

M.N. Roy Memorial Lecture 1993

**SOCIALISM, MODERN CAPITALISM
AND DEMOCRACY**

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FOREWORD

Indian Renaissance Institute invited Dr. Arun Ghosh, a renowned economist and formerly Member, Planning Commission, to deliver the M.N. Roy Memorial Lecture for the year 1993 on March 21, 1993 at New Delhi.

Socialism has been an inspiring dream for several generations of social philosophers and political activists. The collapse of the Soviet Union and its East European satellites signified the failure of the Russian model of Marxist praxis. This led to a crescendo of uncritical, even false, glorification of the capitalist system and a mad rush to emulate it. In this euphoric atmosphere, considering the profound changes taking place in the world of knowledge and in the political systems in several countries, and the consequent global repercussions, Dr. Ghosh chose the theme of this Memorial Lecture under the title *Socialism, Modern Capitalism and Democracy*.

In this highly thought-provoking Lecture, Dr. Ghosh dealt with, to use his own expression, "the issues of socialism and of modern capitalism, before discussing what may constitute a reasonably satisfactory basis for human progress under democracy." Dr. Ghosh made a sharp analysis of the characteristic features of modern capitalism and made the timely prognosis : "Meanwhile, the capitalist system ... is moving inexorably towards an unsustainable pattern of development. It is in that context that we need to think out the basis for a just society through common consent."

Though dealing mainly with the theoretical aspects, Dr. Ghosh also examined in brief the Indian experience during the last four decades and suggested the remedy to the Indian malady. In his view, this malady arose because of the fact that "we have a democratic state with a highly undemocratic society". Therefore, he suggests establishment of a truly democratic society with a reasonable egalitarian distribution of income and wealth through democratic decentralisation which will instil a spirit of self-reliance and release the creative energies of the people.

The full text of this Memorial Lecture was published in the April 1993 issue of the monthly journal *The Radical Humanist*. It is now being published as a separate pamphlet.

Sunil Bhattacharya
Secretary
Indian Renaissance Institute

I feel deeply honoured to have been asked by the Indian Renaissance Institute to deliver the 1993 M.N. Roy Memorial Lecture on the occasion of his 106th birthday. M.N. Roy's life continues to inspire us today, not merely because of his revolutionary zeal and his passion for a just and egalitarian society, but also because of the creativity of his approach, his ability to rise above dogma, and the supreme courage of his convictions. I do not need to remind this audience of M.N. Roy's colourful and intensely lived life. What is important for us to remember is that till the very end, M.N. Roy fought for the attainment of a socialist society, and he sought that transformation in India in a new mould, after his disillusionment with the changes that were taking place in the USSR even before the Second World War. Today, Leftist dogma is in disarray and Rightist dogma — with its fetishism in regard to the supremacy of the market system — reigns supreme in the world. At a time when the pursuit of shortsighted, wrongly Rightist dogma has assumed theological proportions, we need to recall M.N. Roy's life, his ability to overcome the weight of the beliefs on which he had been nurtured, and his astonishing creativity in seeking a just and humane order for his fellow men. M.N. Roy taught us to overcome dogma. Today more than ever we need to find a new basis for establishing a just and humane society.

I propose today to briefly discuss the issues of socialism and of modern capitalism, before discussing what may constitute a reasonably satisfactory basis for human progress under democracy. Is the concept of a socialist society a utopian dream? Karl Marx was the first person to give a well reasoned historicity to the evolution of capitalism; to the likelihood of the transformation of capitalism into a socialist order as a logical evolution of society, resulting from the inner contradictions that arise because of the production relations inherent in a capitalist society. Marx did not believe in "determinism"; such a development was not inevitable but was possible, and the means he foresaw was the dictatorship of the proletariat as an intermediate stage, until the evolution of the "socialist man" when the state as a political and coercive force would "wither away".

