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Amiya Kumar Bagchi: A People-Centric Intellectual Journey

By: Achin Chakraborty

Amiya Kumar Bagchi, who passed away just shy of 88, was a political economist known for his insightful analysis and passionate involvement in debates. He grounded his arguments in scholarly rigour—a crucial reminder amid today's blurred lines between critique and academic discourse.

Amiya Kumar Bagchi—one of the finest economists India has ever produced—passed away on 28 November 2024, three weeks before he was to turn 88. He was a great scholar with multifaceted interests, an institution builder, and an inspiring teacher. Even though the life that he lived was quintessentially of a scholar, it did not hold him back from facing the challenges of building a public institution devoted to research and training in development studies. This was after his retirement from the Centre for Studies in Social Sciences Calcutta (CSSSC), where he had been the RBI Chair Professor and Director.

Bagchi was the Founder-Director of the Institute of Development Studies Kolkata (IDSK) that began its journey in 2002. Apart from his pre-eminence as a scholar of the history of capitalist development/underdevelopment around the world, Kolkata will particularly miss his larger-than-life figure, which was firmly grounded in the city's intellectual landscape. It is remarkable that Bagchi carried out his relentless intellectual pursuits from Kolkata and continued to draw the attention of serious students and scholars from across the globe. His exceptional command of what he knew humbled many who held him in awe.

Bagchi was born in a land-owning agricultural household in a village in Murshidabad district of West Bengal, where education—particularly education of girls—was not given the priority it deserved. However, his mother was an avid reader of books, even though she was not formally schooled. Bagchi derived his passion for books from her. Sadly, he lost his mother when he was only nine years old. His mother's death due to complications from childbirth left an indelible impression on his psyche, which would later trigger his interest in issues related to women's well-being in India. That a lack of even basic minimum care took away his mother's life haunted him throughout his life.

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Bagchi studied at Presidency College and the University of Calcutta before he moved to the University of Cambridge to pursue his doctoral research. We came to know from him that the four economists who had a profound influence on his intellectual development at Cambridge were Maurice Dobb, Richard Goodwin, Joan Robinson, and Amartya Sen. He completed his PhD in 1963 and returned to Kolkata to take up a teaching position at Presidency College, where he would teach for the next 11 years.

He then moved to CSSSC in 1974. He retired from there in 2002. During his tenure at Presidency College and CSSSC, Bagchi was invited to a number of universities to give lectures, including the University of Cambridge, University of Bristol, Cornell University, Trent University (Canada), Roskilde University (Denmark), and Curtin University of Technology (Australia). He acted as the official historian of the State Bank of India until 1997.

In his academic writings spanning more than 60 years, Bagchi straddled several areas, among which economic history and political economy were his abiding interests. In one of his first important articles, which appeared in the *Economic Journal* of the Royal Economic Society, he dealt with the choice of the optimum technique of production. It was somewhat influenced by the then raging capital controversy between Cambridge England and Cambridge Massachusetts. In this paper, he showed that reversal of capital intensity could occur as a result of changes in the degree of utilisation of capacity. He argued that, in general, neoclassical prescriptions for choosing the optimum technique did not stand up to close scrutiny.

After a brief stint with theoretical issues of this kind, which were then in vogue in Cambridge, Bagchi quickly moved on to the problem of explaining why the capitalist class in underdeveloped economies such as those of India, Argentina, Brazil, China, and Indonesia was not too keen on investing. In the standard investment functions formulated by economists, the social and political linkages and other constraints on entrepreneurs hardly ever appeared.

In ‘Private Investment in India, 1900-1939’ Bagchi offered a deep critique of the supply-side arguments that were usually put forward to explain the lack of industrial growth. These arguments typically mentioned scarcity of capital or entrepreneurship.

Bagchi’s quest for understanding the behaviour of investment in India resulted in his first book entitled *Private Investment in India, 1900-1939* (1972). Looking at the title, one might think that it is a chronological account of private investment in India in the first four decades of the 20th century. This is partly true, because one does get to know about developments in important industries in great detail. However, the book stands out for the importance it gives to theoretical arguments in economics.

Bagchi offered a deep critique of the supply-side arguments that were usually put forward to explain the lack of industrial growth. These arguments typically ran in terms of the scarcity of capital or entrepreneurship. Bagchi did not also accept the argument that the slow industrial growth was due to the inherent weaknesses of India’s social structure. The hypothesis that he instead put forward started from the other side, and looked at the profitability of investment and ease of entry into different fields by European and Indian industrialists to explain major changes in levels and patterns of investment.

He further argued that colonialism led to a low rate of accumulation within the country because much of the investible surplus was either exported as a tribute to the colonial power or used up in rentier consumption. It could not be turned into investment because of the low propensity to invest in an economy constricted by poverty, low productivity, and weak demand for industrial goods. He consistently argued thereafter that demand problems were endemic in a country like India, even though the role of structural bottlenecks was not to be ignored. He applied this perspective to explain the long-term constraints on India’s industrial growth in an article in 1970, which aroused fierce debate.

