

~~Ashoka Mody, *India Is Broken: A People Betrayed, Independence to Today*, by Ashoka Mody, Stanford, CA, Stanford University Press, 2023, xii + 511 pp. 28 pages, \$35.00. Hardcover ISBN: 9781503630055. Ebook ISBN: 9781503634220.~~

Since 2010, if not earlier, the world's media has liberally used the word "~~miracle~~-miracle" to describe India's economic growth. With several emerging market economies recovering slowly after COVID-19 and the rich world caught between inflation and stagnation, India's growth seems more like a miracle than ever. Chic shopping malls and newly built office complexes dot the centers of most big cities, where real estate is among the most expensive in the world. Those who grew up in one of these cities will tell how rapid and profound the transformation has been, from rundown industrial districts ~~30thirty~~ years ago to the fashion and food hubs of 2023.

Behind the modernization, there is a darker picture. Although degrading poverty—deprivation of food and clothing—has declined sharply, most workers have insecure, low-paid jobs. There is hardly any social security and health-and-safety provision. Most workers, no matter their educational qualifications, supply semi-skilled services. Most workers are men. Women are leaving the workforce since 2005, in percentage terms. There is frustration, insecurity, and anger that often burst out into violence. The rhetoric of politics has grown more aggressive. People waiting for trial for murder and rape have increased. Life in a small town is more likely to reveal the disorders to outsiders, but the big city is not immune to these conditions.

India is Broken tells us how this syndrome developed. It says that from 1947 to today, India's political classes managed an economic system that consistently performed below its potential and created too few jobs. The story begins with a ~~p~~Prime ~~m~~Minister almost wholly out of touch with the economic reality of the time. His heavy industrialization strategy wasted resources, created few jobs for men and fewer for women, and caused a retreat from world trade, thus exposing the economy to balance of payments crises. There were many policy shifts after that. None was radical enough to solve the jobs shortage. Instead, the leadership exploited the frustration among the young people to fight ideological battles. No region of

India is immune to the effects of underperformance and latent violence. However, the five southern states suffer less than the rest of India. This divergence remains mostly unexplained.

Ashoka Mody, who has had a long and distinguished career as an academic and an executive of the International Monetary Fund, has written his most ambitious book. The 23 chapters unfold a chronological story. They are grouped into four parts, covering the leadership of Jawaharlal Nehru and India Gandhi (Parts 1 and 2), the economic reforms (Part 3), and the years after 2005 (Part 4). In a crowded field of India analysis, the book makes a mark. Mody is solid with numbers but much more than an analytical economist. He is a terrific storyteller. The narrative of how the political leadership failed the people moves from personalities who shaped high politics to films and media to capture the mood of the middle class. His biographical sketches are colorful, entertaining, and frequently scathing.

To the delight of this reviewer, he does not spare economists, some of whom have, in their role as advisors on economic development or as “cheerleaders,” caused severe damage to the economy. That distinguished list includes the first Nobel laureate in economics, Ragnar Frisch. Jawaharlal Nehru, Frisch’s disciple, learned from the master that economic development was a matter of solving a system of equations. Building on that daft idea, Nehru’s industrialization strategy bore no relation to India’s comparative advantage and worsened the jobs famine. The list includes one of India’s best-known economists, Jagdish Bhagwati, who lent his weight to the so-called Gujarat model, which the Chief Minister of Gujarat State promised to deliver to all of India just before his party came to power in 2014. Since then, the jobs crisis has become a lot worse.

The book will stand out for its plain speaking. But what is it saying? This is a harder question to answer because, inevitably, the narrative rules and Mody is mindful of the complexity of that story. A few themes still stand out.

Mass education was neglected, delivering slow growth of the educated population. The quality of education was compromised in the process. Why was that the case? Mody is less clear on the answer. In Nehru’s time, resources went into heavy industries. But what happened when that strategy ended? One problem is that since British colonial times, the provinces looked after education and healthcare, and these provinces have diverse priorities

and capacities to meet that aim. With the Congress' downfall from being a national party (from the 1980s onward), that diversity has grown. India's federalism offers a clue to the great north-south divergence.

A second theme is that society mirrors politics. Democracy provided the political leadership with a cover to distribute favours or fight sectarian battles. Somebody had to pay the price. In this account, public goods were a victim or women workers were. A critic might say instead that politics mirrors society. Indian democracy is a unique experiment to hold a diverse people together, and of course, it would be messy. Mody frequently compares India with East Asia to suggest that East Asian states were wise to invest in their people earlier. This is true. And yet, is the state all that matters? For a long time, the average age at marriage of girls was significantly lower in South Asia than in almost any other world region. This variable was cultural, not political. The gap has closed but not disappeared. This one factor can explain both low female labour force participation and low demand for education. In a way, politics endorsed the low value that society placed on women's paid work.

A third theme is the environment. Droughts and water shortages make fleeting appearances in the narrative as conditions that derail development efforts and make the task challenging. The book says that the rich have cornered a precious resource, water, and climate change will intensify the battle for water. What are these statements adding up to? Mody does not have an answer. Here is an answer.

Most of India (except the coasts and water-rich Kerala) has an arid tropical monsoon climate, which means acute seasonal shortages of water everywhere and perennial scarcity in some areas. Neither intensive agriculture nor urbanization is possible without a serious attempt to meet that condition. India did meet it head-on. To rehabilitate Nehru, his ~~“temples”~~ “temples” of modernization included more than a thousand gigantic dams (with reservoirs) built in the semiarid Deccan Plateau. That technology proved politically and ecologically unsustainable. But the alternatives were no better. Mody's frequent India-Japan comparison distracts from independent India's specific developmental challenges. A temperate monsoon and water-rich Japan did not have this problem to solve. The challenge

was a tropical one. India should be compared with the Sahel or the Horn of Africa, not Japan, and should fare well in that comparison.

Fundamentally, Mody's claim is right. India *is* broken. It offers a poor deal to its working-age population, few good jobs and little welfare. A humanitarian crisis for migrant workers shortly after COVID-[19](#) broke out was a brutal reminder of the condition. The book's message is stark and demands attention. That it is a highly readable account of India's development enhances the appeal.

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