That has not happened in practice. After last year's highly perceptive address by Shri Tarkunde, it is not necessary for me to go into the root causes of the collapse of the erstwhile USSR. But there are certain innate logical difficulties in accepting in totality certain specific country experiences for building a theoretical framework concerning the future of socialism. For one thing, it is quite clear in retrospect that the absence of democracy has afflicted all the so-called communist states, even though communism remains in principle the highest form of democracy. Was it due to external pressures, like the "encirclement" of the USSR from its inception, by a hostile world? Is it because, as Mahatma Gandhi said, it is impossible to attain even ideal ends if the means used for attaining those ends are unfair? Was the socialist experiment in the USSR premature? Let us remind ourselves that the communist take-over in the USSR in the autumn/winter of 1917 did not occur as a result of the inner contradictions of a mature capitalist society. As a matter of fact, one can say much the same thing for the emergence of communism in China, in Cuba, in Viet-Nam. In none of these countries do we see a communist society emerging through the internal contradictions of capitalism. To that extent, Marx's historicity has been disproved. In China, as a matter of fact, after a preliminary thrust at the development of an egalitarian society — which *inter alia* led to enormous expansion of productive capacity in that country in a short space of time — we now find the beginnings of a transformation of the production system in that country to a capitalist mode. Is it because of the "demonstration effect" of consumption standards — and their wide publicity through modern communication media — on the desires/aspirations of people in a relatively backward society? Or is it that to achieve a socialist society, we must necessarily go through the travails of the capitalist system?

In real life, there arise many problems which deflect from the objectives of socialism, of egalitarian sharing of the social product. But we must remember that capitalism has had a history of only some three hundred years in the tens of thousands of years of the history of human kind. A communist experiment collapsed after some seventy years. Meanwhile, the capitalist system is, as we will see later, moving inexorably towards an unsustainable pattern of development. It is in that context that we need to think out the basis for a just society through common consent.

The very course of nature is dialectic. We need, therefore, to

evolve a flexible approach, for any other approach would be dogmatic. We must also remember that a socialist society is inherently democratic; in fact, by definition, a socialist society is a truly democratic society. We have not, in practice, achieved such a state anywhere, but one cannot say it is impossible to envisage such a society. After all, who could have imagined a bare thirty years ago that man would land on the moon; that man would send out spaceships that would reach out to the furthest planet in the universe, that man would be able to change genetic mutations of life forms, thereby altering even the course of Nature? I would repeat, the collapse of the communist states in Eastern Europe does *not* mean that a socialist society is either a contradiction in terms or impossible to attain. I would revert to this theme later. I would like, at this juncture, to focus on the characteristics of modern capitalism, and to outline why the capitalist system should be unacceptable to a rational human being.

Modern Capitalism

I would suggest, to start with, that the tendency on the part of many writers to equate capitalism with political democracy is an error and is not borne out by historical experience. As a matter of fact, modern capitalism is *inherently* less democratic than the early capitalism of Adam Smith's days. The reasons for such a development would be clear from the characteristics of modern capitalism briefly given below.

Many writers have systematically analysed the features of modern capitalism. For my part, I have reproduced many of the points made by Ernest Mandel in his study entitled 'Late Capitalism'¹, though I have departed from his analysis in a number of ways. Nor have I formally quoted from him in this brief essay.

What are the characteristic features of modern capitalism? First, there has been increasing centralisation of production, calling for very large investments, in almost every sphere of production. There are many reasons for this development, which will emerge later. The second characteristic of modern capitalism is the increasing "globalisation" of the market, which makes for several other consequential features of the global production system. The first of these — and therefore the third characteristic feature of modern capitalism — is the increasing role of multinational corporations (or transnational corporations) in the organisation of production.

All the above features are in a sense the logical outcome of a fourth characteristic of modern capitalism, namely, the growth of increasingly capital intensive (and labour displacing) techniques of production. Without delving into the causes and effects, let us for the moment merely take note of this characteristic of modern capitalism.

