Balancing the role of the state and market is not something that is applicable to nation-states. The principle is equally applicable in the international context. The author, while lauding the motivation of the MDGs, has rightly been critical of the international context. To attain basic developmental objectives, as in MDGs, each country requires the complementary roles of the state and market. In the international context, the institutions that make it difficult or even impossible to attain the MDGs or similar developmental objectives are the institutions like the WTO and the IMF and the World Bank—all advocating the primacy of the market, aggregate growth, export orientation and foreign finance. They also impose conditions on countries in one way or another whenever they seek the help of these institutions to overcome fiscal constraints. In the words of the author, "unfair rules of the game in the contemporary world economy encroach upon policy space so essential for development" (p. 102).

In terms of international political economy, development aid by rich Western countries was one of the instruments to wean the developing countries away from the influence of the then Soviet Union (before its collapse), but even then it never exceeded 0.54 percent of the national income of the official donor countries. When MDGs were decided upon, there was no firm commitment to finance the poor countries to help them reach the goals set by the United Nations. In fact, development aid as a percentage of national income declined to 0.27 which has in recent times increased to 0.31. It is not out of place here to mention that the contribution of the USA is a meager 0.17 percent in recent times that works out to a mere 5 percent of its military expenditure. The original goal was to provide at least one percent of the national income of the rich countries in the official donor group which then got curtailed to 0.7 percent. The story of the SDGs that were agreed upon in 2015 is no different. Despite some isolated discussions on and off, there is no mention of historical responsibility, especially of the countries that colonized several of the currently developing countries. It is therefore no wonder that neither the MDGs nor the SDGs carry much weight in national-level debates on economic development. These political economy factors, I must say, have not found a place in the author's critique of the MDGs.

The chapter on The West and the Rest in the World Economy is a fascinating one given the focus of the chapter to understand what the author calls the catching up process of the developing world with the Western (including Japan) world economy. There is no doubt that the Western world comprising of countries in North America and Europe and Japan has emerged as the model in a broad economic sense for others to follow. But more than that is the ground reality of the sheer economic weight, and consequent power of domination, of the West that has emerged as a powerful factor in the world economy. Based on Angus Maddison's estimates, the author cites an interesting historical fact that a thousand years ago the developing world accounted for 80 percent of the world population as well as income. Come 1820, there has been an inexorable process of ascendance of the West and the decline of the Rest. That means they are two sides of the same coin. Around 1820, the developing countries still accounted for close to three-fourths of world population and around two-thirds of world income. The share of China and India, taken together, was 50 percent. However, the next 120 years, i.e., up until the end of the Second World War and the consequent decolonization and emergence of independent developing countries, the developing countries of today lost out heavily in all dimensions of economic significance with just one-fourth of world income and two-thirds of world population. At the same time, there has been a steady process of increase in income and economic clout of the West accompanied by technological, organizational and military prowess. The period also witnessed the steady integration of the developing countries into the world economy.

With independence, the developing countries started doing well despite a higher rate of population growth that I think was due to the success in reducing mortality. The higher economic growth performance of developing countries compared to the rich West stopped the divergence in per capita income around 1980 and a modest convergence subsequently. The author does go into some of the causative factors in this catching up process including industrialization, engagement in world trade despite ups and downs and a process of migration of people despite, as the author says, "draconian immigration laws and restrictive consular practices." However, there are several lessons to learn, from a development economics point of view, in this catching up process. This may be summed up in the words of the author since I feel students of development economics should pay particular attention to the historical dimension of development.

> It was not the magic of markets that produced the sudden spurt in industrialization. It came from the foundations that were laid in the preceding quarter century. In this context it is important to note that much the same can be said about the now industrialized countries, where industrial protection and state intervention were just as important, at earlier stages of their development when they were late comers to industrialization (p. 116).

