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# DEVELOPMENT POLICY IN INDIA – BETWEEN THEORY AND PRACTICE

**Summary:** The article refers to the research carried out on emerging donors, i.e. developing, non-DAC countries that provide foreign assistance. India was chosen as an example owing to the fact there are still few papers on Indian development cooperation. The existing publications on that issue focus mainly on physical transfers of resources and technical cooperation from India to African and Asian countries. Other dimensions of Indian influence on global development were scantily described. The aim of the article is to debate issues other than the physical impact of India on global aid architecture. The author intends to present a developing country as an active member of the international community that not only implements economic policies of foreign origin, but also alters them to local conditions and, what matters most, takes part in their creation on a partnership basis. In the article, Indian responses to modernisation polices were described, then the interconnection between the dependency school and the Indian economic practice of the Nehru period were considered. Next, the influence on India of neoliberal counter-revolution in development economics was outlined and finally, the selected characteristics of contemporary Indian economists who have had a significant influence on mainstream development economics were presented.

Keywords: India, development, theory.

## 1. Introduction

Alongside Brazil, China and South Africa, India is classified as an emerging donor and a key player in South-South development cooperation. This phenomenon, perceived as relatively new, is however deeply rooted in history, and has been gaining the wider attention of academia and aid practitioners worldwide. South-south development cooperation is being presented as a new quality of development assistance, in contrast to Western donors who are associated with neo-colonial dependency, unequal partnership, conditionality and the hypocritical pursuit of economic and political interest under a charitable disguise. Sharing a common colonial past, India and other emerging donors, all of them being developing economies, present themselves as equal partners for recipients of their assistance, pursuing no interference policies based on mutual respect and sovereignty, and seem to create a new model of winwin development cooperation. Academia and public opinion is focused mainly on Chinese activities in Africa, perceived by some as dangerous and undermining sound Western polices while others praise these as prompt and tailored for the needs of developing countries.<sup>1</sup>

In the shadow of China there remain activities undertaken by the Indian state and enterprises in Africa and other developing parts of the world. Only few papers are available on Indian development assistance, and the existing ones examine briefly India's motives for foreign assistance, its modalities and institutions, estimated quantities and geographical distribution.<sup>2</sup> Some of them take into consideration the past experiences of India in delivering assistance to partner countries and some mention the current approach of the Indian government towards western aid. dedicated to India itself. Thus, only one dimension of development cooperation is being examined, i.e. India's physical contribution to global aid architecture. The architecture is understood here as the set of rules and institutions governing aid flows to developing countries, and includes both South-South and North-South as well as multilateral relations. The existing analyses of Indian assistance lacks theoretical background and motives rooted in theory of economic development.<sup>3</sup> Moreover, other than the physical impact of India on global aid, architecture is omitted. The thoretical input to development economics, with a contribution to the discussion about the meaning of development or globalisation, is just one example.

In the opinion of the author, a broader, multidimensional examination is required to capture the nuances and merit of Indian aid activities in the framework of South-South development cooperation and to understand the Indian position and its influence on development aid architecture in general. There are at least four dimensions that ought to be discussed to set Indian aid activities into the deeper context of global development. Beginning with theory, there are foreign influences on India's domestic development policies and consequently foreign assistance polices, there are also Indian influences on development economics theory. Moving now to

<sup>3</sup> There are many publications introducing theoretical concepts of North-South development cooperation, based on development economics theory, sociology, geography, anthropology. It is enough to mention R. Peet, E. Hartwick, *Theories of Development*, The Guilford Press, 2009 or J. Rapley, *Understanding Development*, Lynne Rienner Publishers, 2007. Moreover, each handbook to economic development contains a theoretical chapter, e.g. Chapter 3 and 4. in M. Todaro, S.C. Smith, *Economic Development*, Pearson, 2011.