The fifth characteristic of modern capitalism is the rapid expansion of "finance capital" as distinct from industrial capital of the early stages of the capitalist system. This has very significant implications for the capitalist system, and the consequences that flow from this development need to be specifically highlighted. We would return to this issue later. The sixth feature of modern capitalism arises as a result of the Third Industrial-cum-Technological Revolution sweeping across the world. Production technology today is based on "artificial intelligence" and "microbiology". The invention of the "chip" has brought into play super computers of unimaginable capacity; and the area of microbiology today extends to even the mutation of 'genes' and changing the very characteristics of life forms. Furthermore, modern science is increasingly leading on to the use of synthetic raw materials, which reduces the importance of primary production. I must add, however, that in one area, the dependence on a single (finite) natural resource by way of 'oil', to meet the increasing energy needs of the world, is a significant departure from the general tendency to use more and more of synthetic raw materials for diversified industrial production. In fact, many synthetic raw materials are derived from petroleum and its products.

The Third Technological Revolution is an important development and has several consequences. To begin with, it increases enormously the capital intensive character of industrial production. Capital intensity in production today has reached a point where 'robots' have been replacing human beings in assembly lines and in other areas of production. One incidental result is the very heavy investment in research required for efficient production. Thus, both the requirements of heavy capital investment and of higher skills required in the production process have increasingly tended to make industrial production a monopoly of developed countries, so that late starters in the game (in other words, all developing countries) get excluded from sophisticated manufacture of industrial products. This, *inter alia*, has the effect of widening the disparities in the living standards of the industrially developed and other countries.

Incidentally, the increasing use of labour-displacing equipment has the effect of causing increasing overt unemployment even in developed countries. As of today, the extent of unemployment in Western Europe exceeds 10 per cent of the workforce. This in turn leads to certain consequences to which reference would be made later.

The next characteristic feature of modern capitalism is that it can survive only by an assiduous promotion of a "consumerist" culture. Modern technology is able to produce all essential human needs with relatively low expenditure of labour and capital. The "insufficiency" of demand foreseen by Rosa Luxemburg as a characteristic feature of capitalism remains even today, but gets transformed into an endless search for consumer goods, packaged and marketed with finesse. This can be done only through effective advertisement, which is greatly facilitated by the revolution in communications, and the spread of the TV network. Thus, it is possible for the producers to reach out to more and more potential consumers; and the success of multinational companies arises from their success in advertising, in reaching out to more and more consumers, in packaging their products attractively. It is no longer the quality of the product which is material; it is how effectively the product is sold.

The spread of the consumerist culture has now been universalised by the TV network, and creates a new problem for developing societies, where an increasing section of the population now seeks elitist consumption goods. This has significant consequences for the production programme of developing countries, and their balance of external payments. Suffice it to mention here that modern capitalism cannot survive except through the promotion of a consumerist culture. With aspirations far outstripping purchasing power for large sections of the world population, the consequences of this development would need to be briefly reviewed later.

Unsustainability of Pattern of Development

The type of consumption standard which emerges as a result of the developments narrated earlier, is basically unsustainable. If the entire world population were to consume the amount of energy that on an average a US citizen consumes, the oil reserves of the world would get used up in a few years. In fact, even apart from energy consumption, the very lifestyle of the developed countries just cannot be repli-

cated throughout the world; the non-renewable resources of the world are nowhere near enough to meet the demand that would emerge. Indeed, even without such consumption standards, the world is beginning to face certain problems and hazards. Though the problems of global warming and of a hole in the ozone layer in the stratosphere have not yet reached a flash point, let us remind ourselves that some three-fifths of the world population today lives in poverty and does not have a reasonably decent standard of living, let alone anything close to the consumerist standards of the developed countries. In fact, one should emphasise that *this* is one of the characteristic features of modern capitalism; it has no concern for the morrow; it lives essentially for today. Also, perhaps one should also consider whether and to what extent such a consumerist lifestyle has succeeded in corrupting the erstwhile socialist countries of Eastern Europe. With all their defects, all these peoples had at least some form of social security. The lure of the goodies of the type available in capitalist countries has succeeded in destroying their free social services like education and health, their social security by way of employment, without giving them any of the good things of life enjoyed by the citizens of the OECD countries. However, I digress.

