The Economic and Labour Relations Review (2023), **34**, 212–232
doi:10.1017/elr.2023.19

CAMBRIDGE UNIVERSITY PRESS

ORIGINAL ARTICLE

Early post-Keynesian journeys from Cambridge into development: Bridges and boundaries

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(Received 16 March 2023; revised 8 May 2023; accepted 8 May 2023)

Abstract

This synthetic commentary offers a handful of observations. First, it highlights structural differences between the advanced market/capitalist economy that forms the theoretical scaffolding of Keynesian theory, as against the diverse range of structural and institutional configurations that characterise contemporary developing economies. Second, bearing these distinctions in mind, how far does the notion of "full employment" hold relevance in the context of developing economies? Third, the focus shifts to the central Keynesian policy prescription: reflating economic activity through injecting additional demand into the system, in extremis through pump-priming, digging and filling trenches – would this perform in a poor agrarian economy? Would the multiplier work and deliver in the realities of developing economies? Fourth, the central policy agenda in the South was that of launching industrialisation, leading to a sustained structural transformation of the economy – a la the Kaldorian industrialisation paradigm, which is scarcely visible in the (post-) Keynesianism template. Fifth, it queries the investment function and the role of state investment, and/or of "animal spirits" of capitalist entrepreneurs and agents, whether of domestic or foreign origins. Sixth, there is need to widen the focus, as well argued by Hans Singer, Amiya Bagchi and others, from Keynes-I of The General Theory, to Keynes-II of Bretton Woods, thereby substantially widening the interface with the agenda of development. Finally, there is the inevitable question concerning the nature and role of the state in the contrasting developed-vs-developing-economy, then-and-now scenarios. This discursive commentary is largely a Cambridge dialogue, not inappropriate in a tribute to Geoff Harcourt.

Keywords: GC Harcourt; heterodox economics; development economics; Cambridge post-Keynesian economics; Keynesian multiplier

Geoff

Geoff was deeply entrenched in the Faculty of Economics (& Politics, as it was till 2003 when mainstream economics announced its name change) and its unsteady states of permanent conflict; yet, at a personal or collegial level, it is remarkable how generously friendly he nevertheless was with those in the trenches on the other side of the battle lines. This is clearly manifested in the stream of obituaries and appreciations that he wrote, many in what Tony Cockerill (2010, p. 4) calls his role as the Cambridge avatar of Charon the Ferryman who took dead souls across the fearful River Styx. Comparatively, Geoff's obituaries were tantamount to little more than a gentle punt ride on the Cam, such always was their magnanimity of spirit. He may have disagreed profoundly with several colleagues over economics, economists, appointments and promotions, articles and books, courses, and curricula, but he remained his friendly and connected self with many who could legitimately have been regarded as adversaries in perennially charged Faculty politics. And this was no trivial war – it was a fight for the soul of the subject and its fitness for public purpose and human good. This trait, of combining sharp opposition in one sphere, with comradery outside it, was also apparent on the cricket field, where aggressive, no-holds-barred competitiveness on the field – he could do a pretty intimidating *haka* if the umpire turned down his (obviously legitimate) appeal – had a dual in the warm, even if sharp, humour, leg-pulling, and banter at the end of day's play.[1] Friendliness and friendship notwithstanding, he was not one to shy away from disagreement, or even a biff-baff confrontation such as the one he had early on with Nicky Kaldor in a seminar, one which took a decade to mend before Geoff could again refer to him as a lovable person. Amiya Bagchi cites Geoff's reference to Keynes's "ham-handed algebraic formulations" and observes that it was Geoff who pointed out that "Joan Robinson defined disguised unemployment as a situation where workers earn less than their marginal productivity, the basis of which concept she excoriated." (Bagchi, 2023). And Tim Harcourt (2023) notes that Geoff "was often in disagreement with the stances of his mentor Joan Robinson on China and North Korea", with Joan taking positions on Maoist development and politics well to the left of Geoff's political comfort zone reflecting his Fabian, social democratic values."

While Geoff was a phenomenal archive and a master raconteur of anything and everything to do with economics or economists, he generally held back from personal forays into development issues or journeys to developing economies even though he had a large network of close contemporaries who did, and with whose work he was intimately familiar, apart from his interactions with several young scholars from the South.[2]

Before the epiphany

Some acknowledgement is necessary of the pertinence of various Cambridge critical heterodox strands for development thinking in the pre-*General Theory* era, beginning with Keynes's disquisition on the role of the state in *The End of Laissez Faire* in 1926. A second insight comes from Pigouvian welfare economics and its emphasis on externalities; LDC listeners would immediately pick up on the conflict between private and social interests and motivations. Third, the dimension of welfare is embedded Pigou's exposition and critique of the concept of national income, and its relevance in development discourse is incontrovertible. The inherent problems of the mis/use of GNP as a summary indicator of welfare were already well-known but tended to become invisible in Keynesian applied economics with its primary policy focus on investment, employment, income, and growth, one of Amartya Sen's later laments. There are also other manifestations of discomfort with such reductionism. One, from the critique in terms of the in/applicability of Stone's SNA frame in the context of developing, agrarian, only partially monetised developing economies; two, in the powerful – but side-stepped – feminist critique of the SNA template by Phyllis Deane based on her work in Africa; and three, well before the UNDP-HDI bandwagon rolled off, by Richard Stone himself on the relevance of "social indicators" suggesting a considerable (and welcome) degree of widening of the field of vision; and additional challenges were emerging, focussing on the issues of environmental sustainability, and on distributional inequalities in income and wealth. And fourth, with the thread going back to the Russian Revolution as a starting point, there was an engagement with national economic planning in both socialist and development contexts;

https://doi.org/10.1017/elr.2023.19 Published online by Cambridge University Press

Dobb (and later Michael Ellman and Mario Nuti), and Joan (and later Ajit Singh, Suzy Paine and Peter Nolan) in different ways were deeply involved in the Soviet and Chinese planning experience; and several other Cambridge economists were directly engaged as advisors in the Nehru-Mahalanobis Indian planning initiative at theoretical and policy levels (this group prominently including Richard Goodwin, Brian Reddaway and Nicky Kaldor); Mahalanobis, the initiator, called it his "brain irrigation" scheme (Rudra, 1996; Saith, 2008b). All these prior lineages of work subsequently ran as parallel tracks even after Keynesianism became the overwhelmingly dominant paradigm of Cambridge economics in the DAE and the Faculty, and indeed in Whitehall and worlds beyond.

Development travels and travails

How well does the Keynesian strategic toolkit travel to the South? Do its central precepts and policies retain relevance? The immediate post-Keynes Cambridge cohort engaged in a good deal of advisory work in developing economies in the post-War period, so clues could be elicited from these interactions to the extent these have been written up. Another source could consider Keynesian thinking travelling in disembodied form, as theoretical and policy propositions enunciated in general disciplinary discourse, or in textbooks and journals. Yet another resource comes in the shape of assessments of the relevance of Keynesianism in the context of development – reflections of economists intimately familiar with Keynesianism and other Cambridge heterodox traditions, speaking from the vantage point of the global South or of specific countries.

Consummate, if eclectic, practitioners as they all were of the many arts of applied economics, they all tended, in general, to limit their exposure and commitments to the familiar fields industry, trade, technology, planning, public finance, and the macro-economy; a survival instinct clearly kept them away from stepping, even with wellies, into the conceptually and statistically murky mire of third-world agriculture, the informal sector, the labour market and such like realities; Dick Goodwin did I-O matrices; Dick Stone did national accounts; Brian Reddaway did consistency checks of plan models using his own customised legendary toolkit; Kaldor did taxes and public finance; Dobb did lectures; thus, all, perhaps, except Joan the intrepid, who wanted to walk to villages in Kerala, settlements in Tanzania, communes in China.

