BOOK REVIEW:

“PLURALISTIC ECONOMICS AND ITS HISTORY” EDITED BY AJIT SINHA AND

ALEX M. THOMAS

REVIEWED BY

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Book Review of Ajit Sinha and Alex M. Thomas (ed.), *Pluralistic Economics and Its History*, First South Asia edition (London and New York: Routledge, 2019) pp.298

In the introduction to their edited volume, Ajit Sinha and Alex M. Thomas note that after the 2007-08 economic recession, it is imperative for students to study the history of the discipline to understand all its 'mistakes' and move beyond orthodox economic thinking. *Pluralistic Economics and Its History* is not a conventional book on "the history of economic thought" but the contributing authors have reflected on the "historicity of their own research agendas" (p.2). The sixteen chapters cover a wide range of topics including pedagogy, histories of schools of thought, specific theoretical formulations, and three chapters on the history of economics in India. Due to this wide range, I will provide brief, descriptive accounts of most chapters and highlight details of specific chapters at the end.

In the first chapter on "History, logic and narrative in pedagogy", C.T. Kurien claims that the central problem of pedagogy in economics is that of the narrative. He identifies Adam Smith as adopting an analytical narrative where the theory is based on logical inferences drawn from "real-life instances", making no claim to "universality" (p.16). He contrasts this with the neo-classical tradition which relies on "abstract reasoning from *a priori* postulates" (p.16), and in the end recommends the analytical narrative as the better method to teach economics. In the chapter, "Theories of activity levels and growth before Adam Smith", Alex M. Thomas attempts to bridge the gap in the literature on pre-Smithian political economy, by presenting a survey of the works of Richard Cantillon, François Quesnay, Anne Robert Jacques Turgot and James Steuart. He notes the presence of Keynesian elements in all their works, such as aggregate demand as a relatively autonomous variable. This is followed by Ajit Sinha, writing on Sraffa's reinterpretation of classical economics. Sinha re-examines the theory of value in Smith and Ricardo, which he argues were based upon the notion of an "original or ultimate cause" of value (p.41), and their attempt to find an "invariable" scale of measurement of value was linked to it. Sinha states that Sraffa dismissed the idea of "original cause" and through his analysis of the standard system and the standard commodity as the scale of measuring value, Sraffa managed to prove Smith's claim that income distribution is independent of prices but prices depend upon it.

The following two chapters cover Marxian political economy, with Meghnad Desai reflecting upon his engagement with the field from 1960 to 2010. He writes about the Value Price

Transformation Problem (VPTP) as a major theme within Marxian economics that is considered unresolved, but Desai goes on to claim that Ladislaus Bortkiewicz had solved it much earlier. Chirashree Das Gupta argues that Marx should not be included in the canon of classical political economy alongside Smith and Ricardo, as he was primarily opposed to classical economics. Since Marx advocated for the abolishment of capitalist society, his theoretical departures had to be treated methodologically as a “new” political economy (p.82).

In the seventh chapter, “On the origins of post Keynesian economics”, John King places post-Keynesianism in opposition to the neoclassical treatment of the *General Theory*. Three approaches to post-Keynesian thought are highlighted: the Sidney Weintraub-Paul Davidson approach, the Kaleckian approach (Keynesian element being the importance of capitalists’ investment demand), and Hyman Minsky’s approach. King argues that these approaches were flourishing by the mid-1970s but are now marginalized. This is followed by a unique chapter where Geoffrey Harcourt recounts his long and influential career in post-Keynesian economics.

Maria Cristina Marcuzzo asks “Is there a Cambridge approach to economics?” and answers that after Marshall-Pigou, it is Keynes, Sraffa, Kahn, Joan Robinson, and Kaldor that can be defined as a “group” rather than a “school” of Cambridge economics because there are commonalities but also divergences in their thought (p.122). She finds the tradition resting on two pillars: the rejection of the idea of market forces leading to the full employment of resources, and the Sraffian notion that the market is not the arena for the rules of production and distribution.

