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The Capitalist Discount Rate in India Or Anti-Working Class Strategies of the Ruling Class in India

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Abstract

While driven by the experience of India, the following remarks apply to any country of the world. Investment in plant and machinery, even if multipurpose and driven by cloud computing and Artificial Intelligence (AI), is a purposeful thrust into the future. In order to earn profits, expected demand must justify the considerable costs incurred today. If the future is clouded by the portent of shocks that cannot be forecasted, investment plans are stillborn. The contemporary twist is options that are available to corporations. Nonfinancial firms can transmute into financial firms. Stock market returns remain high, even if volatile, through financial crises. The cost of subdued real activity is unemployment. The labor market remains in a long twilight with no work and flat or falling wages.

Clearly, the state must bridge the present and a perilous future. An imaginative industrial policy for India, for instance, would connect failing agriculture and soporific industry. However, the state and monopoly capital are in cahoots and at war with the Indian people.

In this article, we share our diary of recording events as they unfold in the Indian economy. The mere reporting of incoherence and contradictions underscores the irrationality of Indian capitalism.

Keywords: *Predatory Finance; Immiserized Workforce.*

I. Introduction

The mesh of remorseless privatization even as private capital investment all over the world is in the doldrums, and constant or falling wages and employment even as profits and CEO paychecks stay in the stratosphere, the continuing domination of financial innovations over real activity, has spawned a rich literature in political economy. The first title of the paper is neoclassical economics, the second, non-neoclassical political economy, indicating the methodologically generous nature of our enterprise embracing facts and narratives.

We choose the case of oil pipelines in Canada for an exploration of the conflicting claims of technology and finance (Janzwood et al, 2023). The tension is explored along three dimensions: time and the collapsing of the future and the present, market valuation which is a particular form of commercial metrics, and finance in the form of novel debt and equity contracts. Advocates create complex assets oriented towards the future while sceptics challenge market measures and underscore the calamitous implications for climate change. From the outset, the critics claimed that the pipelines were not required for existing demands and that that the long-lived investment would therefore commit Canada to fossil fuel consumption for decades to come. The ecological crisis worsened and oil markets turned volatile and promoters promised earnings even when the infrastructure was not in place. To be clear, securing the finance for unbuilt pipelines meant converting unavailable physical capital for abstract fungible

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assets. The financing of pipelines is the contracting of energy futures which assume that assets will increase in value over time and exceed the discounted value of environmental costs. However, the future payoffs of pipelines are speculative and even hazy. Layers of different financial arrangements are put in place well before work on projects begins and, thereby, reinforce the valuations that led to the expectation of high future profits.

In order to grapple with the future, we need a new notion of time, the "time of a project" a seamless connect between the past and the future (Žižek, 2023). The future is the fruit of human action in the past while our actions today are the results of our anticipations of the future. The first step to take in this regard is the horrific realization that Armageddon is unavoidable. Immersing ourselves into this future, we should retroactively insert alternative futures into this past. Engaged agents perceive the inexorability of the future while, at the same time, positioning themselves at these points, work backwards to write different scripts in the present for the unfolding of the past. Otherwise put, the future is given. The past from that vantage point can be reconstructed. For another future to unfold, people must reimagine their past. We are confronted with "two superposed necessities". It is necessary that there will be a climate apocalypse. It is equally necessary that people act collectively to abort it. One of these two outcomes will be realized. In any case, human history would have followed the path of necessity.

> "The standard in economics is to adopt a conservative and buck-passing approach to normative analysis" (Noy & Noy, 2022).

Economists are loath to put out normative assumptions upfront. Thus, the social discount rate is calculated from the time preferences implicit in the relative return on financial instruments. Another example in public economics is to use the ability to pay of people for an intervention as a measure of the benefits of the intervention. The practice is “conservative” in that people’s preferences are taken as given. It is “buck-passing” because it sidesteps the compulsion to make normative judgments. Political economy comes to the rescue of neoclassical economics. Our domain is not public economics but Indian capitalism.

