

In Conversation with: **Prof. Prabhat Patnaik**



Prof. Prabhat Patnaik is an Indian economist and political observer known for his astute study of the political economy and Marxist theory.

Editor: Sir, you are an extremely revered political commentator and have published several books typically assessing capitalism. We wanted to know about the necessary background and theories that helped you lay down the foundation of your ideology in that regard.

Prof. Prabhat Patnaik: Well, in terms of background, I must say my father was a freedom fighter. He actually had joined Gandhi Ji's Civil Disobedience Movement and was in jail for 10 years or so for various periods of his life. He went from the Congress to the Congress Socialist Party to the Communist Party, and was one of the founders of the Communist Party in Orissa. From my childhood I actually lived in the shadow of a possible revolution. Then I started reading Marxism seriously, that is when I came to Delhi University, as a part of my course work. Those days we used to have a paper called 'The History of Economic Thought', I don't know if you have it now in B. A. Honours, and as a part of that course I started reading Marxian Economics, which of course I continued reading later in life when I was doing my PhD. In terms of economics I think three Polish economists have had a deep influence on my thinking. One is Rosa Luxemburg who was a great revolutionary and of course a profound economist; the other is Michal Kalecki, who independently discovered Keynesian General Theory even before Keynes; and the third is Oscar Lange, a Polish economist who has a book called *Political Economy* in several volumes. Volume One of *Political Economy*, which consists of his lectures on Political Economy, I found very useful because he visualised capitalism as a spontaneous system and I think this is something that has influenced me all my life. By a spontaneous system I mean it is a system in which all the economic agents who are participating, act not of their own volition, but because they are coerced by the system into acting in particular ways, so in that sense, it is a system of generalized alienation. You don't have workers doing things because they like doing them or even capitalists doing things because they like doing them; all are forced by competition into doing the things they do. In fact, Marx has talked of capitalists being "capital personified" which means that through the actions of capitalists the tendencies of capital manifest themselves.

As an interpretation of Marxism, and not many people interpret Marxism this way, Lange's view had a very big influence on me. I've just written a book interpreting Marxism this way which should be coming out later this year. In terms of Indian history, Prof. Irfan Habib's work had a deep influence on me; Prof. Amiya Bagchi's work on the colonial period had a deep influence on me as well. So these were a few intellectual influences; and of course given my background such that I lived in the shadow of a possible revolution all my life, I was drawn towards Marxism and towards the kind of positions I take.

Editor: Thank you so much for that answer. It is often pointed out in political economy theory that the capitalistic systems dynamic is a constant tussle between order and disorder, then how is it that we have very powerful, stable patterns or ordered patterns over time?

Prof. Prabhat Patnaik: Well you know the standard picture of capitalism that is given, is that it's a system in which individuals participate and you have a set of markets and the markets clear; the demand and supply ultimately equalise through price flexibility to clear markets. It is seen as a self-regulating system in which price flexibility actually gives rise to a situation of equilibrium. There may be variations among the different authors but roughly this is the general view. It sees capitalism essentially as a self-contained system, a system that stands on its own, and doesn't really require any external support. Now I don't think capitalism has ever been that way; and, what is more, I don't think it will survive as a system if it was actually that way, i.e. if it was a completely closed, self-contained system that generally tended towards an equilibrium.

Even if it is the case that price changes may occur occasionally in a few individual markets, if you look at the macro variables the picture is quite different. If the price-level changed because of overall excess supply or excess demand, then nobody would be giving loans. No creditor would give a loan to a factory or an enterprise if that creditor thought that tomorrow the price level in the economy might rise or fall by 20%. In the former case the value of the loan would fall, and in the latter case, while the real value of the loan would rise, the factory would go bankrupt, it won't be able to service its debt; and if I know that the enterprise I am giving a loan to might become bankrupt tomorrow, I won't give the loan. So if you actually think of capitalism as a system in which there are these big fluctuations in prices and money wages, which is what traditional theory believed and even post-Keynesian theory has revived through the so-called real balance effect, then capitalism would not be a functioning system.

