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THE LIMITS OF 'ECONOMIC MAN'

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The paper examines several abstractions of the construct of 'economic man' in socio-economic theory and indicates its ineptitude for our understanding of social formations having no clarified experience of what bourgeois ideology conceives as civil society. Two main issues of 'misplaced concreteness' are mixed up with the centrality of 'economic man'. Primarily, there occurs the fallacy of composing the so-called rational self-interest of atomised individuals as the organising principle of society. Further, the reality of historical change is multi-linear and the experience confirms no homogenization of the social-existence forms of labour through the universal movement of capital. The paper cites examples from the literature on Indian planning and development to illustrate the problem.

The Limits of 'Economic Man'

Asok Sen

This paper is concerned with a critical problem of understanding social formations which have no clear historical experience of what bourgeois ideology conceives as civil society along with its protagonist of 'economic man'. In pre-capitalist structures, and also, to various extent, in historical circumstances which combine the domination of capital with economic and socio-cultural survivals of pre-capitalism, no idea of a contractual civil society prevails among vast majorities of the people. Thus, social sciences have to face the task of interpreting structures, ideologies and cultures which cannot be reduced to the pursuit of rational self-interest as the constructive principle of common human living.

* Marx's critique of political economy implied a critique of 'economic man', of the ideology that treats economic incumbrances in isolation from the larger social process. Further, the reality of classes and class struggle emphasizes the formation of collective bonds which deny the supposed synthesis of atomistic self-interest and social totality. The phenomenon of collective consciousness signifies the key role of Marx's 'class for itself'. While class interests are to be defended, class struggle raises the battle of interests to the level of political struggle for a collective alternative. There lies the critical difference between an aggregate expression of merely economic interests and a 'class for itself' becoming the force of historical change on the strength of its collective consciousness.

Much of Marx's analysis was elaborated in immediate reference to Europe's experience of capitalist transformation and its consequences. It was largely a view of society from the historical perspective of capitalism and its supersession by proletarian revolution. Notwithstanding Marx's caution to the contrary, some of his key formulations were mistaken as a timetable laying out a determinate linear sequence of feudalism -- capitalism -- socialism, for all countries of the world. Correlatively, the full purport of Marx's critique has often been lost in an overemphasis on economic relations alone and some extreme concern for the techno-economic thrust of capitalism to prepare the material conditions for socialist transition.

The dynamic role of capital accumulation has its necessary place in Marx's analysis of historical transformation. On being aligned to the idea of successive stages of history, the same role projects the capacity of capital for assimilating the social subjects to a universal capital-labour nexus. In a sense, capital is supposed to homogenise the forms of labour's social-existence. Such a homogeneity postulate coupled with the idea of capital's universality has analytical effects akin to what the construct of 'economic man' builds into the relation between rational individual choice, competitive markets, accumulation and economic growth.

Let me immediately add that linking some aspects of the law of motion of capital to what the construct of 'economic man' supposedly articulates for the course of history in no way diminishes the distinct validity of Marx's interpretation of capitalism and its contradictions. On the contrary, it would help us in understanding the peculiarities of capital's expansion through the experience of imperialism and its aftermath. The common experience of duality in the contemporary

third world is replete with the phenomenon of hybrid structures. Wallerstein's 'world system' or his paradigm of 'the great expansion' is restricted to how the core of capitalism can look upon a periphery as merely the space of its exploits and extraction. It has little use for the periphery's self-description and understanding. Both in relation to their home and the world, the vast multitude of those countries are reduced to a marginality which is virtually an ever-lasting position for the numerous. For them, no role of 'economic man' is tenable, nor does capital dynamics hold out any potential for their clarified absorption in the bourgeois order of things.

At this point an historic reality emerges complicating the issues which are to be considered by economists for their understanding and analysis of the problem of development. No interpretation of human social action is **adequate in** terms of a utility and a profit function. Further, the logic of capital's expansion cannot reach far enough to eliminate all ties of pre-capital among the vast multitude. There is little meaning in explaining such realities as traditional and non-rational. Indeed, the whole question of interaction and compatibility between the economic and the non-economic shall then seek answers which would require significant conflation of areas customarily assigned to different social science disciplines. It is then not enough to deal with contradictions in reality. We have to take full account of contradictions in our very concepts of reality. Let us then consider some examples from the Indian planning and development literature to illustrate the problem. This should also enable us to trace the bearing of the discipline's own tradition on such characteristic issues.