<sup>&</sup>lt;sup>1</sup> A number of books and articles have been published on the subjects, just to mention a few: R.I. Rotberg, *China into Africa: Trade, Aid, and Influence*, Brookings Institution Press, 2008; D. Brautigam, *The Dragon's Gift: The Real Story of China in Africa*, Oxford University Press, 2009; Ch. Alden, *China in Africa: Partner, Competitor or Hegemon?*, Zed Books, 2007; S. Michel, M. Beuret, P. Woods, *China Safari: On the Trail of Beijing's Expansion in Africa*, Nartion Books, 2010.

<sup>&</sup>lt;sup>2</sup> The most leading publications are: D. Chanana, India as an emerging donor, *Economic & Political Weekly* 2009, Vol. XLIV, No. 12; S. Agrawal, *Emerging Donors in International Development Assistance: India Case*, India Focus, New Delhi 2007; P. Kragelund, *India's African Engagement*, 2010, http://www.realinstitutoelcano.org/wps/portal/rielcano\_eng/Content; G. Price, *India's Aid Dynamics: From Recipient to Donor?*, Asia Programme Working Paper, Chatham House, 2004; *The rise of China and India in Africa*, F. Cheru, C. Obi (Eds.), Zed Books, 2010; *India in Africa: Changing Geographies of Power*, E. Mawdsley, G. McCann (Eds.), Pambazuka Press, 2011.

practice, it should be noted that India as a developing country and an emerging donor has been both the object and subject of global aid architecture. Consequently, inward and outward aid activities and initiatives ought to be taken into consideration when defining India's place in global aid architecture.

The aim of the paper is to present briefly the first two dimensions mentioned, illustrated by the example of India, and to propose a wider, multidimensional perspective when examining the phenomena of emerging donor development activities. Moreover, the aim of the paper is to focus wider attention of the academiic community to the issue of India's contribution to the process of the shaping of global aid architecture in general and its theoretical background, i.e. development economics in particular.

### 2. Western theory of economic development and Indian responses

The aid and the attitude of the West towards developing countries has been supported and justified, from its early beginnings, by the theory of development economics, a Keynesian based answer to the specific needs of underdeveloped regions. India, winning its independence in 1947 as one of the first so-called "third world" countries, taking into consideration its poor economic and social indicators, became straightaway an object of that newly emerged branch of economics. Unlike other developing, post-colonial countries, India was not only a passive receiver of Western economic ideas but Indian economists contributed to the theory significantly and were able to select and apply at home those parts of Western theory that reflected the Indian condition and addressed their country's specific needs. Later on some names of Indian economists became a "brand" influencing significantly mainstream development economics. Selected examples are presented further in the paper.

It is little known that long before the landmark paper of Paul Narcyz Rodstein-Rodan, *Problems of Industrialisation of Eastern and South-Eastern Europe* (1943), which is often perceived as the inception of development economics, the problems of the development of economically backward areas were identified and discussed by Indian scholars. At the beginning of the twentieth century, Indian writers were fully aware of the schools of thought that existed in the West. The debate on the political economy of India was carried out using Malthus, Mill, Smith, Ricardo and the German Historical School reasoning, although altered to local conditions. Mahadev Govind Rande in 1920 gave the characteristics of socioeconomic conditions that differentiate India from the West and thus questioned the universal applicability of standard Western economic theory. The idea that classical Western economics do not fit a developing economy did not develop in the West before the 1940s and 50s. Mukherjee in the 1920s proposed rural based development as an alternative to industrialisation, an idea proclaimed later by Ghandi, and in 1938 V.K.V.V Rao was the first to apply the concept of disguised unemployment to the context of development.<sup>4</sup> It should be noted that in the first half of the twentieth century Indian economists dealt with the issues of balanced growth, surplus labour, widespread poverty, human resource and institutions' development, the role of trade, balance of payments and state policy on a nation's development. Many of these themes became later central to the structuralist approach of the 1960s and 70s in development economics.

