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Market fundamentalism in the age of 'haute finance': The enclosing of policy space in 'emerging' India

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abstract

The rise of the Emerging Market is a remarkable exemplar of an idea that originated and was socialized in Western financial markets during the 1980s. It has since gained rapid, wider normative status with respect to a particular set of beliefs that motivate policy choices on macroeconomic management, economic development and financial sector reforms in developing and less developed countries. I draw on the Polanyian notion of commodification and recent extensions to his scholarship in the realm of ideas that seek to explicate processes through which the dominant ideal of the self-regulating market is justified as fundamental to the organization of society. Against the backdrop of globally mobile capital, I critique the prevalence of a particular ideology of emergence in which commodified geography and commodified finance interact to shape policy. In this process, evaluative talk plays a key role in legitimizing the expectations of global capital and overcoming inherent contradictions through the rhetoric of non-crises. I thus highlight the ascendance of a narrow and instrumentally economic understanding of emergence in contemporary, post reform India as is asserted in conventional policy discourse. I conclude by remarking on the significant constriction of ideational space for the consideration of alternative, historically informed approaches to social and economic development. The legacy of Karl Polanyi serves as a prophetic reminder for the consequences of such constriction.

> [Initially]...There was no foreign portfolio investment in emerging markets. In fact, the name was designed to give a more uplifting feeling to what we had originally called the third world fund.
>
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Introduction

Karl Polanyi (1944/2001) attributed the early nineteenth century rise of market society and its integrative economic logic based on the institution of the self-regulating market to the conjunctive rise of a universal economic motive (personal gain) and the fictitious commodification of land, labour and money. It is arguable whether Polanyi could have foreseen the extent of fictitious commodification in contemporary market society, in particular the commodification of entire geographies. Kaur (2012) emphasizes the ascendancy of the superficial project of corporatized nation branding over development-tethered nation building in the competitive race to emerge as *the* desired destination for global capital. Against the backdrop of nation states increasingly seeing themselves primarily as managers of capital, she identifies:

> a defining aspect of neoliberal economic restructuring over the past few decades has been the re-making of the nation-form in the image of the corporation — Nationality, Inc — complete with its own trademark and a brand image. The shift marks the move from the ideas and practices of nation building to those of nation branding, which is often suggested as the attainment of a higher and more complete form of nationhood appropriate to the era of globalization. (2012: 605-606)

Notions of *emerging, emergence* and *emerging markets* are central to this exercise of competitive nationalized brand building (Kaur and Hansen, 2016: 269), particularly in the international market for finance. The term *emerging market* represents an idea that originated in the IFC (a leading World Bank member financial institution focused on private sector initiatives in developing economies) over three decades ago to elevate a potential but fledgling asset class (investment category comprising securities with similar characteristics) to a new standard worthy of attention from international banks, fund managers and capital providers. *Emergence* now transcends economic, political and public policy spheres and is pervasive in the lexicon of economists, academics, analysts, businessmen, executives, fund managers as well as the print and electronic media in India today. The notion of an *emerging India* interacts deeply with collective construction of national identity. In particular, the idea of emergence increasingly demands adherence to a set of standardized expectations in the domains of macroeconomic policy, financial markets and indeed, the political economy, as repeatedly articulated and enforced by key internal and external actors.

Such expectations are usually enacted through evaluative talk that define red lines of acceptable behavior. In so doing they seek to establish norms that de-legitimize alternate notions of development (including the vehement rejection of the policies of a previous generation) that cannot be accommodated by the immediate needs of globally mobile capital. In the process of establishing such norms through the reproduction and enforcement of evaluative talk, India's *emergence* corresponds to the Polanyian description of a growing, acquisitive and inherently contradictory market society. The outcome is a remarkably rapid transformation of a civilization into an appendage to the self-regulating market, on course towards the 'running of society as an adjunct to the market' (Polanyi, 1944/2001: 60).