While the overall story is one that imparts a positive vibe to all those cherishing the idea of a less unequal world, the author brings out some of the important shortcomings that in itself should impart lessons for a number of developing countries yet to participate in the catching up process vigorously. First and foremost is the fact that only 14 countries contributed significantly to this catching up process with China in the lead. It consists of eight Asian countries (China, India, Indonesia, Malaysia, South Korea, Taiwan, Thailand and Turkey), four Latin American countries (Argentina, Brazil, Chile and Mexico) and just two African countries (Egypt and South Africa). The author's findings point out that in terms of per capita income it is the "eight Asian countries that brought an end to divergence and saw the beginnings of convergence, while the four Latin American countries stayed roughly where they were and the two African countries experienced a continuing divergence" (p. 116). Of course, it is China that emerges as the star performer. According to the author, there are many lessons to learn for the remaining developing countries from these, what he calls, Next 14.

The consequences of the process of catching up have also led to several issues of inequality. While inequality among countries declined somewhat between 1950 and 2010, it was largely due to the inclusion of China and India. If these two countries are excluded, inequality increased rapidly, especially after 1980. However, there is another and to my mind more worrisome aspect of inequality. Those successful countries in catching up also witnessed the exclusion of some regions and sections of the population from the benefits of their growth and development. That is to say, the story is one of "within-country inequality" as the cases of India and China fully testify. This poses a formidable challenge to the developing countries that are successful in some catching up with the West. The author has no doubt in stating that "the biggest challenge to the rise of developing countries lies within" (p. 119). Equitable distribution of the gains of economic growth and development is a must, not just between regions but also between people. Pursuing development without addressing poverty, employment generation and inclusive growth could result in situations of disharmony and conflict. Addressing these issues would make abundant economic sense through what is known as cumulative causation.

This chapter should stimulate all development thinkers and practitioners in general and development students in particular to read the author's book titled *Catch Up* which has gone into the details of this process of divergence followed by some convergence as between the West and the Rest in an economic historical perspective.

I would say that Chapter 6 titled "China, India, Brazil and South Africa in the world economy: engines of growth?" is a logical sequence to the earlier chapter that dealt with the catching up process of the developing countries and the lead role played by the Next 14. Here, the author goes into the group called BICS (which he terms as CIBS), a group of large developing countries within the Next 14. Their largeness is basically in terms of geographical area (accounting for 15.2% of the world land area), population (41% of world total) and aggregate income (21% of world income) at the turn of the twenty-first century. The historical experience of these four large economies is no different from the average for the developing countries as a whole. In 1820, they accounted for 57 percent of world population and almost half of world income that got collapsed to 40 percent and just 11 percent, respectively, in 1973. As the author shows, there has been a catching up since then. By the turn of the twenty-first century, population share marginally went up to 41 percent, but income share almost doubled to 21 percent.

But, as the author shows, the intra-group differences are quite sharp. China comes out with flying colors having reduced the population share from 22.5 percent of the world total in 1973 to 20.7 in 2001, while the income share almost trebled from 4.6 to 12.3 percent. India's performance is somewhat disappointing, if not dismal. Between 1973 and 2001, the population share increased from 14.8 to 16.5 and the income share increased from 3.1 to 5.4. Brazil seems to have stayed on, relatively speaking with 2.6 percent share of population and 2.5 percent share in income in 1973 to 2.9 and 2.7, respectively. South Africa registered a decline; while population share remained the same at 0.6 percent, the income share declined from 0.7 to 0.5 percent. In terms of per capita income, the picture is quite different. At the turn of the twenty-first century, South Africa has registered a per capita income that is 31 percent of the average of the industrialized world—a proxy for the West—followed by Brazil at 25 percent, China at 20 percent and India at 10 percent. All these figures are in PPP dollars.

It is China that has demonstrated remarkable dynamism in catching up with a trend rate of growth in per capita income between 1981 and 2005 at 8.5 percent per annum, followed by India at 3.8, Brazil at 0.3 and South Africa with no growth.