While admitting the need for structural changes to break the vicious circle of low production, low incomes and meagre capital formation, The Economics of Industrialization maintained a tone of cautious realism.¹ It also focused on the question of political choices in securing substantial and quick development. Particularly significant was Professor Datta's concern at the apparent incompatibility between the ends and the means of any strategy of economic development : 'Quick development, domestic financing, parliamentary democracy and income equality are all desirable ends and it would be good to have them all together. But it is almost impossible to achieve all this at the same time. One can easily show that any three of these desirable ends can perhaps be secured together, but not all the four'.²

The question of choices marked a critical point where an economic policy was required to justify itself in terms of its wider socio-political implications. On purely economic grounds, the issue was undecidable because no decision of this kind could escape the social, politico-economic and cultural obligations of its practice; yet these would conventionally remain outside the scope of the analytical apparatus on which the policy was based. Professor Datta's book respected its own disciplinary boundaries in analysing the cyclical, seasonal and structural problems of under-employment vis-a-vis the prospects and difficulties of industrialization in underdeveloped countries. Nevertheless, the passage in question, coming as it did in the book's epilogue, signified a need to transgress those boundaries.

The point is strengthened in the light of India's planning experience since the mid-1950s. Take, for example, the priority on heavy industries in the Second Five Year Plan.

The decision itself was sought to be justified in consideration of the country's resource endowments and the need to remove some of the fundamental constraints of the political economy of backwardness. But the planning exercise, both in its conception and its practice, betrayed a miserable failure to take adequate account of the structural implications of the projected growth pattern in the Indian economy.

In its identification of the emphasis on heavy industries with the very 'impetus of planning',³ the Second Plan minimized the importance of all institutional factors which were to act as severe constraints on the planning process. The default was most glaring in the agrarian sector. This had far-reaching effects on the goals and strategy of growth in the subsequent plans. Further, there was a serious failure in resource mobilization for achieving the plan targets. The sectoral imbalances of output composition were already evident in the working of the Second Plan. Such maladjustments became cumulatively more critical through the following decades. Thus, 'Considering the entire national economy, our long experience of quasi-stagnation for nearly two decades can be shown to have its roots in the pattern of more rapid industrialization during the Second Plan. The policy of import substitution and the priority assigned to the heavy and intermediate goods sector accelerated the pace of industrialization. But this was achieved with no structural changes to broaden the potential for mass consumption demand. No wonder the national rates of industrial growth had to slow down soon, while large increases took place in the output of a wide variety of luxury consumer goods. The so-called "socialist" rationale of the Second Plan soon met its nemesis'.⁴

My present argument aims at no appraisal of the Indian planning experience. Nor does it seek to present Bhabatosh Datta's comments about political choices as being free from the technological bias of the Second Plan which betrayed scant respect for the need of structural changes. After all, it will be misleading to claim that the techno-economic sphere did not enjoy an autonomous status in Datta's analysis as well. And its reference to the political dimension of planning was perfectly in accord with the liberal ideology of assimilating all classes to a political order based on parliamentary democracy.

The question that was raised in Datta's conundrum was whether the precepts of the liberal ideology could be unproblematically applied to a country that had already passed through centuries of colonial rule and exploitation. The Economics of Industrialisation studied this course of history within what was largely a neo-classical economic framework. The problem however was that the structure of contemporary underdevelopment presented a specific reality which had no precedent in the historical experience of the already affluent capitalist countries. Under the circumstances a commitment to the liberal paradigm could only end up with a plea for a moderate pace of changing the old order, marking out those choices which were compatible with liberalism and those which were not.

However, it was the Nehru-Mahalanobis approach which came to constitute the foundation of India's development strategy. It did not favour the idea of a moderate pace of growth. The public sector was given the assignment of building up a modern capital-intensive industrial sector. While the basic liberal ideology was not given up, it was tempered by an emphasis on the state as the pace-setter of economic growth.