The first paradigm of Western development economics, i.e. modernisation (1950s and 60s) encouraged major infrastructural investments and industrialisation undertaken by the state, in order to remove the lack of physical capital and thus enable the economy to enter the path of rapid GDP growth, the so-called take-off stage. That early view was supported by the pioneers in development economics, such as P.N. Rodstein-Rodan, R. Nurske, G. Myrdal, A. Hirschman, A. Lewis, W.W. Rostow, and their focus on physical capital accumulation influenced Indian industrial policies after independence.<sup>5</sup> Both Nurske and Lewis made a great impact on Indian economic thought. The debate on hidden unemployment and surplus labour that were a central idea in the works of both, was significantly contributed to by Indian economists. A major contribution made by Vakil and Brahmananda was revived by Nurske in his 1957 paper: *Reflections on India's Development Plan*. The other contributors included K.N. Raj and A. Sen.<sup>6</sup>

Alongside the intellectual fashion of that time, the post-independence Indian government chose an economic policy of modernisation, inspired also by the industrial progress of the Soviet Union and the vision of the leader Jawaharlal Nehru – sharing with development economics the belief in the role of the state and implementing self-reliance and inward looking polices recommended later by the dependency school. The implementation came from P.C. Mahalanobis, the statistician, who became the chief architect of Indian planning. He chaired the Indian Statistical Institute, which, next to the Indian Planning Commission, was a home to Indian economists educated at Western universities, mostly Oxford, LSE and Cambridge, where they embraced leftist ideas on the economy.<sup>7</sup> However, it was not a surprise that policies originated in these organisation were consistent with the mainstream academic development

<sup>&</sup>lt;sup>4</sup> J. Krishnamurty, S. Kale, India and development economics: external influences and internal responses, [in:] R. Kattel et al. (Eds.), *RagnarNurkse (1907–2007): Classical Development Economics and its Relevance for Today*, Anthem Press, New York/London 2009, pp. 301–318.

<sup>&</sup>lt;sup>5</sup> G. Myrdal and P.N. Rodstein-Rodan were among western advisors who personally visited India and gave support to planning effort undertaken by the Indian government. The other advisors were J.K. Galbraith, N. Kaldor, J. Robinson, T. Koopmans, O. Lange, J. Tinbergen and R. Frisch. See L.H. White, *Indian Planning and Development Economics*, Working Paper No. 10–53, Mercatus Center at George Mason University, 2010, p. 327.

<sup>&</sup>lt;sup>6</sup> J. Krishnamurty, S. Kale, op. cit., pp. 320-321.

<sup>&</sup>lt;sup>7</sup> Among them were PranhabBardhan (PhD from Cambridge), MrinalDatta-Chaudhuri (PhD from MIT), B.S. Minhas (PhD from Stanford), Kirit Parikh (MA from MIT), Ashok Rudra (PhD from LSE), and Suresh D. Tendulkar (PhD from Harvard) and T.N. Srinivasan (PhD from Yale University). L.H. White, *op. cit.*, p. 325.

economics of that time, i.e. government planning and extensive intervention of a state as a means to overcome underdevelopment. In post-independence India, heavy industries were reserved exclusively for governmental investments, key branches of industries were nationalised including transportation, mining, insurance and later the banking sector. Economy planning was introduced based on five-year planning, inspired by the Soviet model, although a mixed economic system remained.<sup>8</sup> The government consequently pursued industrialisation polices even when the results were far from satisfying, the average rate of GDP growth did not extend beyond 3.5%, the so-called "Hindu rate of growth", black market bloomed and malpractices in terms of entrepreneurship licensing were on a daily basis.

# 3. Indian development polices and Latin American Dependency Theory

As Meghnad Desai noticed, the policy of the Indian state in the post-independence period was very similar to the dependencia theory that prevailed in South America.<sup>9</sup> The dependency school was an offspring of Latin American structuralism with elements of Marxist economics, and laid the theoretical background for Indian internal economic policy and later on influenced significantly foreign economic activities. The school whose leading thinkers were T. dos Santo, G. Frank, S. Amin, P. Baran drew a structural division of a national economy of a developing country where the modern and traditional sector were distinguished and projected it on the global economy. The main obstacle to the development of the third world – periphery countries was its dependence on the dominant – core countries in the international system. The centre-periphery dependency created and reinforced an unequal distribution of wealth globally, thus underdevelopment was a consequence of asymmetrical power relations. The flow of capital and commodities as well as their prices in the global economy, made dependent countries unable to challenge the centre. Even when countries specialise in comparative advantages, as recommended by mainstream economic theory, primary commodities in the case of developing economies and industrial goods for developed ones, due to declining terms of trade, following the Singer-Prebisch thesis, would result in external payments deficits, structural unemployment and the persistent underdevelopment of the periphery. Dependency theorists believed that protectionist policies or even de-linking from the international system is required to industrialise developing countries. Import substitution industrialisation, tariff protection of home industries and other inward oriented measures were required to break the unequal power relationship.<sup>10</sup>