Roberto Scazzieri provides a long survey of the literature on structural dynamics, emphasising the relation between economic theory and economic history in the tradition. The next chapter by Romar Correa examines the history of buffer stock operations in commodities and money. Phillip Anthony O’Hara writes a broad history of the development of institutional economics, finding traces of it Physiocracy, classical economics and to a greater extent in Marx, but it was Veblen who formally established institutional economics. O’Hara then documents institutionalist themes in several twentieth century economists. Following this, in the thirteenth chapter, Anjan Mukherji takes stock of the general equilibrium theory and especially the “stability” problem associated with it. According to the volume’s editors, this is possibly the most challenging chapter in the book. Another interesting chapter by K.L. Krishna lays out the history of econometrics, including a small

section on econometrics in India. He divides the history into six phases, and reviews the works of other commentators on the history of econometrics, thereby exploring its historiography.

The last three chapters of the book deal exclusively with the history of economics in India. Tirthankar Roy writes a history of the evolution of the field of economic history in India. Roy identifies the birth of Indian economic history around 1900 with Romesh C. Dutt's book, *Economic History of India in the Victorian Age*. Economic history in the initial phase comprised of ideological debates on the economic impact of colonial rule and was written in a positivist mode, producing detailed but descriptive studies. Methodological debates (termed as the historiographical turn), only took off from the late 1960s with the rise of global Marxism, which suggested that surplus appropriation on a global scale led to poverty or prosperity. India was used as an "instrument" to solve the question of economic inequality amongst nations, with Roy citing Paul Baran's *The Political Economy of Growth* (1957) as an example of this tradition. A defining moment was Morris D. Morris' (1963) article contending that colonial Indian economic history presented a set of paradoxes (highly developed enclaves along with widespread underdevelopment) rather than a story of uniform economic decline. Roy subscribes to the view of Indian economic history being defined by this paradox, which he feels needs further attention. It remains a position contrary to most economic historians, who emphasise the domination of the economy by the colonial state.

The following chapter by Sunanda Sen, "On the evolution of heterodox economic thinking in India", studies economic nationalism from the late-nineteenth century to the interwar years, which opposed British economic policy on three main issues: the unpaid transfers from India to Britain, coming under fire from the late-nineteenth century; the issue of protective tariffs and exchange rates, including the Ottawa Agreement in 1932 as a reciprocal preferential agreement amongst Commonwealth countries called Imperial Preferences, and; credit flows and external payments during the Great Depression, characterised by the outflow of gold from the country. On the basis of this study of nationalist writings, Sen claims that the arguments against colonial economic policy anticipated the Keynesian macroeconomic framework and that heterodox ideas were already present within Indian economic nationalism.

In the final chapter, "Two sides of the colonial coin: British and Indian women's engagements with colonialism and patriarchy", Sheetal Bharat studies the literature produced by women on British rule and the condition of women in India. Several British women

supported the colonial state, which they believed would help uplift Indian women. Bharat mentions Katherine Mayo, whose book, *Mother India* (1927), highlighted the oppression of Indian women and advised against political independence for India. Another figure was Cornelia Sorabji, the first Indian woman lawyer, who also found many benefits to colonial rule. Bharat speaks of other British women in India who travelled and published their personal experiences. They cast British rule as benevolent, thereby providing ideological legitimization for the colonial state. In contrast, Bharat looks at women nationalists, mobilizing the masses of women in the freedom struggle. A significant section used religious symbolism and appealed to the dominant Hinduized sense of nationalism. Bharat highlights the tension between nationalism and feminism, where the rights of women were subordinated to the national cause or to the patriarchal norms of the community. The scope of Bharat's chapter is vast, making it virtually impossible to include every important figure or political tradition. However (I accede this could be a case of a reviewer imposing their own interests), it would have helped to include a figure like Savitribai Phule (1831-1897), whose path breaking contribution to women's education has turned her into a feminist icon. While Phule did not directly engage with colonialism, mentioning her work against caste and patriarchy might have added another useful layer of analysis within the binary of pro- and anti-colonial figures.

The book achieves what it set out to accomplish, which is historicizing the discipline "to find ideas and inspirations to build something new". *Pluralistic Economics* is not a conventional history of economics textbook, and some of the personalized accounts of the history of the discipline are certainly useful contributions for its readers to go through.