Neo Imperialism

The characteristic features of modern capitalism described earlier bring about their own tensions and problems in developed capitalist societies. As indicated earlier, capitalism has an inherent tendency to bring about an insufficiency of demand. Also, as indicated earlier, even Western Europe today has an unemployment rate of some 10 per cent of the labour force. Modern capitalism must, therefore, seek new markets. Modern capitalism thus inevitably leads to a new form of Imperialism — the thrust for “market access” for the products of developed countries. Automatic “market access” in developing countries for developed country producers is embodied with unequivocal clarity in the proposals for GATT reform, as worked out by Arthur Dunkel, the present Director General of GATT.

The focus now is on acceptance by all countries of the concept of Intellectual Property Rights, as embodied in the patent laws of the USA. The focus is on free trade in “services” making for banking, insurance, in fact all services freely importable (and the personnel providing for such services being automatically allowed residence in

developing countries, while denying the immigration of labour from developing countries to developed countries). This is finance capital now dictating terms. The focus is on investment laws making for foreign capital being given facilities by all developing countries which may not, in fact cannot, be made available to even their domestic capital in developing countries (e.g. by way of importation without limit, and without any export obligation). Finally, the concept of the Multilateral Trade Organisation (evolved by Arthur Dunkel) which is supposed to replace the GATT, with powers to sanction "cross retaliation", confers powers reminiscent of the sweeping powers under US Super 301 and Special 301, to all developed countries. All these elements of GATT reform outline what may be described as a new era of Imperialism. In fact, the increasing focus on co-ordination of the assistance provided by the IMF (for balance of payments support), by the World Bank (for development) with the MTO (which is supposed to oversee the working of trade reform) is a clear signal that even development assistance or balance of payments support in future would be conditional on the guaranteeing of market access for developed countries' products in developing countries.

It is not as if these developments are without reason and born out of perversity. The development of increasingly more capital intensive forms of production under modern capitalism leads to increasing unemployment in developed capitalist countries also. As a natural corollary, we have this new face of imperialism under modern capitalism — the continued exploitation of the developing countries, not by the flow of capital for extracting their raw materials, but by direct intervention in the production pattern in developing countries in order to ensure market access in the growing markets of developing countries for the products and services of developed countries. This can be achieved, and has so far been achieved, by the co-optation of the elite in developing countries, by the forces of modern capitalism.

It is not as if there are no internal tensions and conflicts among the developed capitalist countries. In fact, the interest of MNCs do not always tally with the interests of even the parent countries from where the MNCs evolved. More particularly, the conflicts between the USA and the EEC on trade in agricultural products, the conflicts between the USA and Japan (and of late South Korea) both in regard to agricultural protection and market access for US manufactures in these countries are symptomatic of the internal tensions and conflicts be-

tween the developed countries. The recent fissures in the European Monetary System (EMS) are yet another symptom of the conflicts as between the developed capitalist countries. But the acceptance of the idea of "regional groupings" within a new international economic order (with trade and investment laws being overseen by the MTO) is a compromise between powerful rival groups within the capitalist world. The regional groups like the EEC and the NAFTA are to be allowed freedom of operation under the GATT. The Multilateral Fibre Arrangement is to have a long lease of life. But then, all developed countries are agreed in the imposition of the concepts of Trade Related Intellectual Property Rights (TRIPS) and Trade Related Investment Matters (TRIMS) as well as of trade in services having equality of status with trade in commodities insofar as developing countries are concerned. Once a compromise on agriculture is reached between the developed capitalist societies, they can turn their full attention to the exploitation of the markets in developing societies. This is embodied in the attack on "planning", in the propagation of the concept of the "market" as the best regulator of production and investment, in the "globalisation" of the economies of developing countries. In effect, only the elitist sections of developing countries are to be globalised. The rest of the population, mired in low education, low skills, poor health, low productivity and low incomes are not the concern of international finance capital; they have to be contained by the forces of law and order in the developing countries; and in India, now increasingly even by the army and by paramilitary forces, euphemistically called the forces of "internal security".