<sup>&</sup>lt;sup>8</sup> *Ibidem*, p. 321.

<sup>&</sup>lt;sup>9</sup> M. Desai, Interview conducted on 12.07.2000, p. 9, http://www.pbs.org/wgbh/ commandinghei-ghts/shared/pdf/int\_meghnaddesai.pdf (accessed: 15.04.2012).

<sup>&</sup>lt;sup>10</sup> T. Akiyama, S. Akiyama, *International Development Assistance: Where Is Today and How It Got There*, FASID Research Paper, p. 24, http://www.fasid.or.jp/daigakuin/fa\_gr/kyojyu/pdf/educa-tional/2001-001.pdf (accessed: 15.04.2012).

Despite many similarities of India's development polices and dependency school, it is hardly possible that it influenced Indian economic policies after independence. The dependency theory came later than India's independence, i.e. in the 1960s and 70s. Nehru's socialism seems to be an outcome of indigenous Indian economic thought inspired by Western modernisation theory and the Soviet Union's example – though the similar economic programmes of Latin America, India and later on other developing countries in Asia and Africa, based on import substitution industrialisation, self-reliance and respect of sovereignty created a base for international cooperation between the countries of the Global South, the so-called South-South development cooperation.

# 4. Neoclassical counter revolution in development – the influence on India

At the beginning of the 1980s, after the oil shocks and the debt crisis in the developing world, there was a fundamental change of paradigm in development economics. The inward looking polices of modernisation, such as governmental planning, import substitution industrialisation and trade barriers, turned out to be ineffective in the new economic reality. A neoclassical resurgence meant a change towards market friendly policies. The new paradigm, pursued by international financial institutions, especially the World Bank and the IMF, as well as development economists S. Lall, P. Bauer, I.M.D. Little, A. Krueger, B. Balassa and others, was in complete contradiction to the previous modernisation theories. Little trust was put on the state, which was viewed as ineffective, counterproductive and corrupted and thus unable to implement efficient development policies. In order to restore budget balance and remedy their external payments deficit, developing countries implemented a basket of economic policies, under the Structural Adjustment Programmes, developed by Washington based institutions in a one-suits-all manner.

India, with its socialist economy, lagged in the region where newly industrialised countries leapfrogged it in terms of GDP *per capita*, relying on export-oriented policies. For instance, in 1960 India and Korea were at the same level of income. Within the next 40 years, Korea became 25 times richer than India not by avoiding a state role in the economy, but by an export-oriented model of industrialisation, similarly to Taiwan and Singapore.<sup>11</sup> Even China in the late 1970s gradually released central planning in favour of market mechanisms.

In comparison to its neighbours, the Indian economy stagnated. Despite a rate of growth of about 1% *per capita* annually, widespread corruption and bureaucracy and licensing malfunctions, Nehru socialism was alive till the end of the 1980s. Finally, at the beginning of the 1990s, as a consequence of the structural balance-

<sup>&</sup>lt;sup>11</sup> M. Desai, op. cit., p. 8.

of-payments crisis, the Indian government was forced to reform. The shortage of foreign exchange resulted in the tightening of import restrictions, which in turn led to a fall in industrial output. The process of adjustment of the Indian economy to the new outward oriented development strategy was started by the then Finance Minister, Manmohan Singh in 1991. There were two broad objectives of reforms. The first was to ensure macro-economic stabilisation by reducing the fiscal deficit, the other was to deregulate the highly controlled and centrally planned economy, opening it to foreign trade and financial flows as well as the liberalisation of foreign investment policies.<sup>12</sup> In comparison with the previous Hindu rate of growth, the impact of neo-liberal policies has been positive and significant. The growth rate of the economy in the decade after the reforms was close to 6.5% *per annum*.