The great transformation

Particularly in the last three decades, Karl Polanyi's classic oeuvre, *The Great transformation*, 1944 has been the subject of analysis and interpretation across the disciplines of economic sociology, economic anthropology, historical sociology and critical political economy. Institutional theories of change describe Polanyi's work as a remarkable example of macro-social analysis based on the use of 'history as an analytical tool', consider Polanyi as one of the founding fathers of classical historical institutionalism (Steinmo, 2008: 122) and acknowledge him as one of the original contributors to the institutionalist approach of the study of political economy alongside Thorstein Veblen and Max Weber (Dunlavy, 1998: 114; Steinmo and Thelen, 1998: 3). Economic and historical sociologists and political historians have been at the forefront in debating, theoretically extending and empirically examining Polanyian constructs and methods (Block, 1979, 2001, 2003; Block and Somers 2005, 2014; Dale 2010; Gemici, 2008; Hann and Hart, 2009).

Recent scholarship on Polanyi has sought to re-interpret his profound yet somewhat ambiguous ideas in a neoliberal context. Intellectual epitaphs to Polanyian thought arising from his *wrong* interpretation of history and emphasizing the historical persistence of market societies in mankind's deterministic evolution towards the modern market economy have also been attempted (Hejeebu and McCloskey, 2004: 137). Others have sought to problematize the apparent challenge to Polanyian thought presented by the mutating yet persistent nature of capitalism in seeking re-interpretations that can lead to 'progressive possibilities' (Dale, 2010: 208; Watson, 2014: 622). Amidst repeated crises, Polanyi's ideas on the socially disintegrative consequences of the fictitious commodification of land, labour and money in an industrial society, that subjects its social sphere to the dominance of free markets and, the reactionary processes of the double movement, command renewed attention. The 'ghost of Karl Polanyi' (Levitt, 2013:1) continues to stalk debates beyond the confines of the World Economic Forum.

Polanyi challenges the ahistorical presumption pervasive in significant sections of mainstream modern economic (and indeed, social) thought that contemporary arrangements and methods of organization are advancements of timeless practices. Polanyi's ontological commitment to a holistic view of man, and his temporal critique of industrialized Western society is therefore, appropriately suited to a contemporary study of eastern societies such as India, where, arguably, for most of the twentieth century, the independent sphere of the market economy did not dominate human society. Polanyi's analysis refutes economic determinism that tends to relegate social motives to irrelevance by presuming that all changes in society are driven by the economic sphere. He also represents a direct challenge to micro or reductionist theories of institutional change that place economic rationality over all other forms of rationality and theorize institutions, uncritically, as the consequence of *innovations* by powerful actors driven by rational self-interest.

Market fundamentalism and ideational processes

The notion of *market fundamentalism* in contemporary Polanyian scholarship owes its *substantive* origin through Soros (1998) to Polanyi. Polanyi's thesis of the rise of the market economy predicated on the commodification of man, nature and money, the resultant transition of society into a market society and the central role of 'values, motives and policy' (Polanyi, 1957: 250) in the institution of economic processes in society, prefigure the rise of *market fundamentalism* in a market society. Block and Somers re-define and deploy this notion in a somewhat deprecatory manner to highlight 'the quasi-religious certainty expressed by contemporary advocates of market self-regulation' (2014: 3) and inductively theorize within a framework of ideas and narratives that synthesizes ideational processes of institutional change with Polanyi's account of the rise of the self-regulating market (2005, 2014). They extend Polanyi's conception of embeddedness in a market society, i.e. the arrangement of institutions of the market vis-a-vis social institutions, to the ideational sphere. Accordingly, Block and Somers argue that the notion of *market fundamentalism* constitutes 'ideas, public narratives and explanatory systems by which states, societies, and political cultures construct, transform, explain, and normalize market processes' (2014: 155). Their work represents a singularly significant and operationalizable extension of Polanyian theory in the domain of ideas, with implications for contexts such as India.

Just as markets are embedded differently at a functional or structural level within market societies, i.e. the separation of political and economic institutions is configured differently in market societies over time and space through regulations and institutional arrangements, markets are also embedded and re-embedded differently at an ideational level. A key, inductively derived assumption on which ideational embeddedness is based is the following: ideas exercise an independent role in catalysing institutional change in certain contexts. Once this assumption is accepted, Block and Somers posit that 'many battles over social and economic policy should be redefined as conflicts not over whether markets should be embedded but rather which ideational regime will do the embedding' (*ibid.*: 155).

