A Left Approach to Development

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Against the “means-based approach” to development that the bourgeoisie projects, the left must project a “rights-based approach”. Since “rights” are guarantors of welfare gains, every winning of rights likewise strengthens them. The acquisition of rights on the part of the people, including rights to minimum bundles of goods, services and security, amounts therefore to winning crucial battles in the class war for the transcendence of capitalism.

If the left were to put on its agenda a struggle for people's rights and adopt a rights-based approach to development as opposed to the means-based approach of the bourgeois formations, it would not constitute a retreat into abstract humanism but would be an integral part of the dialectics of subversion of the logic of capital.

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this sector too find their wage rates tied to some subsistence level at least. A phenomenal increase in the share of surplus value becomes the inevitable outcome of this process of accelerating growth.

The hope that a part of this surplus value can be taxed away by the government to be spent upon the welfare of the poor, never gets realised. Since a condition for this high growth rate is the offer of enticements to capitalists to undertake investment, for which the state governments are made to vie with one another, to believe that these very capitalists will be taxed off their surplus value is naïve. To take the case of Gujarat again, its so-called “success” is founded upon the incentives, both in terms of subsidies and in terms of workers’ “discipline” and lack of rights, that the state government provides to the capitalists. To persuade the Tatas to shift their Nano plant from West Bengal to Gujarat for instance, the Gujarat government, according to a report in The Hindu, provided pecuniary concessions worth Rs 31,000 crore. A government that offers concessions on this scale can hardly have much resources left for welfare expenditure for the poor.

Flawed Approach

The State under neoliberalism in other words actively promotes an increase in the share of surplus value in the hands of domestic and foreign corporates as an essential component of its so-called “development strategy”. It can hardly be expected to do the very opposite, and nullify such an increase through fiscal means, as a part of the same “development strategy”!

The “means-based approach to development” therefore turns out to be a flawed one, even in its most benign version, as a way of achieving development, in the sense of an improvement in the living conditions of the people at large.

It escalates the share of surplus value in output, even while accelerating the growth rate of output; and this surplus value is realised through larger investment (which underlies growth escalation), larger luxury consumption by the capitalists and their “dependents” (including the “professional classes”), larger “non-welfare” expenditure by the State including consumption by the upper salariat (and defence-related expenditures), and (though not in India’s case) larger holdings of foreign exchange reserves financed through current account surpluses on the balance of payments. This is the archetype of bourgeois development, where production, if not strictly “for production’s sake” a la Tugan-Baranovsky, is for enhancing the consumption of the capitalists and their “hangers on” (or what Peter Struve had called the “third persons”), and meeting the infrastructural needs of such consumption, but not for raising the consumption of the working people.1

The sustainability of such high growth is problematical in any case. The “propensity to consume” by the capitalists and their “hangers on” is likely to decline in the absence of continuous product innovations in the luxury consumption sector in the metropolis, from where typically such innovations are transplanted to the Third World. The investment required for new infrastructure needs, associated with the structural change in the economy that neoliberalism brings about, tends typically to be bunched in the beginning; after the initial period the investment requirement tends to flatten out, as had happened in the colonial period when the infrastructure requirement for the structural change of that time, in the form of ports and railways, had flattened out after an initial burst. True, the prevalence of low subsistence wages encourages exports which can compensate to an extent for the decline in demand arising from the “flattening out” of other expenditure items referred to above. But such exports which cause unemployment in the metropolis also have strict limits even in the absence of any world capitalist crisis (apart from the fact that several third world economies compete fiercely among themselves for such export markets). In short, even if the world capitalist crisis was absent, the high GDP growth that countries like India have been experiencing is likely to have been unsustainable. In the context of the crisis, this is especially so, particularly since the current crisis is likely to be a protracted one. Indeed what we have today is not just a crisis of capitalism but an impasse for the system which is not easy to overcome.

But my objective here is to discuss not the sustainability of the current growth trajectory but a left alternative to the current growth trajectory. If the current growth trajectory is archetypally a bourgeois growth trajectory, then the left must not only oppose it as part of its general oppositional role in a bourgeois society, but also, wherever it happens to form state governments, attempt an alternative trajectory, subject to all the limitations it faces. And for doing so, it must have a clear conception of this alternative.

