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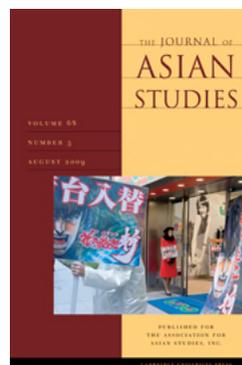
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***Federalism, Nationalism and Development: India and the Punjab Economy.* By Pritam Singh. New York: Routledge, 2008. xviii, 223 pp. \ \$170.00 (cloth).**

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invested decades of propaganda in further poisoning the atmosphere against Muslims. Shani points out that the use of violence is especially effective when politicians succeed in manipulating the state, especially the police, into participating. She could further invoke the other side of the coin: When politicians believe that violence will harm them at the polls, they crack down immediately, as the Congress did when violence flared once again in 1986, and the BJP did so later in 2002, when a Muslim attack on the important Akshardham Hindu temple near Ahmedabad had the potential to reignite another pogrom.

Shani's general interpretation of social breakdown is consistent with and draws upon the many detailed reports and analyses from the field of sociologist Ghanshyam Shah, issued periodically throughout this time frame, and the interpretations of Achyut Yagnik, a very perceptive organizer and political commentator in Ahmedabad. (See, e.g., Ashish Nandy, Shikha Trivedy, Shail Mayaram, and Achyut Yagnik. *Creating a Nationality: The Ramjanmabhumi Movement and Fear of the Self* [Oxford: Oxford University Press, 1995]). Her stress on political instigators as "engineers" of violence of various kinds is consistent with other analyses from many parts of India, notably those of Paul Brass, most recently in *The Production of Hindu-Muslim Violence in Contemporary India* (Seattle: University of Washington Press, 2005).

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Federalism, Nationalism and Development: India and the Punjab Economy. By PRITAM SINGH. New York: Routledge, 2008. xviii, 223 pp. \$170.00 (cloth).

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Pritam Singh's *Federalism, Nationalism and Development* is an informative study of Punjab's economic growth in the context of India's federal structure. Given the unique nature of Indian federalism and the unique status of Punjab within India, this is an ideal subject for a detailed case study.

Singh examines the ways in which the structure of India's center-state relations has shaped the economic development of Punjab, a wealthy agrarian state in northern India with a majority Sikh population. His general argument is the following: The Indian constitution has endowed the central government with significant power to exert economic control over individual states. This has had interesting implications for Punjab. First, independent India's goal of self-sufficiency in food, combined with Punjab's early advantages in agriculture, led the center to invest heavily in Punjab's agricultural research and development and infrastructure. Second, as a result of Punjab's high per capita income and the

center's distaste for income inequality across states, Punjab was denied access to the funds and licensing necessary for industrial development.

The book's contribution lies in its methodology as well as its choice of subject. Singh uses what he describes as the "reconfigured centralization-decentralization" approach as a method of analysis. First, he presents a history of Punjab and of Sikhism, followed by a detailed description of India's federal structure. He then looks separately at the relationship between Punjab and the central government in the areas of finance, agriculture, and industry. The balance (or imbalance) of power in each of these relationships is analyzed from several perspectives (e.g., constitutional versus extraconstitutional, redistribution versus compensation, state expenditure requirements versus sources of revenue).

To an economist, chapters 2 and 3, which cover the history of Punjab and Indian federalism, are particularly illuminating. Singh adeptly casts familiar history in a new light to stress the links between the politics of the past and the economics of today. He shows how the formation of Sikh identity in opposition to Hinduism and Islam can be connected to Sikh military participation on behalf of the British colonial powers, and how this can be connected to early agricultural infrastructure in Punjab (through "canal colonies" built for retiring soldiers).

The remaining chapters focus more directly on the economy. While Singh elucidates stylized facts and trends in the data, he is unable to convincingly isolate the impact of the central government's actions on the overall health of the Punjab economy. The following are established very convincingly in the text. First, the constitution of India accords quite a bit of power to the center, and over the years, the center has been able to consolidate this power further. Second, the center has used its power to redistribute wealth and direct production. Singh provides evidence that Punjab gets very little financing from the center as a fraction of its total income (compared to other states), and that the center has restricted industrial growth in Punjab. This can be seen in the fact that not only does industry contribute little to Punjab's income, but most industry is small scale in nature. During 1968 to 1975, only 1 percent of the center's public sector investment went to Punjab (though the state houses 2.39 percent of India's population).

This leaves open the question of what we are to do with these facts. Singh's contention is that, overall, the center has done a disservice to the Punjab economy by deterring diversification and redistributing wealth. Let me first focus on the issue of diversification. While it is certainly plausible that industrial growth is essential to Punjab's development, Singh's arguments are not persuasive. Consider the following claim: "Although the Green Revolution did push up Punjab's relative per capita income status, the agrarian-oriented development path in Punjab based on it is handicapped in sustaining long-term growth" (p. 120). To support this, he describes how Punjab's state domestic product has grown slower than those of other states in recent years. Yet this is hardly evidence in favor of diversification. It could as easily be evidence for the convergence in incomes that is predicted by numerous models of economic growth.

There is also a question about the applicability of Singh's arguments to post-liberalization India. After the 1991 balance of payments crisis, India abolished its notorious industrial licensing policy and allowed firms and states to borrow directly from abroad (see Arvind Panagariya, *India: The Emerging Giant* [New York: Oxford University Press, 2008], 103–4, 200–201). This has significantly reduced the Punjab government's reliance on the center's beneficence for its industrial development and, likewise, enhanced its responsibility for the fate of the Punjab economy.

If diversification is vital to the long-run well-being of Punjab, then it is also vital to the future well-being of the Indian economy (for many reasons, including the fact that there will be more to redistribute). If the center ignores this, is it because it is making mistakes, or that agents operating at the center do not have the correct incentives? This question could be answered a little better if Singh were to open the black box of the "center." We are left uncertain about whether the center is to be interpreted as a monolith with fixed objectives, or competing political parties, or a set of individuals playing according to a set of rules.

Finally, to better assess the government's redistributive policy, it would help to see how it has benefited the poorer states. Singh's arguments would be stronger if he could show that the rate of return to investments would be higher in Punjab than, say, Uttar Pradesh.

Nevertheless, Pritam Singh's book is an important work. His analysis addresses some difficult questions about the conflicting objectives of the center and the states. If this also raises more questions, that is only a good thing.

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Śāstrārambha: Inquiries into the Preamble in Sanskrit. Edited by
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This volume, based on a panel convened at the Thirteenth World Sanskrit Conference, held in Edinburgh in 2006, comprises ten papers treating the question of how Sanskrit texts begin and how, through their beginnings, they structure and situate themselves within the wider domain of Sanskrit discursive practices. The papers are a remarkably diverse collection in the subjects they treat and the methodological approaches they adopt. (The title of the book misleadingly implies that it is concerned only with the beginnings of *śāstras*—technical and philosophical texts; several papers deal instead with the openings of poetic texts.) On the whole, this tremendous diversity is an asset rather than a drawback.