It was as if the familiar Lewis model was extended to include the state and its development bureaucracy among the principal actors in the 'modern' sector.⁵

But of course the usual logic of a Lewis type growth path is seriously retarded when duality continues to increase through a long period of capital expansion. It appears that capitalist accumulation, though not insignificant, may not be associated with the kind of universalization assigned to it in economic thought of the classical, neo-classical and also marxist tradition. On the contrary, the experience is marked by the assimilation of about 30 per cent or so of the population into the realm of capitalism, the rest being abandoned to a vast peripheral wilderness. The magnitude of the problem is clear from the fact that a 30 per cent enclave in India's demographic space is only marginally exceeded by the total population of the U.S.A. or of the U.S.S.R.

This does not mean that capitalism is unable to consolidate its own sphere. This is reflected in the consequences of the promotion by the state of basic industries and infrastructural facilities. A sizeable increase of small and medium scale units in production and circulation has the effect of broadening the entrepreneurial base. Moreover, capital can effectively manoeuvre its command over the entire order by exploiting through various means the structural dualities and the innumerable social-existence forms of labour. But neither enclaved economic consolidation, nor the corresponding political power produces the necessary impact on income and employment generation to eliminate the extremes of poverty and dualism. This leads to a rather significant conclusion : 'India's development pattern has exacerbated the 'dualism' that was there at the start of the development process itself. This can

prove fairly corrosive if it is left unchanged. However, /and this is the crucial part of the statement_7 it is not planning as such that has done it rather, it is the product of lack of appropriate planning'.⁶

Now, the immediate context of this comment is the current controversy between the supporters of more-scope-for-the-free-market and the protagonists of the public sector. It is meaningful to step aside for a moment and regard the terms of this debate from, as it were, the outside. Obviously then, despite the differences in their institutional positions, both sides derive their case from the traditional logic of capital relation and its dynamics. Further, this logic works upon a paradigm where the entire demographic mass of social actors has been homogenized by a conceptual reduction to the category of 'economic man'. It is only then that the subsequent analytical relations between population growth, capital accumulation, market expansion and occupational diversification are obtained.

However, the Indian experience of growing duality reveals if anything an involution of the traditional dynamics of capital. No feasible amount of capital accumulation at the core appears to generate significant growth effects beyond the enclave that we have already indicated. Thus the kind of duality that persists and even grows in scale raises questions not merely about the level of investment but also about the points of its control and diffusion over the whole country. Indeed, many of the attributes of what is knowingly or unknowingly accepted as the 'natural law' of capital seem to call for a reexamination. Adherence to the conventional categories and analytical relations only compounds the opaqueness and intractability of our empirical findings about the economic life of our people. This has critical implications for our

understanding of the relations between political economy, everyday material life, culture, exercise of power and acts of protest. The rest of this paper addresses some of the problems of theory and practice corresponding to such patterns of duality.

(II)

The main theoretical concern of Classical Political Economy was to explain the coherence of a generalized market economy and its dynamics of accumulation leading to what liberal ideology identified as social progress. The laws of the competitive market ensured unhindered pursuit of self-interest on the part of every individual in civil society and at the same time, converted the results of such self-seeking actions into the good of all. All this was encapsulated in the secret of a self-regulating economy as the vital element of a society of perfect liberty. And, 'It is in conducting the affairs of civil society, that mankind find the exercise of their best talents, as well as the object of their best affections'.⁷

The content and perspective of political economy attributed a central significance to the economic dimension of human social being. Society was interpreted as the expression of economic self-interest which would work through the processes of competition to ensure optimal advance and harmony. The economic motive was thus endowed with positive sanctions which had no precedent in medieval history. The same logic also freed property and its social functions from the sway of extra-economic considerations of political and religious significance. Thus emerged a new legitimacy, a structure of socio-economic relations which presented no constraints on individual aspirations for enrichment and on the use of such riches. The

achievement of this new legitimacy was the hallmark of bourgeois civil society. The liberal view of history associated such changes with the antecedent circumstances of an industrial revolution.

