THE ACCUMULATION PROCESS IN THE PERIOD OF GLOBALIZATION

I can not describe what a great honour it is for a person of my generation to be asked to give a lecture in memory of Professor D.D.Kosambi who was a veritable legend for us. His genius enabled him to make pioneering contributions in a whole range of diverse fields from mathematical statistics to numismatics. But his work that touched us was in the field of Indian history, and it was so breathtakingly original, so unconventional because of its use of literary sources, and, above all, so powerfully persuasive in its totality, that I do not exaggerate when I say that reading *The Culture and Civilization of Ancient India* made us understand India as never before. It opened up for us, to use Althusser's words, a whole new continent which had remained undiscovered till then.

In preparing this lecture my motivation has been to develop a theme, which, whether right or wrong, would have caught Professor Kosambi's fancy. Accordingly I shall devote this lecture to what everyone is concerned about these days, namely the world food crisis. And on this subject, fortunately, much work has already been done by my colleague Professor Utsa Patnaik which I shall be able to draw on[1].

I

Professor Paul Krugman of M.I.T. whose column appears in several Indian newspapers, had compared, in his column of April 22, the present world-wide excess demand for a number of primary commodities, which *inter alia* underlies the current inflation, with a similar state of excess demand for commodities that had arisen in the early seventies. He argued that while the earlier state of excess demand was overcome through supply adjustment, such as new oil-strikes in the North Sea and the Gulf of Mexico, and the entry of new

[1] See U.Patnaik (1999) and (2003). She has discussed the Indian situation in (2007), and (2007a).

land into cultivation, the same might not happen this time around, because the scope for supply adjustment was now much more restricted.

Professor Krugman however is not correct. The resource crisis of 1972-75 was not universally overcome through supply adjustment. In the case of the most vital primary commodity, namely foodgrains, it was overcome, not through any appreciable stepping up of supplies, but through a severe compression of demand, and the latter happened through an income deflation imposed over much of the world. *The regime of "globalization" inter alia was a means of enforcing such an income deflation.*

It is often not recognized that income deflation plays a role exactly equivalent to that of inflation in compressing demand. Of course the term "inflation" itself is an ambiguous one. The notion of inflation in current orthodox economics refers to a state of affairs where all prices, *including money wages,* are rising *pari passu,* so that there is no worsening of the condition of the working masses *per se* and the only sufferers are those with cash balances, most of whom are likely to be rich. But inflation as we know it in real life, especially in a country like ours, where the bulk of the workers do not have wages indexed to prices, is one that hurts the working masses. Keynes (1930) had called this latter kind of inflation "profit inflation", and had recognized it as a phenomenon of great importance under capitalism. In situations where supply could not be rapidly augmented, it overcame excess demand by raising prices *relative to money wages*, and thereby bringing about a shift of income distribution from wages to profits (whence the term "profit inflation"), which, because the capitalists tended to save more out of income than workers, had the effect of lowering overall demand.

Now, this demand compressing effect of a profit inflation can also be achieved through an income deflation imposed on the working masses. Starting let us say from a situation where the money wage rate is 100 and the price is 100, a reduction in the wage rate to 50 with price remaining the same has exactly the same effect of lowering workers' demand as a rise in price to 200 with the money wage rate remaining at the original level.

What is more, even though income deflation and profit inflation have exactly identical effects by way of compressing the demand of the working masses, finance capital prefers the former to the latter since the latter entails a decline in the real value (vis a vis the world of commodities) of financial assets, and may in extreme situations make wealth-holders turn to holding commodities in lieu of financial assets altogether. Income deflation therefore, even while keeping excess demand in check, and yet increasing the share of profits earned in the organized sector of the world economy, exactly as a profit inflation would have done, has the added "advantage" of keeping finance capital happy! Income deflation for the working population of the world, which includes, apart from the proletariat proper, the peasantry, the petty producers, the agricultural workers, and other unorganized sector workers, becomes a pervasive phenomenon in the era of globalization, characterized as it is by the rise to hegemony of a new kind of international finance capital based on a process of globalization of finance[2].

The fact that the inflation of the early-seventies arising out of excess demand for primary commodities disappeared in later years, was *because it was substituted by an income deflation on the working people over large tracts of the world, and not because of any significant supply augmentation of non-oil primary commodities,* as Professor Krugman believes.