Quite special in comparison with any country in the world, the salient feature of India is the gobbling up by Gautam Adani of wide swathes of the economy as well as usurping, not uncontentiously, environmentally-sensitive spheres of activity in other countries. The entry of Adani Enterprises into “water purification, treatment and distribution” is significant for the intrusion of big capital into the sphere of the canonical public and precious good (The Free Press Journal, 2023). Unique also in India, is unbashful crony capitalism (Sharma & Tiwari, 2024). Two months after a visit to Bangladesh in June 2015, Adani signed an MoU with the country for the export of electricity form Jharkhand, a state in India. Opposition to the deal in Bangladesh was vociferous. The deal has come a cropper with the collapse of the regime in Bangladesh. In March 2017, Modi hosted the Prime Minister of Malaysia. A month later an MoU was signed between Adani Group and a Malaysian infrastructure conglomerate to develop a mega container port project on Carey Island. Modi hosted the Prime Minister of Israel in January 2018. In December 2018, the Adani Group in a joint venture with the Israeli firm Elbit Systems inaugurated a facility in Telengana, an Indian state to manufacture aerial military drones. In June 2018, the Prime Minister of India met the Prime Minister of Singapore. That same month Singapore’s state-owned investment firm invested Rs 1,000 crores in Adani ports. In 2022, the Adani Group acquired Haifa Port. Following a meeting of the Prime Minister of Sri Lanka with Modi in February 2020, rumors circulated that the Adani Group was the favorite to win the deal to operate the East Container Terminal at the Colombo airport. The expectation was dashed following resistance from the unions and the Buddhist clergy. However, Adani bagged a consolation prize to operate another terminal at the airport. In 2021, the President of Sri Lanka complained that Modi was “pressuring him” to award a wind energy project to the Adani Group. India hosted the President of Tanzania in October 2023. In May 2024, the Adani Group won a concession agreement to operate a container terminal at Dar es Salaam airport. In June 2024, the Kenyan national aviation policy was changed. Getting wind of the deal made under wraps, the Kenyan Human Rights Commission and the Bar Association exposed the “irrational” allotment made without competitive bidding. In July-August 2024, the Vietnamese Prime Minister met with Modi and Adani on the same day. A plan to build a seaport in Vietnam had been approved and proposals to invest in two airports were in the pipeline. In September 2024, a Kenyan high court struck a blow to Adani Group plans to run Nairobi Airport for 30 years. True to form, the plan was announced in the footsteps of the Indian Prime Minister’s meeting with the Kenyan Prime Minister three months earlier. At the time of writing, Adani is bent on taking over international airports in Nepal.

In the next section, we do no more than cull entries from the daily papers to highlight the tragicomedy that is the Indian economy. Entries are chosen that move in different directions on the same day. Since it is a truism that the press is unfree in a diabolically authoritarian system, the reading should draw laughter as well as tears. In the following section, we pull back to reflect on different features of the economy. The fourth section is a theoretical appraisal in the language of introductory macroeconomics. The conclusion suggests a plan of action.

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II. Information as Noise

Just to whet the appetite (gruesome pun intended!), we report the simultaneous existence of hunger and orgiastic eating in the country (The Economist, March 16, 2024). In a theme that goes back to the classical economists, food can be an input in the production process when consumed by workers and at the same time an obscenity at the tables of the capitalist class. India suffers from a dual burden of poverty-induced undernutrition and a growing overweight population. According to the latest figures, among 15-to-49-year-olds, 19% of women and 16% of men are underweight. At the same time, 24% of women and 23% of men are overweight. According to a new study by Lancet, 9.8% of Indian women and 5.4% of men are obese, up from 1.2% and 0.5% in 1990.

To elaborate, political economy distinguishes between "basic goods" consumed by the working class as an input in the production process and "luxuries" consumed by the capitalist class which are inessential to the production process. The former should be provided at a social wage which includes access to housing, education, medical facilities and so on. Instead, the following headlines illuminate.