One can read in this logic the more serious implications of attributing primacy to the construct of 'economic man'. Firstly, the principal human drives are all supposed to motivate men for improvement in 'material' well-being. The second point, while taking the first as an indispensable presupposition, is of even more critical consequence. In the specific European context, it was linked to what the Enlightenment signified as everyman's natural self-interest. Indeed, the role of the principle of self-interest in the social world was compared by Helvetius to that of the law of gravitation in the physical world.⁸ This was significant because it abandoned the medieval faith in the ideal of absolute unselfishness or self-denial.

True the medieval faith did not produce a record of social practice which we can uphold today, nor was it able to justify the moral value of self-denial except by appeal to an after-world. But the priority given by the Enlightenment to self-interest posed an altogether new problem of reconciling science and philosophy. While the scientific outlook expected all results to follow from the natural causality of things, the philosopher's world-view had its own normative ideals to which reality was supposed to correspond.⁹ The strains of such a dichotomy are evident in all social contract theories; it troubled the eighteenth century English moral philosophers who were the immediate predecessors of Adam Smith.

But before we consider the solution provided by Adam Smith, we should note a crucial difference which is overlooked

this bourgeois political ethic
of natural law still required
an idea of the common good
which was not simply a sum
of individual happinesses.

--: 11 :-

by Schumpeter in his assumption of continuity between natural law theory and utilitarianism.¹⁰ In Schumpeter's view, the common good or social expediency of scholastic doctors was harnessed into a shape by the eighteenth century protagonists of reason. But while serving the emancipation of the individual, ~~the~~ ~~businesses~~. As in traditional morality, the natural law theory still needed to refer to a norm of community. This is where utilitarian philosophy marked a sharp departure in its ideas of a serially constituted collective and in its reduction of all norms to an empirical criterion of the greatest happiness of the greatest number.¹¹

Returning then to the second point in relation to the construct of 'economic man', its significance was fully articulated in the Wealth of Nations where Smith resolved the dichotomy by assigning to competition the role of the efficient link between 'private vices' and 'public benefits'. Smith's reconciliation avoided the extreme paradoxes of Mandeville. Smith needed no proposition such as 'man is not naturally sociable, but only teachable'. Nor was it necessary to show concern at the element of hypocrisy in such teaching. Thus, in Smith's ethos of political economy, universal selfishness could sustain society on the basis of 'utility, or justice, a "mercenary exchange of good offices according to an agreed valuation", etc.'¹²

This is the essence of Smith's vital proposition that the general good is best served by letting each individual pursue his own self-interest in the ordinary business of life. An essential consequence follows that ambition, the lust for power, and then desire for respect can all be satisfied by economic improvement. Smith is thus able to undercut the idea that passion can be set against passion, or the interests against passions.¹³ The premium on economic goals brought interests and

passions to a complementary relationship.

Further, Smith was analysing a scheme of things in which accumulation and economic growth were essential for the best social performance. The uninhibited working of self-interest through the design of the competitive market assured the best results in this sphere as well. In Smith's own words :

It is thus that the private interests and passions of individuals naturally dispose them to turn their stock towards the employments which in ordinary cases are most advantageous to the society. But if from this natural preference they should turn too much of it towards those employments, the fall of profit in them and the rise of it in all others immediately dispose them to alter the faulty distribution. Without any intervention of law, therefore, the private interests and passions of men naturally lead them to divide and distribute the stock of every society among all the different employments carried on in it as nearly as possible in the proportion which is most agreeable to the interest of the whole society.¹⁴

Adam Smith provides the paradigm with a mechanism in which the centrifugal force of self-interest is perfectly balanced by the gravity of competition. The assumptions and their level of abstraction categorise every human activity in terms of its place and circulation in the system of market relations. What cannot be directly conceived in such a manner may either be ignored or construed to be derivable from the economic situation and its gains and losses of exchange. The propensity to exchange is formulated as the mainspring of human social living. There emerges the centrality of 'economic man'.