Thus, ideas are contested within ideational regimes and, regime changes in a given society are rare. Ideas that are in tune with the given regime are epistemically privileged. The broader regime prevalent in the contemporary global context is one of historically persistent *market fundamentalism*. Block and Somers (2014: 166-173) attribute its ascendance and persistence since nineteenth century Western society to three underlying principles. The first is social naturalism - the claim that the laws of nature govern society and that the laws of the market represent the natural order of things. The second is theoretical realism constituting apparently inductive but substantively deductive causal claims that argue from observable effects to the true unobserved reality, e.g. that unemployment and low wages are invariably observed in a welfare society not *despite* welfare support but *because* of welfare support. The third principle is that of the conversion narrative, i.e. conversion of actors or groups from one ideational regime to another through the neutralization of the prevailing narrative and the depiction of an alternate story by moving back and forth between 'a more harmonious past before the onset of the crisis' and 'forward again to the problematic present' (*ibid.*: 172). The operationalization of the current regime is sustained through processes that seize crisis opportunities by seeking to problematize the crisis, argue counterfactually so as to delegitimize the original intellectual sponsors as architects of the current crisis and seek to alter the narrative by promising a utopian alternative for the future through a powerful counter-narrative. Thus *market fundamentalism*:

> simply imposes a different kind of embeddedness from that of institutional pragmatism, (social protection) one that tells a different story about the urgency of liberating markets form the tyranny of policies that violate the autonomy of self-regulating natural entities. (2014: 184)

Consequently, *market fundamentalism* provides a crucial entry point through which a number of Polanyian constructs can be operationalized in the analysis of narratives relating to prevailing ideas and institutions, without necessarily subscribing to deterministic outcomes. Specifically, I draw upon the interplay between commodified geography, commodified money (global finance) and the notion of *market fundamentalism* in problematizing the dominant ideological and policy proclivities in *emerging* India.

Commoditized space, notions of emergence and global capital

The metaphors deployed to describe *emerging* economies in geographically prefixed predatory or behemoth-like terms explicit in image conjuring exercises in the global economic discourse, and particularly, the financial media such as *Asian tigers*, *African lions*, *the dragon*, *the elephant* etc. serve dual purposes. They capture and perpetuate the intensely competitive nature of international capital mobilization in the new pecking order of emergent nation states engaged in the race to *outperform* within the asset class of emerging markets, reminiscent of the analogous race for survival in the wilderness. Further, they provide lubrication to the public aspirations amongst the vanguard of emergent nations — to emerge victorious in this race. The components of this asset class however are not homogenously constituted. Sidaway (2012: 57) provides an interesting description in terms of the spatial dimension of emergence through his description of re-converged enclaves as demarcated zones of development within 'the third world' that represent sites of fulfilment and function as nodal representatives of the globalized world but are 'partially dis-embedded' (perhaps, even starkly so) from their immediate context.

However, there is an additional temporal dimension to this emergence, which manifests itself in the belief patterns and notions of the *emergent* nation. These arise from qualitative connotations associated with emergence and are anchored in an impression of purposive motion — from the past (undesirable, servile) to the future (developed, assertive, aggressive). Such an understanding seeks to foreclose consideration of options since the materialization of any schisms, however deep, are non-controversially attributed to temporary aberrations encountered in the progress towards a promised, powerful and redeeming future. Such aberrations are often perceived as opportunities to incrementally correct technical flaws in policy instead of substantively challenging direction. Emergence, thus comprehended, is associated with a set of fiercely guarded emotions and beliefs appropriated by the elite, *enlightened* citizenry of the emergent. Particularly in the case of India, these often include a feeling of purposeful redemption, a belief in a vague yet shared perception of a relentless pursuit of the economic summit and a qualification *earned* by virtue of an unwavering focus on coaxing digits of growth out of the economy. A demonstrated commitment to global economic integration that entitles, indeed commands greater attention to a *performing* India from the audience of national and international spectators becomes imperative as *emergence* increasingly constitutes a tenuous perquisite representing privileged membership in a global club of the like-minded. Such recognition however is contingent upon India's continued inclusion in prestigious financial groupings and indices so as to justify a persistent premium in investment valuation.