The protest against the spread of a consumerist society has led to the development of religious "fundamentalism" in a number of countries. The examples of Iran and Egypt, and more recently of Morocco and Algeria, come to mind. However, that is a different subject altogether. The face of modern capitalism is the face of aggressive consumerism, even if the consumers constitute only a small section of the world population.

Incidentally, a characteristic feature of the spread of capitalism in erstwhile colonial countries (like India) is that the production technology — borrowed from developed countries — has been "capital intensive" rather than labour intensive. As a result, the growth of industrial employment has been concentrated in only a few directions, and the transfer of labour from primary to secondary production has been

extremely limited. As a result, there has been no major shift in the occupational distribution of the labour force to secondary production. Thus, the overwhelming part of the population continues to depend for its livelihood either on relatively lower productivity of primary production or on services. The national character of the local bourgeoisie, where most Indian capitalists have been content to play the role of *comprador* capitalists to make their own private profits, has strengthened this lop-sided development of capitalism in, say, India (as compared to countries like South Korea where land reform in the first place, and the nature of relationship between the government and the local bourgeoisie in the second place, led to the development of both intensive and extensive capitalist form of development.²

Democracy

Where does this development lead us? Liberal democracy spawned the growth of capitalism in Western Europe and America. But the growth of capitalism in the rest of the world has not been associated with a liberal democratic philosophy. Whether it is Japan or South Korea or Taiwan or the ASEAN countries, the form of governance has not been attuned to the Jeremy Bentham-James Mill concept of a liberal democracy. Nor is the emerging face of capitalism in the Latin American countries attuned to the concept of liberal democracy. Even in the countries which started off with a liberal - democratic policy, the emergence of modern capitalism has led to an awesome concentration of power, and a near-theological belief in the superiority of a system geared to production in tune with market demand, with total lack of concern for the needs of society.

In India, we have, since 1947, evolved what may be described as a political democracy. Once every five years, the people are allowed to elect a government; and the people have demonstrated uncanny wisdom in rejecting governments which have appeared to be either oppressive or unacceptable for other reasons.

And yet, governance in India has not been democratic. There have been two basic reasons for this situation. First, we have yet to achieve what may be described as a democratic society. We have a democratic state with a highly undemocratic society; and that goes back not only to feudal and semi-feudal social relations but also to extreme inequalities in the distribution of income and wealth. Secondly,

we have a democratic State only in form, not in substance; we have, in 1950, opted for a Constitution which is in essence unitary; and over time, there has been increasing centralisation of economic and political authority by the Centre, at the expense of the State governments, which have in turn denied the local communities any say in running even their local affairs. Administrators sent by the Centre or by the State authorities have managed local administration.

The introduction of Central planning has, unfortunately, strengthened these centripetal tendencies, and has concentrated awesome powers in the hands of the Central government. Apart from the residuary powers in the Constitution vesting with the Centre, the introduction of planning and the scheme of financing of plan outlays have rendered the State governments as virtual vassals of an imperious Central government. In effect, therefore, we have a democracy only in name; the aspirations of the people do not matter, the people have no say either in regard to their governance or even in matters affecting their lives, their employment, their education and health, their local development problems.