The same ideas were reflected in what was offered as the economic interpretation of history. It was built out of several propositions which regarded social change as dependent on economic development, affirming men to be self-regarding in

all their activity, and indicated a four-stage scheme of hunting, pasturage, farming and commerce.¹⁵ The nature and movement of the earlier stages of society were increasingly conceived in terms of economic categories appropriate to capitalism. There developed a bias of historiography of projecting back the crucial categories of capital and commodity exchange into the earlier stages.¹⁶

All this tended to suggest a validation of capitalism as an eternal motif of human history. It demonstrated the struggle of liberal ideology to combine its political economy with a techno-economic interpretation of historical progress. The position gained strength from the belief that social progress through economic development was inseparably associated with the dynamics of capital accumulation. The invariable emphasis on what capital does for social progress is evident from the common points in Smith's idea of a harmonious path to the advanced stationery state, Ricardo's premonition about obstacles to growth, and the 'hitchless' scheme of J.S. Mill's vision of progress to a state free from extreme 'bustle'.¹⁷ Marx's critique of political economy emphasized those tendencies which did not confirm the permanence of capitalism in history. However, his famous 'preface' giving an overview of historical stages is often misconstrued as an apologia for the 'historical task' or even the 'privilege' of capitalist society to create sufficient conditions for socialism. Again, the Keynesian emphasis on the level of aggregate expenditure, and not on its direction, can do without the faith in laissez faire in order to revitalize the generative role of capital through state aid and participation.

III

The dynamic thrust of capitalism crystallized a historical perspective that all the world would some day become Europe. It signified the emergence and consolidation of the European nation-states, and also promised the achievement of universal hegemony of capital over the whole world. The task of achieving capital's universal hegemony is associated in more recent experience with an increasing tendency towards supernational combinations both in the spheres of circulation and production. Such tendencies reveal newer complexities of capital's survival in the contemporary world and, while ensuring its continental or even international security, they produce adverse effects on the capacity of national capital to generate sufficient growth motive within today's developing countries. In actual practice of course, the European experience itself was far from uniform. For the non-European world, the process of capitalist conquest and colonial domination almost inevitably created hybrid structures where capitalist and pre-capitalist forms remained mixed up. The point about the world becoming Europe was reduced to Europe's thriving on its imperialist supremacy over the world.

The hybrid socio-economic formations have had a lasting effect on indigenous capital accumulation and social change in countries which were colonies of Europe. This has extremely serious implications for the kind of ruling power which grows out of an amalgam of capital and pre-capital. Labour forms and modes of exploitation are not necessarily clarified in terms of a new capital-labour relation. Further, the ambiguities of commercialization produce many victims who are unable to comprehend what is being lost and what is being grafted in

the process. Trade, capital and commodity production are mixed up in losses and gains which bring about the most violent upheavels in the ordinary business of human living. Yet, the vast mass of the people who are affected by these turmoils can only struggle to fit this unprecedented historical experience with their old sense of coherence based on the ties of community.

Such features characterize what economic literature usually defines as a dualistic economy. The growth path necessary to move out of duality is supposed to depend on unhindered capital expansion. I have noted earlier the bearing of this perspective on the strategy of Indian economic development. The public sector is given the key role in an overall framework of mixed economic planning.

There are two points on which the approach commits the fallacy of misplaced concreteness, i.e. the error of neglecting the degree of abstraction involved when an actual entity is considered merely so far as it exemplifies certain (pre-selected) categories of thought.¹⁸ In the first place, capital accumulation is supposed to wield the strength of universality which was associated with it in the dynamics of classical political economy. The analysis then misses several elements of the concrete historical situation which specifies the nature of duality.

No assurance about the centrifugal impact of capital accumulation, about its cumulative linkages which would eliminate the precapitalist survivals, can be valid irrespective of actual historical circumstances. The expansion of capital works not only within the economic boundaries per se, but also in the social, political, demographic and cultural spheres. In fact if the historical perspective about capital accumulation leading

to social progress has to have any basis at all, capital must have these effects outside the domain of the strictly economic. But the structure of duality itself precludes capital from fulfilling such a universalizing role. For an adequate understanding of the structure of duality, the economic process cannot be considered in isolation from the rest of the system. Such a sense of isolation marks the construct of 'economic man'.