- "Luxury investments rising in India's booming economy" (The Mint, February 29, 2024, p 5).
- "Social sector spending short of target" (The Mint, February 29, 2024, p 5).

The following two items in the same newspaper can be confused. The first is a fabrication, the second is a fact.

- "Gave Irrigation Infra to Farmers, 'Pucca' (solid) Houses to Poor: Modi in Maharashtra (an Indian state)" (The Economic Times, February 29, 2024, p 4).
- "Mumbai's Luxe Realty Mkt 8th Most Expensive in the World" (The Economic Times, February 29, 20224, p 6).

What is the meaning of growth? Is it rising GDP? With an economy divided into agriculture, manufacturing, and services, do all three need to grow? Where do social sector expenditures figure? The cacophony in the papers of March 7, 2024, is deafening.

- "Economy like Tejas (combat aircraft) may soar 8% this yr, says Das" (Governor, Reserve Bank of India). "He said: overall rural demand is showing signs of improvement ..." (The Times of India, March 7, 2024 p 19).

The following report is adjacent.

- "Slow agri growth to keep pressure on FCMG (fast-moving consumer goods) sales."
- "Agricultural growth is expected to be at ... a seven-year low. Poor crop output erodes rural incomes, which is a key driver of FCMG demand."
- "Health, education see strides but woes linger", (Nandita Venkatesan, March 7, 2024, The Mint).
- "Health, education spending has been stagnant despite rising tax mop-up."
- "India had one of the biggest scales of likely underreporting of covid deaths."
- "Underuse of funds dogs Centre's flagship health insurance scheme."
- "Lifestyle diseases rise rapidly, marred by weak policy action."
- "More kids now study beyond elementary schooling ... but quality of education remains under question."

The following two items appeared over consecutive days but their starkness merits inclusion.

- "U.P. (Uttar Pradesh, a state in India) has 28.4% of 'zero-food children' in India, says study" (The Hindu, March 11, 2024, p 12).
- "Hunger Games: Investors at Table with Appetite for Food Startups" (The Economic Times, March 12, 2024, p 1).

A tutorial in economics is needed to appreciate the following two items: Current profits, as we have suggested in the Abstract, are neither necessary not sufficient to determine investment. The latter depends on prospective profits. "Animal spirits" is used to convey optimism about the future. In turn, current profits are Total Revenue (the product of current demand and price) minus Total Costs (wage cost plus interest cost). "Benign input costs" in the news item is a disingenuous term for low wages and employment. If wages and employment are not buoyant today, future demand will suffer. Capital expenditure (Capex) will be muted.

- "Factory Output Growth Down at 3.8% in Jan on Slower Capex Spending" (The Economic Times, March 13A, 2024, p 4)

- “Benign Input Costs Help Cos Grow Profits Faster than Interest Outgo” (The Economic Times, March 13B, 2024, p 10)

The following two items, appearing in the papers of March 16, 2024, are about India on climate change. The first, in vulgar market fundamentalist fashion, absolves the government of any responsibility in environmental protection. The second is an example of the desecration of foreign environments by Gautam Adani.

- “Environmental protection is the responsibility of every citizen: Min (Housing and Environment Minister) OP Choudhury” (Free Press Journal, March 16, 2024, p 23).
- “Locals, experts raise concern over Adani wind project in Sri Lanka” (The Hindu, March 16, 2024, p 13).

The difference between the party line (the first item below) and the reality (the next two items) appear in the newspapers on April 3, 2024.

- “Hiring, orders take off: mfg hits 16-year high in March” (The Mint, April 3, 2024, p 1).
- ““India risking demographic dividend”: World Bank says from 2000-2022, India’s employment ratio fell more than in any other South Asian nations except Nepal”

The India Institutes of Technology (IITs) are universally acclaimed and produce world-class engineers.