Though widely opposed to each other's philosophy, Mahatma Gandhi and M.N. Roy (in his later years) both came to preach what is best described as "democratic decentralisation". And in one State, namely, West Bengal, the ruling Left Front has decisively won four successive State level elections, and has been in power for 16 years, from 1977 onwards, during a period of intense instability and flux in all other States, simply because the government in West Bengal pursued a policy which gave a substantial measure of power to the local people, first, through a process of land reform and land redistribution initiated by locally elected panchayats, and secondly, through a process of empowerment of the locally elected panchayats to evolve their own local development programmes.

Let me hasten to add that West-Bengal cannot by any standard be described as a truly democratic society, not yet certainly. Let me also add that the decentralisation of authority was initiated by a party the official credo of which still remains democratic centralism.

If Lenin succeeded, in some measure, in the USSR of the early years, it was because of his opportunistic modification and adaptation of the Marxian ideology, as it suited the USSR then. If the Left Front

has succeeded in holding on to political power (if nothing else) in West Bengal, it is because it has appeared to the people of West Bengal to be more attuned to their interests and well-being than their political rivals. But if this is to last, democracy, genuine empowerment of the people, will have to be further strengthened even in West Bengal.

What we need to realise is that genuine democracy, a democratic society, is premised on: (a) a generally egalitarian distribution of income, and (b) decentralisation of political and economic authority to the lowest possible level (that is, geographic-cum-economic group of population unit), namely, at the village (and town) level.

Concluding Remarks

Where does all this lead us? Even though all thinking people would laud socialist principles, we have seen the break-up of socialist states in Eastern Europe, and we have also been distressed by the totalitarianism practised by the erstwhile socialist States. At the same time, the capitalist system to which the entire world appears at the moment to be turning is increasingly acquiring the characteristics of a system which is likely to aid and abet the aggressive aggrandisement of developing countries by economically developed societies. Modern capitalism certainly does not appear to offer what Adam Smith had prognosticated for liberal democratic societies pursuing the capitalist mode of production. Nor is the production system, fostered by modern capitalism, "sustainable" in the long run.

Let me pose the issue we are discussing somewhat differently. Economics is concerned essentially with the problem of production and distribution of the *material* needs of society. Under the capitalist system, this is mediated through the market. In a primitive communist society, there was no market, but there was production; and the distribution of the social product was somehow managed for *all*, both participants and non-participants in the production process. The main difference that arises in the capitalist system is, first, that the social product is to be distributed only among those who participate in the production process (under the capitalist system, either as workers or as owners of the means of production); and secondly, that both production and distribution of the social product are mediated through the market, and are not based on either the "needs" of the populace or

determined by common consent. In the process, the capitalist system *excludes* from the distribution system all non-participants in the production process, whereas the communist system seeks to find a set of production relations which would include all citizens in the distribution process. The Soviet system did not unfortunately succeed in achieving this objective, no matter what the reasons were. But is it beyond human ingenuity to devise a system which will meet this basic objective?

I do not propose to go into a discussion of this issue, nor as to its theoretical implications. We need to work out a compromise which would minimise the contradictions which are inherent in both the market economy and a socialist economy. I would venture to suggest that the failure of the capitalist system arises from the apparent success of the market system; and if the system has survived, it is because the capitalist system has been making compromises, through the moderation of the market in developed countries. The weakness of the socialist system — observed thus far — is that it is weak on economic incentives; it can succeed only if all individuals become socialist men. Can we find a set of incentives, a compromise formula, which will enable such a system to function? For then, such a system can function more efficiently than the capitalist system we see in operation in the world today.

Is there, then, some hope for mankind? Human ingenuity today can land man on the moon's surface; instruments devised by man can traverse unimaginable distances and send signals from what these instruments sense and record in regard to properties of distant planets. Human ingenuity has succeeded in breaking down even the mystery of genetic evolution, and has succeeded in evolving mutations of genes which has the potential of either being a scientific advance for crop production or for curing ailments (like cancer), or it can prove to be a Frankenstein to mankind. We have developed 'artificial intelligence' to a degree where all drudgery can be taken out of the production system. The frontiers of production are now wide open, and mankind is in a position to produce, at a fraction of labour currently in use, all the material goods required for man's sustenance, throughout the world. But under capitalism, if men cannot be employed, they cannot eat even in an opulent society. The capitalist system has, as yet, found no satisfactory system for distributing social output that emerges from the highly complex machinery of production at the command of human kind.