The same bias is evident in the kind of Marxist analysis which tends to reduce the rise and collapse of capitalism in history to a determination by economics alone. This kind of interpretation follows from a simplified and mechanistic understanding of concepts like the 'bourgeois revolution' and ~~its progressive potential.~~¹⁹ Such a view neglects Marx's reflections on the complex contradictions of capitalism both in its development and lack of development. It was a vital component of Marx's thought that capitalism could sustain, strengthen and even create oppressive pre-capitalist forms on its peripheries. Again, during the last decade of his life, Marx was intensely concerned over the capacity of some pre-capitalist collective forms for advancing the emancipation of labour. This was the context in which he started a serious endeavour to comprehend pre-capitalist societies in their own terms.²⁰

The second point of misplaced concreteness relates to the assumptions about the subjects of duality, who are to be remoulded by the centrifugal effects of capital accumulation. According to the classical argument, everyone is supposed to occupy a social situation in which the desire for economic gains and avoidance of losses will have similar results. The individual positions are different. But they are all monitored by a belief in formal equality. Although the subjects are tied

to various forms of earnings and accruals, their response to gains and losses is exactly that of a regular wage earner. By and large they behave in accordance with instrumental reasoning and utilitarian calculation. But a proper understanding of duality must begin with the perception that large masses of people in a given country do not yet fit the construct of 'economic man'.

Given duality, those in the backwoods of the dual structure cannot secure a place in economic analysis as actors who act on their own terms - terms which are different from those of the 'economic man'. The very fact of duality implies simultaneous articulation of both capitalism and pre-capitalism. No understanding in terms of homogeneous market categories alone will then be adequate. For the vast multitude, production is not just a means to more advantageous exchange. Consequently, a uniform cognitive map of utilitarian culture will necessarily leave out the strivings and frustrations of the numerous. It is really a confusion in which each element mechanically presumes the other with no meaningful reflection on either the totality or on its parts.

Further, 'The basis on which any collective unity is founded, the justifying principle, the sense of right or grievance, is a collective product. It is not entirely appropriate to judge such a product by the same criteria one uses to evaluate the theories and reasonings of individuals. The demands or strategies of a large group may appear at first glance ill-conceived or misguided. But almost always, they turn out to be rooted in the circumstances and experiences of the community; they generally prove to be a guide to its point on everyday practice; often they leave unmistakable traces of the work that was done to make a collective consciousness.²¹

This is how the political dimension of a dual economy like that we experience in India becomes more complex. No clarified capital relation integrates the entire toiling people into one distinct mode of production. At the same time, the provisions of older communities are destroyed by the predatory exploits of the market and capital. But the tradition of immediate collective loyalty at the grassroots survives the material decline of communities. Indeed, such alignments of local bondage remain vulnerable to cooption within an overarching command of capitalism. Yet in its dialectical thrust for negation, the sense of community among the toiling people also projects a challenge to the capitalist order. And so the politics of opposition in a dual economy need not be confined to subjects with clear positions in a civil society.

All this is lost in the misplaced concreteness of the 'economic man' waiting only to be assimilated to capital's quest for 'modernization'. Not that capital ever succeeds in accomplishing its project. The ambiguities of its genesis cast a shadow on the entire course of its evolution. Moreover, in Indian circumstances, capitalism grows in a demographic space where large parts of the people are never brought under the direct domain of capital-labour relation. But for the simplistic and reactionary premonition of Malthus, classical political economy had no particular ideas about the fate of its magnificent dynamics amidst such demographic spaces.

It may be argued that the use of abstraction is unavoidable if one is to identify regular patterns in any complex of social interaction. Further, the science of economics is no longer confined to the classical world of 'natural laws'. No less important is the availability today of numerous toolboxes which embellish economic analysis. Still the problem of misplaced concreteness remains. Economic science

now talks of 'economic men' who are avid strategic bargainers and innovative profit-seekers. For example, the model of attaining the best possible social situation through the route of cooperative games is posed as Edgeworth's counterposition of Walras. However, the very concept of coalition in the cooperative model is moulded by individualistic priority of utilitarian consideration. Thus the cultural matrix is assumed to be frozen in terms of the ethos and ethics of the bourgeois order. The error lies in an invalid extension of the presupposition which marked the historical origin of the specific discipline. It is then utterly misleading to raise the discipline to the status of a universal science on the strength of the toolbox. The box itself continues to remain subject to the bindings of its epoch of origin. For dualistic structures, much is forgone in the failure to admit other premises of human action in the ordinary business of life.