- “36% IIT-B students fail to get jobs in 24” (The Hindustan Times, April 3, 2024, p 3).
- The following headline "Strong Deal Wins Support for TCS Amid Slower Recovery" in a newspaper on April 13, 2024, encapsulates the dynamics of the Indian economy in one of India’s largest software exporters. Financial arrangements are captured by “deal making.” Flat current demand is showing up in lacklustre revenues and retrenchment of the labour force. What economists call “the degree of monopoly” enables large companies to adjust their margins to protect profits.
- “A strong deal momentum and better than expected improvement in profits and profitability were the major highlights of the fourth quarter performance of Tata Consultancy Services (TCS). While revenue growth was muted than what analysts had anticipated, the company’s ability to expand operating margin from the lows seen in the June quarter and retaining the flow of new deals may offer some respite to investors. . . . The company continues to be cautious about headcount addition. Its employee base reduced for the third consecutive quarter sequentially as well as year-on-year. Net headcount ratio fell by 13,249 from the year ago and by 1,759 sequentially to six lakhs in the March quarter.” (The Economic Times, April 13, 2024, p 8).
- May Day! May Day! On May 1, 2024, we return to the distinction between commodities pointed out on February 29, 2024.
- “Cost of meals rose by 71% in five years, salaries by just 37%.” “This disparity means that households with regular salaried people might be cutting back on spending on non-essential items or luxury products” (Sruthi Balaji and Vignesh Radhakrishnan, The Hindu, May 1, 2024, p 7).
- “Soaring Prices No Bar, Demand for Gold Rises 8% in March Qtr” (The Economic Times, May 1, 2024, p 11).

The following accounts offer a glimpse of the roller coaster ride of India’s top capitalist over one working day, May 3, 2024.

- “Six Adani Group Cos Receive Show-cause Notices from SEBI” (Securities and Exchange Board of India, the country’s financial regulator) (Economic Times, May 3A, 2024, p 14).
- “Adani Ent Q$ Profit Falls 39% on MIAL Loss, Higher Costs” “Adani Ports Q4 Profit Jumps 77% to Rs 2,015 cr” (Economic Times, May 3B, 2024, p 16).

The arithmetic of March 13, 2024, is repeated to understand the two items below in the papers of May 4, 2024. Profits is Revenues minus Costs. Costs include disbursements of dividends to shareholders. Companies issue shares to fund investment plans. They buy back shares to 1. reduce costs on that account and/or, more importantly, shore up their stock price in a situation when it is wobbly.

- "Record $110b Share Buyback, Sales Growth Forecast Fuel Apple Rally" (Economic Times, 2024, p 11).
- "Apple logs double-digit revenue growth in India" (Times of India, 2024, p 19).

The obfuscation about unemployment is especially reprehensible when it extends to female employment as the newspapers of May 16, 2024 attest.

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- "Urban unemployment rises, more women join workforce" (Mint, May 16, 2024, p 2).
- "Urban Unemployment Falls a Tad to 6.7% in Q4" "Female labour force participation improves" (The Economic Times, May 16A, 2024, p 14).
- "Women Facing Funding Winter, Deep-set Biases in Starting Up" (The Economic Times, May 16B, 2024, p 1).

So is capital accumulating in India, or what? The following two headlines in the day's papers are unlikely to enlighten.

- "PMI (HSBC India Manufacturing Purchasing Managers' Index) signals manufacturing rebound" (The Hindu, July 2, 2024, p 13).
- "Capex (capital expenditure) proposals down to multi-year low in Q1" (The Mint, July 2, 2024, p 1)

The burning issue of unemployment continues to be obfuscated by the RBI and the government. The first item in the day's paper below is a reminder of the harsh reality, the second in the same paper, a bamboozle.