It is a functioning system because in any given period, the overall level of money, wages and prices are given and over a period of time these variables change slowly. Therefore it is best to look at capitalism not as a flexible price system but as a fixed price system; and if it's a fixed price system then of course depending on variations in aggregate demand there would be quantity adjustments and not price adjustments, as Keynes had suggested.

Now if this is the case, then this system cannot be a self-contained system: suppose it is the case that there is a reduction in output and employment because there is deficiency of demand; then people would be investing less and less, and if they invest less there would be a further

shrinking of the quantity produced, and so on. Then the system would become extremely unstable. The reason why the system is not unstable is because it has always had access to external markets. I believe colonialism played a crucial role here; the colonial markets were very useful for Britain in maintaining a high level of activity not only within its own economy but in the entire capitalist world. All other capitalist countries which were developing at the time had free entry to the British market, and Britain had free entry to the colonial market; therefore all of them piggybacked on Britain, and that's how capitalism developed in a more or less steady manner.

In the period when you had access to these colonial markets, which means the entire period from the middle of the 19th century until the first world war, that following John Hicks we can call the long boom of the long 19th century, fluctuations in the level of activity were relatively muted. Whenever there was a downturn, fresh incursions were made into colonial markets and the downturn was halted. The exhaustion of colonial markets which occurred around the time of the First World War was responsible in my view for the onset of the Great Depression.

The next big boom occurred in the post second world war period with state intervention playing the same kind of role of providing an external market. So, I would say that what you called periods of relative stability and instability are really periods when external props have been available to capitalism and periods in which they have not been available. I believe now we are in a phase in which external props are not available, which is why we have entered into a prolonged period of stagnation after the financial crisis of 2008. All this has been discussed at length in a book jointly authored by Prof. Utsa Patnaik and myself, titled *Capital and Imperialism*.

Editor: Thank you so much for your answer, sir. Do you believe it is possible to shift the popular discourse to bring the shortcomings of neoliberalism to the forefront rather than let it be masked by a critique which stops short at criticism of economic policies and neo-fascist governments whose end driver is neoliberalism itself?

Prof. Prabhat Patnaik: I think the critique of neoliberalism arises not because of any likes or dislikes but because it's the truth. Neoliberalism is a situation where there is relatively unrestricted movement of commodities and capital, including finance, across country borders. This was not the case in the 50s and 60s but this is the case now. Whenever you have such unrestricted movements, then the livelihoods of millions of people become dependent on the whims and caprices of a bunch of financial speculators. This was Keynes' objection to

capitalism; if for some reason the financiers or the speculators develop a high liquidity preference, then the speculative demand of money rises and the interest rate rises, so that investment falls and you have a period of stagnation in which millions are unemployed. The livelihoods of real, concrete flesh-and-blood people are determined entirely by whims and caprices of a bunch of financial speculators. Now this Keynes thought was an irrational arrangement. He as you know was very profoundly anti-socialist and very profoundly anti-communist, but he thought that capitalism should be corrected, should be rectified in order to ensure that socialism did not come on to the agenda. For that, it became necessary for him to provide a real hard solid analysis of capitalism. That kind of analysis is required even today; and economists who are analysing reality should insist on speaking the truth irrespective of what their ideological belief is.

Given the fact that you speak the truth then what conclusions you draw from the truth as far as policy is concerned is something where your ideology would come in. Keynes believed that you could actually reform the system from within through the intervention of the state. Marxists by contrast believe that you cannot reform the system; the system has to be transcended. This difference is something which arises at the level of the policy conclusions you draw from your specific analysis; but the analysis has to uncover the truth of a particular system, in this case capitalism.

This however has not been the case as far as economics is concerned; and even segments of the Left in Europe have become more or less hegemonized by a certain liberal thinking that does not wish to point out the contradictions of contemporary neoliberalism. That is why the Left doesn't exist over large parts of Europe. Because of the fact that these segments are hegemonized by the liberal view which holds neoliberalism in high regard and as something beyond which you can't go, they tend to close their eyes to its shortcomings. This is facilitating the rise of neo-fascism in Europe.

