

Journey into heterodoxy

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*It is not often that a theoretician is successful in the hurly burly of the world outside. The converse is almost an oxymoron. And yet, when the twain does meet, the success is as much for the individual. The University of Delhi has made tremendous strides in the past few years. And most credit the man at the helm for most of this time, **Deepak Nayyar**. His record in the rarefied world of verdant universities has been widely lauded. His new books, *Trade and Globalisation* and *Liberalization and Development* bring together his considerable acumen to shed crucial light on how these issues have shaped and will continue to shape the future. **Suman Tarafdar** caught up with this man of many parts to understand how they come together.*

These books reflect your intellectual journey. How has it been so far?

These two books bring together 30 selected papers of mine published earlier. In a sense, the omnibus collection of essays reflects my intellectual journey over the past three decades. In these travels, the stopovers and the detours have been just as important as the destination. There are some old questions, persistent problems or hardy perennials, which remain contemporary concerns. There are some new questions which would have been difficult to imagine, let alone anticipate, even 20 years ago. There are some questions which may no longer matter in a changed world but have an analytical or historical relevance.

One-half the essays have been published after 2000 and more than one-fourth have been published since 2006.

How has India fared in the period covered by the books?

The story of development in India is not quite what it is made out to be. The economic performance of independent India must be situated in a historical perspective, to evaluate the past and reflect on the future. It shows that the turning point in economic growth was circa 1951 in the long 20th century and circa 1980 in the period since independence. And it is clear that the turning point in the early 1950s was much more significant than the structural break in the early 1980s. In any case, 1991 was not a watershed. Thus, it is not possible to attribute the turnaround in India's economic performance to economic liberalisation. During the period 1950-1980, economic growth in India was respectable, for it was a radical departure from the colonial past and no worse than the performance of most countries. During the period 1980-2005, economic growth in India was impressive, indeed much better than in most countries. The real failure in both these periods was India's inability to transform this growth into development, which would have brought about an improvement in the living conditions of its people. And India's unfinished journey in development cannot be complete as long as poverty, deprivation and exclusion persist. Even so, with correctives, I believe, it should be possible to reach our destination. The moral of the story is clear. It is only an India which provides capabilities, opportunities and rights to its people, ordinary people, which can also deliver the national prosperity and power so cherished by some.

How well is globalisation doing as a force of development?

The theme of globalisation and development is centre-stage in the contemporary world. The issues are complex. And the views are often polar opposites. I explore different aspects of globalisation in the wider context of development in

the world economy: historical experience, national development, international migration and global governance. History, probably, does not repeat itself. But it is wise to learn from history. And historical experience suggests that globalisation has led to divergence, rather than convergence, in levels of income and development. Given the reality of globalisation, which has reduced the policy space for latecomers to industrialisation, it is essential to rethink national development strategies so that markets and globalisation are conducive to outcomes in development that improve the well-being of people. National economies have become ever more closely integrated through cross-border flows of trade, investment and finance that constitute the cutting edge of globalisation. The technological revolution in transport and communication, which has eroded the significance of barriers implicit in distance and time, has facilitated this process. In this changed world, economic space no longer coincides with geographical space. Consequently, governance of the world economy, through institutions and rules, is clearly more necessary even if it is more difficult.

In what ways did your stint as vice-chancellor of Delhi University help in understanding academics better?

It is worth noting an important characteristic of this collection that makes it somewhat different. The unusual blend of theory, policy and reality is probably attributable to my professional life in two worlds: the ivory tower of academia and the hurly-burly of public policy. I learnt about macroeconomics, industrialisation and development in the classroom, as a student and a teacher, and through research on these subjects over a lifetime as an academic, much like everybody in the profession. But I also learnt from the experience of redesigning trade policies, rethinking industrial policies and reformulating macroeconomic policies, some of it in periods of crisis and reform. This experience enriched my understanding. And I hope that it provides a somewhat different perspective on development in the context of liberalisation and globalisation.