

Interview with Professor Jayati Ghosh

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C. J. Polychroniou: Professor Jayati Ghosh, thank you for taking the time to do this interview with me, and may I say: “Welcome to The Political Economy Research Institute (PERI) at the University of Massachusetts at Amherst.” Indeed, what prompted you to come to PERI, and what sort of research projects are you currently working on, or plan to work on in the near future?

Jayati Ghosh: I have long been an admirer of the work produced by researchers at PERI—not just the Co-Directors Bob Pollin and Jerry Epstein, but also their colleagues—and have learned a lot from them over the years. They have produced very important, topical and necessary economic analysis that uses a convincing theoretical framework and is also solidly grounded in careful empirical investigation. They have provided crucial research inputs that can inform economic policy debates not just in the US but across the world, including in developing countries. I also greatly appreciate the strong sense of internationalism that I find in much of the work at PERI—imbued with an understanding of imperialism and how it plays out in the global economy, and recognising the geopolitical configurations and socio-political contexts that shape economic processes.

For these reasons—and because many of the researchers whom I know personally are also such great human beings—I look forward to becoming their colleague. I was fortunate to have worked for more than three decades in Jawaharlal Nehru University in New Delhi, India, a place that in my time provided a great academic environment with congenial colleagues and lively students. Now that I am nearing the end of my tenure in JNU, I feel very fortunate to have this opportunity to interact with and benefit from faculty and students at the Department of Economics at UMass Amherst and at PERI.

Much of my recent and ongoing research is concerned with inequality: the changing (and sometimes unchanging) forms of global inequality, how they can be appropriately measured and how they are expressed in the international legal and regulatory architecture; within countries, how various forms of social discrimination and hierarchy (including gender and other categories) affect economic processes and capitalist dynamics; how economic inequalities impact on and are affected by accumulation; the redistributive role of fiscal and monetary and financial policies; how power imbalances affect the world of work. I look forward to developing on some of these very broad questions with more detailed specific investigations, on the political economy of care, the emerging issues around digital technologies and their impacts in the developing world, and on the impact of macroeconomic policies on employment and income distribution.

C. J. Polychroniou: Do you associate yourself with any particular methodological and epistemological approach in the field of political economy? I ask this question because left political economy developed after the Second World War into different branches and schools of thought (e.g., dependency school of thought, world systems, etc.) and the anti-colonial struggles in the Third World played a significant role in the reshaping of the political economy research agenda both in the developed and developing world.

Jayati Ghosh: I would broadly classify myself as a Marxian/post Keynesian political economist, but not in a very rigid doctrinal sense – and I also definitely consider myself to be a feminist and a socialist; so those predilections also inform both my choice of subjects of study and my approach to them. However, over the years I have become increasingly wary of pigeonholes in terms of epistemological approaches. It may reflect my underlying laziness or lack of rigour, but perhaps too much of my youth was wasted in wading through what I now see as relatively pointless debates about the “correct” understanding of Marx or other writers, and being caught in the midst of esoteric arguments about fine conceptual distinctions and purity of theoretical positions. Therefore, while I recognise the importance of particular “schools of thought” (including dependency and world systems approaches, inter alia) I am increasingly more relaxed about picking insights from different schools to combine in my own understanding, as long as they help to understand economic processes.

It is true that the anti-colonial struggles played a big role in providing some underpinnings to the theoretical frameworks and research concerns of many economists in the developing world. But I am not sure how significant those are even among progressive economists today because of the more complex international economic arrangements which make imperialism appear in new and different forms, and which therefore require correspondingly nuanced analyses.

C. J. Polychroniou: Capitalism is an evolving socioeconomic system. In your view, what’s the best way to understand the dynamics and contradictions of contemporary capitalism?

Jayati Ghosh: It is fairly obvious global capitalism is in dire straits, notwithstanding the brave talking up of output recovery that is now more widespread. But at the same time, it is also true that those hoping and mobilising for bringing in an alternative system are everywhere quite scattered, weak and demoralised. In effect, contemporary globalised capitalism has been too successful for its own good, and so has to confront the contradictions generated by its success. It has managed to extend over the entire globe, leaving no geographical area or sphere of human activity untouched. It has also managed to overrun and conquer its opponents, such as associations of workers that could reduce capital’s bargaining power, notions of democratic accountability that could create regulatory structures to limit or restrain its activities and its profits, and citizens’ collectivities that voice the requirements of the larger social good. So in effect capital is now almost completely untrammelled, within and across countries, and there are few checks and balances of the kind that in various periods in the past have generated both less economic volatility and more social stability. In an almost textbook extension of the biological argument of the prey-predator relationship, capitalism has killed off most or all of its prey, to the point that its own very existence is now threatened.