Take the case of Italy. Italy was a country with a remarkable progressive tradition. It had outstanding Marxist thinkers, like Antonio Gramsci. The Italian Left led the Resistance against Mussolini. It made great sacrifices. The Italian Communist Party used to be the biggest communist party in the Western world. But, the Italian Left disintegrated and the Communist Party does not exist in the old form. The main core of it is now called the Democratic Party, and the Democratic Party has got hegemonized by liberal thinking and is not willing to attack neoliberalism. And that's why, in Italy, you actually have the emergence of the extreme Right. Neo-fascism is emerging because there's a huge amount of unemployment, a huge amount of

distress, as far as the ordinary working people are concerned, but the Left is not articulating it.

If you don't take account of that distress, if you don't actually point a way forward beyond that distress, by holding the promise of an alternative world, an alternative economic scenario, then, naturally, the neo-fascists would thrive. They are not going to find any solution to the crisis of capitalism. But, they at least, talk about workers' distress; they at least, talk about what the ordinary people are facing and therefore, they get the support of the ordinary people. Having got the support of the ordinary people, they are going to betray them by providing no solutions to their distress, other than banning migrants; their solution to unemployment is to stop immigration, as if, immigration is the cause of unemployment. So, the neo-fascists cannot find any solution but they are talking about people's problems while the Left over large parts of Europe is too hegemonized by neoliberalism to be able to really speak the truth; it is therefore losing support of the working people to the neo-fascists. And this is happening in many advanced countries.

Take the case of Donald Trump. How did Trump come to power in the United States? Hillary Clinton wouldn't even recognize that there was a serious problem of unemployment. Only when Trump started talking about unemployment, Hillary Clinton also started talking about unemployment. Obviously, Trump did nothing about unemployment, but he at least recognized it and this is what really drew sections of the working class towards him.

So, it is very important for political formations, particularly, progressive political formations, if they want to preserve the democratic structure, if they want to preserve society from the ravages of fascism, that they speak the truth, that they recognize the pains of ordinary people and the distress they are experiencing; only then would they be able to find some way forward.

Editor: Thank you, sir. Another question we had was, you had spoken about the crisis of stagnation that is brought on by neoliberal policies as income inequality widens. So what economic and social recourses can serve as means to be freed from this crisis?

Prof. Prabhat Patnaik: Well, this is a crisis associated with neoliberalism, it did not exist earlier. The post-war period of Keynesian demand management, of state intervention in demand management was a period sometimes referred to as the "Golden Age of Capitalism"; it was a period in which the unemployment rate was extremely low.

I went to England in 1966 as a student. I went to Oxford to do my PhD, to do my Post Graduate work. At that time in Britain, the unemployment rate was less than 2%. Never in British history

have you had such a low level of the unemployment rate. Similarly, in the United States around those days, the unemployment rate was about 4% or less than 4%. Again, never in the history of the United States did you have such low unemployment rates.

And because of the high level of aggregate demand that ensured low unemployment rates, you found that there were high rates of total output growth and high rates of labour productivity growth. Because of the low unemployment rate, the workers and the trade unions were strong, so that the high rates of labour productivity growth translated themselves into high rates of growth of real wages. Workers' living standards rose both because of this and also because of low unemployment. This period therefore, is known as the "Golden age of Capitalism"; never before did ordinary people gain as much from this system as in that particular period.

But, look at the contrast now. Under neoliberalism since capital is mobile between the North and the South, you can actually relocate your factory from the United States or from the UK or from Germany to China, to Vietnam, to India, to Bangladesh, to Indonesia and so on, where you have large labour reserves and low real wages. Because of the possibility of relocation, the wages of the workers in the North too become linked to the labour reserves in the South. If the labour reserves in the South keep the real wages in the South low, then in the North, workers can't keep raising their real wages through trade union bargaining. Because if they did, then capital would move out from the North to the South. For this reason, real wages everywhere have remained more or less stagnant, pulled down by the vast labour reserves of the South, which are themselves a creation of colonialism

I am not saying real wages get equalised through such relocation, but certainly the vector of real wages has not been rising. Joseph Stiglitz, in fact, did an estimate. He found that the real wages of an average male American worker in 2011 were marginally lower than in 1968. Now, if the vector of real wages is not rising but the vector of labour productivities is, then the share of surplus in output rises. This not only raises the inequality in the distribution of income, but also causes a deficiency in aggregate demand, as the marginal propensity to consume out of the surplus is lower than out of wage incomes.