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Such a conception does exist and has existed for long. Land reforms, the protection and promotion of peasant agriculture within a more egalitarian agrarian economy, the protection and promotion of petty production against the onslaught of corporate capitalism, the formation and cementing of a worker-peasant alliance on the basis of such an alternative development strategy, the strengthening of petty production, including of peasant agriculture, through cooperatives and voluntarily-formed collectives, the technological upgradation of petty production under the aegis of such collective forms, industrialisation based primarily upon the home market that expands through such measures, the activation of the public sector as the leading agent of the industrialisation drive and as a countervailing force to private corporate aggrandisement, a degree of planning of technological change to ensure the rapid elimination of unemployment (as had happened in the Soviet Union), and a massive spate of welfare measures to improve the quality of life of the working people – all these constitute some of the ingredients of such an alternative development strategy that has been in vogue in left circles for long.

They are relevant in the context when the left acquires state power; but they must also inform the development strategy of state governments led by the left. Such governments of course may have to invite private capitalists to set up projects in the state; but they must have a “reservation price”, a level of concessions which they will not exceed in entertaining private project proposals. Such a threshold will have meaning insofar as alternatives such
as public and cooperative sectors are available for taking up projects.

**Alternative Strategy**

Such an alternative strategy may not achieve growth rates as high as the bourgeois strategy does over certain periods. But since the purpose of development is to improve the living condition of the people, this strategy has the advantage of directly addressing it. Instead of GDP growth rate becoming the main focus, under the chimerical assumption that it will bring about development, this strategy directly addresses the problem of development; the growth that occurs is a fall-out of it. And in the worst-case scenario, even if no growth occurs, addressing the question of development directly is still preferable on grounds that John Stuart Mill had made famous, when he had declared his unconcern over the “stationarity” of a “stationary state” as long as the workers were better off in it.

But again my concern here is not with the components of an alternative strategy, but with the approach to development. For the bourgeoisie, the components of the strategy, consisting of state subsidies to capital, displacement of petty producers, and “disciplining” of workers, derives from an approach to development that is “means-based”. The question arises: for the left, what is the approach to development that should inform the components of the strategy consisting of land reforms, defence of petty production, defence of workers’ rights, reinvigoration of the public sector, and adoption of welfare measures?

3

The left’s approach to development cannot simply be one of emphasising welfare. “Welfare” is not simply a gift of the State to the people. It has to be conceived as a right. Or putting it differently, against the “means-based approach” to development that the bourgeoisie projects, the left must project a “rights-based approach”. This may appear at first sight as merely pushing against an open door. Is not the Indian government adopting precisely such a “rights-based approach”, with the right to employment, enshrined in the National Rural Employment Guarantee Act, and the right to information enshrined in the RTI Act, being now succeeded by the Right to Education Bill that has already been passed by Parliament, a Right to Health Bill that is waiting in the wings, and a Right to Food Bill that is being finalised? Does the left’s approach then merely consist in mimicking something which the bourgeois government already appears to have adopted?

**Misleading**

As a matter of fact the term “right” used in the context of all the above-mentioned legislations is seriously misleading. The Right to Food Bill provides no “right” insofar as it is not universal: apart, reportedly, from representing a withdrawal from what most states already provide to the below the poverty line (BPL) population at the present moment, viz, 35 kg of grain per family per month at Rs 2 per kg (against which the bill provides 25 kg at Rs 3 per kg), it is targeted exclusively towards the “poor” who are capriciously-defined and hence arbitrarily-compressible category. The “right” supposedly provided by the Right to Education Bill is structurally unjusticiable in the absence of a state-run system of common neighbourhood schools of a certain minimum quality. The NREGA comes closest to providing a “right”, but, as is well known, the provision of employment on demand as promised under the NREGA has not been the general practice (and unemployment allowance has not necessarily been paid when employment has not been provided); de facto therefore the NREGA does not give a right to employment. In short, while the government talks of conferring “rights”, they are not “rights” in the true sense of the term. They are not necessarily universal, they are not justiciable, or at any rate justiciable in any meaningful sense of the term, and they are usually hemmed in by legal loopholes that permit the State to override the provisions of the Acts.