What these basic statistics show is the uneven nature of the group although it has a political message to convey to the West that has been dominating world economic and political affairs for so long. The growth potentials of both China and India remain strong despite a slowdown, but the prospects of growth in Brazil and

South Africa remain doubtful. One may say that this could lead to a catching up process within this group with China and India trying to match the per capita income of South Africa and Brazil. The growth deals in some detail with the growth prospects and the intra-group differences. Not surprisingly, he is more optimistic about China given its current weight in the world economy and the continuing dynamism of its growth performance. But his conclusion is more sober: Even if these CIBS economies cannot be a substitute for the USA, as an engine of growth for the world economy, they could be an important complement to the older engine in driving global growth. Growth in the four countries, especially China and India, could benefit the industrialized countries with increased demand for advanced goods and services, while it would also boost demand from other developing countries, especially for primary commodities. But the author also sounds a note of caution if the earlier North–South trade pattern persists between the BICS and the rest of the developing countries. For example, "trade with China can sustain growth and support industrialization in developing countries, only if there is a successful transition from a complementary to a competitive pattern of trade, so that inter-sectoral trade is gradually replaced by intra-sectoral or intra-industry trade and specialization" (p. 142). Of course, there are several factors that are crucial here, and the author goes into detail on such issues as the BICS role in international investment, finance and migration. The author concludes with an important statement that the "significance of CIBS in the world is shaped not only in the sphere of economics, but also in the realm of politics" (p. 151). He sees the potential of this group of 4 in world economic and political affairs, but laments the absence of institutional mechanisms for coordination and cooperation.

I think this conclusion assumes great importance. At the height of the growth performance in these four countries, the political leadership also had the vision to move closer and impart an expectation of the emergence of a much needed block of leaders from the developing countries. China led this by giving shape to two institutions for investment and finance that was seen as a symbol of cooperation. However, in recent times, the economies have slowed down and the unilateral move by China to launch its massive international finance-cum-development project of Belt and Road Initiative has not added to the much needed cooperation and consolidation among the CIBS. The emergence of ultra-nationalist and right-wing politics in India and Brazil has not helped in any further coordination or cooperation.

Although it is logical to examine the leading countries among the Next 14 in terms of their potential for world economic dynamism, I think the rest of the world is looking at the large group of BRICS rather than BICS. The author has not shied away from an analysis of this larger group's role. In fact, that forms the subject of another chapter.

Chapter 8 on "BRICS, Developing Countries and Global Governance" does provide a continuity with the earlier two chapters, but the focus is on the impact of developing countries as well as global governance. When BICS is substituted by BRICS, the basic parameters of population and income shares do not seem to change much; in fact, it changes only marginally because the income and population weight are not so significant. However, what I feel is the combined power of Russia in terms of geography, economy, military and political power that makes it an important member of the BRICS group as well as in the global situation as a whole. Russia's geographical area is twice that of Brazil at 17.10 million sq.km and is the single largest country in the world in terms of area. Of course, within the group it does have a higher economic clout measured by per capita GDP at PPP$ 29 thousand in 2018 that is 61, 81, 101 and 371 percent higher than China, Brazil, South Africa and India. (I must point out here that the tables in this chapter while giving details of various economic parameters for the five countries do not show figures for Russia separately and hope that it will be taken care of in a possible future edition.)

Given the sharp differences in population and income shares within the group and the selection of countries, the author points out the political significance of the group while recognizing the potential for emerging as one of the major engines of global growth. The relationship with other developing countries is similar to the one described earlier with reference to the BICS. While elaborating on the potential mutual benefit, the author also warns of the dangers, especially "if the BRICS aspire to join the premier league and occupy a seat the high table, instead of solidarity with other countries in the developing world." I do feel that this has a particular relevance and message for India. While China and Russia seem to consolidate and expand their economic, military and political cooperation, India seems to be caught between the West and the BRICS and yet to fathom its rightful place in the leadership platform of the developing countries. This could cost India dearly if the future of economic growth and development in the developing countries gets brightened by the current churning around in the world economy. The political implications are also equally significant.