Consequently, in the domain of economic policy, advocacy of an *emerging* India requires the establishment of an institutional environment that is able to simultaneously accommodate incompatible components. In particular, these include the enduring facilitation of powerful private innovators who are able to contract at minimal transaction cost and continually undertake institutional innovation in the prospect of private gain. Additionally, a stable polity is sought, that sees itself primarily as a service provider in the assurance of continuity as a legislator of low cost contract enforcement and non-interference. Such a polity is expected to commit itself to an efficient property rights system so that incentives for *frictions* arising from subjective perceptions rooted in alternative logics (tradition, custom and local belief) are minimized. Further, a judiciary geared to unambiguous and speedy resolution of disputes in its primary role as low cost third party enforcer and, an amenable citizenry who cultivate necessary opinions are desired, so that a stable institutional environment can be maintained to facilitate the operation of other institutional components. These expectations by the orthodoxy as *the* essential template for institutional design and change for *emerging* India re-centre our attention on Polanyi's notion of the 'economistic fallacy' (Polanyi, 1953:1). Fundamental to Polanyi's conception of the economy as an instituted process are his accompanying emphatic injunctions to avoid equating the economy with the market in its purely formal, economistic sense instead of its human counterpart (a presumptive encumbrance of our zeitgeist) thereby ignoring the place of economy in society. The economistic advocacy of the orthodoxy however is beholden to haute finance.

In the globally interconnected financial economy, commoditized money has a special role to play in the commodification of geography i.e. branded *emergence*, by interacting with domestic notions of emergence and therefore, enforcing emergence from without. Lee (2003: 62) highlights the devaluation and consequent destabilization of locationally fixed capital through spatial mobility of financial capital across geographies and investments in compressed time, originating from the process of continuous, comparative evaluations predicated on increasingly fragile (and often oscillating) financial knowledge. When applied instantaneously over a range of time horizons (investment holding period considerations), such knowledge amplifies the liquidity, scale and power of financial markets and facilitates the construction of geographically uneven development. The very threat of (re)switching of financial capital consequent on such mobility exerts policy pressure on emergent states that is reflective of:

> the geographical imaginations and experience of those working within financial markets and the interactive construction and exchange of knowledge – often over very short time frames – in which they are constantly engaged. (Lee, 2003: 63)

The continuous flow of information through broker networks, content providers and financial media creates perceived and actual instantaneous arbitrage opportunities across geographies or investments (asset classes), serving as stimulus for the continual readjustment of views, consummation of value realization and movement of financial capital to the next transitory destination in order to *unlock value*. The notion that such attributes of mobility and instantaneous re-pricing of risk on a global scale are essential for a perennial, universal reflection of underlying assets at their fair value appears clearly antithetical to another mainstream economic assertion (World Bank Report, 2010) that productive investment requires a stable regime, reliable institutions and a predictable business environment. Underlining this dialectical opposition is the fact that globally mobile financial capital constantly juxtaposes the value of *real* investment against its *fluid*, market determined price, fueling volatility, affecting sentiments and thereby adversely influencing real investment and business decisions. Lee (2003) highlights this antithesis in the context of global risk aversion and a flight to quality, resulting in reduced portfolio investment in emerging markets, pro-cyclicality of capital flows and a consequential penalty that emerging markets bear for global growth slowdown.

Inherent contradictions of self-regulating finance

Pro-cyclicality of capital flows, especially in the form of foreign portfolio investment (into domestic equity and bond markets of emergent states such as India) presents a deepening persistent challenge to one of the fundamental postulates in finance. The sub-discipline of portfolio theory within modern international finance espouses asset class diversification as a means of countering cross-asset class return correlation especially in the face of recurrent and prolonged contagion in financial markets, often in anticipation of such events. This assumes significance in the post Global Financial Crisis (GFC) regime. In its simplest form the exercise involves (re)switching financial capital amongst combinations of investable assets that bear low positive to zero correlation, for example, cash and equity. At a more sophisticated level, it involves evaluating combinations of assets (including geographies) that at the margin yield superior positive nominal risk adjusted returns per unit of volatility at the level of the portfolio. Recent trends on the effectiveness of global portfolio diversification strategies, especially in equity and bond markets around and after the GFC are instructive.

The process of establishing new destinations for financial capital through the creation and re-categorization of *emerging* and *frontier* territories aids the widening of portfolio opportunities through the emergence of alternate investable asset classes (geographies) that appear initially heterogeneous. However, increasing policy isomorphism over time is manifested through shared attributes such as dependence on unpredictable global capital to mobilize foreign currency reserves and finance real sector growth and, rising inter-connection with global financial markets. This diminishes portfolio diversification benefits, especially over the short to medium term arising from higher financial asset return and volatility correlation between emerging markets and the US (safe haven) during peak contagion (e.g. GFC), rising co-movement of returns during bull markets since GFC and significantly greater interdependence of bond returns in emerging markets (Bianconi et al., 2013; Dimitriou et al., 2013; Syriopoulos et al., 2015). Recent calls for replacing asset class diversification with (often) ambiguously interpreted risk factor based diversification (Ilmanen and Kizer, 2012) require dynamic portfolio management and entail high transaction costs. Frequent regime shifts affect underlying risk factors and further mandate taking on leverage in the portfolio of an order that effectively exposes the portfolio to a different form of risk.