In economic terms, this “success” means less expansion of demand for products that the system must keep coming up with in terms of its own logic. It also means less ability to create new sources of demand, as financialisation and credit bubbles also appear to have run their course, despite very loose monetary policy. Increased inequality, volatility in financial markets and slow growth or stagnation are thus inextricably linked. In socio-political terms, this has generated more widespread despair, alienation and individualised responses that create more unpleasant and unstable political tendencies, and even threaten the very basis of functioning societies. This is not a problem

confined to advanced capitalist economies – it is also pervasive in the developing world and could even be more extreme in many poor countries.

C. J. Polychroniou: The Indian economy is regarded to be in transition phase – with some arguing from crony socialism to crony capitalism. Is India still a developing country?

Jayati Ghosh: The development project is very far from complete in India, not just as defined by per capita income, but more crucially in the absence of significant structural transformation and the still very poor indicators of human development. It is true that there are some clear achievements of the Indian economy since Independence – most crucially the emergence of a reasonably diversified economy with an industrial base. The past three decades have also witnessed rates of aggregate GDP growth that are high compared to the past and also compared with several other parts of the developing world. Significantly, this higher aggregate growth has thus far been accompanied by macroeconomic stability, with the absence of extreme volatility in the form of financial crises such as have been evident in several other emerging markets. There has also been some reduction (although not very rapid) in income poverty.

However, there are also some clear failures of this growth process even from a long run perspective. An important failure is the worrying absence of structural change, in terms of the ability to shift the labour force out of low productivity activities, especially in agriculture, to higher productivity and better remunerated activities. Agriculture continues to account for more than half the work force even though its share of GDP is now less than 15 per cent. In the past decade, agrarian crisis across many parts of the country has impacted adversely on the livelihood of both cultivators and rural workers, yet the generation of more productive employment outside this sector remains woefully inadequate. Other major failures, which are directly reflective of the still poor status of human development in most parts of the country, are in many ways related to this fundamental failure. These include the persistence of widespread poverty; the sluggishness of employment, especially in the formal sector; the absence of basic food security (and growing food insecurity) for a significant proportion of the population; the inability to ensure basic needs of housing, sanitation, adequate health care to the population as a whole; the continuing inability to ensure universal education and the poor quality of much school education; the sluggish enlargement of access to education and employment across different social groups and for women in particular. In addition, there are problems caused by the very pattern of economic growth: aggravated regional imbalances; greater inequalities in the control over assets and in access to incomes; dispossession and displacement of people from land and livelihood without adequate compensation and rehabilitation.

Essentially, this is a pattern of growth that both relies upon inequalities of various types and intensifies them. The situation has deteriorated in the past five years because we have moved from crony capitalism tempered by some nods to rights-based discourse, to extreme crony capitalism that is sought to legitimised by a majoritarian Hindu nationalist agenda. This is not a recipe for either sustainable economic expansion or social stability.

C. J. Polychroniou: We have been reading about the volcanic eruption of protests across India against the Citizenship Amendment Act and the unleashing of state violence against students and teachers in several universities, including yours, Jawaharlal Nehru University. Can you talk a bit about the political situation in India under the Modi government?

Jayati Ghosh: We are living in extreme times in India. Injustice, discrimination and violence are hardly new, but the sheer extent of normalised depravity today is unusual. India's diversity and complex civilizational legacy are no longer seen as advantages; terms like civility and tolerance feel archaic as the most aggressive forms of intolerance

are valorised; reason and rationality are dismissed or laughed at; mob rule is glorified. Much of this is being explicitly or implicitly driven by the state, as it enables majoritarian tendencies, reducing empathy to anyone considered “other” and glorifying a vapid pride in aggressive Hindu nationalism. Events and actions that were unthinkable are now accepted and approved.