This is the cause of the crisis we are witnessing. We are witnessing a very Keynesian kind of crisis in which there is insufficient aggregate demand because of a redistribution of income from the working people to the surplus earners.

Now, that is something which arises because of the very nature of neoliberalism. The question immediately arises: what about Keynesian demand management? Why can't the state

intervene in overcoming this deficiency of aggregate demand? And that is where the specific nature of neoliberalism becomes important. Because, you see, state spending to overcome deficient demand would work only if this spending is financed either by a tax on capitalists or through a fiscal deficit. Suppose the state taxes the workers and spends, then workers' consumption goes down, and since the workers consume the bulk of their incomes there is little net addition to aggregate demand because of state spending. If the state spends Rs.100 by taxing workers Rs.100, then workers' consumption would go down by nearly a hundred rupees just as government's expenditure goes up by hundred rupees; this means is very little net addition to demand.

Therefore, demand management by the state works only if additional public expenditure to overcome deficiency of aggregate demand is financed essentially by taxing savings; and you can tax savings by taxing the saving class which is fundamentally the corporates and the capitalist class. Of course if you have a fiscal deficit, then you are not taxing anybody and state spending financed by a fiscal deficit obviously adds to aggregate demand.

But these ways of financing public expenditure are not permitted by globalized finance. We live in a world today where finance is mobile across borders, i.e. we have globalised finance, but we have nation-states. The government belongs to the country in question but finance is globalised.

So, if a government decides to raise the taxes on the rich, in that case, finance would flow out of the country. It'll go somewhere else, where the taxes are lower. Likewise, finance does not like fiscal deficits. As you saw the other day, Liz Truss (Former UK Prime Minister) was thrown out of office because she was proposing a higher fiscal deficit; British finance capital did not like it and they just threw her out. So, the point is, finance likes neither fiscal deficits nor taxes on the capitalists, and on the rich in general. Because of this, state intervention to raise the level of aggregate demand is more or less foreclosed in a neoliberal economy.

This problem might not arise if we had a world state. The world state could actually tax the world's rich and spend more to generate larger world demand because it would not be bothered about any flight of finance out of its domain. Finance after all cannot leave the world and go off to the moon. But a world state of course is not on the agenda; it is not feasible at this moment. Therefore, the capacity to overcome the crisis within the confines of neoliberalism is really extremely limited.

And if that is the case, then overcoming the crisis, which means generating larger employment and a larger level of real wages, which would arise if you had larger employment since the

bargaining strength of the workers would then be greater, would require going beyond neoliberalism. I believe going beyond neoliberalism entails going towards socialism.

I believe that because I am a socialist. But it is conceivable that you can take a Keynesian kind of position, and argue that we can have a new phase of capitalism that is beyond neoliberalism. But the interesting thing is that nobody is really talking at this moment about such a new phase of capitalism going beyond neoliberalism. They think that it is possible for nation-states to intervene and stabilise the system despite finance being globalised. But that we have seen is really not possible. They are not reckoning with that impossibility and therefore they are simply harking back to a revival of Keynesianism.

That for instance is what Joe Biden was trying to do, harking back to a revival of Keynesianism. But Keynesianism becomes untenable because it is predicated on active state intervention; if the state remains a nation-state, while finance is globalised then the state has to bow before the dictates of finance. If it does something which globalized finance does not like, then finance will just flow out of the country precipitating a financial crisis, which is exactly what happened in Britain.

When Liz Truss proposed to increase the fiscal deficit, there was a fall in the Pound Sterling. And why was the Pound Sterling falling? Because finance was moving out of the British Economy. That happened for a very short time, but you can see the trend. You can see the connections. So, to come back to the question you raised, I believe that to resolve the crisis you have to go beyond neoliberal capitalism. To go beyond neoliberal capitalism, which is the latest phase of capitalism we have had, you really have to go beyond capitalism.