# 5. Indian economists contribution into development economics theory

The government of India in adapting liberalisation policies followed the neoliberal doctrine of economic development of that time although, as in the case of modernisation, the country was not only a passive object of international development, but also Indian economists influenced significantly the mainstream theory. When considering the Indian contribution to the global aid system, such an analysis should definitely cover the theoretical impact of Indian scholars on development economics, theories of economic growth and proposals of development paths for countries. In the paper, a few selected characteristics of contemporary, highly influential and worldwide respected Indian economists working on development at Western universities and international organisations were presented.

Among them, Professor Jagdish Bhagwati is internationally renowned. The professor is described as the most creative international trade theorist of his generation and is a leader in the fight for freer trade. Being a neo-liberal economist, Bhagwanti contributed significantly to the global discussion on globalisation, free trade and development issues. His best-known book, *In Defense of Globalization* (Oxford, 2004), is a manifesto in favour of the free market economy. Dismantling the antiglobalisation case, he argues that development in its social and economic dimension is being supported by the process of globalisation. Nowadays Jagdish Bhagwati is a university professor at Columbia University and a senior fellow in International Economics at the Council on Foreign Relations. He has been Economic Policy Adviser to GATT, Special Adviser to the UN on Globalization, and External Adviser to the WTO. He has served on the Expert Group appointed by the Director General of the WTO on the Future of the WTO and the Advisory

<sup>&</sup>lt;sup>12</sup> M.S. Ahluwalia, *India's Economic Reforms*, Seminar on India's Economic Reforms at Merton College, Oxford, June 1993, revised March 1994, p. 2, http://www.planningcommission.gov.in/hindi/aboutus/speech/spemsa/msa012.pdf (accessed: 15.04.2012).

Committee to Secretary General Kofi Annan on the NEPAD process in Africa, and was also a member of the Eminent Persons Group on the future of UNCTAD.<sup>13</sup> His works focused on the world trading system, foreign aid, pro-market reforms and growth issues of developing countries contributed to mainstream economics theory, especially international economic relations of developing economies.

Another leading Indian economist is Amartva Sen, who was awarded the Nobel Prize for economics in 1998. His approach focuses on the human goals of economic development concept. The significant impact of Sen's thought on both theory and practice of development remains undisputed. Sen graduated in Economics at the University of Calcutta in 1953 than moved to Trinity College, Cambridge, earning a BA in 1956. Subsequently he enrolled there for a PhD in Economics. Aborting his PhD he returned to India, where he was appointed as Professor and the Founder-Head of the Department of Economics at Jadaypur University, Calcutta. After two years of teaching in Jadaypur. Sen returned to Cambridge to complete his PhD He taught economics at the University of Calcutta and at the Delhi School of Economics, where he was a professor from 1961 to 1972. In 1972 he joined the London School of Economics, from 1977 to 1986 he taught at the University of Oxford. In 1986 Sen joined Harvard. In 1998 he was appointed Master of Trinity College, Cambridge, and in 2004 he returned to Harvard.<sup>14</sup> In 2010, Time magazine listed him in their "100 most influential persons in the world".<sup>15</sup>Amartva Sen's contribution to the economics theory refers to public choice theory, poverty and famine studies (his book Poverty and Famines, Oxford 1981, is of key importance for development economics) and the introduction of a new index measuring human development. Sen gave also a new meaning to the term "development" and thus the perception of the process of economic development was centred on human goals, not commodities. Professor Sen equals development to the expansion of people's capabilities and consequently the real freedoms that people enjoy. "Development has to be more concentred with enhancing the lives we lead and the freedoms we enjoy". Herein freedom involves both "the process that allows the freedom of action and decisions, and the actual opportunities that people have, given their personal and social circumstances".<sup>16</sup> Development as seen by Professor Sen expands the range of choice open to individuals and to societies at large and the ultimate goal of the process of development is to enable people to live the kind of life they value. Not only the new meaning of development was contributed by Professor Sen but also a new way of measuring it. Alongside with UNDP economists, especially Pakistani

<sup>&</sup>lt;sup>13</sup> J.N. Bhagwati, *Biographical Information*, Economics Department of the Columbia University, 2010, http://www.columbia.edu/~jb38/bio.html (accessed: 15.04.2012).

