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## Debdas Banerjee. Economic and Human Development in Contemporary India: Cronyism and Fragility. New York: Routledge, 2010.

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**Debdas Banerjee. *Economic and Human Development in Contemporary India: Cronyism and Fragility*. New York: Routledge, 2010.**

What happened to the Indian growth story that at the turn of this century appeared to be so unstoppable? How does one make intelligible the gross inequalities and contradictions that face the Indian economy and society today? And finally, how does one conceptualize an alternate perspective to “development” and fill in the lag that has cost India its global competitiveness?

The above are the crucial questions at the heart of the exhaustive *Economic and Human Development in Contemporary India: Cronyism and Fragility* by Debdas Banerjee. It has been reviewed from the perspective on how it seeks to address these questions for an audience that is not necessarily trained in economics. Fortunately, the book keeps the jargon limited and engages, even if briefly, with some literature from other disciplines and fields. It takes up the very ambitious tasks of not only addressing the above questions, but also aims to link economic development with attainable human development in the wake of intense criticism of economic parameters of development. The book joins the criticism of the growth-intensive model of neoclassical economists and their claim of trickle-down benefit, and the rationale of the book, as outlined by the author, is focused on the “structural deficiencies of a positive relationship between national economic prosperity and human development.”

The bulk of the book (chapters two to six) is devoted to establishing the particularities of the global context in which India found its growth and emergence story, and its contemporary challenges. It underscores that the Indian story has been focused on providing cheap and abundant labor, a characteristic that seems to have led to massive under-skilling of its populace. Chapter three highlights how the pervasive lack of focus on research and technological innovation has made Indian economy dependent on other countries for the purchase of technological solutions. Further, Banerjee argues for the need for homegrown technological solutions rather than short-term or modular technological borrowing from the overseas.

The following chapter emphasizes the restructuring of the Indian economy that has come to create an inflated imagery of both growth and success in the Information Technology (IT) industry. This is contrasted with both the declining hardware industry and the limited potential for IT within India, in the context of the fact that there are still remote areas in India where power and telephone lines have not reached. This makes the IT industry-intensive approach of the economy unsustainable. Chapter five moves toward a discussion on the agricultural challenges of the economy and is the lengthiest section of the book. The author’s keenness for a reorientation toward an agriculture-intensive development model, that is hinted at in the introduction, is elaborated in this chapter. Banerjee argues discursively for state intervention in uniting small farmers into cooperatives to solve the issue of their continued economic vulnerabilities. He also expresses his skepticism toward using a Wal-Mart model as a rescue of Indian agriculture, which he says, given its “highly unequal principle-agent exchange relations” may not be able to do much for the backwardness of Indian agrarian relations.

Chapter six deals with an understanding of economic differentials. With respect to wage differentials in the agricultural sector, the author builds on the preceding chapter and argues the need for fixing fair prices for agricultural produce and for getting over the trade fetish of the state. Rural differentials are not as skewed as in the urban setting, and Banerjee makes a compelling argument for skeptics who perceive that raising farm prices are bound to benefit the rural elite alone. With respect to the industrial and service sector wage differentials, the author argues for a bleak picture ahead with lopsided preferences for certain

goods and services that have come to dominate the human resource market, claiming the largest bulk of monetary returns even with a disproportionate contribution to employment numbers.

In Chapter seven, “development as governance,” the author makes a compelling case for the need of statist interventions as a remedy to the imperfections of the market. Government interventions in the sectors of health and employment, among others, are discussed. Banerjee builds on the burgeoning literature on the unequal access to health facilities as the crux of the prevalence of disease. He contends that even within this understanding, there is further scope for differentiation of access, as “poor” is not a homogenous category with the agricultural poor, industrial poor and poor people working in the services sector, all possessing different sets of handicaps. In a similar vein, the chapter engages the issue of unemployment and the need to provide productive employment. The emphasis is on the need to improve quality instead of merely reducing the statistics of unemployment. The National Rural Employment Guarantee Scheme receives appreciation by the author, who is, however, also quick to state that the scheme’s success cannot be generalized for the national level, with different regional particularities having affected the scheme’s success in different states.

The chapter is rounded off with an appeal for more critical collective reasoning by the public at large, which would seek to temper the market excesses. This, the author argues, needs to be accompanied with greater accountability of the governance processes. This section of the book falls into several stereotypical portrayals of governance, repeating the almost caricature-like depiction of government as representative of corruption. Similarly, the lack of “collective reasoning” is attributed to the lack of literacy, even though the book constructively builds the reverse argument—that the minority literate population of the country is repeatedly pushing for a market-intensive economy that is unfavorable for the bulk of the illiterate and semi-literate populations caught in cycles of land dispossession and casualization of labor.

In concluding the arguments, Banerjee makes a strong case for the upholding of labor laws in the face of further expansion of crony capitalism. The author argues vehemently against granting any more flexibility in labor laws and appeals for the need to arrive at some kind of “happiness” quotient that can constructively contour attempts—both macro and micro—at attaining socioeconomic mobility. Throughout the book, the author gives a number of examples of the particularities of the central and east Indian tribal victimization at the hands of the current developmentalist paradigm. Those arguments are wrapped up by an appeal to address more holistically the aggravating issue of the “Red Corridor,” which is a term used to connote the districts spread over more than seven states that face threats of militant communism. Despite the government’s repeated claims otherwise, it continues to be a reductive security issue in the state imagination (instead of being perceived as having risen from a more deep rooted socioeconomic malaise).

The book takes on a very ambitious scope—a task in which it gets a few hits and a few misses. In taking a macro look, it seeks to make several interlinks that micro studies often miss out on. However, in this attempt, it also becomes disjointed in part, jumping from one big issue to another. A sense of incompleteness pervades several chapters due to the largely absent theoretical engagement, and this forms the second major pitfall of the book. Even as the author makes compelling arguments, especially with respect to critiquing the idea of the linearity of the development model and the idea of a “lagging” India, and that of upholding the sociocultural historicity that embeds contemporary inequalities, one senses a vacuum that could have been addressed by examining some of the theoretical challenges and ontological categorizations. The author’s focus on the marginalized groups as the victims of the current development model could have been substantiated with a sociological discussion

of the intersections at which the identities of these groups have led to the invisibility of their labor and rights.

In brief, the book can become a good primer on the broad challenges of contemporary Indian economics and development. Its selling point, however, would be restricted to this, as even though the book gives the reader some hints and peeks into an alternative means of constructing and pursuing development, there is no immersion into this aspect and this is bound to disappoint many interested readers.

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