You don't of course do that immediately, but, what you do is to have a set of transitional measures. For instance, you have to control capital flows; if you control capital flows then you will have to control trade flows as well, for otherwise you cannot meet a trade deficit; and so on. You have to control several things, and in particular control financial flows in order to acquire a degree of autonomy for the nation-state. If financial flows are controlled, then the nation-state doesn't have to worry about finance flowing out, and has therefore greater elbow room for intervening in the economy.

But any agenda of state intervention, by introducing capital controls, will not be backed by the corporates; state intervention therefore has to be supported by the working people in a country like ours: the peasants, the workers, the agricultural labourers, the petty producers, the fishermen, the craftsmen, and so on. And you can enlist their support only on the basis of a

welfare agenda, a welfare agenda financed by taxing the rich.

I have been arguing for some time for such an agenda, financed through a combination of wealth taxation and inheritance taxation. A 2% wealth tax and a 33% inheritance tax imposed only on the top 1% of the population, can generate enough resources for the state to be able to finance five fundamental universal economic rights: a right to food, a right to employment, a right to free healthcare through a National Health Service, a right to free education at least up to the higher secondary level, and a right to a living old-age pension and disability benefits.

Any such plan of taxing the rich will be opposed by the capitalists. And if they do not like it, then they may not carry out any investment. And if they go on an investment strike, the state would have to revive the public sector. So any welfare measures of this sort would actually require to be sustained by adopting further and further measures, the net result of which would be a move towards socialism. That's what I believe.

Editor: Thank you so much for that answer, sir. My question was, in evaluating rising oil prices, you had mentioned the fact that corporate greed has been the approximate factor behind the current upsurge in inflation in metropolitan capitalist countries. So in what form does this corporate greed induced inflation manifest in the Indian scenario?

Prof. Prabhat Patnaik: Well, when I said that inflation was really a result of corporate greed, what I meant was that corporates started raising their profit margins, and therefore prices, in anticipation of shortages.

This is an argument which has been put forward by a number of American Economists. Michael Hudson, for one, has been arguing this for quite some time. His argument is that in the crucial sectors where price rises have been significant, that is food and oil, there have been significant increases in the profit margins. This has been true even in Britain. In Britain, there was such a significant increase in the profit margins of the oil companies that even the liberal Democratic Party, which is not necessarily a particularly left-wing party, had demanded that there should be a windfall tax applied to the British oil multinationals.

But the thing is that, in the advanced capitalist world, inflation has not been because of scarcities per se, but because in anticipation of scarcities profit margins have been jacked up by monopoly companies or oligopolistic corporations.

So, that's what I meant by corporate greed. Now, I don't believe that Indian inflation is because

of Indian corporate greed, American inflation because of American corporate greed. I don't have that in mind. What I have in mind is something else.

If you have inflation, which has really accelerated in the United States, what does the Federal Reserve do? It raises the interest rate, which it has been doing for some time. When the Federal Reserve raises the interest rate, you find that finance gets sucked out from all over the world to move to the United States, to move to dollars. That's why every currency in the world is really depreciating, other than the ruble, which has actually climbed up, vis-a-vis the dollar. Every other currency is depreciating vis-a-vis the dollar, including the rupee. The rupee has depreciated vis-a-vis the dollar by as much as 10% between February and December. Now if you have depreciation, then you have a rise in the prices of imported goods, including oil, which then get passed on because these are universal intermediaries.

The government could, of course, reduce its own taxes. But if the government's taxes remain unchanged and there's a rise in the cost of oil, then that gives rise to inflation across the board. So corporate greed is the starting point of this phenomenon. Then inflation gets generalised all over the world, through a process, which is complex; and that process is the sucking in of finance from all over the world to the United States and to dollar and dollar denominated assets, which gives rise to a downward movement of all currencies relative to the dollar.

