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Deepak Nayyar, *Employment, Growth and Development: Essays on a Changing World Economy*. London: Routledge, 2017, xiv+260 pp., ₹895, ISBN: 978-1-138-03812-7 (Hardcover).

The significance of this volume lies in the perspective it presents to understand new dynamics emerging in the world political economy, especially evident since the global crisis, the Great Recession of 2008 and the projections that it presents to the scenario unfolding as a consequence of that process in the context of forces generated by globalisation. The perspective is that of a global economist closely observing the historical process of the rise, fall and rise of the non-western or developing world who takes much of the dominant ideology of neoliberal macro-economics to serious task, and for whom politics is the centre of the economic process. Here is a typical statement: '*Interests* exercise an enormous influence on macroeconomic policies in the political context. So do *ideology* and *institutions*' (p. 70, italics in the original).

The topical volume as a whole tells us that politics involving nations, regions, classes, castes, races, religions and genders informs the reality of the process of production, consumption and distribution. Arising from this perspective, we get the author's projections on the global future where the recent emergence of BRICS (Brazil, Russia, India, China and South Africa) are placed to play an important role ushering in a 'rebalancing' of the world economy. There are also the signs of growing democratisation of political systems in the world as also responses to demands to end discrimination through affirmative action. In Nayyar's perspective all well known claims are problematised. So the rise of BRICS is full of contradictions, offering promises of altering the financial order yet falling short of playing the political role of changing the system of global governance. Similarly, prospects of democracy and expanding equality were likely to undergo complex, zigzag processes.

A collection of ten essays, written during 2010–2016, make up this volume. They are divided into three parts, namely 'Employment and Development', 'Growth and Development', and 'Development, Polity and Society'. In this work, there is a central thesis on the burning issues of our era that have become abundantly explicit during the past decade or so, that is, the problem of rising inequalities among countries, among regions within the nations and among various social groups. This, Nayyar says, is 'politically unsustainable and ethically unacceptable' (p. 37). These are not only inequalities in consumption and income,

but also power and status, all of which has given rise to multiple forms of alienation. This has resulted from the growth-centric economic strategies which have been pushed by Western agencies especially after the demise of the Soviet Union. Such economic policies may have achieved higher growth, but have not provided adequate employment. This phenomenon of 'jobless growth' is explained in detail over many chapters. Nayyar's argument is that economic policies which focus on creating employment as the primary objective not a residual outcome—not only generating large number of jobs but also with full attention to the quality of jobs—will achieve not only 'growth' but also 'development'. That distinction is very important and it is fashionable now to blur it. Growth is the increase in output in aggregate terms. Development is a multi-dimensional social progress benefitting each individual, every group and every region. For this, employment generation is crucial. Echoing Amit Bhaduri's line of thought in *Development with Dignity: A Case for Full Employment* (2005), Nayyar wisely puts employment at the core of economic policies. According to him, it is not only the answer to growing inequalities but it is also an accelerator of the growth process. Nayyar urges employers to realise that, 'wages are not only costs on the supply side, but are also incomes on the demand side, which means that profit-led growth and wage-led growth are complements and not substitutes' (p. 50).

The economist in Nayyar does not dismiss the importance of growth. He discusses the growth projections of China and India both by Goldman Sachs and by Robert Rowthorn—the latter's projections he calls a more sophisticated exercise which shows that 'even at market exchange rates, by 2050 the total output in China would be 60 per cent larger than that of the United States, while the total output in India and the United States would be roughly equal' (p. 131). He adds,

> [Such] projections highlight the power of compound growth rates—for growth rates do, indeed, matter. If GDP grows at 7 per cent per annum, national income doubles in seven years. If GDP grows at 7 per cent per annum, national income doubles in 10 years. If GDP per capita grows at 5 per cent per annum, per capita income doubles in 14 years.