- Himanshu, "The unorganised sector needs a revival to tackle unemployment" (The Mint, July 12, 2024 B, p 12). "The release of the Annual Survey of Unincorporated Sector Enterprises (ASUE) by the National Statistical Office (NSO) ... The NSO released two reports of the ASUE for 2021-22 and 2022-23. ... The two reports offer a look at trends that may help us make sense of the two economic shocks, demonetisation and the GST rollout, both of which were seen to have hit the unorganised sector much harder than the formal sector. ... (The ASUE) convers all activities barring agriculture and construction. ... Around 85% are own-account-enterprises (OAEs), with the rest using some hired workers. Between 2015-16 and 2022-23, informal businesses with hired workers declined, while OAEs grew. The net impact of this is that the total number of workers in the unorganised sector has fallen from 111.3 million in 2015016 to 110 million in 2022-23. The informal sector's contribution to national income has also dropped. ... Gross value added (GVA) by the sector actually declined by 0.5% per annum between 2015-16 and 2022-23. ... GVA per enterprise ... declined at 0.85% per year between 2015-16 and 2022-23. Most of these enterprises are barely generating any income. In 2022-23, GVA per enterprise was Rs 238,168 with OAEs reporting only 127,073 per unit. That means 85% of unorganised sector enterprises were generating around Rs 1,000 per month. The situation for hired workers was no better. Average emoluments for hired workers in informal enterprises in informal enterprises that had such recruits was Rs 124,842 per annum, or around Rs 10,000 per month. ... Only 6% reported using computers marginally higher than the 5% who reported using them back in 2015-16."
- "Covid-era job surge baffles economists" (Shayan Ghosh and Rhik Kundu, The Mint, July 12, 2024B, p 1 and 6) "A recent dataset on employment has thrown a curveball at economists tracking India's economy, with several of them trying to wrap their heads around how the country managed to add a large number of jobs over the past few years despite the covid-19 shock. ... The addition of jobs also does not match recent government data showing weak consumption growth ... "

Returning to our distinction between "basics" and "non basics" once again, the following two items in papers on the first day of August, 2024 underscore the stark contrast.

- "Fewer Indians go hungry. But what are they eating?" "Among South Asian countries, India, where 56% of the population cannot afford a healthy diet, ranks lower than Bangladesh (48%), Sri Lanka (41%), Nepal (41%), Bhutan (5%), and Maldives (2%) ... India scores lower than lower-middle-income countries (53%) as well as the global average (35% (The Mint, August 1, 2024, p 1).
- "Foreign Retailers Keen to have a Piece of the Indian Luxury Pie" (The Economic Times, August 1, 2024, p 4).

The two items below are attached in The Economic Times of August 8, 2024.

- (RIL) (Reliance Industries Limited) Turns on the Green Energy Switch" (The Economic Times, August 8, 2024, p 5).
- "Nearly 11% of Workforce (of RIL) Laid off" (The Economic Times, August 8, 2024, p 5).

III. Labor, Capital, and Productivity in India

The big truth of large and growing unemployment in India can be finessed (Ghatak et al, 2024). A major misconception about the labor market is that a low unemployment rate (UR) is a clear sign of the state of the labor market. A fall in unemployment does not necessarily indicate a rise in employment because of a third category, the out of labor force (OLF). That is to say, the total working age population must be divided into three, not two categories. The OLF consists of individuals who are either unwilling or have ceased looking for work. If the OLF rises because the morale of the unemployed has been broken, the UR will fall with no fresh creation of jobs. Besides, even if the fall in unemployment is due to a rise in employment, social welfare rises only if the jobs pay a social wage or a hundred entrepreneurs bloom. Social welfare will fall if employment is precarious, informal, or if self-employment is an act of desperation in the absence of any opportunities. The latter group has grown since 2017-2018 without any marked increase in real earnings. Their rise is driven mainly by a rise in unpaid family work. The tendency is especially significant in the category of youth and educated youth. Regular wage and salary earners, in contrast, have declined between 2017-2018 and 2012-2022 without any perceptible increase in their real earnings. Ephemeral and transient work is a permanent condition of the Indian economy. "As Firms Adopt A Project-Based Approach And Traditional Job Security Gets Reimagined, Experts Say The Temporary Workforce In India Could Double to 10 Million By 2023" ("Why temp jobs are here to stay", Times of India, August 8, 2024, p 8).

