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Amiya Kumar Bagchi (1936–2024)

C. P. Chandrasekhar*

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On November 28, 2024, Amiya Kumar Bagchi, a doyen among the economists who made a mark in the economics of development worldwide, and a person who was an inspiration to three generations of progressive and heterodox economists, passed away. As an economist, his profile had all boxes ticked. He trained as a mathematical economist and almost did his thesis on game theory at Cambridge University. He was well versed in the elements of all traditions of economic theory, from the neoclassical to the Keynesian and the Marxist, though his work was critical of the first and was influenced heavily by the other two, especially the third. He was an applied economist par excellence, discovering and integrating data collected by scholars worldwide, mining secondary data, and collecting primary data to support his analyses. He did not confine himself to researching questions relating to his own epoch but was an economic historian of high standing. He taught, and conducted and led research at Presidency College, the Centre for Studies in Social Sciences, Calcutta, and the Institute of Development Studies Kolkata, and had a short stint at the Faculty of Economics, University of Cambridge.

But that trajectory does not capture the impact of his work. He brought to bear insights from theory to his analysis of real-world dynamics in innovative ways, and was a major influence on the way economic history came to be approached and written, at least in India. He was interested in subjects outside the realm of economics, stretching to the arts and cinema, which influenced the creativity he brought into his work in his primary discipline. He was a public intellectual, addressing contemporary challenges, writing in Bengali and English to educate a wide public on the policy needs of the times, and engaging in policymaking at the State Planning Board and elsewhere. He was also a prolific writer of both scholarly and more popular tracts, and has left behind a legacy of thought that will be the source of new knowledge for years to come.

* Former Professor, Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi, cpchand@gmail.com

Bagchi's brilliance was recognised early in his life. Born in Murshidabad, West Bengal, he received his education in the State. With a Master's degree in economics from Presidency College, Kolkata, he won a Government of West Bengal scholarship to Cambridge University in the UK where he completed his doctoral degree. According to those who knew him well at Cambridge, Bagchi had set out to do a thesis in game theory with a case study drawn from Indian economic history. But at the suggestion of his PhD supervisor, Brian Reddaway, Bagchi decided to make the contents of the case study the meat of the thesis. That led up to the work which subsequently was revised to be published as the hugely influential *Private Investment in India 1900–1939* (Bagchi 1972). Integrating the Keynesian perspective that demand is the driver of economic dynamics in predominantly market economies, Bagchi showed in an erudite and authoritative analysis that colonial policies with regard to Indian agriculture, the drain of surplus out of India to finance British expansion into the regions of recent settlement, and the superficially conservative fiscal stance of the imperial government in India constrained the growth of the domestic market and condemned the colonised Indian economy to stagnation. The policy of “discriminating protection” adopted by the colonial government, which was expected to stimulate domestic industrial growth by discouraging imports, proved to be a weak measure, and one that triggered only a minor industrial spurt. It amounted to too little and came too late. The depth and breadth of analysis embedded in much historical detail in *Private Investment* took forward the work of nationalist writers like Dadabhai Naoroji and Romesh Chunder Dutt, who unmasked the working of colonialism and contributed to the intellectual heft of India's movement for freedom from colonial rule.

But Bagchi, despite his radical Left inclinations, was no crude market pessimist. Rather, he saw significant possibilities for growth and redistribution within a capitalist framework, so long as the state was willing to adopt appropriate policies to exploit the available “slack.” In his perspective, crucial components of that policy set were those aimed at building domestic technological capability, fostering innovation, and pushing institutional change and income redistribution to expand the market and employment. Those were the elements that the colonial government's policy stance was devoid of, given its driving objective of extracting surplus from India to finance accumulation at home and in the regions of recent settlement, with disastrous consequences such as agricultural stagnation and deindustrialisation, and infamously, the famine in Bengal.

This perspective remained influential in Bagchi's subsequent work in two ways. First, he was a keen analyst of state policy, especially with regard to institutional change, innovation, technological upgradation, and the role of public sector enterprises, using comparative evidence from developing countries that were struggling to diversify away from agriculture to manufacturing. The insights from that work published across time in diverse locations were partly synthesised in his study on *Public Intervention and Industry Restructuring in China, India and Korea*

(Bagchi 1987) undertaken for and published by the International Labour Organization's Asian Regional Team for Employment Promotion (ILO-ARTEP).

Secondly, he was extremely critical of the "development" theory and the policy recommendations emanating from the stable of neoclassical economics both because it constrained domestic market expansion and because it encouraged dependence on foreign capital and technology and limited the development of indigenous technological capability. Bagchi was under no illusion that this was the result of just conceptual weakness but saw it as a consequence of neoclassical economics being a theoretical and policy framework that furthered the interests of metropolitan capital and its neocolonial project. That view was brilliantly summarised in his powerful critique (Bagchi 1971), published in the *Economic and Political Weekly* (titled "The Theory of Efficient Neocolonialism") of the volume by I. Little, T. Scitovsky, and M. Scott (1970, *Industry and Trade in Some Developing Countries: A Comparative Study*) synthesising the "results" of the studies critiquing state intervention and the pursuit of import-substituting strategies in less-developed countries such as Brazil, Mexico, India, Pakistan, the Philippines, and Taiwan.

The other element that Bagchi saw as crucial to development in less-developed countries was the creation of a banking system and financial sector, best suited to serve as a development instrumentality, that mobilised and channelled savings in ways that guided private investment in directions that were appropriate for rapid and broad-based development. In keeping with that perspective, the volumes he wrote on the history of the State Bank of India traced in great detail the role of banking under colonial rule, and its inadequacy as an instrument to mobilise and allocate national savings to promote domestic development.

A remarkable feature of Bagchi's prolific output was his ability to combine meticulous and erudite attention to detail with a broad perspective and analysis that captured how capital accumulation on a global scale was dependent on and therefore perpetuated underdevelopment. His early elaboration of that perspective in an essay titled *The Political Economy of Underdevelopment* was followed by the monograph of the same name (Bagchi 1982) and culminated in the authoritative *Perilous Passage: Mankind and the Global Ascendancy of Capital* (Bagchi 2008). The last of these works went beyond conventional economic histories, focusing on the expansion and diversification of capitalist production, to examine the effect they had on the quality of life of those who populated the lands that capitalism encompassed. In doing so, it challenged the view that the rise to dominance of Europe and its settlements was the result of a long period of evolution, starting around the tenth century, that delivered the material for competitive success and a better quality of life to its populations. Bagchi marshals evidence to establish that the success of Western capitalism, starting with the Industrial Revolution, was the result not just of newfound competitive capacities, but of subjugation based on war and occupation, epitomised by the role of the slave trade in lubricating the capitalist mechanism.

Moreover, despite the Industrial Revolution, the population of Europe did not enjoy the benefits of a reasonably long life, decent health, widespread literacy, substantial education, and adequate individual freedom before the dawning of the twentieth century.

The research work, scholarly erudition, and prolific output that led up to this comprehensive analysis of the history of capitalist expansion cannot be summarised in a short obituary. Bagchi has left behind an intellectual legacy that will inform the practice of development economics for decades to come.

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