This formulation, in my view, weakens the main argument of the book which is that employment is conducive to both growth and development and will address the problem of multiple inequalities in the contemporary world. In fact, while Indian regimes, both under the UPA and NDA, continued to give priority to high growth rates the Chinese regimes starting from the closing years of Hu Jintao and later under Xi Jinping have clearly abandoned the path of a high rate of growth. The 'new normal' that Xi Jinping popularised was not high but a 'medium to high' rate of growth between 6 and 8 per cent with a greater accent on aspects of equality and sustainability as the major thrust of China's economic policies. The 'new development philosophy' elaborated at the 19th Congress of the Communist Party of China (CPC) in October 2017 spelt out this shift from a 'high quantity of growth' to a 'high quality of development'. In China too, there are strong lobbies of growth economists who also pressurise the CPC leadership not to reduce the rate of growth. In other words, the growth preoccupation still rules the world of economic thinkers and decision makers, legitimised by political leaders as a mark of national pride. In fact, the employment-centric development strategy

that combines the knowledge and practices of traditional production with modern technology including the opportunities of digital innovations can build upon that much growth that is needed for social progress. Actually Nayyar's discussion on macroeconomics and human development presents this alternative line of thought very clearly.

Nayyar points out that the focus of macro-economics in recent decades has become narrower while the demand for development stressing human wellbeing has continued to be wider. He makes an interesting argument to counter the dominant view that growth led by industrial efficiency will result automatically in the well-being of people. He says that this view is erroneous because industrialisation is only the means while development is the end. The dominant view hides the fact that the process itself causes much inequality and uneven effects on livelihood. According to him, '…aggregates often conceal more than they reveal. Per capita income is only an arithmetic mean. Social indicators are also statistical averages. And neither captures the well-being of the poor. Even the human development index is not quite an exception' (p. 57).

Sharing Amartya Sen's view of development as freedom, Nayyar stresses that people must be at the centre of development not just as beneficiaries, but as actors, as agents. He presents a powerful critique of orthodox macro-economics which uses the analogy of governments and households and to advocate down-sizing government, living within means by balancing income and expenditure, fiscal discipline and tight monetary policy and so on which is the governing paradigm in countries like India. On the other hand, he points out that governments can certainly borrow for financing investment that gives higher return. Government have many ways, including taxation, to raise resources.

Cuts in the public expenditure, especially in the social sector in areas such as health and education, hurt the poor, and cuts in public investment in infrastructure constrain growth. This is a persuasive case for public action, the role that the state should play in allocating adequate resources for human development. It is from this perspective that Nayyar analyses the Millennium Development Goals which cannot achieve substantial well-being because the reigning ideology of growth has continued to produce contrary trends of 'jobless growth' and growing inequalities. There is 'no reference to distributional outcomes. In terms of design there are serious limitations' (p. 100). Even the Sustainable Development Goals launched in 2015 are located on similar premises.

The chapters on the rise of non-Western countries present extremely valuable insights on the unfolding global scenario. Coming from the author of *Catch Up: Developing Countries in the World Economy* (2013) Nayyar reiterates the view that while the early nineteenth century saw the beginning of the end of Asia's overwhelming economic significance, the early twenty-first century represented the beginning of the end of the dominance of the USA and the rise of Asia and some developing countries in other parts of the world. This is where the analysis of BRICS acquires special relevance. Here the discourse on 'rebalancing' in the world economy, by recognising the shift of dynamism in growth to East Asia, India and Brazil, is enriched with much evidence. But there are additional aspects in Nayyar's treatment which go beyond 'rebalancing discourse'. For Nayyar,

the main test is the nature of the programme of collective action that BRICS has undertaken. Indeed, the coming of the New Development Bank of BRICS based in Shanghai, the operation of the Exchange Reserve System and involving countries of the region in Asia, Africa and Latin America in the development agenda satisfy the criterion of the wider effective role that Nayyar stipulates for the success of BRICS. (There is an interesting chapter on China, India and Africa where reciprocity in economic exchange is still not evident *vis-à-vis* Africa.)