The notion of labor productivity in India, as well, is complex (Bhaduri, 2024). Around 90% of the labor force works in the informal economy producing approximately 46% of output. In other words, labor productivity in the informal sector is a little above half the national average. About 60% of the labor force in the informal sector comprise self-employed persons mostly in marginal agriculture and allied activities. Their productivity is 1/3rd the national level. With weighted averages, the conclusion is that the productivity of the remainder 40% of the labor force is 3/4ths the national average. The remainder 56% of output is produced by 10% of the labor force in the formal sector, that is a level of productivity 5.5 times the national average. Of this labor force, only 5% is big business, that is the private and public sector, and services including public utilities. In short, labor productivity differences between the formal and the informal sector is of the order of 12 to 16 times. The dilemma here is that a transfer of labor from agriculture to industry would potentially generate a huge increase in output as the classic growth models envisaged. However, the models did not theorize the effective demand constraint in the organized sector. If output is given and market size constant, capitalists will find it disadvantageous to employ the displaced labor force. Once again, the state must write the script connecting present employment with future profits. Problems of transition from backward agriculture to developed industry were waved away as disequilibrium phenomenon that would be righted in the long run. Peasants and workers live in the immediate present, though. The problem of effective demand will not go away. The strategy of monopoly-led industrialization in India is perverse because of the "dangerous anti-people mutualism between the government and large corporations ..." Acquisition of land in the name of business is the most evocative example of the assault on the most vulnerable sections of Indian society. The Adivasis (Scheduled Tribes), approximately 8% of the population, constitute 40

The policy regime that logically follows is to increase the productivity of small-scale agriculture in India. To clarify, the focus must be on the increase of land productivity. Infrastructure, used as a catchall, should mean rural road communication and connectivity. Agricultural output, both subsistence and commercial, poultry, fishing, and animal husbandry should determine productivity. Forests, rivers, water bodies, medicinal plants, marine products should be kept sacrosanct as public wealth and productivity defined therefrom. Government must support, based on scrupulous field research, crop composition and inter-cropping that vary based on soil and climatic conditions. The dependence on inputs purchased at market prices must reduce and local resources-based organic farming with parsimonious use of water and power must be encouraged. The local panchayat government must be the nub of the collective commons. In particular, they will oversee the use of unemployed and underemployed labor. The corollary is that the services sector will expand in related directions. Small-scale industries and services will be given a fillip. Above all, the expansion of employment rests on the growth of basic welfare services like primary health and education. They would be constitutive of the social wage. Vast numbers of the educated unemployed can be absorbed after suitable short-term training. The panchayats would be enjoined to deliver based on their fiscal space which, in turn, can be based on a user-cost based tax system.

Concurrently, the marginal product of a worker must be compared with the marginal product of a drone or a robot. Technical change is inexorable and the large-scale economies and efficiencies generated by AI must be faced squarely. Economists naturally think of capital substituting for labor. Complementarity between the two is not investigated closely. As the state of play stands, the unlimitedly cavernous data crunching and instantaneous solution delivering ability of the new technology will only increase. However, the novel and idiosyncratic aspects of R&D in Indian agriculture, for example, varying from region to region, will call for the expertise and insights of Indian agricultural scientists to operate the machines. Industrial policy has not been defined clearly yet. The special features of education and health care for India are not in data bases and, along with standardized STEM

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(Science, Technology, Engineering, Mathematics) skills, must be constituted from history and culture which is deep and varies across states. Some of these elements will benefit from an elementary formulation in the next section. References to Marx must not beguile. We only add and multiply.