It is this political significance that will get reflected in global governance. There are some feeble signs of change in international governance institutions. However, the scenario is far from clear. In the United Nations Security Council, two members of BRICS are permanent members and the other three are aspirants for such a membership. But there is no unanimity in supporting the candidature of these three countries, especially in the case of India. In the Bretton Woods institutions, all the BRICS members except Russia are permanent members of the Executive Boards. But, as the author points out,

> the industrialized countries may be the principal shareholders but the developing countries are the principal stake-holders. Given the democratic deficit in these institutions, which is embedded in the unequal voting rights, BRICS together could influence decisions or even reshape rules. So far, however, there is a limited, if any, coordination among BRICS for this purpose. They have neither articulated collective voice nor exercised collective influence (p. 207).

The situation is somewhat positive, the author notes. India and Brazil have been long-standing advocates of developing countries, but China keeps a low profile. Coordination and cooperation that were pointed as essential factors are also revoked in the case of BRICS. The formation of a New Development Bank is a practical example of this much needed coordination and cooperation, but it is still in its infancy. Wait and watch is the byword. In sum, neither euphoria nor pessimism has a place in the formation and functioning of the BRICS. It needs careful watching and nurturing if it has to emerge as a powerful voice for the developing countries in global governance.

The volume ends with a chapter that arguably has a high degree of relevance and urgency for India. It is titled "Discrimination and Justice: Beyond Affirmative Action." As the author portrays, it has a wider relevance, across both developed and developing countries, but India has to address it, in my opinion, much more urgently than any other except perhaps South Africa. I also feel that the inclusion of the central question of justice in a volume largely devoted to the articulation of a broad-based macroeconomic and social policy regime, in nation-states as well as in international governance, is a recognition of the limitations of what may be called pure economic analysis, especially of a sectarian kind. I think all students of social science in general and development studies in particular should pay attention to the interconnection of ethics and economics and other social sciences since what is being dealt with are people, located in different countries with universal experience of discrimination and injustice of one kind or another. The chapter discusses the origins of discrimination and examines how it leads to exclusion with embedded injustice as an outcome. It also discusses, albeit briefly, the conception of justice as it has evolved and argues that the quest for social justice is a relatively recent phenomenon in the long historical time and gaining momentum from the second half of the twentieth century. It then goes into the necessity as well as limitations of affirmative action to highlight what else is needed. Even while discussing the experience of two other countries—USA and South Africa—where the question of discrimination and justice is of great relevance, the Indian reality is the central concern, and as such, a few lessons are drawn from experience to contemplate the future. It is also worth noting that the author has ventured to articulate his views as to what needs to be done since he feels that "the time has come to shift from palliatives and correctives, often the soft option, to effective action and sustainable solutions" (p. 248). On this, I would like to quote the author so that the readers may judge the feasibility and the challenges associated with its implementation, if ever such an agenda is earnestly adopted by any political regime, current or future, in this country of embedded exclusions and inequalities.

> The journey to a less unjust, or a more just, society in India must follow some basic contours. First, equal opportunities in school education are an imperative. We know that access is unequal, completion rates are uneven and dropouts are asymmetrical. The only way to address this issue in the long term is to provide access and create equal opportunities at school. Second, it is necessary to recognize that discrimination, hence exclusion, is multidimensional. We cannot turn a blind eye to that reality. In India, discrimination is not only about caste, which is confined to the Hindu population. It is just as much about religion, about gender, about ethnicity and ultimately about income. Hence there is a need to construct some composite index of deprivation, for which income could be a proxy, but only a proxy. Third, it is essential to accept the idea that affirmative action must be limited to first generation learners or first time entrants. And, even with this correction, reservations cannot suffice. The time has come for an Equal Opportunity Commission to ensure implementa-

tion and to adjudicate conflicting claims. Last, but not least, we need to think of a world beyond affirmative action. Whatever we do must unite rather than divide people in the quest for social justice. Therefore, policies that seek to address embedded discrimination must integrate rather than separate people in society. After all, we are a society plagued by so many divides that our quest for inclusion or social justice should not accentuate those divides. This is not an illusion. It is real, for it is about ceding economic, social and political space. And, in societies where opportunities are scarce, there is bound to be resistance. It would be much easier if we create more opportunities. School education and higher education provide the obvious examples (p. 249).

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