<sup>&</sup>lt;sup>14</sup> A. Sen, *Amartya Sen – Autobiography*, The Nobel Foundation, 1998, http://www.nobelprize. org/ nobel\_prizes/economics/laureates/1998/sen-autobio.html (accessed: 18.03.2012).

<sup>&</sup>lt;sup>15</sup> The 2010 TIME 100, *Time*, http://www.time.com/time/specials/packages/completelist/0,29569, 1984685, 00.html (accessed: 18.03.2012).

<sup>&</sup>lt;sup>16</sup> A. Sen, *Development as Freedom*, Alfred A. Knopf, New York 2001, pp. 14–17.

scholar Mahbub Al-Haq, a Human Development Index was worked out to measure the level of development not only in terms of *per capita* income but acknowledging its human face.

One of Professor Haq's co-workers was Meghnad Desai, one of the leading thinkers on development economics, who along with Amartya Sen highlights the Indian contribution in the creation of HDI. Desai graduated from the University of Mumbai, after that he completed his PhD at the University of Pennsylvania in 1963 and became a lecturer at the London School of Economics.<sup>17</sup> His works refer to the fields of Marxian Economic Theory, Applied Econometrics and globalisation. In 1981 he wrote *Testing Monetarism*, a critique of monetarism.

Another influential figure is T.N. Srinivasan, a Professor of Economics and former Chair of the Department of Economics at Yale University, where he has taught since 1980. He was a special adviser to the Development Research Center at the World Bank from 1977 to 1980, and has taught at numerous academic institutions over the past four decades, including MIT, Stanford University, and the Indian Statistical Institute.<sup>18</sup> His research contribution covers the theory of lobbying and rent-seeking, non-market contractual arrangements, multilateral trading system and developing countries' economies.

The last in this selection of Indian scholars is Sanjaya Lall, Professor of Economics at Oxford University, who was one of the development economists with a worldwide reputation. Lall's expertise was in relating the areas of technology, investment and competitiveness, with particular focus on the behaviour of multinationals. He acknowledged the importance of developing countries acquiring technological capability so that they could compete at home, with foreign firms, and abroad, on foreign markets. Favouring a sensible state interventionist approach, he urged openness and steered a middle ground between neo-liberal dogma and autarchic inefficiencies.<sup>19</sup> Lall was also one of the founding editors of the Oxford Development Studies journal and a senior economist at the World Bank (1965–68 and 1985–87).

The list presented here does not include all the influential, contemporary Indian writers and economists who are contributing significantly to the development theory and thus are shaping modern aid architecture. In comparison to many other developing countries, the interrelation between global development polices and India is a two-way street.

<sup>&</sup>lt;sup>17</sup> LSE, *Professor Lord Desai*, http://www.lse.ac.uk/collections/globalDimensions/research/desai. htm, (accessed: 29.03.2012).

<sup>&</sup>lt;sup>18</sup> T.N. Srinivasan, *Biography*, The Peterson Institute for International Economics, http://www.iie. com/ staff/author\_bio.cfm?author\_id=82 (accessed: 15.04.2012).

<sup>&</sup>lt;sup>19</sup> Obituary: Sanjaya Lall, *The Guardian*, 7 July 2005, http://www.guardian.co.uk/news/2005/jul/07/guardianobituaries (accessed: 15.04.2012).