Subsequently, in the 1980s, the baton was passed on from the old brigade to the young turks. While the (unidentical) twin teams of macro-modellers of the Department of Applied Economics, viz., the Stone-Brown-Barker Cambridge Growth Project and the Godley-Cripps Cambridge Economic Policy Group, focussed on critical structural and policy issues for the UK economy, sometimes strikingly treated as a developing economy; several others viz., Ajit Singh, John Toye, Peter Nolan, Suzy Paine, Jose Gabriel Palma, Stephen Sender, Sheila Smith, John Wells, Mahmoud Abdel-Fadil, Mushtaq Khan, Ha-Joon Chang, engaged directly, in their diverse ways, with the prospect of the revival of neo-colonialism through the agency of the BWIs, triggered by the debt crises unleashed in the Third World by the OPEC price-hikes.

One size fits all? Are LDCs different?

Using Hicks's (1960) *The Social Framework* as a point of departure, the analytical categories and theoretical concepts used need to have real analogues in the economy to which the theoretical framework is being applied. In this sense, arguably, the post-Keynesian frame does not pass muster when used for a developing economy where the economic structure does not match the historically polarised simplicity of the advanced capitalist economy where it is realistic to characterise the economy as comprising capitalists and workers,

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with variations that provide some room for asset-owning workers and for rentiers. Even with these qualifications, this stylised depiction is a far cry from the contrasting scenario of the developing economy where there is a very substantial presence of differentiated peasant agriculture, where the formal industrial sector contributes a minor fraction to the GDP, and where the overwhelmingly dominant share in employment is taken up by an informal economy of multitudinous dimensions. A very high proportion of households, thus, are not *either* worker *or* capitalist, receiving their incomes either as wages or as profits, but self-employing enterprises where income is earned as a notional amalgam of wages and profits, as a residual after taking out paid-out costs, where the residual also covers the reward for own/family labour. The neat post-Keynesian wages-profits, workers-capitalists, binaries become a mismatch. Similarly, in the Keynesian template, there is no distinctive food and agricultural sector to talk about; agriculture, and wage goods production, is treated as any other sector, as an industry – rather akin to the industrialisation of peasant agriculture in the mature stage in the Lewisian model (Lewis, 1954). And there is no mention of the informal economy – perhaps because this reality, and its conceptual analogue, had not emerged in poor agrarian economies in the 1950s – though it had by the time Sukhamoy Chakravarty (1987) was citing this as one important limitation of the post-Keynesian template. Additionally, unlike the cases of Kalecki and Dobb, there was clearly a lack of recognition of the complexities of sector, sub-sector and class configurations, beyond the simple capitalist-worker binary.

Dudley Seers (1963) launched a broadside against the use of theories, especially Keynes's *The General Theory*, developed for use in advanced industrial economies such as UK – what he labelled The Special Case – to the very different and varying structural and institutional scenarios prevailing in the diverse spectrum of developing economies. For Seers, both the Keynesian state-driven, and the neoclassical, "free"-market-led, templates were examples of untenable conceptual reductionism.

Singer (1984) keeps Seers, his Sussex colleague, company for quite a while on this anti-Keynesian journey though in the end, through his distinction between Keynes-I of *The General Theory* (to which he agrees the Seers critique applies) and Keynes-II of Bretton Woods (the implementation of which could have created the enabling circumstances for an applicability of Keynes-I), he parts ways.

Keynes had himself called classical theory a special case; now Seers was calling Keynesian theory a special case, though not in the same sense that neoclassical general equilibrium economists called *The General Theory* as being a special case. Seers was not the first to make this charge; in his critique of the application of Keynesian economics to the problems of development, thirty years earlier, the Lucknow-based economist, V. B. Singh (1954: 210) wrote:

> " . . . the environment suitable for the growth of Keynesianism is not to be found in the underdeveloped countries. Here we have not involuntary but disguised unemployment; not food industry but subsistence farming; no adequate industrial capital but foreign and usurious capital which drain the lifeblood of our economy. Hence, I should like to say what Lord Keynes himself said about the classical theory: "I shall argue that the postulates of the classical theory are applicable to a special case only and not to the general case, the situation which it assumes being a limiting point of the possible positions of equilibrium. Moreover, the characteristics of the special case, assumed by classical theory, happen not to be those of the economic society in which we actually live, with the result that its teaching is misleading and disastrous if we attempt to apply it to the facts of experience." V. B. Singh goes on to ask: "Is not this truer of the Keynesian theory than it might have been of the classical?"

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If Singer was sounding a warning about the likely counterproductive use of Keynesian fiscal expansionary policies for Latin America,[3] V. B. Singh (1954, p. 233) was firing a similar caution in the context of countries such as India. In response to the Keynesian solution of enforced savings via fiscal expansion, he observes: "To meet this situation remedies such as inflation, deficit financing and foreign investments are being suggested. Inflation is the mistress which devours its own lovers. How deficit financing will be a magical solution for the industrialisation of the under-developed countries remains to be proved by its advocates. The political aspect of foreign investments is that the borrowing countries have to subordinate – openly or tacitly – their political and social judgments to the lending countries. … Thus, in case we assume that the problem of industrialisation is *essentially* financial, the under-developed countries would have to face certain rather humiliating economic, political and social consequences."

Joan was not unaware of all these vexed issues when, in the Foreword to her *Aspects of Development and Underdevelopment* in 1979, she observed: "The basic economic theory which seems to me to be useful is a re-interpretation in post-Keynesian terms of Classical and Marxian theory of accumulation, distribution and trade." However, like Seers, Singer and Chakravarty, while identifying key elements of a development strategy, she stopped short of continuing to specify what such a theoretical framework might look like; the one coming closest arguably was Kalecki (1955).

Full employment

How well does the concept and the policy agenda of "full employment" carry to developing economies? The short answer must be, in great discomfort, as illustrated, say, by stylised facts of the Indian labour market scenario. Even in advanced market economies, the fullness of "full employment" is an elastic notion with a range of understandings, some quite dubious, and numerical bands to match. The scene in the South is far more unaccommodating of the notion. For one, the size of the labour force itself is elastic: the female labour force participation rate (FLFPR), which has been declining noticeably in recent years, is generally far lower than that for men, with the clear implication that any meaningful notion of "full" employment would need to take account also of simultaneous increases in the demand for jobs from women as circumstances allow, or enable them to enter the labour market on a more equal basis; this raises the scale of the target very considerably, even while precise targets become fluid and contingent on the material and ideological circumstances that influence female labour force participation.

