Treating Infrastructure as a Holy Cow*

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There is an impression shared by even progressive intellectuals that the entity that goes by the name of "physical infrastructure" is an absolute necessity in each country, and that the actual amount of infrastructure that exists is always less than what is needed. There is in other words no such thing as "too much investment" being made in infrastructure.

Because of this no objections are usually raised to the magnitude of resources that are devoted towards building such infrastructure. The criticisms that are levelled against infrastructure plans usually focus on issues such as the feasibility of the plans, whether the plans will be actually realised, whether the expenditure earmarked for them will be actually undertaken, and so on; but scarcely is there any discussion of the desirability of such plans.

Even with regard to the recent union budget where a substantial rise in infrastructural investment by the government has been provided for, the general trend of criticism, to the extent there has been any, has focussed on the government's not being able to spend the sum earmarked, and not on its earmarking so much money. The fact that spending so much on infrastructure may constitute a misplacement of priorities has not entered the discussion. Infrastructure in short has been generally treated in India as a holy cow.

Treating infrastructure as a holy cow however is entirely uncalled for, a point that has been made earlier in this column, but, in view of the persistence of such an uncritical attitude, the point is worth repeating. The physical infrastructure that is demanded at any time depends on the economic strategy being pursued. It is not an absolute or invariant requirement of the economy; the need for a specific type of physical infrastructure arises primarily because of the particular economic strategy that is being pursued.

The building of ports for instance became an apparent necessity only when colonialism got established. The colonial conquest of India exposed its economy to an upsurge in maritime international trade as it had to provide now a source of primary commodities for the metropolitan economy and a market for metropolitan manufactured goods. The economic strategy being pursued in the colony thus demanded the building of ports on a scale unparalleled earlier.

The sixteenth century emperor Sher Shah Suri had also devoted considerable resources to building infrastructure projects; but he had constructed roads, not ports, because the economic strategy of that period had entailed long distance trade through road transport rather than by shipping.

The development of the railways in India in the colonial era was undertaken with the same objectives as that of ports. An economic historian, the late Ian Macpherson, has argued that the transport of primary commodities was the main aim of the Indian railway network; but we need not enter here into the relative weights of the market and primary commodity motives. The point is that the colonialisation of the Indian economy made investment in the railways essential, because of which the colonial regime had been willing even to provide a guaranteed rate of return to private companies for investing in this sector.

It may be thought that since railways are a useful thing for any country, the specific motive with which they were constructed is an irrelevant issue; indeed the entire issue of linking the construction of infrastructure to the economic strategy being pursued may appear irrelevant, since infrastructure is always useful and hence always needs to be built. Infrastructure investment in short is always a good thing per se, a view which is the exact opposite of what I have been arguing till now.

But the fact that some particular infrastructure project may come in useful in future does not mean that resources must be devoted today towards its construction; and if substantial resources are nonetheless used for it, then the reason for doing so must have to do with the specific economic strategy being pursued. After all, resources are scarce and their being used for one purpose precludes their employment elsewhere; how they are used becomes therefore a matter of choice, and this choice is governed by the economic strategy being pursued.

There is an impression that Karl Marx, because he favoured “modernity”, would have approved of infrastructure projects which, though not of immediate interest to the people at large, serve them only over a period of time. In the case of the Indian railways for instance he would have approved of their construction, even though they were to serve the interests of the colonisers, because of their long-run role in modernising the Indian economy. It is significant however that Marx takes a position that is the very opposite of this so-called “modernist position”; in one of his articles on India in the New York Daily Tribune, he even calls the railways built by British colonialism in India “useless to the Hindoos”.

Marx could not have meant this remark literally. Even leaving aside their present usefulness, the railways were of use to the Indian people even when they had been newly installed. Their purpose may have been the opening up of the economy to colonial exploitation, but calling them “useless” to the Indians appears excessive. But what Marx was really referring to is the fact that building a railway network was not a priority for the Indian people; it was a priority for the colonial regime, which is why it got built, but the Indian people did not need it at the time and would not have been forced to spend so much of their resources for it if they had been free.

To assert that the infrastructure demands of a country depend upon the economic strategy being pursued within it says nothing about shortages. It was said earlier that there is no such thing as “too much investment” in infrastructure; but this is typically the case because there are always apparent infrastructure shortages which investment overcomes. Given any economic strategy, the corresponding infrastructure has to be of a certain kind, and there is always not enough of it. Because of this, investment in infrastructure always appears “justified”, but what must never be lost sight of is that this “justification” is relative to the economic strategy.

Consider an example. Under the neoliberal regime there has been a massive increase in economic inequalities, and this in turn has created a certain pattern of demand. One feature of this demand has been a huge increase in air-travel, for which airports all over the country have to be built, expanded, and renovated. Not doing so would mean extreme congestion and inconvenience for passengers. This fact provides the justification for investing heavily on airports. Nobody, it would seem, can argue against such investment, which, no matter how undertaken, whether through public or private initiative, appears perfectly rational. But this rationality is only relative to the economic strategy of neoliberalism. If there had been an alternative strategy of economic development that had been more egalitarian, then the demand for air-travel would have been much less, congestions at airports would have been reduced and so much investment in expanding and renovating airports would have been unnecessary.

Detaching the demand for infrastructure from the economic strategy being pursued is a way of obscuring the underlying class nature of such demand. The demand for infrastructure in other words is also a class issue. Treating infrastructure as a holy cow amounts to obscuring this class issue, the class nature of development.

There is also a certain dialectic here. The argument often advanced by governments is that healthcare cannot be funded (not even to the tune of earmarking 3 per cent of GDP for public healthcare expenditure), or education cannot be funded (not even to the tune of earmarking 6 per cent of GDP for public education expenditure, a target set decades ago by the Kothari Commission) because there is a paucity of resources; whatever resources are mobilised are demanded by several other avenues, among which infrastructure is a major claimant. This neglect of public education and healthcare in turn strengthens the trend towards an inegalitarian economic strategy by squeezing the poor and creating opportunities for lucrative private operations in these sectors.

This dialectic can be reversed by altering the economic strategy which would of course require class mobilisation of the working people. But such mobilisation presupposes an understanding that the pattern of infrastructure investment is itself a part of what is being fought against.

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