According to the FAO, the total world cereal output in the triennium 1979-81 was around 1573 million tonnes for a population (for the mid-year of the triennium,1980) of 4435 million. For the triennium 1999-01 the cereal output had increased to around 2084 million tonnes for a population (for the mid-year of the triennium, 2000) of 6071 million. This represents a decline in

[2] I have discussed the nature of this new kind of finance capital in Patnaik (2000).

world per capita cereal output from 355 kilogrammes in 1980 to 343 kilogrammes in 2000. Given the fact that during this period per capita income in the world has increased significantly, and given the fact that the income elasticity of demand for cereals (*consumed both directly and indirectly via processed food and animal feed*) is markedly positive (even if less than one), a stagnant or declining per capita cereal output should have spelled massive shortages leading to a severe inflation in cereal prices. Such an inflation, since it would have occurred in a situation where the money wage rates in the manufacturing sectors around the world, to which manufactured goods' prices are linked, were not increasing *pari passu* with cereal prices, would have meant a shift in the terms of trade between cereals and manufactured goods in favour of the former.

But this did not happen. On the contrary, cereal prices fell relative to manufactured goods prices by as much as 46 percent over these two decades! This suggests that the decline in per capita cereal output, in a situation of rising world per capita income, did not generate any specific inflationary pressures on cereal prices. The reason it did not is the income deflation imposed over much of the world. It is this, rather than any supply increase as Professor Krugman suggests, that explains the absence of any specific trend inflationary pressures in cereal prices (i.e. ignoring fluctuations) until recently. And this income deflation was imposed over much of the world via the phenomenon of globalization.

II

Income deflation is not a single process but the outcome of a number of different processes, which deflate not just the money wage rate as in the earlier numerical example, but more importantly the level of employment and income, especially in the non-capitalist, petty production sectors. It is income deflation in this comprehensive sense that eliminates the excess demand that would have arisen in its absence, given the fact of sluggish increases in supplies.

There are at least three processes contributing to the phenomenon of income deflation, in this comprehensive sense, over much of the world in the era of globalization. The first is the relative reduction in the scale of government expenditure. Globalization, as mentioned earlier, consists above all in the globalization of finance. Huge amounts of finance capital are moving around the world at a dizzying pace in the quest for speculative gains, so much so that even a fairly conventional economist like James Tobin had to ask for a tax on currency transactions in order to slow down this dizzying pace of movement. Because economies caught in this vortex of globalized finance can be easily destabilized through sudden flights of finance capital, retaining the "confidence of the investors" becomes a matter of paramount importance for every economy, for which their respective States have to show absolute respect to the caprices of globalized finance.

Finance capital in all its incarnations has always been opposed to an interventionist State (except when the interventionism is exclusively in its own favour). An essential element of this opposition has been its preference for "sound finance" (i.e. for States always balancing their budgets, or at the most having a small pre-specified fiscal deficit as a proportion of the GDP). The argument advanced in favour of this preference has always been vacuous, and was pilloried by Professor Joan Robinson of Cambridge as the "humbug of finance" (Robinson 1962). The preference nonetheless has always been there, and has become binding in the era of globalized finance, when States willy-nilly are forced to enact "Fiscal Responsibility" legislation that limits the size of the fiscal deficit relative to GDP. At the same time, this move towards "sound finance" is accompanied by a reduction in the tax-GDP ratio, owing to tariff reduction and to steps taken by States competing against one another to entice multinational capital to set up production plants in their respective countries.

The net result of both these measures is a restriction on the size of government expenditure, especially welfare expenditure, transfer payments to the poor, public investment expenditure, and development expenditure in rural areas. Since these items of expenditure put purchasing power in the hands of the people, especially in rural areas, the impact of their curtailment, exaggerated by the multiplier effects which are also to a significant extent felt in the local (rural) economy, is to curtail employment and impose an income deflation on the rural working population.

The second process is the destruction of domestic productive activities under the impact of global competition, from which they cannot be protected as they used to be in the *dirigiste* period, because of trade liberalization that is an essential component of the neo-liberal policies accompanying globalization. The extent of such destruction gets magnified to the extent that the country becomes a favourite destination for finance, and the inflow of speculative capital pushes up the exchange rate.

Even when there is no upward movement of the exchange rate and not even any destruction of domestic activity through the inflow of *imports*, the desire on the part of the getting-rich-quick elite for metropolitan goods and life-styles, which are necessarily less employment-intensive than the locally available traditional goods catering to traditional life-styles, results in the domestic production of the former at the expense of the latter, and hence to a process of internal "de-industrialization" which entails a net- unemployment-engendering structural change. This too acts as a measure of income deflation.

