

Pranab K. Bardhan: an autobiography of professional life

I grew up in the mean streets of Calcutta, spending much of my boyhood and youth in a cramped rented house on a narrow bye-lane of North Calcutta, with no running water or flush toilet, and all the rooms packed with refugee relatives from East Bengal, recently displaced by the violent Partition of India. My father, as an educator, was not very poor by Indian standards, but he had to support most of those relatives; he had no savings as whatever was left of his income he spent on good food and books. Very early in my childhood he instilled in me an appetite for both, and the habit of rational, irreverent thinking and a deep sense of irony.

A large part of my childhood years was also spent at my maternal uncle's house in Santiniketan, a small town 100 miles north of Calcutta. This town was famous in India for having the residential educational institution established by Rabindranath Tagore. I did not go to primary school either there or in Calcutta, as my father chose to teach me himself. But Santiniketan's wide open fields and ravines gave me a great deal of freedom to wander about, exploring nature, playing, plucking fruits and catching fish with children from extremely poor families from the neighbouring village, who also did not go to school.

Even though my family was not exactly poor, I became exposed to extreme poverty all around, in some of my destitute relatives, in the children with whom I played either in the narrow bye-lane in Calcutta (some of their mothers were prostitutes in a nearby street) or those from the village adjacent to Santiniketan (most of their parents worked as rickshaw-pullers or maids). I suppose this early exposure provided the background of my lifelong attempts to understand the economics, the sociology and the culture of poverty. I also saw from close quarters how degrading poverty can be, and how valiant the fight against it often is.

My neighbourhood in Calcutta also had one of the best high schools, the premier college of the whole city, and one of the largest book districts anywhere, and I made good use of all of them. Life in college and in the nearby coffee house widely opened my horizons, as I was swept by the intellectual currents and cross-currents that contained in them, for all their pretensions, an implicit but exhilarating invitation to be part of a global village of thinking people. At the same time I shared with some friends the passion to read, write and participate in the rich and vibrant tradition of Bengali literature. In the early days of college I was, however, most attracted to the discipline of history, and to the Marxist way of finding coherent patterns in a jumble of events, although I was repelled by what I read about the brutalities of Stalinist Russia and the dogmatism I saw in the Marxists around me. I gravitated to economics as I wanted to understand better the economic interpretation of history.

Economics gave me a deeper understanding of the incentive mechanisms that provide the micro-foundations of stable social institutions. I was simultaneously put off by the various failures of (and the injustices flowing from) the market mechanism and fascinated by its superb ability to coordinate resource allocation and to discipline inefficiencies. The search for social organizing principles that can combine the coordinating and disciplining functions of the market with the objectives of social justice and political accountability pervades through much of my work in economics--from my dabbling in models of 'market socialism' (in a world where central authorities are limited by a severe lack of local or private information) to my more recent work on decentralized governance at the local level. Around 1980 I joined an informal international group of democratic, egalitarian scholars (philosophers, economists, sociologists and historians) who have continued to study 'analytical Marxism', convinced that Marx asked important questions (even though his answers were often wrong) but one needs analytical methods to properly study them.

Economics showed me the value of precision in social thinking even though I was not happy with its limitations of much-too-narrow specialization (and the impatient tendency to dismiss imprecise but important ideas). During my days of working on a Ph.D. dissertation (at Cambridge University in UK)

and then moving to Cambridge, Massachusetts, teaching and researching at MIT, I was devoted more to the cause of precision, working largely on mathematical models of economic growth and international trade. While in this period I published a large number of technical articles in all the top journals of economics, a dissatisfaction was gnawing at me that all this had very little to do with an analysis of the realities of poverty.

I left MIT after less than three years of teaching, as I wanted to go back to India. I accepted a position at Delhi, first at the Indian Statistical Institute and then at Delhi School of Economics. This gave me the opportunity to immerse myself in Indian statistical data. Research with detailed survey data soon made me aware that the standard large-scale surveys often do not ask questions about important aspects of institutional arrangements (particularly pertaining to agrarian relations involving land, labour and credit). This started me on a new venture, in collaboration with Ashok Rudra, to collect and analyze village field data on agrarian relations, that are intensive enough to give insights about production relations at the micro economic-anthropological level and yet in a large enough sample to generate statistically representative estimates for whole regions.

In forging the methods for such surveys I also started pondering about the strengths and weaknesses of the different methodological approaches of economists and social anthropologists, which was the origin of two interdisciplinary conferences I helped organize (and edit the subsequent volumes) on *Conversations between Economists and Anthropologists* (1989, 2007).

The statistical analysis of the agrarian relations also gave me ideas about building theoretical models to understand the microeconomic basis of many (persistent) institutions of poor agrarian economies. I started doing this at a time when development economics was preoccupied with macro issues like the structural transformation of the whole economy or problems of its aggregate interaction with more developed economies. After I moved to a professorship at Berkeley, on the basis of my accumulated theoretical and empirical work on rural institutions I wrote a book, *Land, Labour, and Rural Poverty* (1984) and edited a volume on *The Economic Theory of*

Agrarian Institutions (1989); several years later I was pleased to observe the definitive turn of economics in general to seriously tackle institutional issues. From Berkeley I served as the chief editor of the *Journal of Development Economics* (the premier journal for development economists) for 18 years and tried to help the journal reflect some of the major changes that were taking shape in the discipline.

One macro political issue that interested me right from the beginning of my research career is the inability of a heterogeneous and unequal society like India to easily resolve collective action problems. The invitation to give a set of endowed memorial lectures at All Souls College, Oxford gave me the opportunity to speculate on India's long-standing economic problem of public under-investment in long-term projects of building physical infrastructure, explaining it in terms of a collective action problem, and also to speculate, even more wildly, that the same social heterogeneity which may be behind India's investment problem is also what made democracy survive in India, against considerable odds, as a device for transactional negotiations among disparate non-trusting groups. These lectures came out in a short book titled *The Political Economy of Development in India* (1984), which attracted some attention from political scientists, but very little among my economist colleagues.

I then applied the same idea of difficulty of collective action flowing from social heterogeneity to the sphere of community management of local environmental resources (like forests, fisheries, irrigation water) on which the livelihoods of rural people crucially depend. I worked on theoretical implications of economic inequality on collective action and empirically tested hypotheses on the impact of inequality in land distribution on farmers' cooperation on matters like water allocation.

Over the years as I became more convinced of the 'failures' of the centralized state, I also explored the factors that contribute to governance failures at the local level, whether in community management of the local commons or in the delivery of social services by locally elected governments. In collaboration with Dilip Mookherjee, I carried out several

theoretical exercises on the advantages and disadvantages of decentralization, along with repeated field surveys in West Bengal villages on the impact of elected village councils on land reforms and anti-poverty programmes. These projects were part of a research network of international scholars around the theme of inequality, funded for over a decade by the MacArthur Foundation and co-directed by myself.

My abiding interest in the complexities of political economy has kept me skeptical of easy ideological solutions and yet appreciative of the constant human striving for social-institutional improvement. As Antonio Gramsci said, the challenge for us is not to have illusions, and yet not to be disillusioned.

Here is a link to my recent books and papers, for anyone interested:
<http://emlab.berkeley.edu/users/webfac/bardhan/papers.htm>