

GLOBALIZATION, THE INDIAN ECONOMY, SEZs AND POPULAR STRUGGLES

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Capitalist development in India after independence (1947) had been based on a strong state sector, protectionist trade policies, and some amount of state support for peasants and unionized workers. Partly this had corresponded to the needs of a relatively weak indigenous capitalist class desiring protection from strong international capital. As Indian capital became stronger it wanted an easing of the state controls from the mid-1980s, but popular struggles of various kinds made it difficult for the state to go in for liberalization in a big way till the economic crisis of 1990, which came at the same time as the rise of Hindu communalism in India and the crisis of the Soviet bloc, thereby also disorienting the hitherto strong left forces.

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India therefore turned to globalization willingly. IMF officials remarked on this, comparing it with the difficulties they faced in dealing with government officials of many other countries of the South. Privatization and state policies geared to assisting the private sector resulted in a rise in the growth rate, but it also increased social disparities, and resulted in growing social unrest.