In August this year, the central government imposed a sudden clampdown on the state of Jammu and Kashmir, the only Muslim-majority state in the country, revoking its special status without consultation. The state was bifurcated along religious lines and downgraded to direct control from Delhi, with no power of elected Assemblies. Local politicians in Kashmir were locked up and remain under arrest, including former allies of the ruling BJP; movement and information were restricted for the entire population; internet services were shut down, and are still not restored for most Kashmiris. Through the silence come sporadic reports of repression by armed forces, incarceration of young children, pellet injuries of innocent bystanders, and much else. Yet the Supreme Court of India has delayed its verdicts and refused to protect the rights of Kashmiri citizens. Most worrying is that this suppression of 16 million people has been ignored, accepted or supported by much of the Indian population.

A pet project of Union Home Minister Amit Shah is updating the National Register of Citizens, previously done in 1951. A recent amendment to the Indian Citizenship Act makes only those whose names appeared in electoral rolls up to midnight of 24 March 1971 and their descendants eligible for citizenship. The arbitrary cut-off date is to be used to identify and expel “illegal migrants” whom Amit Shah has called “termites”. This appalling exercise—actively instigated and monitored by the Indian Supreme Court—has rendered nearly 2 million people stateless, with uncertain futures. A significant number has been interned in camps, where the conditions are appalling, and more camps are being built across the country. The BJP government wants to extend this to the entire country.

In Assam those excluded by the NRC happened to include a substantial number of Hindus, so the government introduced and passed the Citizenship Amendment Act in Parliament. This Act openly discriminates on grounds of religion by effectively making Muslims second-class citizens. Refugees coming from Afghanistan, Bangladesh and Pakistan who are Hindu, Jain, Buddhist, Sikh, Parsi or Christian would be eligible for Indian citizenship, while Muslims are excluded! It is this move that became the final straw leading to an upsurge of peoples’ protests across the country. These protests have been massive and peaceful despite much provocation and violent reprisals by the state. They have been led by women (including those who have never previously ventured out of their homes) in peaceful sit-ins, and by students. And they continue and even proliferate across the country, with the Constitution of India (a remarkably progressive document) and the Indian flag becoming the emblems of protest and serving as reminders of the secular and democratic values that were the essence of the freedom struggle and defined the idea of India until very recently.

This has added to the unease that the Modi government clearly feels with universities and their students—it has sharply reduced funding for higher education from an already paltry 0.6 per cent of GDP in 2013-14 to only 0.2 per cent in 2018-19, such that real per capita spending per student fell by almost half. There has been systematic vilification of some universities (especially my own, JNU) using pliant media, with a focus on those in which academics and students are critical of the ruling dispensation, and heavy-handed suppression of any protests. Now an all-out war has been declared, with state-enabled violence against students using either security forces or goons mobilised by ruling party supporters.

This fits right into the authoritarian playbook, since such governments are uncomfortable with places that encourage thinking and knowledge generation rather than only rote-learning and technical skills. The inculcation of a questioning approach—which is the aim of any true pedagogue—is fraught with dangers for a political system that wants to ensure unconditional obedience and loyalty. When the democratisation of universities makes knowledge newly available to groups that were excluded earlier (less privileged castes, women, certain ethnic groups, other marginalised categories) the concern is even greater. Education can make people socially and politically more uppity,

more demanding of economic justice and the realisation of citizens' rights. They also become less amenable to centralised influence and control. This explains the almost vicious government approach to quelling student protests and trying to destroy public universities.

C. J. Polychroniou: What do you see as the future, if any, of socialism?

Jayati Ghosh: After a period of feeling really quite depressed and pessimistic about the state of the world and my own country, I now feel more cautiously optimistic about new forms of socialism emerging for this changing world. There are two immediate reasons for this. One is the explosion of public protest that I just mentioned, in which many people from different classes, walks of life—and all religions—are participating, in creative and imaginative ways, reaffirming the most positive and progressive values that I myself hold dear. The other source of optimism comes from the proliferating signs of courage and brilliance displayed by students and other young people I come across. I am increasingly in awe of the youth, especially (but not only) the young women: they are often so fearless, so intelligent, so witty and creative, so determined to push for change, despite the enormity of the challenges they face. We are leaving them a terrible world full of existential threats like climate change and huge problems of social and economic inequality, but they somehow appear to be aware of these challenges and willing to take them on. I don't intend to declare a cop-out for my own generation, but I do firmly believe that the young will save us.