The next milestone in Bagchi’s intellectual oeuvre was *The Political Economy of Underdevelopment* (1982). Development studies got its first textbook that was unapologetically Marxist. The book was widely used as essential reading for undergraduate and post-graduate courses in development. While discussing the motivation behind writing this book, Bagchi said, “The immediate stimulus for writing on problems of underdevelopment was provided by the revolt of young students all over the world in the late 1960s” (Bagchi, 1982:p. vii).

Bagchi’s point was that capitalist colonialism utilised modes of non-market coercion such as direct control of the state apparatus, racialism, slavery or bonded labour, monopolies, and instruments of market competition.

Having acknowledged the centrality of class analysis, he made a serious effort throughout the book to identify the relevant classes in both the rural and urban sectors, and tried to outline the implications of different configurations of class interests. In the process, he drew on Lenin and Mao and made extensive use of their schema. Bagchi’s point was that capitalist colonialism utilised modes of non-market coercion such as the direct control of the state apparatus, racialism, slavery or bonded labour, monopolies, and instruments of market competition.

He wrote, “This perspective and persistent questioning by my students and many political activists prompted me to write my next book, centered on an analysis of underdevelopment”. *The Political Economy of Underdevelopment* was a part of the Cambridge Economic Handbook Series. The historical roots of underdevelopment in the Third World—lying as they do in the colonial era and in the impact of Western capitalism on Asia, Latin America and Africa—are uncovered in the book with remarkable analytical depth.

Bagchi returned to his abiding interest, namely, the role of the state in a private ownership economy, in general, and the pattern of industrialisation in a mixed system, in particular, while preparing a monograph for the International Labour Organization (ILO) in 1987. At the core of the monograph was an analytical approach that was deployed to explore the role of public intervention in industrial restructuring, delving deep into the experiences of three important countries from the developing world—India, China, and South Korea.

Bagchi ended the monograph with this profound observation,

It seems very likely in fact that India will continue to pursue policies which are a combination of working of the free market, policies effectively promoting economies of scale, protecting some sectors of domestic economic activity and encouraging the induction of foreign capital and technology. There will probably be less emphasis on the generation of employment within industry and more emphasis on the promotion of investment in economically viable projects and sectors by private enterprise. Whether the package of policies pursued by the

government and the actual developments in the economy generate enough confidence among the private investors to induce them to significantly step up investment in the Indian economy, only time can tell (1987).

More than three and a half decades have passed since then, and the trajectory of Indian economic policies has more or less vindicated Bagchi's prognosis.

‘Perilous Passage’ was an ambitious project on global history, which critically analysed the processes leading to the rise of the West from the 16th century to its current status as the most prosperous and powerful group of nations in the world.

For several years in the 1980s and 1990s, Bagchi immersed himself in the huge project of writing the history of the State Bank of India, the culmination of which is the two-volume *The Evolution of the State Bank of India* (1987 and 1997). The project, commissioned by the State Bank of India, received assistance from a team of 36 members of the staff of the bank and two research assistants in London. The two volumes are considered to be a valuable reference resource with very detailed research notes to be further explored by scholars to make their own interpretations. One wishes Bagchi had found the time to write a more accessible history of the State Bank of India for the benefit of students, and others generally interested in it.

After this phase of his intellectual journey, Bagchi entered the next, which was conceptualising and writing a global history from the perspective of human development. The culmination of this was another milestone—*Perilous Passage: Mankind and the Global Ascendancy of Capital* (2005). The book is an ambitious project on global history, which critically analyses the processes leading to the rise of the West from the 16th century to its current status as the most prosperous and powerful group of nations in the world.

Written with extraordinary range and depth, *Perilous Passage* has changed the ways in which we think about world history and development. The uniqueness of the perspective that he has in this book emphasises the consequences for people both within and outside the region. He thus broadens our understanding of the nature and history of capitalism, and challenges the fetishism of commodities that limits the perspective of most economic historians.

Bagchi characterises the emergence and operation of capitalism as a system driven by wars over resources and markets rather than one that genuinely operates on the principle of free markets. It comprehensively counters the view that developed countries provide the less developed an image of their own future. The crucial role played by the conquest and devastation of the so-called periphery is underlined. In the development studies literature, Bagchi's book can be considered a must read along with other texts such as Ha-Joon Chang's *Kicking Away the Ladder*.

Amiya Kumar Bagchi fiercely debated issues that affected mankind, but never did he slide into polemics devoid of scholarly understanding of an issue. This is instructive, particularly since the borderline between polemic and a serious piece of scholarly work is often blurred in our debates on the economy.

Achin Chakraborty is Professor at the Institute of Development Studies Kolkata.

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