The third process through which income deflation is effected is a secular shift in the terms of trade themselves against the petty producers of primary commodities, and in particular the peasantry. This may appear paradoxical at first sight. We had argued earlier that the decline in the terms of trade for cereals between 1980 and 2000 was a consequence of income deflation; to argue that income deflation is a consequence of the terms of trade shift seems to contradict the earlier argument and reverse the causation. There is however no contradiction here. A distinction needs to be drawn between an *autonomous* shift in the terms of trade, which is brought about, say, through pricing policy in the capitalist manufacturing sector, and an *induced* shift in the terms of trade that arises as a result of the autonomous shift through changes in the state of demand and supply for the primary commodity in question. An autonomous shift in the terms of trade (through, say, an increase, compared to the initial situation, in the administered price of manufactured goods, by monopoly capitalist producers) is like a *tax*, much the way that Yevgeny Preobrazhensky (1926) had visualized it. The imposition of such a tax may force larger primary commodity supplies from the petty producers which affects the prices they get, and hence a further adverse movement in their terms of trade (provided that manufactured goods prices are not lowered after their initial autonomous increase, because of the lowering of primary commodity prices, i.e. that they are subject to a "ratchet effect"). *A terms of trade shift therefore both causes and is caused by an income deflation of petty producers.*

There is also an additional mechanism. Even when there is no shift in the terms of trade against particular *commodities,* there is nonetheless a decline in the terms of trade obtained by the *producers of those commodities* because of the increasing hold of a few giant corporations in the *marketing* of those commodities. This too has the effect, via a shift in income distribution from the lower-rung petty producers to the higher-rung marketing MNCs, of curtailing the consumption demand of the former, and hence the level of world aggregate demand, which in turn curtails inflationary pressures on primary commodities themselves.

Globalization in other words unleashes massive processes of income deflation which, while playing exactly the same role as profit-inflation in curbing excess demand pressures, keep commodity prices in check. And this is what we have been witnessing in the entire interregnum between the inflation of the early seventies and the recent revival of inflation.

III

The question arises: why is the increase in the demand for primary commodities not met through an increase in supply? Why is it that demand itself has to be compressed, either through a profit-inflation or through an income deflation imposed on the working population? The answer lies *inter alia* in the fact that, for agricultural primary commodities at any rate, supply increase requires the use of additional land. At a time when capitalism was extending into the "new world", the local inhabitants consisting of Amerindians could be driven off the land, and migrants from the metropolis could settle on this land and undertake production to satisfy the requirements of capital. Supply increases in other words could and did occur to serve the requirements of the capitalist world economy, though this process was also accompanied by a parallel process of an income deflation imposed on the pre-capitalist producers of the tropical colonies, through a combination of taxation and import-induced de-industrialization, to compress their demand and squeeze out resources for world capitalism.

With the closing of the "frontier" in the "new world", which Keynes (1919) saw as a turning point in the history of capitalism, further increase in supplies of agricultural commodities required essentially the adoption of land-augmenting technological progress in densely-populated areas of settled peasant agriculture. Capital did not directly have access to land in these areas; and it could not drive the vast peasant population off the land by force as it had done in the temperate regions of white settlement. If supplies had to be augmented, then the requisite land-augmenting technological progress had to be introduced within the framework of *peasant agriculture.*

This *did* happen in the post-decolonization period through the *dirigiste* regimes of the third world adopting a number of measures to promote multiple cropping and improve yields. These measures even culminated in the ushering in of the so-called “Green Revolution” in countries like India. But with the *dirigiste* regimes running into crisis, especially a fiscal crisis, and with their supersession by the neo-liberal regimes of the era of globalization, the scope for such supply increases dried up.

It is not in the nature of capitalism to develop *peasant agriculture.* The fact that peasant agriculture got a boost during the *dirigiste* period was precisely because *dirigisme*, a natural sequel to the national liberation struggles of the third world, did not represent capitalism in its *spontaneous* development, did not express the immanent tendencies of capitalism, but stood for an intervention in its spontaneity “in the interests of the nation”, though within clearly bourgeois bounds. *Dirigisme, like its counterpart Keynesianism in the advanced capitalist countries, could only be transitional.* As the special conjuncture producing it passed, *dirigisme* gave way to neo-liberalism. The immanent tendencies of capitalism asserted themselves against the earlier regime of interventionism, and transformed the nature of State intervention from one that invoked a notion of “national interest”, not identical with the interest of finance capital, into one that saw the two sets of interest as being identical.

