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Book reviews

Jalal Alamgir, *India's Open Economy Policy: Globalism, Rivalry, Continuity.* New York: Routledge, 2009, 176pp; $39.95

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It is a puzzle that with a 40-year history of state intervention in the economy, and leaders and intellectuals with a flair for socialist rhetoric, India, since 1991, has implemented and sustained an impressive range of liberal economic reforms made despite intense opposition by several powerful domestic constituencies. In a dramatic turnaround, import tariffs have been slashed by two-thirds, the rupee has been made convertible on the current account, and the welcome mat has been rolled out for foreign investment. Seven prime ministers of different persuasions have taken office since 1991, but not even one liberal measure has been rolled back. The economist Pranab Bardhan has attributed the policy changes to a shift in the coalition of dominant interest groups, while the political scientist Rob Jenkins has attributed it to the successful use of underhanded tactics by the national leadership in pursuing reformist goals.[1] Jalal Alamgir offers a novel explanation focusing on the desire of Indian leaders for their country to play an influential role in global affairs and to meet the challenge created by the rise of China.

Drawing on a rich array of evidence, Alamgir demonstrates that post-independence Indian leaders have tended towards globalism – the desire to play a strong role in international affairs, and to 'project into the world what are considered indigenous values, on the conviction that such projection externally of what is considered valuable internally should be one of the goals of the state' (p. 9). The desire arose from the leaders' awareness of their country's historical greatness as well as its size. From independence till the 1980s, they restricted its global role to politics, such as leading the non-aligned movement and serving as a beacon of democracy in the third world. But it found itself marginalized when its strategy of state-led industrialization and import substitution failed to generate economic growth to match that of other countries.

Alamgir argues that the sense of relative loss was made salient by the success of open-economy policies in China, which had come to be perceived in the minds of Indian leaders as a political and military rival. The rivalry was not natural or inevitable, Alamgir points out, but 'a matter of perception and construction' (p. 13). It makes sense only in context of India's bid for global and regional prominence. When the bid was challenged by a faster growing China, a re-examination of India's economic strategy ensued. Following the example of China, a new generation of Indian leaders came to believe that:

> what was needed for empowerment was not strength in domestic industrialization but strength in international trade and access to global capital … International trade and investment connections, fostered by open-economy policies, would enable India to attain faster and greater visibility in world affairs. (p. 124)

Since globalism enjoyed much support across the political spectrum, the implementation and success of open-economy policies took precedence over domestic concerns. Therefore, Alamgir concludes, despite riots, strikes, and threats of some coalition partners to break-away, successive governments have persisted with the open-economy policies.

Alamgir's work brings a refreshing breath of air into the literature on Indian political economy by emphasizing the role of ideas, a role that is often ignored by other scholars in favour of materialist explanations of political change. He devotes sufficient space to argue that the materialist explanations offered in the literature for India's liberalization do not fully explain why the liberalization was sustained. The coalition of interests alleged to be the driving force behind the liberalization were weak or non-existent, and the balance of payments and the IMF loan conditions were only an excuse to pursue reforms that were already in the wings. He argues that the leaders have endured substantial political risk to persist with the reforms. It is only by considering the reforms as a manifestation of India's continuing globalist aspiration that their tenacity can be explained. Alamgir cites several instances in which the reforms were articulated by leaders as necessary to secure India's rightful place in the world.

The book is lucidly and concisely written. In its focus on ideational factors, it makes a novel contribution to the understanding of India's economic liberalization. It will be of interest to scholars and students of Indian politics and economics, and political change in general. Though the focus of the book is on explaining the continuity of external reforms, the explanation may also apply to domestic reforms. After all, most domestic reforms such as deregulation and privatization can be justified in terms of increase in national economic prowess and thus an enhanced international position. Whether it was the case in India provides a fruitful avenue for future research.

Note

1. Bardhan, Pranab (1998) *The Political Economy of Development in India*, expanded edn. Oxford: Oxford University Press; Jenkins, Rob (1999) *Democratic Politics and Economic Reform in India*. Cambridge: Cambridge University Press.

Kristina Göransson, *The Binding Tie: Chinese Intergenerational Relations in Modern Singapore*. Honolulu, HI: University of Hawaii Press, 2009, 208pp.

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Scholars of modern Singapore have often observed how the vibrant island-state is a land of contradictions, the most visible of which is the fact that while it possesses one of the most open and liberal economies in the world, throughout its entire post-colonial history the political and policy process has been dominated by a single political party in the context of what has come to be known as the 'nanny state'. Using extensive ethnographic field research and rich anthropological concepts, Kristina Göransson pursues this theme of Singaporean an society's inherent contradictions by teasing out the subtle but ever-present influence this one-party political system exercises as it shapes social and cultural mores as they relate to intergenerational relationships among the country's dominant ethnic group, the Chinese.

In this thoughtful volume, Göransson attempts to unpack one of the most pressing conundrums facing middle-class Chinese Singaporeans, which she calls the 'sandwich generation', today – the need to balance and negotiate their traditional responsibilities as children and parents on the one hand, and the challenges of modernity and aspirations to middle-classdom on the other. Göransson's