IV. Political arithmetic

Since no theory is taken recourse to the there is no reason to assume output is at its full employment level. Indeed, since our terra is the capitalist economy, the reserve army of the unemployed standing by can be assumed. For simplicity, we exclude the government. With Y national income, w the real wage rate, N employed workers, and π real profits:

$$Y = wN + \pi \tag{1}$$

For Marx, any mechanism that will increase the productivity of labour via technical change will increase surplus value and profit. In confirmation, divide equation 1 by wN,

$$Y/(wN) = 1 + \pi/(wN) \tag{2}$$

Taking the second term on the right-hand side of the equation as a proxy for the rate of exploitation,

$$(1/w)(\text{productivity of labor}) = 1 + (\text{rate of exploitation}). \tag{3}$$

Now, multiply 2 by N/K, the reciprocal of the 'organic composition of capital' where K is the capital stock.

$$Y/(wK) = N/K + \pi/(wK)4 \tag{4}$$

In words, (1/w) ('productivity of capital') = (reciprocal of) ('organic composition of capital') + (1/w) (rate of profit). We arrive at the following proposition.

1. Assuming with Marx, a rising organic composition of capital and a falling rate of profit, the conclusion is falling 'productivity of capital.

The inescapable conclusion is that increasing productivity is the fate of the working class. From equation 3, we can assert the following.

2. Increasing labor productivity calls for a reduction in the rate of exploitation.

Our third proposition concerns the 'degree of monopoly'. With P the monopoly price, W the money wage, and m the markup over labor cost,

$$P = (1 + m)W. \tag{5}$$

Writing equation 1 in nominal terms,

$$PY = WN + P\pi \tag{6}$$

Plugging 5 into 6,

$$(1 + m)(Y\tilde{}\pi) = WN. \tag{7}$$

Our third proposition follows:

3. Falling prices (falling m) can go with falling profits and a rising wage bill.

Digitalization and cloud computing and the like lower costs and lead to falling prices of goods and services. However, with a lower degree of monopoly, profits can still be reduced and wages and employment increased. In sum, and naturally, no hope for the working class is found in the capitalist mode of production. Some variant of a socialist mode of production with cooperation and sharing will have to be worked out.

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V. Conclusion

The state and monopoly capital in India are set about exploiting the natural and human resources in the country to the hilt in continuous time by turning real resources into financial instruments. Their degree of patience is zero. The wealthy middle class balloons and feeds on, and is fed by the regime. It maximizes instantaneous utility. The exposure of the murky financial shenanigans of Mr. Adani by Hindenburg Research and, scandalously, the alleged connivance of the chief financial regulator in the country, the head of SEBI, in his dealings has caused a blimp in the skyrocketing of his market valuation.

The laws of arithmetic and economics do not allow asset prices to rise to infinity. The increasing financialization of the country will precipitate crises. The problem of indebtedness of low-income households with the banking system has caught the attention of the Reserve Bank of India. The answer is stricter screening and monitoring instead of intervention and support. At the other end, the daily papers record the building up of the so-called "treasure chest" of Gautam Adani as his tentacles spread to every nook and cranny of the Indian economy and portions of the world economy. Some part of the debt is driven by hand waves to green expansion plans, but often the major part of the debt is to pay back debt coming due. With the size of the Indian economy being incomparable, foreign financiers are not averse to joining the party. However, governance and competence and technical expertise concerns lurk behind these schemes hurtling forward at breakneck speed. The heavier a financial superstructure, the louder and more painful the crash when it occurs. Establishment Indian macroeconomists are ignorant of the work of Hyman Minsky. The Planning Commission in India has been disbanded. It has been replaced by a government policy think tank NITI Aayog. Perspective has given way to projects. A new regime will have to avail of the fresh work on multi-level hierarchical planning being written along with models of democratic socialism.

Outside the charmed circle of state, capital, and middle class, the Indian people are trapped in a time warp of destitution and misery. Past and future collapse in a brutal present. However, millions outside the castle gates will not amass mutely. The horizon beyond which the people will not swallow opioids and fantasies gets closer and closer. A fraternity of farmer organizations across the ideological divide is growing stronger, holding out hope against the enduring agrarian crisis. Across town and country, dispossessed and disenchanted individuals and groups, through the ballot and otherwise, are rising.

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