With this came a basic shift in the fate of peasant agriculture. The immanent tendency of capitalism is not to promote peasant agriculture; as Lenin had said in his *Imperialism* (2000, 89), if capitalism could develop agriculture “which today everywhere is lagging terribly behind industry”, then it would not be capitalism. Its immanent tendency on the contrary is to dispossess peasants of their land and other means of production, which in areas of settled peasant agriculture can only occur *over a period of time*. And the squeeze employed on the peasantry by this immanent tendency of capitalism in the current era *is itself ipso facto an act of income deflation.* It is an income deflation imposed on the peasantry and is covered within our general concept, namely the imposition of an income deflation upon the working population under globalization.

The income deflation on the working population therefore, and hence the compression of the latter's demand as a means of squeezing out agricultural primary commodities (as opposed to increasing the supplies of these commodities to meet the growing demand that would arise in the absence of such compression) is part of the immanent tendency of capitalism, which also manifests itself in the current epoch.

IV

This distinction between supply augmentation and demand compression of the working population, as the two alternative means of overcoming the tendency towards *ex ante* excess demand for primary commodities that arises in the process of expanded reproduction of capital can be expressed somewhat differently. Any particular bloc of capital can grow, conceptually, in two ways. One is by reinvesting its surplus value and thereby growing bigger; the other is by annexing other blocs of capital, or by taking over common property, or the property of non-capitalist petty producers, or that of the State. The first of these constitutes "accumulation through expansion"; the second constitutes "accumulation through encroachment". These terms which we have defined with respect to one particular bloc can also be used for larger blocs, and even for the entire bloc of capital in the world economy. In each case the pictures corresponding to the two processes can be clearly visualized[3].

[3] The distinction between "accumulation through expansion" and "accumulation through encroachment" was introduced in Patnaik (2005)

The argument of the preceding section can then be expressed as follows: taking the entire bloc of capital in the world economy, *its accumulation through expansion necessarily has to be complemented by a process of accumulation through encroachment.* As capital accumulates in the world economy, it requires at the base price certain material elements of means of production and means of subsistence. The supply of these elements however does not grow to satisfy at the base prices the requirements of capital accumulation. Since any process of price increase above the base price is against the interests of finance capital, the imbalance between the increases in demand and supply at the base price, is overcome by compressing demand not only of the workers directly employed by this bloc of capital, through curbs on their money wages, but above all by forcibly compressing the demand existing outside the domain of this capital, so that the overall supply limitations do not adversely affect the requirements of capital. Such compression, which means the snatching of resources for the capitalist sector from the petty production sector outside of it, constitutes accumulation through encroachment.

Of course if the petty production sector, in particular peasant agriculture, could grow in tandem with the capitalist sector, i.e. if there could be a balance between the growth of the different sectors, then the need for accumulation through encroachment would not arise. But the very scope of accumulation through encroachment forecloses this possibility. The capitalist sector sells its goods there at the expense of the traditional producers, and this is enough to compress demand for the primary commodities and release them for the capitalist sector. The capitalist sector jacks up its price owing to monopoly pricing; and this is enough to release resources for it through a compression of demand of petty producers. In other words, accumulation through encroachment is not the outcome of some conspiracy; it is simply the outcome of relations between two sectors of unequal strength; and its being there forecloses the possibility of supply augmentation (the *dirigiste* phase being an exception because of its historical context).

An example can make the point clear. The capitalist sector can meet, say, its raw cotton requirements in any one of two ways: if the peasant agricultural sector increases its supply to match the requirement of the capitalist sector; or if some traditional cotton manufacturers are thrown out of their occupation and the raw cotton they were using becomes available to the capitalist sector. Since it is in the nature of capitalism to capture markets from pre-capitalist producers, its "normal" functioning will entail its meeting its raw cotton needs through the second route. And this very fact will foreclose the first route, which, in any case, it is not in the nature of capitalism to follow. Accumulation through encroachment therefore is an intrinsic property of capitalism, *which is based not on balanced but on uneven development of the different segments of the world economy.*