# 6. Conclusions

The subsequent paradigms of development economics were reflected in economic policies adopted in India. In the late 1950s and early 60s the ethos was interventionist and adequate industrial policies were recommended by Western mainstream economists. The vital role of the state in development, industrialisation based on heavy industries, public investments in infrastructure were viewed as a solution to underdevelopment. These theoretical constructions of development economics from the West were implemented into practice of the Indian economy after the country's independence. This may seem to be an example of how foreign-born ideas, under the disguise of development discourse, were put into practice and shaped the reality of millions of people in the developing world. However, it is not a complete picture. Since Western thought undoubtedly significantly influenced Indian economic policies as the example of the Soviet Union did, it seems that Nehru's socialism was even more influenced by the indigenous economic thought. Indian economists, both those educated at Western universities or in India, were fully aware that classical economic theories from the West may not be working properly in the different socioeconomic conditions of a developing country. The unique feature of India's case was a history of economic thought that has been developing since the late 19th century. The issues central to development economics as it emerged in the late 1940s were debated in India at least two decades earlier, on the basis of available Western economic theories altered to the Indian context. A characteristic in the 1950s and 60s for a newly independent, decolonised country, motion towards self-sufficiency, import substitution industrialisation, tariff protection of home industries, simultaneously developed in Latin America countries, was a result of the pre-independence debate among Indian scholars on the subject of the economic model.

The neo-classical resurgence that changed the development economics paradigm at the beginning of the 1980s had its impact on India as well. Although unlike other low income developing countries, India opened and liberalised its internal market relatively late, i.e. in 1991 the adaptation of Washington based Financial Institutions policies was initiated internally, under the pressure of severe economic condition, not forced externally like for instance in Indonesia. It should be also noticed that India was not a passive receiver of liberalisation polices but actively contributed to their creation. Indian economists like Sanjaya Lall, who was working for the World Bank or Jagdish Bhagwati, an internationally renowned free trade supporter, advocated strongly new economic policies. At the same time, Amartya Sen and Meghanad Desai were working in the UNDP to create new methods of development measurement, which are being nowadays broadly used for international comparisons.

To conclude, India has been active in shaping development discourse in economics since the very beginning. Policies recommended globally in the framework of world aid architecture met Indian responses, were altered to local conditions and in some cases were co-developed by Indian nationals. Thus, when discussing the Indian contribution to the contemporary global aid architecture, not only physical transfers of resources, in the context of South-South cooperation should be taken into consideration, but also the theoretical impact on the ideas that lay behind these transfers.

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## POLITYKA ROZWOJU INDII – POMIĘDZY TEORIĄ A PRAKTYKĄ

Streszczenie: Artykuł wpisuje się w badania nad wschodzacymi donatorami, krajami południa, niebedacymi członkami DAC. Jako przykład takiego kraju wybrane zostały Indie, których działania pomocowe pozostaja opisane naukowo w niewielkim stopniu. Istniejące publikacje poświęcone udziałowi Indii w tworzeniu światowego systemu pomocy rozwojowej skupiają się na mających miejsce po reformach w tym kraju transferach o charakterze pomocowym na rzecz krajów Afryki i Azji. W niewielkim stopniu opisane zostały pozostałe wymiary indyjskiego zaangażowanie. Celem niniejszego artykułu jest omówienie pozamaterialnego wkładu Indii w globalny system pomocy rozwojowej. Jednocześnie autor pragnie pokazać kraj rozwijający się jako aktywnego gracza w obszarze tworzenia koncepcji pomocowych, który nie tylko wdraża narzucone z zewnątrz polityki gospodarcze, ale modyfikuje je do własnych lokalnych potrzeb, a także uczestniczy na zasadach partnerstwa w ich tworzeniu. W pracy omówiono najpierw modernizacyjne teorie rozwoju wraz z ich wpływem na polityke gospodarcza Indii, następnie omówiono związki pomiędzy teoriami dependystycznymi a polityką gospodarcza Indii z czasów Nehru, w dalszej kolejności przedstawiono wpływ rewolucji neoliberalnej na polityke reform w latach 90. Na końcu dokonano charakterystyki wkładu wybranych, współczesnych, hinduskich ekonomistów na główny nurt ekonomii rozwoju.

Słowa kluczowe: Indie, rozwój, teoria.