There are numerous examples to indicate how such limitations constrain our arguments for planned economic development. They do not necessarily betray unconcern for the diversities of social and cultural being. However, the essence of the bourgeois paradigm is clear from one particular emphasis of most planning exercises. The central problem is inevitably posed as one of choice between commodity vectors which are more or less conducive to economic growth. It appears as if plan making can proceed according to choice-functions relating only to the commodity vectors. And at this level of abstraction, a society is endowed with a freedom of choice between commodity vectors.

In his presentation of the elaborate argument for the Second Plan, Mahalanobis mentioned five factors which might limit the planning process envisaged by him.²² The issues related to the production of enough goods in the small and household

industries, the rate of expansion of the basic industries, the lack of trained personnel and the mobilisation of adequate financial resources. Finally, it was mentioned that the plan's work would be difficult or even impossible if there were rigidities in the system of administration.

Thus, the logical consistency of the plan-frame was not a sufficient guarantee of its feasibility in practice. However, 'so far as plan-making is concerned (as distinguished from plan implementation) all that can be demanded is internal consistency, valid technical reasoning and correct appreciation of social needs'.²³ The distinction between plan making and its implementation is curious. The very idea of a plan being logically consistent is illogical unless the same plan can provide the ways and means of its own implementation. No economic innovation can be considered logical as a mere exercise in logic. It has to be linked up with the coherence of human social engagement necessary for the innovation.

The question of the financial obstacle is inseparable from the prevailing structure of assets and distribution of claims. With 50 per cent of the planned outlay left to completely uncertain sources, the Second Plan's problem of financial resources assumed critical dimensions. The production plan had few clues about the ways and means of resource mobilisation. The plan had no command of itself. Nor could it proceed to work by virtue of the logical principles supposed to have been built into its content. We can hardly commend the logic of a production plan which is silent about human agencies to work it out.

It is here that we observe a critical estrangement of the plan from its ground. Significantly then, the category of administration stipulates a set of needs which pertain to all

the limiting factors, and in its range of contingencies, to the entire working of the plan. We are told that 'there must be thorough decentralization of administrative and financial powers in the case of public enterprises and institutions, and also active cooperation between official and non-official agencies',²⁴ Correlatively, the critical human terms of the plan are subsumed in the so-called rationale of administration. Probably, it is not by chance that Mahalanobis says 'administration' rather than 'social direction in the midst of class conflicts', 'decentralization' rather than 'popular initiative', and 'official and non-official' rather than 'mass leadership and collective effort'.

The plan evolves its targets in simulation of the 'economic man' who selects the commodity vector compatible with maximum economic growth. All this is reduced to matters of techno-physical consistency of things and their production. We have noted the need to specify human agencies for accomplishing the targets laid in the commodity vectors and capital-output ratios. The plan looks around only to find administration as the deus ex machina which can be held responsible either for the success or for the failure of what is to be done.

This kind of economic planning sets its boundaries in the first instance. The clarity of a model has to evade many facts of the wider social space. The emphasis on administration is again a case of misplaced concreteness. What is even worse, such a distortion of the invocative and constitutive uses of economic policy carries with it the potential for adroit state manoeuvres to serve the existing privileges of power and exploitation.

We have the example of a subsequent analysis which mentions that the inadequacy of public investment follows from the nature of appropriation by the three dominant proprietary

classes (viz. industrial capitalists, rich farmers and both civil and military professionals) in the Indian economy and polity.²⁵ As regards the remedies however, Bardhan's emphasis on the need to promote larger investment is not linked to the politico-economic issues of persistent duality in spite of sizeable increases in the overall rates of investment. Thus, although Bardhan deals with the questions of proprietary classes and the role of the state in conflict management, he betrays no concern for the problem of involution of capital dynamics in dualistic structures.