This feature of capitalism comes into particular prominence in the contemporary epoch because of the closing of the "frontier", so that even such supply adjustments as were possible in the period of availability of "empty spaces" (which were not actually empty since they were peopled by Ameridians and other local inhabitants) are no longer possible now. The period of "globalization" therefore has two specific features: first it characterizes a world where supply adjustments, at least of agricultural primary commodities, have limited scope, and hence accumulation through encroachment, entailing compression of demand of the working people all over the world, must come to the fore. Secondly, unlike in the colonial period where the colonial State enforced both de-industrialization and taxation which were major instruments for compressing demand, the imposition of neo-liberal policies does this compression even in the absence of any political domination of the colonies, i.e. even in a situation of political decolonization. *We now have accumulation through encroachment without colonialism.*

The idea that capital accumulation required encroachments being made on the pre-capitalist sector was first put forward by Rosa Luxemburg (1963), though the precise details of her argument, and the conclusions she drew from it were quite different from what has been discussed above. In particular she saw the capitalist sector engulfing and replacing the pre-capitalist sector and, hence, the world moving towards a limit point of exclusive presence of the capitalist sector alone, at which point capital accumulation will become impossible. But the world does not move towards the exclusive sway of capitalism. She was right in seeing the encroachments on the pre-capitalist sector, essential for the functioning of capitalism, as also compounding the problems of capitalism, but the manner of that compounding is different from what she had visualized. The present inflationary crisis is a manifestation of this compounding.

V

The inflationary crisis has been variously explained. A fairly common explanation highlights speculative behaviour. Speculators, it is argued, are moving to commodities, because of the financial crisis which has made financial assets unattractive, and also because of the weakening of the dollar, which has denied the wealth holders in the capitalist world for the present, a stable medium of holding wealth. While there is much in this argument (though Professor Krugman questions it on the grounds that there is no evidence of increased inventory holdings), it cannot be a stand-alone explanation of the inflationary crisis. Wealth-holders will not move to commodities, which have high carrying costs, unless they already have inflationary expectations. And for such expectations to arise, there must already be a tightness in the commodity markets. Speculation can act only on top of a basic situation of shortage, which is why the speculation argument can only point to a compounding factor, not to the basic explanation for the inflationary situation.

Three basic arguments have been advanced. One is by the US administration to the effect that in rapidly-growing developing economies like China and India, a variation in the dietary pattern is taking place, entailing an increased demand for commodities like meat, the production of which requires more foodgrains in the form of animal feed. This argument is so totally vacuous that one is even amazed that it is at all advanced. No doubt the rich in both these countries are diversifying their diet and are absorbing, directly and indirectly, more foodgrains per capita. But if we take the *per capita foodgrain absorption for the population as a whole, both directly and indirectly (via processed foods, animal feed etc.), then we find that in India there is a decline compared to the late eighties* (U.Patnaik 2007a). Even in the case of China if we take the per capita absorption of cereals for food and feed (the definition of foodgrains is different in China compared to India), then there is a steady and sharp decline between 1996 and 2003, which gets reversed thereafter, but the level in 2005 is still lower than in 1996[4]. In fact in the case of both these countries this phenomenon of non-increasing foodgrain absorption per capita, even when both direct and indirect absorption are taken into account, has been adduced by many as evidence that the high growth they have been experiencing has been accompanied not by any reduction in poverty, but possibly even by an increase.

Since the rate of growth of population in both these economies has been slowing down, the decline in the per capita foodgrain absorption entails a decline in the rate of growth in the overall demand for foodgrains. In the face of such a decline, it follows that if excess demand pressures have arisen in the world foodgrains economy, then the reason must lie *in an even more rapid decline in the rate of growth of the supply of foodgrains.* Hence it is not from the side of Indian or Chinese demand but from the side of the foodgrain supply

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[4] I am grateful to Sriram Natarajan for making his research on China's foodgrain absorption figures available to me.

in the world that we have to explain the current food scarcity in the world economy.

The second basic argument that has been advanced for the inflation in food prices points to the diversion of foodgrains for the production of bio-fuels. This is no doubt a perfectly valid argument, and the Bush administration having encouraged such diversion, is naturally keen to shift the blame elsewhere, which is why it is pointing, quite baselessly, to higher Chinese and Indian demand. But even this diversion for bio-fuel, important though it is, has operated on top of a situation of sluggish growth in foodgrains output. We referred earlier to the fact that the growth in foodgrain output during the two decades of the eighties and the nineties, had not kept pace with the world population growth. In the period after 2000 this has become even more pronounced. During the 1980-2000 period, nearly half of the *increase* in foodgrain output of the world occurred in India and China, which together, however, account for only over a quarter of the *actual* output. In other words the world output growth was sustained by these two countries over those two decades. But in this century, in both these countries there has been a virtual stagnation in foodgrain output, and hence a decline in per capita output[5]. (In both countries this began in the nineties itself and things have only become worse this century). It is this stagnation which provides the basic context for the shortage; the diversion to bio-fuels only worsens things.

