

Hindu Equilibrium and Stunted Economic Growth of India?**S. Ambrajan**

Deepak Lal, *The Hindu, Equilibrium, Vol. 1: Cultural Stability and Economic Stagnation, India, C 1500 B.C.-A.D. 1980; Vol. 2 - Aspects of Indian Labour, Clarendon Press, Oxford, Vol. 1: 1989, PP. xxviii + 345, Rs. 325, Vol. 2: 1989, PP. xod + 197, Rs. 175.*

It seems that economists will not leave the poor adjective 'Hindu' alone. First it was the late Raj Krishna whose characterisation of the low growth rate of the Indian economy as the Hindu growth rate became the popular buzz word among the sophisticated economists who were building their career around India's poverty. Now we have Professor Deepak Lal of the London University, the formidable World Bank economist and the scourge of economists propounding interventionist theories of development, using the same adjective to refurbish a theory once used by Imperialist historians to explain away India's present poor condition. Writing in the late 1920s, the late Professor Vera Anstey had written at the end of a long book: "the conclusion is that a change in the outlook of the people, whereby they may become willing to modify their social customs and institutions in the interests of economic progress, is a fundamental condition of such progress in India". Stripped of all the data (often acknowledged by the author himself as unreliable), sophisticated analysis including the mathematical foliage that occasionally decorates the text, along quotations and numerous end notes, Professor Deepak Lal's conclusion is almost identical with that of Professor Anstey's. The very last sentence of the book shows this: economic development "requires the suppression of those Brahmanical attitudes to the economy which have for so long led to both cultural stability and economic stagnation in India".

Wherefore is the urgency of retrieving this discredited explanation of India's past economic performance? The conventional wisdom propounded by the World Bank and IMF about economic development is that free trade and the capitalist path can make a country prosperous. A powerful criticism of this view has been that countries like India did have a regime of free trade and capitalist ethos for almost a century and half, but they achieved little. Consequently it became necessary for the World Bank policy makers to demolish this criticism to show that the fault does not lie with free trade and capitalism but with something else. Hence it need not be surprising that the World Bank has funded liberally the writing of this work.