If "full" raises questions, so does "employment". Consider first a contrast between some developed and developing economy stylised realities. In the former, poverty and low incomes are likely to be associated primarily with unemployment; not so in the latter, where the rate of open unemployment is the lowest, in fact almost negligible, for the poorest sections of the labour force, rising steadily for higher levels of household income or educational levels. Workers from richer households can afford to take the chance or remaining outside formal employment till a suitable job comes up; but not the poor households which cannot afford any such "luxury". There has been considerable research on establishing the coordinates of "the working poor", including in the I.L.O. Second, especially for the poorer households, the problem is often more of over-employment, in terms of time use, than one of unemployment. The work of the poor is not limited to the parameters associated with formal employment, the standard form, in developed economies; these poor workers work much more than the notional 40-hour week. The issue then is of the terms and quality of employment rather than simply its volume; this

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pulls in the full gamut of the decent work, worker rights, social security agendas – entitlements which were, with fair reason, assumed to have been largely addressed in the UK by the rising welfare state with universal access to free secondary education and free health services at the point of contact. Third, the work profile of, say, a "representative" rural (near-)landless household would display a vast array of occupational diversity with regular or variable seasonal patterns, different for different individuals of the household, yielding different returns; some involving just labour within or outside the household, some to do with the provision of services, others to do with petty production activities often involving shared household labour, sometimes including some hired labour in informal micro-enterprises. Sukhamoy Chakravarty (1987) has pointed to this contrast in the social fabric of economic agents as a significant hurdle in the application of the standard post-Keynesian theoretical template to developing economies characterised by large agrarian sectors and where the economic structure and labour force operate in an informal economic zone. Even in India, much vaunted – at least by its own governments – for its high growth rates – howsoever estimated – as a dynamic emerging economy, formal sector employment hovers around an incredulously low level of around 10 per cent of the work force. The upshot of these contrasting scenarios is that in the developing economy, there needs to be primary focus on the quality of employment, on its productivity, on its rates of remuneration, and on the issues of worker and human rights when interrogated through the lens of gender and child rights; some of these issues might have been largely (though on recent evidence, temporarily) laid to rest in the prior evolution of the modern economy in rich countries, but these still persist as major open deficits in the South. Thus, "decent", rather than "full" employment might offer a better slogan. Of the Cambridge post-Keynesians, perhaps it was only Joan who ventured into this terrain, notably with her exposition of the notion of "disguised unemployment". With characteristic brevity, she explained the persistence of the informal economy thus: "Informal business arises from the obstinate desire of human beings to stay alive" (Robinson, J. 1979, p. 6).

The colonial experience – with its regional variations across styles of imperialism – had been one of generalised underdevelopment on the one side and selective extractive development on the flip side of the coin. This combined with rising populations, as death rates declined somewhat in the early 20th century, had created an enormous historical overhang of underemployment and asset inequalities; this massive deficit in investment and productive employment was one of the parting gifts of imperialism to newly independent countries. Under such circumstances, the notional Lewisian turning point was too far away to be a realistic prospect, if not altogether a mirage.

Additional and/or alternative strategies were called for. A Keynesian diagnosis might be that the growth rate was too low and would call for intensified State investment sustained for longer, to have the desired outcome. However, apart from the East Asian economies which succeeded in such a trajectory and did indeed reach the Lewisian turning point – with Japan leading the flying geese pattern and South Korea and Taiwan-China following in its post-colonial wake – virtually no other developing economy has been able to replicate this experience.

Manipulating the choice of techniques offers another potential corrective, at least hypothetically. Does it? Sukhamoy Chakravarty (1987) has linked this issue to doctrinal positions on the nature of capital: on the one side, the idea of capital being a financial fund, entirely malleable, capable of being given any material shape, fungible at the whims of the market-led entrepreneur; and on the other, capital characterised in its physical, material, tangible form, which, for all practical purposes, is not fungible, not malleable, not mobile across uses during its lifetime. This binary is mirrored in the neoclassical assumption of the capability of capital to instantaneously take any shape or form suggested by the market, as against the fixed coefficients assumption underlying input–output matrices and their use in planning. Cambridge seniors had delved into all this in India: Dick Goodwin had set up the first input–output matrix for Indian economy; Brian Reddaway, as a backroom technician, had examined the Third Plan for internal consistency based on I–O tables; while Joan remained unimpressed by the use of fixed-coefficient depictions of technology, arguing that accepting the method of I–O matrices *ipso facto* implied that technological choices were frozen, thereby cancelling one of the key tasks of the planner, viz., how to change technologies and capital intensities in a direction more appropriate for the circumstances of the economy – the idea, according to Joan, was to change the "fixed" coefficients, not just to accept them as being fixed; this, in her uncompromising assault on planning models and techniques as encapsulated in Ragnar Frisch's work using fixed-coefficients.[4] Thus, both the utility, as well as the futility, of I–O methodology for planned development was on display in Cambridge.

Both in China as well as in India, this circle was attempted to be squared, with divergent outcomes, though a composite of opposites, via a planned industrial dualism. The modern industrial sector was to be large-scale and capital-intensive with full recognition that this would not generate too many jobs; but, alongside, there was to be a protected small-scale (and in India, handicrafts) sector that would be labour intensive. These issues did not have a presence in the Keynesian theoretical or policy discourses, though the case of the Kaldorian attempt to influence the growth elasticity of employment in the UK through the abortive Selective Employment Tax needs an honourable mention.

Excess capacities and the multiplier

V. K. R. V. Rao, A. K. Dasgupta, V. B. Singh, and others were debating the applicability of the Keynesian multiplier as a development device in the 1940s and 1950s and, through slightly varied routes, converged in their negative assessment of such possibilities. The problem lay in the Keynesian assumption of the existence of excess capacity, which could be utilised, while adding to employment, through injecting money demand into the system; this assumption could not survive the difficult transplantation into the terrain of a poor agrarian economy characterised by severe structural, institutional, infrastructural constraints. Here, the more realistic assumption would be that there was no excess capacity in the key wage-goods sector, food; and that it was equally unrealistic to assume that such countries had the capacity simply to import food to match the additional demand – this, on account of the presumption, albeit contested by some such as Jagdish Bhagwati, Padma Desai a.o., that there was a severe exports constraint, and that all export capacity should be directed towards the accelerating modern industrialisation. Rao & Co. easily won the argument, but the victory could be regarded as an acceptance of defeat in the imperative to transform the institutional and organisation basis of the agrarian sector through deep reforms. China, for instance, had similar structural conditions, but managed to use a Nurkse-type strategy in its Maoist phase of rural collectivism, to overcome the need for pump-priming via money injections; the agrarian constraint was addressed through collectivist accumulation and distributional devices, none of which were available in the capitalist-democratic context of countries such as India. That said, it is arguable that Indian planners, as indeed those in other new countries of the global South, were taken by the imaginary of rapid industrialisation to a point where the rural sector, in its own right or even as a key enabling player in the industrialisation strategy, faded away from the canvas; this, with serious negative consequences down the line.

Kriesler (2013) suggests that while the earlier critiques would have been appropriate for the initial stages of development, the Keynesian theoretical and policy template would

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gain salience as developing economies entered more advanced stages of capitalist development where surplus labour had been completely drawn off from the rural/peasant sector by industrial accumulation. A serious difficulty with this stages approach is its assumption that growth absorbs all rural surplus labour – this *a priori* proposition matches the post-War experience of Japan and the early East Asian "tiger" economies but fails abysmally in the changed employment and labour-market contexts of later developing economies including, for instance, India, often implicitly treated as a testing laboratory for theory and policy. While accepting the "new" situation does not in itself lead to a rejection of demand-driven growth, it does make the scenario much more complex, calling for a wide range of other policy interventions.

For instance, India, supported by BWI-speak, is often touted as the new poster prodigy. However, the lurching trajectory of Indian economic growth under conditions of global neoliberalism has revealed multiple crises, the core manifestation of which is the now well-acknowledged inability of such growth, even at the relatively high rates officially recorded, to generate commensurate employment; employment elasticities of growth have been dismal, abysmal; there is now a credible discourse, based on evidence, not just of job-less, or but even job-loss growth (Kannan & Raveendran, 2019). Female labour force participation rates have been falling, and there has been a steady corporate and governmental drive to de-formalise employment through out-sourcing to agencies not bound by the legal and policy parameters of the formal, large, public, and private sectors. The conflation of development with the full-scale absorption and formalisation of the labour force cannot survive a reality check. The trajectory towards "full employment" involving the formalisation of informal labour seems, if anything, to be in reverse gear. Therefore, the idea that the employment problem might be resolved through a sustained higher growth rate has lost credibility; arguably, this negation undermines the viability of a key Keynesian proposition when transplanted into the contemporary development context.