This is not surprising. In the post-war period governments in advanced capitalist countries, especially those led by social democratic parties had undertaken a host of welfare measures. They had introduced excellent programmes like the National Health Service of Britain. They had pursued Keynesian demand management measures to bring down unemployment rates to record historical lows. And yet they never enacted legislation to transform these achievements into rights of the working people. The bourgeois state in other words, no matter what stupendous achievements it can have under specific circumstances by way of welfare and relief for the working people, can never recognise the rights of the working people to such relief and welfare measures. This is because the bourgeois state can never interfere in the functioning of a capitalist economy to a point where it can negate forever its spontaneous tendencies. Any such interference in its spontaneous tendencies, as I have argued elsewhere (Patnaik 2010), gives rise to a situation where a stark choice is presented between two alternatives: either a series of measures that constitute a dialectics of subversion of the logic of capital, or a series of measures that constitute a dialectics of subservience to the logic of capital. The former recursively leads to a denouement for the overcoming of capitalism, while the latter entails a negation of the original interference and a slide-back into capitalism in its spontaneity.

Now a recognition of rights of the working people forecloses the latter option and preordains the bourgeois state to a dialectics of subversion of the logic of capital, whose ultimate denouement can only be socialism. No bourgeois state can possibly countenance this, which is why no matter how significant its interventions in providing welfare in particular circumstances, it has never elevated such welfare into a right of the workers. The provision of welfare to the people in an ad hoc manner is always compatible with capitalism, since it is always reversible. But the provision of welfare as a right to the people is fundamentally incompatible with capitalism. And this is precisely why no bourgeois government can accept a rights-based approach to development; and this is also precisely why the left has to adopt a rights-based approach to development which sets it qualitatively apart from all bourgeois formations and, by unleashing a dialectics of subversion of the logic of capital, prepares the ground for a transition to socialism.

Liberal theory argues that a “right”, to be meaningful, must be backed by the
Bourgeois society’s “hypocrisy” over rights

discourse? The answer to this consists of two parts: first, just as “democracy” in a bourgeois society serves to camouflage exploitation, just as “equality” in a bourgeois society is only the equality of commodity-owners in the marketplace, underlying which is the reality of exploitation, likewise “rights” in a bourgeois society are meant only to sustain a structure of exploitation. But this does not make “rights” meaningless, no more than it makes “democracy” or “equality” meaningless. On the contrary, just as “democracy” and “equality” can get realised only in a society transcending capitalism, i.e., in a socialist society, likewise “rights” too become meaningful only in a socialist society, which is why the left must struggle over “rights” in a bourgeois society, as it struggles over “democracy” and “equality”. Bourgeois society’s “hypocrisy” over rights

Training Programme on Indian Corporate Sector for Young Economists

The Institute for Studies in Industrial Development (ISID) is organizing a two-week Training Programme on the Indian Corporate Sector during 27th September to 9th October 2010. The programme is being conducted in the context of increasing use of company level data by economists for analytical purposes and the felt need to improve their understanding of the Indian corporate sector, various concepts involved, limitations of the reported data, further avenues for research thrown open by the enhanced disclosure requirements for stock exchange listed companies, etc. Broad elements of the programme are: (i) the institution of Joint-Stock Company; (ii) Corporate Sector in India; (iii) Policy Environment; (iv) Corporate Finance; (v) Foreign Investments; (vi) Corporate Restructuring; and (vii) Corporate Disclosures & Databases. The programme is sponsored by the Indian Council of Social Science Research (ICSSR), New Delhi.

Young researchers/teachers in academic institutions, colleges and university departments who are primarily from the economics discipline and whose work is related to the Indian corporate sector form the target group for the programme. The batch will consists of 25 participants and selection will be based on relevance of the topic under research/proposed to be taken up. Selected participants need to pay a nominal fee: lecturers or equivalent — Rs. 800; scholars getting fellowship — Rs. 400; and those without any fellowship or financial support — Rs. 200. The selected scholars will be paid to and fro Second Class railway fare from the place of study/work. For outstation participants there is provision for boarding and lodging in Delhi for the duration of the programme.

Those desirous of participating in the programme may kindly send their brief CV along with a write-up of around 1,000 words on their research topic so as to reach the Programme Coordinator, preferably through email at corprog@isid.org.in, before August 16, 2010. Further details and programme updates are regularly posted at: http://isid.org.in/corprog.html.

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therefore, far from robbing the concept of legitimacy, makes it an important transitional demand for the left.