The euro vis-a-vis the dollar, the pound sterling vis-a-vis the dollar, the rupee vis-à-vis the dollar, they all have been falling, and every such fall worsens the inflationary pressures. So, the mechanism must be really looked at. The depreciation in the rupee, which I said is more than 10% since February, has occurred, even though 100 billion dollars' worth of our foreign exchange reserves have been spent by the Reserve Bank of India to stabilise the rupee and even though our own interest rates have been rising in response to the rise in American interest rates to prevent the fall of the rupee; but even so the rupee has fallen by more than 10%.

Editor: Thank you for your answer. Sir, we had another question, what are the lingering effects of colonial drain that can still be felt in India today?

Prof. Prabhat Patnaik: The lingering effects of colonial drain, like the lingering effects of the de-industrialization of the colonial period, take the form of acute poverty and unemployment of the people. Why is it that suddenly you find that there is this extraordinary, massive increase in poverty in the colonial period. You know, Professor Shireen Moosvi of Aligarh Muslim University made an estimate. She compared the per capita income in India from Abul Fazal's data for 1575 with the per capita income of British India in 1910 from Sivasubramaniam's

estimates. She found that in 1910, the per capita income of India in real terms was lower than in 1575. Now, how is it possible? Obviously, it's possible because of the colonial nature of the Indian economy.

Colonialism, therefore, impacted the economy through both, the de-industrialization that came about and caused massive unemployment, and the drain which basically devastated the peasantry. The tax revenue extracted from the peasants financed our export surplus, which basically means that the export surpluses were taken away from the peasants without the peasants being paid for them at all. The squeeze on the peasants was of course much greater than just the export surplus because they also paid for the internally-spent administrative expenses. All this basically kept the peasantry in a state of acute distress for a very long period, and continues to do so even now, notwithstanding 75 years of independence.

So the impact of the colonial drain has to be seen not in terms of specific features, but in terms of the general underdevelopment of societies like ours. Long ago, Paul Baran in his book *The Political Economy of Growth* had argued that the only country which actually developed from Asia was Japan because it was not colonised.

Now, of course you may say that China has broken this barrier. But China has broken this barrier because it has a different social system. But if you look within the confines of capitalism, truly speaking, no third world country that was colonised has really developed to the ranks of advanced countries like Japan. And I think the reason is that because of the colonial experience these countries have got into a certain kind of economic structure from which it's very difficult to break out. You have huge labour reserves. If you have a huge labour reserve, then you must have a substantial rate of growth of employment in order to absorb these labour reserves.

The rate of growth of employment is nothing else but the rate of growth of GDP minus the rate of growth of labour productivity. Now, what you find in the recent neoliberal period is that the rate of GDP growth has accelerated and everybody says, "Oh, how good". But alongside it, the rate of growth of labour productivity has increased so rapidly that the employment growth rate now is much less than it was before the introduction of the neoliberal regime. Employment growth rate now is about 1% per annum, while in the period of the fifties, sixties and seventies it was about 2% per annum. 2% was still very low relative to the population growth to absorb the big labour reserve that we had inherited from the colonial period. But on the other hand 2% was higher than 1%, which is now the rate of growth of employment. So

even the natural growth of the workforce now, has not been able to be absorbed into gainful employment, because of which poverty continues. In fact, it becomes accentuated as unemployment increases.

Unemployment increases, not in the sense that the number of unemployed people increases relative to the population, but in the sense that the same amount of work is distributed among more people. So, the impact of the colonial drain has to be looked at as part of the structural characteristics of economies, like ours, which we have inherited from the colonial period and which entail perpetuation of poverty, at least within the kind of social system that we have.

Editor: Thank you. Sir, I have one more question for you. So despite the immense hardship caused by globalisation for working people, there is a de facto endorsement of globalisation and neoliberalism worldwide. How did this get established and how can it be challenged?

Prof. Prabhat Patnaik: This endorsement is really by the middle class. One of the things which globalisation has done is that it has given rise to a substantial improvement in the conditions of the middle class. You look at our own country; look at professors, let alone the large variety of well-paid middle class jobs that have emerged in other spheres. When I first joined JNU in 1973 as an Associate Professor, my basic salary, which was the starting salary for the grade, was Rs.700 per month. Now, I think the starting basic salary of an Associate Professor at a University would be about Rs.50,000 per month. So, the ratio is one to seventy. But when I joined, the procurement price of wheat was Rs.70 per quintal.