A recent retrospect of India's planning experience rightly points out the ineptitude of projecting consistency at a level of aggregation that may not work in practice.²⁶ It is then necessary to clarify the sense of the concrete which can replace the invalid aggregates. This however is a point which Chakravarty does not pursue to any sufficient extent. His approach to the economic issues has its own internal coherence and does not miss the fact of increasing duality through the period of planned economic development. There is a clear admission of the importance of socio-historical processes and their irreversibilities. But in reflecting on the need for political consensus Chakravarty recalls the first decade of planning as one of some exemplary achievement.²⁷

Thus, the role of political consensus is abstracted from its content for the multitude. We are back to the problem of inept aggregation. No understanding can be adequate without proper accounting of capital dynamics in this context. The issues are germane to what Chakravarty reckons elsewhere as two of Marx's critical insights.²⁸ Wealth has to be realized as 'power' and not merely as an aid to future gratification. Further, capitalism wields the dynamics of power largely through the extraction of 'labour' out of labour power.

The point one has to emphasize in respect of dualistic structures is this : the 'power' of capital becomes dominant, while its dynamics do not necessarily articulate in one characteristic social-existence form of labour. Both the foregoing Marxian propositions work, but in imperfect correspondence. The social process is not transparent purely as articulation of capitalism. It falls short of the properties associated with capitalism in history, particularly of its techno-physical content of economic growth. I have noted already the power implications of such an amalgam of labour forms and modes of extraction.

The case is not one of failed capitalism which can later succeed with the aid of a pace-setting public sector. How can we then have answers to the critical questions about economic development? Certainly not in the political consensus of the first decade of Indian planning. Indeed, the growth of duality was no less true of the manoeuvres of that political consensus. It is not clear how the oppressed will situate the oppressors in the structure of political consensus desired by Chakravarty. This is how he tells us of the experience, but misses its full meaning. All our solutions are then enclosed by the boundaries of the 'economic man'. For the multitude however, the main task consists in overcoming the trap laid by this construct in order to achieve their own consciousness and power.

We may recall the choices posed in The Economics of Industrialization. In a significant sense, the whole of our planning experience bears out the relevance of what was implicitly formulated in that early analysis of underdevelopment. While restricting his own discourse to strictly economic terms, Datta mentioned that a political choice was unavoidable for achieving quick economic growth along with a reduction of inequality and

a high internal saving ratio. Indeed, the problem of reconciling the four objectives took us to the fringes of the economic boundaries. Datta was not the ideologue to advocate a crossing of frontiers. But a sight of the liminal was meaningful. It could signify the need which was there to take economic analysis beyond its conventional limits.

Needless to say, our critique of the limits of 'economic man' is closely linked to the repercussions of the fact that no process of universalization of European capitalism has articulated itself in real history. This phenomenon is clear from the experience of Indian planning. No elimination of duality has materialized through the agency of the 'economic man' alone either on its atomistic ground, or in a composite aggregate expression which the public sector is supposed to present.

A large majority of the subjects of social activity do not measure the world according to the premises of the 'economic man'. Nor do the categories of our economic science have an adequate understanding of what they figure out for themselves. Those subjects bear the lasting effects of a history which left them incapable of confronting the forced inception of capitalism on its terms. For them, the mixture of the economic and the non-economic elements are still too dense to permit the abstraction of 'economic man' monitored by the 'natural laws' of market exchange and capital accumulation. Perhaps they can regard that issues of economic well-being should be considered outside the logic of the capital relation and its dynamics. This involves not only the proprietary question, but also the techno-physical content of capital and the assumptions about its centrifugal transmission through wider social spaces.

All this must not be understood as a mere insistence on community and moral values. History has left no room for a simple restoration of an older order. Moreover, we already have enough experience of how such traditional biases can be accommodated within an ambiguous bourgeois order. Neither Datta's posure of political democracy, nor Chakravarty's desire for a larger political consensus can evade the issue that formal consent to a political order does not necessarily imply its active validation on the part of the multitude. Modern India has repeatedly confronted us with such questions; more so in the last forty years after independence. We must not evade them because the answers call for a radical reconstruction of our theories.

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