

# Globalization and local development in India

- Landy, Frederic and Basudeb Chaudhuri, eds. 2004. *Globalization and local development in India: examining the spatial dimension*. New Delhi: Manohar & Centre de Sciences Humaines. 248 pp. ISBN 81-7304-540-2.

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The nation-states of the world open up from above and from below, write editors Landy and Chaudhuri in their introduction. The interaction of 'globalization' and 'localization' – i.e. 'the progressive extension to the entire planet of exchanges of all kinds' (p.7) and increasing political power at the local level – challenge the national role in economic development. The editors question how these interacting forces affect development processes at local, regional, national and global levels.

The volume contains nine case studies, each focusing on problems and developments in a specific economic sector. Beginning with the overall opening of India's economy in the 1990s, the reader moves to India's health systems (western and indigenous), electricity supply, the leather industry in Tamil Nadu, diesel engines in Maharashtra, a hydro-electric plant in Madhya Pradesh, oil-seeds, dairy in Gujarat and Haryana, and finally, to food security and fertilizers. Each case study makes for interesting reading. Lachaier's contribution on the successful adaptation of erstwhile diesel pump builders to the sophisticated demands of the multi-national car industry and Kennedy's study of the strategies of leather industrials to cope with national anti-pollution measures convincingly demonstrate the interplay between forces operating at several levels influencing the fortunes of local actors. Heuze's intriguing case study deals with a large development project in the middle of nowhere, ongoing for over four decades, which I will discuss here in detail.

Heuze presents the complexity of a large-scale development project in which all possible levels from local to global are present: a public sector hydro-plant on the borders of Uttar Pradesh and Madhya Pradesh. The author discusses the project's impact from 1960 onwards. 80,000 local peasants were the first victims of the project; they were displaced and provided with scant agricultural land and few project-related jobs. Private companies moved into the area as it developed into a new industrial region. New forms of administration – Special Area Development Authorities – replaced existing village and district councils. Economic, social and administrative changes led to the emergence of new actors on all levels, often with conflicting interests. Tension and in-fighting among the new elites included public sector interests competing with private sector interests, politicians with administrators and issues of competency between local, state and national authorities, and between authorities in the two states.

The already complex political scene became considerably more confused when foreign (global) actors came to the fore. The World Bank and foreign and Indian NGOs entered the proj-

ect area in the 1980s. The WB (pressured by American NGOs) agreed to a loan for further investment under the condition that more attention be paid to the project's environmental and socio-economic impacts. Other foreign NGOs also started to take interest. Heuze argues, however, that the entry of the new global actors 'introduced an additional dimension without changing old power equations' (p.155). These remained invariably in favour of local, regional and national elites, while no one seemed to care much about the plight of former peasants and un-skilled workers. Heuze cynically concludes: 'No one, not even the ecologists who were fascinated by the talk of the "good wild tribal" who had to be protected, found fault with the fact that the peasants of the villages surrounding the five giant power stations themselves had no electricity' (p.160).

The authors in this book show relevant dimensions of 'economic development in practice'. The cases also show that global or local – spatial – levels contain many actors with conflicting interests. The levels are heterogeneous, divided by social, economic and political position, as the well-presented case studies clearly show. The book concludes with a plea to focus on the micro-level when looking at development to avoid generalizing visions.

### Old wine in new bottles?

The book, however, is puzzling for several reasons. Many of the issues discussed in the case studies sound familiar when looking at earlier Indian history and need not be specifically attributed to globalization. Some cases, such as the hydro-plant, deal with foreign involvement much earlier than the 1990s. Though India's economy was more protected in the pre-globalization past than it is now, there are many examples of past foreign economic involvement (e.g. steel plants with Russian, German, US and British participation in the 1960s, Maruti, Green Revolution rice varieties, World Bank loans for urban improvement, cement and Operation Flood), apart from more ideological foreign involvement (e.g. family planning in the 1960s and early 1970s). Even the phenomenon of localization, here dated from the 1992-3 constitutional amendments (p.16), began much earlier. Rural self-governance in a hierarchy of village and regional councils (*panchayats*) was attempted in the 1960s, and failed for a variety of reasons. What is then the surplus value of the globalization-locality framework? Do we need the interacting concepts of globalization and localization to understand the issues, problems and solutions so clearly analysed in the case studies? Landy and Chaudhuri turn this argument around by casually remarking that globalization is much older than the concept, although new means of communication have led to growing complexity (p.13). Is their concept of globalization then window-dressing, a display of old wine in new bottles?

Globalization is defined in a neutral way: the progressive extension to the entire planet of exchanges of all kinds is supposed to operate in all directions, in this case to and from India. In the case studies, however, most of the exchanges come to India (barring a few exceptions, such as the export of India's traditional medical system, and of footwear). Many of the global actors remain by and large the familiar ones from the pre-globalization era such as the World Bank, foreign NGOs and multinationals. Foreign involvement in India's economic development is stronger than it was a few decades ago. Private capital investments are now easier to make (e.g. the Japanese automobile industry) and out-sourcing by Western companies has become fashionable (the IT sector), but the pattern has not really changed: the exchanges come mainly to India, for a simple reason – to make profits. Few profitable exchanges from India to the world exist. Globalization can hardly be called a neutral process.

One wonders, therefore, whether development guided by globalization is substantially different from the worldwide development paradigm of the 1950s and 1960s: western-styled modernization. One may wonder as well whether the impact of globalization should not be described in terms of the 1970s – those of unequal economic and political power, such as centre versus periphery or *dependencia* relations. The editors only casually mention the (former) exploitative and unequal character of world economic relations (p.11), and add that exclusion is now replacing exploitation. Discussion on the inequalities of both the progressive extension of exchanges and its exploitative/exclusive impacts would have enriched the book. Are not exploitation and exclusion basic elements of international economic relations and of economic development within India?

The book gives insights into the often contradictory mechanisms that determine India's development. The framework, into which the case studies are squeezed, would have benefited from a historical perspective that could perhaps even have led to a re-valuation of current hypes. ◀

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