Now it has gone up to a little more than Rs.1500 per quintal, so that the ratio here is one to twenty or twenty-five. So even University professors like me are much better off now relative to the working people, i.e. the peasants and the workers, than we were in the early seventies. This phenomenon of middle class affluence under neoliberalism is a worldwide phenomenon.

I told you that workers in advanced countries have had a terrible time during this period of globalisation. There is an economist from what used to be called Yugoslavia in the old days, called Branko Milanovic, who plotted a graph. Along the horizontal axis, he plotted the level of real income in the base year which was in the 1980s; and along the vertical axis he plotted the growth in this level of real income between the base and the terminal year which was three decades after the base year. And he found an elephant shaped graph. In other words the graph goes up, plateaus, then comes down, and then goes up again. The come-down relates to the workers in advanced countries, while the hump in the middle is on account of the middle class in countries like India and China. The middle class elsewhere too has done very well.

Since the middle class populates the media, controls the discourse, and shapes the discussions, there is this widespread impression that the period of globalization has been good for all; but this is not true. You look at India; according to an estimate by Prof. Utsa Patnaik, the proportion of the rural population which does not have access to 2200 calories per person per day was 58% in 1993-94. These are all National Sample Survey figures, and the years referred to are years in which you had large sample surveys by the NSS. Every five years they have a large sample survey. In 2011-12, the 58% had gone up to 68%. It is not surprising that the ranking of India according to the World Hunger Index is well above 100. Similarly when you look at the urban area where 2100 calories used to be accepted as the daily norm by the Planning Commission for defining poverty, it was 57% below this norm in 1993-94 and went up to 65% in 2011-12. Since then, it has gone up even further, so much so that the central government has suppressed the data for 2017-18 and decided not to have such surveys anymore.

Even during this period, however, what is the narrative? You look at magazines, you look at newspapers, and everybody is talking about how well the country has done. But in reality the extent of hunger has increased in the country. Our government says that these bits of evidence that point to a growth in absolute poverty in the population, are all false and slanderous for the Indian people and the economy. But in fact, the hiatus between the ordinary people on one hand and the middle class and the rich on the other has increased dramatically. That means the narrative which you get about things being wonderful under the neoliberal regime is really a narrative spun by the middle class and backed by institutions like the World Bank and the IMF.

It is not a narrative which the working people subscribe to, but this precisely links with the point I was trying to make earlier, namely that even progressive elements fall victims to this narrative. Within this context the working people get drawn towards neo-fascism which pays lip service to their distress; but it blames this distress on immigrants, on Muslims or on some ethnic minority, and carries forward the neoliberal agenda for the benefit of the corporates. But the working people fall victims to neo-fascism inter alia because of the fact that the progressive elements fall victims to this narrative of neoliberalism's success.

Editor: Thank you for your answer, sir. We would like to thank you for your time and I think I speak for all of us when I say that we have not only learned a lot, but have been left with a lot to think about.

The image displays a Zoom meeting interface. The main window features a large video feed of Prof. Prabhat Patnaik, an elderly man with a white beard, wearing a dark jacket over a light-colored shirt. He is speaking, with his mouth open. The background behind him shows a bookshelf filled with books and a desk. Below the main video, the name "Social Scientist" is visible. To the right of the main window is a vertical sidebar containing five smaller video feeds of other participants, each with their name below: Aapoorvi MH, VEDIKA VIRAJ SAKHARBANDE, SRISHTI MENON, ADITI GUPTA, and You. At the bottom of the interface, a dark bar contains the time "12:16 PM" and the meeting title "Interview with Prof. Prabhat Patnaik". To the right of the title are several icons for meeting controls: a red microphone icon (muted), a red video icon (video off), a red chat icon, a red hand icon, a red screen share icon, a red menu icon, and a red end call icon. Further right are icons for a timer, a person icon, a chat icon, and a screen share icon.