However, the author's other criterion that BRICS must initiate collective political action to alter the global governance system does not seem to be evident (p. 151). In fact, the 10th BRICS Summit at Johannesburg in July 2018 made it look like a new avatar of G-7 rather than moving in the direction of implementing the vision of G-77 to create a New International Economic Order which should be more just, fair, equitable and sustainable. The West's demand that rising economies behave as 'responsible stakeholders' in the existing world order seems to have weighed heavily over these countries, especially on China and India. Nayyar puts equal emphasis on the domestic agenda of these developing countries: BRICS and the Next-14—meaning that a large number of countries are in motion—may or may not follow the path travelled by the developed countries. 'It would depend, in large part, on whether developing countries can transform themselves into inclusive societies where economic growth, human development and social progress move in tandem' (p. 121). Thus Nayyar's thinking on global transformation moves closer to the discourse on 'global restructuring'—the alteration of power relations at every level to exercise choices for expanding freedom—rather than 'global rebalancing' within the prevailing global political economy.

The social scientist and concerned intellectual in Nayyar comes out with very challenging propositions on globalisation and democracy and on discrimination and justice. He questions the common assumption that globalisation, expansion of market economy and especially the explosion in information and communication have expanded the prospects of democracy. One citizen one vote is the principle, but one rupee one vote or the influence of money in politics annuls the value of the former. But the right-based laws in India are cited as good examples of possible lines of intervention. Global economics creates uneven conditions in nations. He shows a dialectical relationship between globalisation and political democracy each influencing as well as constraining the other. But accentuation of inequalities and unemployment adversely affect the prospects of democracy (p. 227) even while new opportunities present themselves to pursue democratic rights in the process of globalisation (p. 228). His verdict on their relationship is that it 'does not conform to any ideological caricatures' (p. 231). In other words, he is not willing to take a straightforward stand that on the whole, globalisation as it has unfolded during the past three decades has led to the shrinking of democratic rights.

On the issue of reducing discrimination and promoting justice, however, he is more direct. Examining three major cases of how affirmative action has evolved in India, US and South Africa, he stresses that reservation and other modes of affirmative action such as opportunities in schooling, housing and employment are necessary but not an adequate tool to end discrimination. In all three cases there have been only modest achievements. The recent backlash in race relations

in US with the assertion of white supremacists and the visible profile of the 'cappuccino society' in South Africa with its vast black population at the bottom placed under a thin layer of whites at the top in every sphere of the economy and society and the persisting caste inequalities in India amply illustrate this situation. Unless the structural basis of discrimination in accessing land, credit, education and health is addressed and cultural biases are changed, limited affirmative action cannot achieve social justice.

These essays greatly help us in understanding the fast changing world political economy where the local, national, continental and global are closely connected. It makes sense of the transitions from one historical epoch to another with clarity and evidence. It questions many familiar assumptions such as the disappearance of the state under globalisation or that free market on a global scale promotes democracy, and growth leads to welfare of all. Its perspective can be characterised as one of creative political economy and its projections arising out of that, visualise a pluralistic world that would move in the direction of fairness and justice through numerous challenges and struggles. Even though social movements do not figure explicitly in this analysis, they are the catalytic forces of this process of change.

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K. B. Saxena (Ed.), *Swaraj and the Reluctant State*. Delhi: Aakar Books, 2018, xviii-512 pp., ₹1695, ISBN: 978350025260 (Hardcover).

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This book is a centennial volume on Mahatma Gandhi's *Hind Swaraj* (1909) arising out of a major international conference in New Delhi, hosted by the Council for Social Development New Delhi, and three leading national universities of India. In his foreword to the book, Muchkund Dubey, describes *Hind Swaraj* as 'an unsparing critique of the modern civilisation'. He reposes great trust in the Indian Constitution and the Indian state established under it. Yet, he laments that the promises of the Constitution are not fully realised. He invokes Gandhi's *Swaraj* and *Satyagraha* (sans *swadeshi*) as remedies in a spirit of realism tempered with idealism.

Another high-water mark of the book is the 60-page Introduction by its editor, K.B. Saxena. He offers a systematic conceptualisation of 'marginalisation' and its operationalisation in the Indian context with reference to Scheduled Castes (SCs), Scheduled Tribes (STs), the Muslim minority, and women. This contextualisation is remarkable both in history, and modern and contemporary politics. As referents of marginalised groups in this context, especially in contemporary terms, he silently omits Other Backward Classes (OBCs). Understandably, as the OBCs are the newly emergent power bloc in Independent India—post-1960s in the south and the west and post-1970s in the north—in politics, education, public employment, and rural and agro-based economies.