Agriculture and the peasantry

The theoretical location of agriculture raises another issue. In the Keynesian or post-Keynesian, as indeed in the neoclassical frames, agriculture per se as a production activity has no specific or distinctive status; this, in contrast to its treatment in classical political economy. In the context of developing economies with large agrarian sectors, the application of a post-Keynesian framework is confronted by some complications. Here, agriculture produces the wage goods, viz., food, and also usually acts as a sink for a large reserve of underemployed or disguised-unemployed potential workforce. In a Lewisian process, demand for labour generated by an autonomous industrial expansion – this mimics the Keynesian stimulus of enhanced state investment in the short period – would draw off such surplus labour without affecting the real wage for industrial workers because the residual rural workforce would work correspondingly harder and compensate for the loss of the labour inputs of the freshly rural–urban, peasant-to-worker migrant thus restoring agricultural output to its pre-migration level; implicitly, the incremental marketed surplus of food that is required by this expansion to the urban workforce is virtually carried across by the migrant on her or his shoulders. This industrial/urban expansion could carry on as the stream of migrants walks along the flat section of the labour supply curve, till such point as all surplus labour has been drained away, after which the hitherto horizontal labour supply curve reaches the Lewisian "turning point" and begins to rise, so that additional rural labour can only be transferred at a wage that is higher than the average consumption of the peasant, as was the case before the turning point was reached. After the turning point, an increase in the demand for labour generates increasing wage rates and implies the onset of inflationary pressures. In a simplistic way, the Lewisian labour supply curve provides a scenario analogous to the Keynesian one where the additional investment expenditure injected into the system eventually leads to a tightening of the labour market and generates inflationary pressures which are the signal for easing off the stimulus, with arguments over whether "full" employment would have been reached at this turning point, and about how much inflation was to be tolerated, and about institutional labour market mechanisms – incomes policies facilitated via agreements with trade unions – to corral the rate of inflation within a sustainable range. This Lewisian depiction induces questions about the source of the additional demand stimulus that initiates the expansionary process from the urban/industrial sector – is it public infrastructural investment by the State using deficit financing, or the banking system issuing credits to private investors and entrepreneurs stimulated by some new perceived, internal or more likely, external opportunity? Whichever it is, it is likely to set up growth processes that would call for much higher transfers of marketed surplus of food into the urban sector unless urban food consumption is unrealistically assumed not to respond at all to economic expansion. In this bare-bones Lewisian frame, even as the urban industrial sector expands using "surplus" rural labour, and average per capita income rises for the economy as a whole, the total demand for, and production of, food remains unchanged – the income elasticity of the demand for food is effectively zero; the peasants, the "old" industrial workers as well as the "new" migrants consume food at the same constant level, as also the other urban classes. This is unrealistic, and recognised as such, amongst others, by Kalecki, Dobb, Joan Robinson. Kalecki assumes the demand for food to rise at a rate comprising the rate of population growth and a term reflecting the income elasticity of the demand for food applied to the rate of growth of per capita income. Should agricultural production fall short of this, inflationary pressures would ensue, and fall heavily on the unprotected real incomes of the rural landless workers and urban working classes. This led to what Kalecki termed the non-inflationary warranted rate of growth of the economy, with the constraint coming powerfully from the agricultural sector. Maurice Dobb highlighted this crucial role of the marketed surplus in his brilliant, but sadly under-recognised, Delhi lectures in 1960/1961; and Joan knew this very well too.

How to overcome this key constraint then becomes a prime question, and different answers emerge. On the one side, the emphasis is placed on agricultural intensification strategies, epitomised by the Green Revolution, based on technological interventions within the existing agrarian structures characterised by high inequalities in land and asset ownership; this was the Schultz-Chicago-Borlaug-Ford-USA solution, rather like the Liu Shao Chi "capitalist roaders" in the early phase of Chinese socialist development. The other perspective came from those asking for such inequalities to be reversed through redistributive land reforms, arguing alongside that anxieties that this would reduce the marketed surplus because land-receiving peasants would withhold and consume more of their own production were unjustified since smaller peasant farms displayed higher productivities which would act as a counter. The third option, of collectivisation or communisation, was not on the table. This policy predicament finds no resonance at all in The Special Case, where agriculture is just another production activity, and food just another product; here, if real wages are affected by inflation, it is not to do specifically with the domestic production and supply of agricultural wage goods, i.e., food, per se. Thus, excising agriculture and food from the template leaves a gaping hole in the theoretical and policy context of developing agrarian economies, though even with this group, there is a wide diversity in structural and institutional specificities that have to be considered. The outcomes for employment, food, and poverty are inseparably embedded in the rural sector and in its linkages with the unfolding industrialisation process. This places much post-

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Keynesian theorisation at a discrete distance from the concerns of development as a process of structural transformation.

V. B. Singh (1954) was a forceful critic of the Keynesian policy as a development device, and he turns to Ragnar Nurkse (1953) and links it with Maurice Dobb (1951) who, like Michal Kalecki and Joan Robinson, regarded development as a matter of economic organisation, all pointing to the imperative for reforming the inegalitarian and underproductive agrarian ownership structures.

"The alternative theory postulates that industrialisation is *essentially* a matter of economic organisation and if the people make this choice, industrialisation can be effected without foreign capital and making heavy sacrifices with regard to consumption. The central theme of this theory is that capital accumulation can be effected by mobilising the forces latent in disguised unemployment and surplus agricultural labour. Starting with large-scale constructional work we can be in a position to increase our marketable surplus – which according to Mr. Dobb is the singly fundamental limiting factor upon the pace of development – and thus reorganize our foreign trade as to import heavy industry and power-generating plants and these should be given top priority. Thus, the ball of economic development is set rolling and the pace of industrialization is much higher, and also free from violent fluctuations ... We see some countries [China?] marching ahead on this path. ... It is this approach, and not Keynesianism, that promises a solution of the basic problems of the under-developed countries." (Singh, V. B. 1954, p. 234).

It was this aspect that Joan highlighted in her commentaries on how the institutional framework of Chinese rural communes enables high rates of accumulation through infrastructural projects which raised agricultural productivity, thereby simultaneously releasing marketed surplus for industrialisation which keeps rural consumption with a social and political tolerable range (the latter aspect having come under some severe criticism later). In Mao's development lexicon, surplus rural labour constituted not just mouths-to-feed, but hands-to-work, and he countered the shortage of capital accumulation with the untapped possibilities of "labour accumulation". Within the self-financing distributional institutional mechanisms of the commune, the labour costs of massive "labour accumulation" schemes across the country were paid for, post facto, from the productivity gains of the infrastructure being created, and were therefore inherently non-inflationary. Some, such as Peter Nolan, amongst others, have criticised this as being corvee labour, and also depicted the entire LA strategy as a monumental waste of resources, but such critiques miss the point, apart from ignoring the incontrovertible evidence of the impact that such rural investments had in releasing dynamic productive circuits of cumulative causation within and beyond the rural communes, not least through their enabling role, a step further down the line, in serving as powerful catalysts of rural industrialisation which became one key source of rapid economic growth in the phase of Maoist high collectivism.