Not Identical with Human Rights

Second, “rights” must not be taken to be identical with “human rights”. More than half a century ago Hannah Arendt had argued that “rights” were a political construct; they did not derive from “human nature”. The problem she was concerned with was the “rights” of refugees and others reduced to “worldlessness” who did not enjoy “citizenship” of a particular nation-state. What, she asked, was their “right to have rights”? The only “human right” she recognised was the “right to have rights” and the basis for this according to her was not “human nature” but “human dignity” whose roots lay in the Aristotelian notion of man being a “political animal”. Arendt in other words had already shifted the basis of “rights” from the moral to the political universe.1

But one can go further along this direction. Since freedom is incompatible with the “spontaneity” of capitalism, it requires going beyond capitalism to a system where people, organised politically, control their own destinies, by setting up an economic arrangement that is amenable to political control instead of being driven by its own inner logic. Political praxis on the part of the people therefore is the weapon for transcending the “spontaneity” of the capitalist system, which means transcending capitalism. In this struggle, every welfare gain they make strengthens them. And since “rights” are guarantors of welfare gains, every winning of “rights” likewise strengthens them. The acquisition of “rights” on the part of the people, including “rights” to minimum bundles of goods, services and security, amounts therefore to winning crucial battles in the class war for the transcendence of capitalism. The left’s putting on its agenda a struggle for people’s “rights”, adopting a “rights-based approach” to development as opposed to the “means-based approach” of the bourgeois formations, constitutes therefore not a retreat into abstract humanism but an integral part of the dialectics of subversion of the logic of capital.

A “rights-based approach” which does not appeal to “human nature” but derives its justification from the striving for freedom, exactly the way that “democracy” does, and indeed is seen as an essential counterpart of, and pre-requisite for, “democracy”, whose authentic realisation requires the protection of the people from the “spontaneity” of the economic system, is therefore in complete conformity with Marxism. Far from being a retreat from Marxism into some sort of humanism, as many may fear, it is part of a political praxis informed by Marxism.

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The question that immediately arises is: what are these “rights” that the left should demand? (And of course what it demands also provides a sense of direction to its policies in states where it is in power, though the limitations placed by the Indian federal polity make it impossible for it to come anywhere near achieving what it demands.) In the case of what are normally recognised as “rights” under the Constitution, there is no question of the quantum of such “rights” being time-dependent. The right to freedom of expression or the right to freedom of speech does not acquire radically different connotations between rich and poor economies, but the right to employment at a decent living wage does, for what is considered a decent living wage in a poor economy is vastly different from what is considered so in a rich economy. Over time the concept of a decent living wage is likely to change in any economy, but if “rights” are not to become subject to the vicissitudes of a capitalist economy, there must be some invariance, at least in a downward direction, to the “bundle” which the right guarantees to every citizen. So, what should be the size of this “bundle”?

While the concept of “rights” is perceived here as being part of the dialectics of subversion of the logic of capital, its justification is seen to lie not in any abstract human nature but in its necessity for democracy, as constituting a minimum condition for the people, insulated through the exercise of such “rights” against hunger, insecurity and ignorance, to participate meaningfully in the democratic process. It follows then that the definition of this minimum bundle must be in accordence with this justification. Its precise content can be subject to discussion but the principle that must underlie it is clear.

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The left approach to development it follows can neither be the “means-based” approach, so favoured by bourgeois formations, nor the “welfarist” approach that social democracy, at its best, espouses. The former squeezes the workers and peasants today while promising them a prosperous future, but this future never comes. The latter, while empirically improving the lot of the workers and peasants, does not necessarily locate this improvement within a discourse of “rights of the people”, which is an essential component of democracy and whose violation is fundamentally anti-democratic. The left approach must begin with this last proposition and must be “rights-based” in this sense rather than in any humanistic sense. The adoption of a rights-based approach on the part of the left will not only bury once and for all the fears of authoritarianism associated with it (because of the one-Party dictatorships that had characterised former socialist regimes for historical reasons), but also put it in a vantage position to struggle against the hegemony of international finance capital in the context of the current profound capitalist crisis.

NOTES

1 The views of Mikhail Tugan-Baranovsky and Peter Struve are discussed in Luxemburg (1965). See also Kalecki (1971) for a discussion of the ideas of Luxemburg and Tugan-Baranovsky.

2 For a discussion of Hannah Arendt’s views on “human rights” see Birmingham (2006). The present note can be seen as a preliminary attempt to revisit the question raised by Arendt by locating “rights” within a theory of political praxis against the “spontaneity” of capitalism.

REFERENCES