The third basic argument can be said to provide an explanation for this shortage, and this lies in the fact that resources on the planet are now running short compared to "mankind's" requirements. This argument in other words provides a nature-based as opposed to a society-based explanation for the shortage. And therein lies its limitation. While no doubt virgin land for

[5] The foodgrain output figure for 2007-08 that is being quoted in official circles for India is much higher than in the earlier years of this century. But that is likely to be a deliberate strategy to defeat inflationary expectations.

cultivation can no longer be made available as easily as it could have been done in an earlier epoch, to say that “mankind” has in some sense reached the limits of agricultural production is a gross exaggeration. The decline in inflation in the period after the early seventies was not because of any new land coming under cultivation; it was because of income deflation. And such growth in output as occurred was owing to the adoption of land-augmenting technological progress in countries like India and China. The *technological* scope for such progress is far from over. The real problem is that the agency through which such progress could be introduced, namely the peasantry, is, because of this very income deflation, no longer in a position to do so. *In fact, income deflation has taken its toll on the peasantry to a point where even simple reproduction of the peasant economy is no longer possible in countries like India, as is evident from the mass suicides of the peasants.*

We have so far seen income deflation as a mechanism purely of demand compression. While it does compress demand immediately, it also has a long run effect on supply. As it undermines the viability of the peasantry, simple reproduction is no longer possible and supplies drop. The impossibility of simple reproduction of the peasant economy of course is the means through which the peasantry gets dispossessed of land and becomes destitute; it is precisely what capital wants and enforces. It represents nothing more than the march of capital[6]. But it is this march of capital that is creating a crisis for mankind. If the march of capital had brought misery to mankind in the form of world wars in an earlier epoch, it is threatening to bring misery to mankind in the form of frood shortage and starvation in the current epoch. What we are seeing today is not some kind of a natural limit being reached by mankind, but

[6] To attribute the condition of Chinese peasants to the march of capital, when China happens to be an economy with substantial social ownership of the means of production in a juridical sense, may appear odd at first sight. But under the Chinese strategy of achieving high growth by adjusting (albeit in an attempted neo-mercantilist fashion) to the capitalist world economy, there is a replication within the economy of the phenomenon of income deflation with respect to the peasantry and the unorganized migrant workers, as under capitalism.

the limit to which capitalism has dragged mankind. This limit can be transcended, but only when the social system underlying it is transcended.

VI

The tendency of capitalism as a social system is to dispossess the vast mass of the peasantry. The alternative social system that a transcendence of capitalism must bring about should be one that defends and promotes the peasantry instead of making it destitute. This does not necessarily mean a promotion of petty production and individual peasant farming. Collective and co-operative forms of operation, and even ownership, voluntarily entered into by the peasantry, can transform and modernize peasant agriculture, without dispossession and destitution of the peasantry. The alternative social system therefore does not have to be one based on petty production, but it must be one that ensures a balanced development of different sectors through a changing but non-exploitative relationship between different classes, and correspondingly changing forms of property relations and of production organization. The core of the system has to be social ownership of the modern means of production, for that alone, by overcoming the "spontaneity" of capitalism, enables society to consciously fashion its own destiny.

The social system that the transcendence of capitalism must bring about in other words can only be socialism, not necessarily in the form it had taken in the past (or is taking today in China), but not too far perhaps from the form which Lenin had originally visualized at the time of the Revolution, when he had set great store by the *schmytchka*, or the worker-peasant alliance, as forming the bedrock of socialism. At that time mankind had been faced with a choice between the barbarism of war and the alternative of socialism. Today the choice that is emerging before mankind is between mass hunger, destitution and starvation on the one side and the alternative of socialism. When a vast segment of the population consisting of petty producers cannot even carry out simple reproduction, and when this fact in turn jeopardizes the subsistence of other segments of the working population, then clearly the social system which causes this has run its historical course. Between these two alternatives before us, there can scarcely be any doubt over what the choice of D.D.Kosambi, the most outstanding intellectual figure of post-Independence India, would have been.

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