The institutional architecture of the rural commune also overcame some major strategic conflicts and trade-offs – between higher productivity, employment, and income distribution. Unlike in a private property-owning system, the commune could mechanise its agriculture productively, and the displaced labour could be employed in other remunerative works and enterprises; this also applied to the consolidation and replacement of traditional labour-intensive handicrafts by modern production lines, again without the destruction of the livelihoods and entitlements of the erstwhile handicrafts producers; rural industries and their profits were owned by the collective, and provided a source for redistribution in favour of the poorer, disadvantaged units within the commune; the commune had a sufficient size to allow economies of scale, and particularly economies of scope, to be exploited within its institutional boundaries; and every adult member of the commune shared the ownership of the land, apart from being a beneficiary of the economic surpluses generated by industrial and other activities at the levels of the production brigade and the people's commune. Thus, the commune was a powerful engine of accumulation, with a dynamic process of industrialisation within it, following the rationale of the Lewisian labour-transfer model, except that it happened from agriculture to industry but within the rural commune itself. As such, it also served as an employment sink of labour reserve, allowing a strategic management of rural–urban labour flows through the device of the hukou household registration system. At the same time, the central planners could ensure the transfer of the desired rural surplus through manipulating the terms of trade between the rural communes and the modern, urban industrial sector. The system was not without its problems, such as an inability to deal with inherited inter-regional inequalities, or the tendency of central planners to squeeze rural consumption too much. But only those with a limited exposure to the deep structural constraints characterising the rural sector of poor agrarian economies could overlook, or dismiss, the institutional power residing in the rural commune in the Maoist era of high collectivism. This underscores the rationale underlying the conclusion of Maurice Dobb, Michal Kalecki, and Joan Robinson, amongst others, that development was fundamentally a problem of economic organisation. Much of the subsequent success of the Chinese economy, including in the post-Reform, market period, owes to the instrumental dovetailing of the Maoist rural collectivisation with the imperatives of accelerated industrial accumulation within a national growth strategy.

In contrast, the other China-sized economy afflicted by similar initial conditions, viz., India, woke up too late to the value, indeed necessity and potential, of such a rural accumulation strategy. But the difference here has been that such employment generating schemes oriented towards providing a basic wage income mostly to rural (near-)landless households, has to be pre-financed in a top-down fashion by the Government; further, since there is a profound contractual failure, since neither the workers nor the contractors through whom the works are executed, have any inherent interest in the nature, productivity and sustainability of the works; the swingeing strictures applied by the latter day critics of Maoist rural development, generally with little more than the odd anecdote as evidence, apply on a full-frontal basis to the Indian case of the National Rural Employment Guarantee Scheme, where such criticisms can, and are, backed by extensive data on the questionable productivity and sustainability of the schemes financed – with a large untaxed windfall spill over to the rural landed classes which benefit from such infrastructural investments where they turn out to be significantly productive.[5] And unlike China, where LA was near universal across rural communes, the coverage of NREGS in India is spatially and temporally patchy, not least because of its financial requirements and institutional tardiness; and if food supplies do not keep up, the impact could be expected to be inflationary. Joan pointed out, in the Indian context, that inflationary pressures could be countered if the infrastructural investments, such as irrigation and drainage, for instance, had a matching parallel impact on the production of food. In her characteristically critical review of Frisch (1960), she offers "lessons for trainee backroom boys" in modelling exercises and calls upon them to develop models which capture "the changes in demand and in supply of food grains, in each of the next five years, to be expected from starting work on an irrigation project next month" (Robinson, 1962)

There has been an unfortunate tendency to lump all critiques of Maoism into one basket labelled "Cultural Revolution" and then dismissing the salience of the development role China's rural collectivism in the same breath as attacking the political extremist aspects of that Maoist political movement.[6] It is arguable that there was some gas lighting of Joan, in her final frail years, in this regard, in particular regarding the wider developmental relevance of rural collectivisation in the Chinese countryside.

Indian discourse on agrarian issues has been wide-ranging with debates on the differentiation of the peasantry and the emergence of capitalist agriculture;

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the persistence of the peasantry; the "disaggregation" of the agrarian ownership and operational landholding structures and the exit of marginal farmers from agriculture; the rural labour sink – not working too well, therefore generated out-migration, but, then, to what; alongside, mechanised labour-displacing capitalist farming, and now vertically integrated corporatisation of agriculture production, from contracted farmers to urban retail outlets, concentrating income towards the top end, with the share of profits expected to rise with this restructuring and reorganisation of agricultural ownership and organisational patterns. Joan was quite right, as were Kalecki and Dobb, in highlighting the institutional/organisational/agrarian reform constraint to egalitarian development in countries like India.

Can Keynesian demand pumping via State fiscal injections provide a way out of widespread poverty, even if not as a catalyst of economic development? This issue has re-emerged with the rise of the discourse on unconditional universal basic incomes. This new "solution" regards the issue of inflation as a bogey man, and arguments have been made in a Keynesian style, standing Say on his head, that and incremental demand for food arising from the receipt of such incomes would itself catalyse an incremental supply of food – this, through any inflationary process acting as an incentive to farmers to produce more. Any such depiction would take the story back to the beginning, where Rao and all others highlighted the structural and institutional constraints to expanding agricultural production and marketed surpluses through such deficit financing. There are of course several ramifications of the UBI proposition working in both directions with respect to its overall desirability. However, any notion that agrarian structural constraints could be overcome just by printing money lacks credibility.

The investment function

For developing economies, with their focus on long-term structural change, growth, and development rather than on short-term macro demand management, the Keynesian policy approach had little traction. In the developed economy context, Keynesians did not generally regard investment decisions to be much responsive to the interest rate, and the default explanation for the rate of investment was the "animal spirits" of entrepreneurs – not quite enough as a prescription for how to get development going in a poor economy, where the problem was precisely the absence of such a productive investing class on any significant scale – often as a consequence of colonial policies. Substitutes were to be found in the role of banks, and ultimately in a process of state-led accumulation, strategies that were widely in evidence, till these were sunk by the explosive OPEC-led inflation and subsequent debt crises of the late 1970s and early 1980s that created the perfect storm ushering in the BWIs as firefighters, or more accurately, as demanding moneylenders. The conditionalities of the BWIs essentially dismantled this strategy, with the state forced to abdicate any significant role in accumulation for domestic industrialisation. East Asian "tigers" had successfully launched their industrialisation strategies exploiting the wake of the leader Japan's growth path; China was unreachable for the BWIs; but for most of the rest of the South, this was the point of inflexion where state-led accumulation yielded ground to the dictates of global capital, organised and enabled by the BWIs – these institutions now performing roles that would be quite antithetical to those envisaged by Keynes at the time of their formation. But if the investment function and the investment agents were largely unidentified in the Keynesian frame, so were they in the new neoclassical, neoliberal regime imposed on the economies of the South, which found themselves between a rock and a hard place. State assets were to be privatised, tariff barriers, and limitations on the capital movements were to be dismantled, and the rate of investment was now dependent crucially on an assumed inflow of green field foreign direct investment (FDI). This assumption usually remained precisely that, i.e., an assumption. In reality, in very many economies, domestic capital took flight with the rich stashing surpluses abroad rather than putting them into long-term investments in an uncertain and volatile domestic environment. The Indian case typifies the new environment, with FDIs preferring the colour brown over green by taking over viable domestic industries, but mostly taking the form of footloose, flighty, financial equity investments that are easily scared, constantly sniffing out other locations to exploit. On the other side, even as the state privatized assets and dismantled public industrial ownership, it became the enabling agent for the rise of a class of mega-corporates run by families and individuals with close connections and affinities with the political masters – leading to a pattern described aptly by Amit Bhaduri, a.o., as predatory growth by dispossession, or in Marxian terms, as new forms of rapacious primary accumulation facilitated by the state. And, if the original Keynesian target policy variable had been the creation of employment, the target variable in, say, India, is the maximisation of the control of the competing giant corporate houses over national markets and resources even on a preemptive basis, with utterly no regard to the question of employment generation. (Bhaduri, 2007a, 2018, Bhaduri & Patkar, 2009.) The job of the corporates was to make profits, not job creation. Inevitably, the free rein enjoyed by these "animal spirits" has intensified the crises of extreme inequality on the one side, with a slide into forms of plutocracy and extreme joblessness on the other. The abdication by the state as the last-resort agent for creating employment and provisioning social entitlements has thus created an impossible impasse.