Specifically, turning our attention to India, the situation on the ground is one of vast mass illiteracy, ill health, poor sanitation, low productivity, poor employment opportunities and low incomes for the vast majority of the population. At the same time, we also have a staggering deficit in our balance of payments, increasing reliance on external support for the functioning of our economic system, and the consequent surrender of our economic sovereignty to international finance capital. Understandably, there are political and social tensions of an unprecedented order, which threaten to break apart the social fabric and the polity of this country. Can we find an escape route from the twin threats of economic and political disorder?

The answer appears to lie in seeking ways to establish true democracy in India, to make for a truly democratic society (with a reasonable egalitarian distribution of income and wealth). But a prerequisite to the establishment of such a democratic society is a change in the very basis of governance. Democratic decentralisation can help to achieve the desired objective by empowering the people to decide on their own future; by instilling in them a spirit of self-reliance; by releasing the energies of all people for productive work.

Such a societal change cannot be achieved under the form and shape that modern capitalism has of late taken. But then, if the people can somehow get empowered, they can decide how best to order the provisioning of their minimum economic needs; after which, the energies of the people would naturally turn to further strengthen their economic status and well-being. In other words, economics can be made the hand-maiden of politics rather than the reverse, which is the order today. As of writing, Indian politics is at the mercy of international finance capital. But, this role can be reversed. If we can unreservedly go in for democratic decentralisation in the matter of governance, we would doubtless suffer some setback to the economic fortunes of the ruling elite, but the bulk of the population is unlikely to suffer.

As to whether democratic decentralisation will then follow the path charted out by Mahatma Gandhi, or achieve some semblance of a democratic socialist society as envisaged by M.N. Roy, cannot be forecast. The dialectic development of human society is not deterministic; there is no pre-ordained destiny. It is quite possible that we can relapse into a state of colonial exploitation; the overcentralisation of

our polity and economy and the interests of the ruling elite (co-opted by international finance capital) can lead us in that direction.

But there still remains the possibility of a surge towards decentralised society; and considering the face of modern capitalism, the only way to subserve the interests of the people of this country would appear to lie in going flat out for democratic decentralisation of the Indian polity.

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ABOUT THE AUTHOR

Born on March 21, 1923, Arun Ghosh took his M.A. degree in Economics from the University of Allahabad in 1944. He taught Economics at the University of Lucknow during October 1944 - August 1950 (with a break for further studies abroad, between November 1947 and June 1949, at London School of Economics). He took his Ph.D. degree in Economics from the University of London in 1949.

In August 1950, Arun Ghosh joined the Government of India to work for Prof. P.C. Mahalanobis. He assisted the National Income Committee to prepare the first official estimates of India's national income.

Arun Ghosh was Alternate Executive Director for India on the World Bank during 1962-64 and the International Monetary Fund during 1964-66. Thereafter he served as Economic Advisor to the Government of India, and later became Secretary to the Government of India. He retired as the Chairman of the Bureau of Industrial Costs & Prices in August 1983.

After his retirement from the Government of India, Arun Ghosh served as Vice-Chairman, West Bengal State Planning Board; Professorial fellow at the Nehru Memorial Museum and Library, and finally as a Member of the Planning Commission in the V.P. Singh Government.

He has so far published the following books:

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- West Bengal Landscapes (1986);
- Planning in India: The Challenge for the Nineties (1991); and
- India in Transition: Economic Policy Options (1992).

Arun Ghosh is a regular columnist in the *Economic & Political Weekly*.