Nature and role of the state

The Keynesian revolution legitimised State macroeconomic intervention, indeed, made it an imperative for the context from which it emerged. Early Cambridge contributions – Keynes (1926) and Pigou (1920) had highlighted different elements of an agenda for the economic role of the state; later, James Meade (1964) in his *Efficiency, Equality and the Distribution of Property*, had urged state and societal action to right the wrongs of the initial conditions of UK capitalism; Kaldor sought, amongst other elements, protection for the regeneration of UK manufacturing industry; all these were reformist agendas oriented towards saving capitalism from its inherent inequities, inefficiencies, inabilities, and instabilities. In the early, post-colonial development context, much relevance has been attached to the Gerschenkronian idea of the state stepping as the agent of a national catching-up strategy, filling the void of an absent or weak investing capitalist class.

In all these frames, there is a general presumption of the relative autonomy of the state from the class configuration of society. The state is held to act in the "social" or in the "national" interest, overcoming the failures of the market, and guiding the behaviour of landowners, capitalists and financiers, and reorienting their investments in more "socially" and "nationally" "desirable" directions. This assumption, for instance, underlies Jan Tinbergen's (1967) book, *Economic Development*; it is also implicit in the Keynesian discourse for the UK; it is apparent in the Nehru-Mahalanobis "socialistic" state in India, and in variational forms, it is visible in the East cases of the *zaibatsu* and the Meiji regime in Japan, or the *chaebol* and the Korean developmental socially embedded state, *a la* Peter Evans, later on. The general implicit sub-text is that "successful" capitalist growth would eventually demonstrate its ascribed/imagined inclusive and harmonious tendencies, in the sense of Adam Smith, and in an evolutionary manner transform its being from a dictatorial, authoritarian into a social democratic avatar. Several theorists grappled with this issue of relative autonomy, including Michal Kalecki both in the contexts of the political cycle in advanced capitalist economies, as well as the possibility of an "intermediate regime" in the context of developing economies such as India. (Kalecki, 1964/1972; see also Raj, 1973.) And, the Keynesian and related reformist agendas held little appeal for Maurice Dobb whose Marxist perspective dismissed these while seeking a revolutionary, systemic change. The invisibility of nature and role of the state in Keynesian (and development) theory – the elephant in the room – induced a typical response from Dobb:

> “Once economic theory is allowed to employ the *deus ex-machina* of an impartial state, a classes state, actuated by social purposes and ironing out the conflicts of actual economic society, all manner of attractive miracles can be demonstrated, even without the aid of algebra. One might dismiss such attempts as harmless pastimes, were it not that ideas play a role in history, and cannot only disseminate the opium of false hopes but in the cold war of today more dangerous illusions about the grim realities of present-day capitalism: (Dobb 1950, p. 135), quoted in Singh, V. B. (1954, p. 227).

In reality, both “successful” and failed capitalist growth paths have evolved in directions radiating away from the wishful thinking of the emergence of mature, deep social democracies. At one end of the spectrum, there is the spectre of the ogre predatory state characterised by primary accumulation via dispossession and plutocratic capture – with an unnerving resonance to the Marx-Engels aphorism describing the capitalist state as a management committee of the bourgeoisie in its current national and global avatars; at the other end of the spectrum, the national state in most developing economies has had its powers massively eroded through neoliberal globalisation driven by transnational capital, banks, and financial institutions facilitated by BWIs, decimating any autonomous, even “relatively” autonomous, capacity for independent action; little prospect here then, after an initial phase of post-colonial idealism and optimism, of a socially oriented state-led or a national bourgeoisie driven capitalism along Gerschenkronian lines, where public investment would crowd-in private investment – as envisaged in the pre-Independence “Bombay Plan” devised by private industrialists and the nationalist, then socialistically inclined, Congress in 1944. In contrast to the South Korean *chaebol*, or Meiji Japan’s *zaibatsu*, India of the present boasts the Ambani-Adani-led plutocratic combine where it is a challenge to work out definitively who holds controlling decision-making power over national economic policy, with the state becoming the handmaiden of predatory primitive accumulation via a monopolistic process of capture; not quite the “animal spirits” Keynes might have had in mind.

Keynes–I and Keynes–II

Keynes may or may not have answered to being a socialist, and on revolution day he said he would be most likely be found on the capitalism side of the barricades; and alongside all that he was a liberal imperialist and not in any great hurry to dismantle the British Empire. Bagchi (2023) calls Keynes a “Eurocentric imperialist” and in trifurcating Keynes’s professional career, observes: “In none of these phases did Keynes cease to be a defender of the Empire; nor did he display much sensitivity about the needs of the poor countries, the vast majority of whom lived in colonial or semi-colonial dependencies.” (Bagchi, 2004, pp. 2–3). Yet, he fully acknowledges that three seams of his work “made seminal contributions to the evolution of development economics”, and by implication, later, to the economic capacities and prospects of developing economies: first, setting up the Keynesian macroeconomic policy-analytic template; second, his strictures on unlimited capital mobility; and third, his exhortations on the imperatives of setting up an

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appropriate international financial and trade regulatory architecture for ensuring growth and stabilisation of the world economy.

Hans Singer, writing in 1984 on the interface between Keynesianism and economic development, drew a distinction between "Keynes-I", being Keynes of *The General Theory*, and "Keynes-II", being Keynes of Bretton Woods. Singer tends to generally agree with the assessment, made *in extenso* first by V.K.R.V. Rao in 1952 (and others), that the conceptual underpinning and the policy prescriptions of Keynes-I would not hold water in the structurally and institutionally contrasting scenarios of developing economies (for reasons discussed earlier). Incidentally, Singer and Rao were contemporaries, part of the cohort of early Ph.D. scholars at Cambridge, and Singer tells us, elsewhere, that they used to call V.K.R.V. (Vijayendra Kasturi Ranga Varadaraja) Rao, "Alphabet Rao". But for Singer, the Keynes-I story does not end there; he forcefully argues that had the wisdom of Keynes prevailed and so the final architecture of the new Bretton Woods institutions had followed the design exhorted by Keynes, the result would have been a global economic environment that would have enabled, encouraged and protected economic development in the South. "The relevance of Keynes-I is to a considerable degree a function of the acceptance of Keynes-II" (Singer, 1984, p. 437) – which in reality did not come to pass as the Americans forced their game to ensure their interests. It is worth citing Hans Singer's words in full:

> "the inclusion of Keynes II enables us to give a much more positive answer to the question of his relevance to developing countries. I think it is a tragedy that Keynes original ideas were not more fully accepted and did not prevail at Bretton Woods. I am thinking here particularly of his proposals for a world currency controlled to satisfy liquidity needs and based on primary commodities; the creation of an IMF imposing expansionary "discipline" on balance of payments surplus countries; but much less contractionary discipline on balance of payments deficit countries; the creation of an International Clearing Union which would automatically have worked in that direction; the creation of a full ITO etc. The Marshall Plan was a truly Keynesian measure and he would have acclaimed it but perhaps he would have seen that it would have been better if it had been slightly less generous, i. e. if it had exacted some repayment from such balance of payments surplus countries as Germany and Japan during the 1963–1973 decade, and if these repayments had then been channelled into developing countries with balance of payments deficits. [For a similar proposal later, see Sengupta (1989).] Similarly if oil prices had been stabilized at a satisfactory level prior to 1973, the oil shock would not have disrupted the system and measures to develop other energy resources and more oil resources would have been taken earlier and in good time. This is an imaginary reconstruction of the world as it could have been according to Keynes II, but it may perhaps serve as a testimony to the power of his thinking and to his ultimate relevance for developing countries." (Singer, 1984, pp. 4435–4436)[7]

Twenty years after Hans Singer, in 2004, Bagchi continues the forlorn narrative: "Keynes had conceived the International Monetary Fund (IMF) as an agency for stabilizing international currency exchanges, thereby facilitating the growth of the world economy. In Kaldor's case, the cause of industrialisation of underdeveloped economies was even more explicit in his agenda for international monetary reform. However, the IMF has become an instrument for impoverishing underdeveloped economies and … the wrecking of the international monetary system Keynes and Kaldor had pleaded for in some of their seminal writings led to an escalation of inequality in an international order already characterised by a high degree of international inequality." (Bagchi, 2004, pp. 30–31).

https://doi.org/10.1017/elr.2023.19 Published online by Cambridge University Press

And in the near-40 years since Singer wrote this lament for Keynes-II, there has been a metronomic stream of global financial crises and crashes alongside an intensification of global imbalances and devastating environmental and climate change meltdowns, not to mention the egregious string of wars and war-like episodes that have put the writing on the wall in large characters. Ajit Singh – drawing his imagination and inspiration from Marx, Kaldor, and Keynes-II – was perhaps the single most consistent Cambridge economist who analysed and attacked the role played by the BWIs in bringing relatively independent economic development and industrialisation to a halt in developing economies and challenged the utility of the stock market as an efficient resource allocator of finance. Within Cambridge, on him, more than on any other later Cambridge economist, fell Kaldor's mantle as an apostle of industrialisation, with younger Cambridge economists such as Jose Gabriel Palma, on Latin America and especially Chile, and Ha-Joon Chang, on East Asia and especially South Korea, amongst other worthies, as key fellow research partners.

Indeed, it could be suggested that Keynes-I be substituted by a Kaldorian Industrialisation paradigm and policy package, including protection. However, this substitution, while bringing the analytical framework much closer to the realities of development, would still be confronted by the same critiques as were lodged against Keynes-I in the context of developing countries, in particular, the need for corresponding agricultural development and expanding food production and marketed surplus to sustain industrial expansion or the availability of an export surplus to finance food imports. Apart from that, the idea that the cumulative causation mechanism, economies of scale at plant, industry, and economy levels, might exist and operate in the manner analogous to their functioning in advanced industrial economies would need careful reassessment, especially in view of the globally disaggregated, flexible industrial specialisation that undermines erstwhile notions of managed industrialisation within a national development strategy.

Four decades of waves of raw, capital-driven frontier globalisation and financialisation have swept away the protective fences against a resurgence of creeping neo-colonialism, erected by developing economies aspiring to forms of what Oskar Lange called national revolutionary patterns of development. With this flattening of the international economic terrain, the development issues can no longer be imagined, theorised or strategized within national boundaries. As such, Keynes-II becomes ever more pertinent though, regrettably, the mode of functioning of the BWIs is akin to exacting moneylenders, as proxy agents of finance and corporate power. Within this scenario, an argument for a contingent role for effective demand to boost growth could appear as a prod inside the belly of the crocodile. Such nudges are unlikely to have much systemic transformative power, to offer any escape route.

Missing a general theory of development?

While Dudley Seers was right to argue that Keynes of *The General Theory* addressed the 'special case' of an advanced industrial country, he was perhaps hasty in stopping well short of appreciating the wider implications and relevance of the holistic dimensions of the Keynesian framework for developing economies, as emphasised by Sukhamoy Chakravarty, Hans Singer and Amiya Bagchi. Given the diversity of conditions in developing economies, Seers would find it difficult, as Tommy Balogh pointed out, to develop a General Theory of Development to substitute for Keynes's General Theory; that being so, John Toye cautions that Seers's stance would then slide towards a nihilist position where every country becomes a unique case. Both Chakravarty and Singer express their discomfort with the extant state of development theory. Singer calls both the Keynesian and the Classical models examples of "special cases" a la Seers; "what we need is 'a conceptual device' or rather conceptual devices which are new and additional to both ... We have many elements of such a model available, and a number of them have been referred to in this paper. But they are still waiting for a synthesis which is as convincing and relevant as the Keynesian system was to the western industrial economies with unemployment and surplus capacity. Will there ever be a General Theory of Development? If so, my own feeling is that it can only be built up from the many different Special Cases which Dudley Seers has talked about". (Singer, 1984, pp. 436–437). Chakravarty (1987, p. 16) observes: "It is possible that for throwing further light on problems of a "peasant economy" [which has demonstrated a capacity to persist and defy prognoses of its imminent dissolution] we have to develop an approach which is something quite new, but encompassed inadequately within the scope of neo-classical, structuralist and post-Keynesian paradigms. I believe that there is a great necessity to think through these problems which afflict 70 per cent of the gainfully occupied population in South-Asian societies." Both wise men call for new theory – but both left that space open.

Be that as it may, it is possible, even a little speculatively, to elicit a set of elements highlighted by first cohort of Cambridge post-Keynesians essential for assembling something akin to a development strategy in the (then) recently independent global South. Internationally, there were the Keynes-Kaldor prescriptions for a progressive global financial architecture. Domestically, while the Keynesian multiplier of the *General Theory* was a non-starter, the driver of longer-term accumulation was the paradigm of Kaldorian manufacturing and export-led industrialisation. He, Kalecki, Joan, and others had pointed to the mismatch between the desired production structure and the inherited inequalities of the distribution of income, with Kaldor optimistically offering his expenditure-tax proposals as a corrective. Again, all agreed on the need for tariff protection -ma la Kaldor, later, for the UK economy; devaluation was not a one-window answer to the problem of the export-constraint; that comparative-advantage theory was a non-starter or a subversive device for prolonging the status quo ante; import-substituting industrialisation, a la Prebisch, was the consensus. Kalecki (1955, 1972) had pointed to the regressive distributional impact of inflationary tendencies that would emerge if the "warranted rate of growth" was exceeded, thereby pointing the finger directly, as had Maurice Dobb and Joan Robinson, to the imperative for agrarian reforms on egalitarian and productive grounds; and all agreed that such a process could not come about through market forces and a domestic private investing class, even if one noticeable existed, and that the key driver of this process was to be the state-led planning – Joan's strictures on the excesses of modelling notwithstanding) and public sector investment focussing on shifting industrial control and power into the hands of the state; that the problem of employment needed to be tackled through rural development (cf. Joan) and through the planned insertion of a labour-intensive small-scale industries module alongside the vaunted capital-intensive "mother machine-tools" sector; and that external economic interactions needed to be controlled and selective[8] so as to pre-empt the recurrence of neo-colonial entry through the side door; and for Dobb, Kalecki, and Joan, in variational ways, development was a problem of economic organisation. And, all came to lament the reality that the post-independence Nehru-Mahalanobis aspirations for a radical systemic transformation towards something akin to a partial version of socialism floundered, were diluted and washed away as the domestic propertied classes duly reclaimed their hold on the economic strategies of "their" state.

That was "then", in the early 1980s, at the cusp of the onslaught of neoliberal capitalist globalisation and financialisation. But "then" has been overtaken by "now", with its multiple, existential global crises. The subsequent wild trajectory of the global economy under conditions of finance-dominated neoliberalism has, on the one hand, acutely (re-) demonstrated the general uselessness of mainstream economics even to meaningfully recognise the problem let alone resolve it; and on the other has induced a ground swell of critical and creative post-Keynesian, Kaleckian and Marxian macro theorisations which directly analyse the world as-is and seek to identify potential counter measures to the profound existential threats engulfing the planet and its populations. On the ground, a supersized version of trickle-down is back, being spouted by a bevy of right-wing Prime Ministers: this revivalist paradigm legitimises, even encourages extreme inequality, arguing that this is the proverbial goose providing the golden eggs for social redistribution, especially where, like in India, even high growth rates leave the unemployment overhang untouched. Fiscal redistribution, a la universal basic income and other devices, comes into play as an instrument of political stabilisation which gives right wing and populist governments the means to demonstrate their generosity and fool most of the people much of the time, in particular at election time, leaving the fundamental structural issues, extreme inequalities, employment and environmental crises unaddressed, with the state becoming the willing enabler of large scale primary accumulation benefiting favoured large corporates that fill the electoral war chests of the ruling power.

All this tends to suggest that the problem lies not just in devising or designing alternative development strategies and pathways, but in how to infuse political thrust and traction that can lead to the national acceptance and implementation of such alternatives. Reactionary politics and bloated plutocracies stand in the way of any alternative radical economics; a failure of statesmanship and diplomacy all round; denialism on climate change, diversionary populism on inequality and mass entitlement failures leading to new political configurations with a rising power of the super-right which is lighting up the way to the emergence of variational forms of "constitutional" neo-fascisms. Designing global solutions on the drawing board remains as necessary, valuable, and viable as ever; the difficulty lies in walking the talk from the drawing board into corporate boardrooms and government corridors for a hearing, let alone the adoption of hard alternatives. The way to good economics lies, as, indeed more than ever, before, through the gauntlet of street and class politics. Maurice Dobb's pithy aphorism comes to mind: when interest obstructs reason, to preach reason is vain, unless it be to dethrone interest. Economists *qua* citizens has re-emerged as an urgent calling. Kalecki, Keynes, Joan, Geoff, and virtually all the now scattered cohorts of Cambridge heterodox tribes would agree; indeed, economics-as-concentrated-politics had always been their implicit motto. Should the new formations of global capital fail to imminently find the mind and means to restrain and reorient itself, humankind will continue its uncontrolled lurch into a grave new world, if not into a graveyard. All this, while the mainstream nay-sayers denying existential uncertainty peddle free-market solutions and "perfect insurance" policies, not unlike what Frank Hahn failed to sell to Joan Robinson in 1974.[9]

Notes

1 Pomposity, officiousness was anathema, to be quickly deflated. Geoff and Joan were rightly and mightily proud parents at the Inaugural Lecture of their daughter Wendy at the International Institute of Social Studies in The Hague; at the preceding reception, as gowned professors and special guests assembled to form the liveried procession escorting Wendy into the lecture hall, Geoff was introduced to a high-up city official suitably adorned with a long heavy ceremonial silver chain of obscure symbols and medallions, and in possession of a matching lofty ostentatious air of self-importance; he towered over Geoff; after the customary handshake, Geoff's hand lingered over the chain's pendant, "If I pull this, will you flush?" Vintage Geoff.

2 "Though I have no claim to be a development economist – I understand that those at the pinnacle of our trade feel that there is no such animal anyway (I beg to differ) – I thought, nevertheless, that it might be of interest to

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have the impressions of a general economist of the insights, similarities and differences which these two great economists and human beings brought to our thinking on the problems and processes of development." (Harcourt, 1998, p. 367). So he wrote in his rare incursion into development through his comparative reflections on Austin's and Joan's thinking, Perhaps the only other significant piece by Harcourt on development was the comprehensive summary and assessment, written jointly with Prue Kerr, (Harcourt & Kerr (2009)) of Joan's *Aspects of development and underdevelopment* (Robinson, J. 1979).

3 Joan Robinson, as well as Celso Furtado, had pointed out earlier that under conditions of high inequality and an open economy, fiscal expansion could lead to the sucking in of luxury imports creating a deficit in external balances, weakening any potential stimulus for domestic industry.

4 "The very method, based on input-output tables, seems to condemn its practitioners to accepting the existing technical coefficients and the existing pattern of production, making projections on that basis. But the task for Indian planners, to adapt Marx's famous slogan, is not to calculate the coefficients, but to change them. ... To get a picture of the existing position is an indispensable first step, but the politicians should not be led to believe that the present pattern is the best possible." Politicians need to be made to understand the nature of technological choices and their implications need to be made clear since "politicians badly need educating to discount both the snob appeal of the modern and the sentimental appeal of the ancient, so that programmes can be compared on their real merits." Here, she specifically takes Frisch to task for becoming a vehicle for populist obscurantism in "taking over from the politicians the conception that avoiding unemployment is an end in itself. This leads to such nonsensical policies as subsidizing the use of a spindle, the product of which in an eight-hour day cannot even cover the necessary minimum wage of workers operating it". (Robinson, 1962).

5 For a detailed comparative assessment of the Chinese strategy of Labour Accumulation in the era of high rural collectivism with the Indian NREGA that was implemented several decades later, see Saith (2012). I have argued that the Chinese commune was a powerful device for rural accumulation and diversification, with an internal transfer of rural labour from agricultural to rural industrial activities, akin to the Lewisian scheme (Griffin & Saith, 1981, Saith, 1995, 2008a, 2012).

6 While acknowledging the excesses of the political movement, it needs to be recognized that this also provided the mobilizational and political thrust necessary to power accelerated social and structural transformation on a national scale along socialist lines. To this extent, the political phenomenon of the Cultural Revolution and the "development" phenomenon of Labour Accumulation were inseparable parts of one strategic Maoist design.

7 More recently, John Toye (2006) has raised the query whether these specific ascriptions to Keynes-as-legend might not be somewhat exaggerated, and his ideas and role in the key Keynes-II proposals was rather narrowly UK-focussed and limited than has popularly come to be believed.

8 Sukhamoy Chakravarty and Ajit Singh (1988) provide an extended discussion of their argument on "the desirable forms of economic openness in the South".

9 The allusion is to Frank Hahn's condescending reaction in a trenchant letter to Joan after she had published her paper on "history versus equilibrium"; for details and an elaboration, see Saith (2022, pp. 46–50).

Funding statement. No external funds were involved in the writing of this article.

Conflicts of interest. None.

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https://doi.org/10.1017/elr.2023.19 Published online by Cambridge University Press

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Cite this article: Saith A (2023). Early post-Keynesian journeys from Cambridge into development: Bridges and boundaries. *The Economic and Labour Relations Review* **34**, 212–232. https://doi.org/10.1017/elr.2023.19