Ironically, in every instance of an (imported) crisis, emergent states like India are constrained to implement policy measures designed to speedily attract and retain foreign exchange reserves by incentivizing global capital inflow in its most transient form — foreign portfolio investment. Thus, we observe two pairs of incongruous dynamics. One pertains to the emerging contradictions within portfolio management techniques affecting portfolio investors of foreign capital and, the other to rising dependability on tenuous foreign currency flows while seeking to guard exchange rate stability and also financing growth. These represent classic Polanyian illustrations of the internal contradictions arising from the sophisticated reproduction of commoditized self-regulating finance in the global market that *emerging* countries such as India face.

There is a further dimension, however, to this perennially imminent threat of capital switching that Lee (2003) addresses partially. Indeed, the mere spectre of a large scale switching away of financial capital exercises a regulatory impact on local behaviour and norms, thereby ensuring conformity with global expectations and limiting discretion in policy and action at the level of the *emergent sovereign*. Not only must the emergent be compliant but must also *be seen to be* compliant at all times implying that any change in perceptions about intent is reason enough for the reconstruction of financial knowledge. This has profound implications. Every potential announcement and action by the *sovereign* must be carefully analyzed ex-ante and provision made for compensating factors so that cross spatial and inter-temporal expectations from global capital are adequately factored into policy decisions. Dissenting influential voices or opinions in policy corridors must be ignored or quelled lest financial markets catch on to the whiff of indiscipline and read rebellion from it. When such balancing is no longer possible, damage control emerges as the last resort. Policies, thus lose connect with the developmental dimension of stated ideology and are increasingly hostage to the immediate verdict of financial markets.

Evaluative talk

The process of capital switching does not occur passively but is accompanied and often determined by a strong sub-text of 'evaluative talk' (Lee, 2003: 67). Evaluative talk aims to continuously (re)create conditions appropriate for (re)switching through the discursive constitution of fitness for investment purpose. Such evaluative talk in the context of emerging markets is often comparative, juxtaposing nation states as lead-lag players so as to project them as examples of successes or failures on neoliberal parameters of economic reform. This is often accomplished by establishing expectations of reform implementation (in the public domain) from the elected head of the sovereign emergent in the process. Kaur (2012: 605) highlights the reversal from the earlier situation of 'the corporation seeking patronage as purveyor to the sovereign' to the prevailing regime where the state acts as purveyor to global capital through the display of abundant 'raw material, cheap skilled labour and unfettered access to markets'. It is no surprise, therefore, that the prospective customer is constantly evaluating the vendor's wares and publicly setting terms for their merchantability.

Based on analysis of prevailing discourses (popular and financial), I posit that evaluative talk, especially in the context of *emerging* markets, constitute three broad, cognate categories. These include value-laden exhortations for speedy implementation of neoliberal reforms while making exhortative, critical comparisons over time and space in order to highlight missed opportunities or to avoid being perceived as a laggard. Second, warnings of external risks (positive and negative) for example 'Fed tapering', Eurozone crisis and oil price movements, thereby highlighting needs for resiliency and continued reform commitment constitute another category. Finally, appeals to seize the opportunity to fulfil potential and attain one's destined place in the world order constitute the third. Evaluative talk typical of these categories can originate from internal or external actors and usually converges (across actors and categories) at critical moments when a decisive regime shift is imminent or appears possible. As an illustration, the International Monetary Fund's (IMF) episodic warnings to 'emerging' economies like India of looming external risks and emphasis on speedy reform implementation as an antidote are typical of diagnostic rhetoric. These are premised on the expectation that every new wave of imported crisis accentuated by globally mobile capital must be countered by nimble footed policy implementation by emerging markets on their onward march to *emergence* (e.g. IMF, 2016).

Highlighting the dialectical nature of the problem, is the irony, that if fulfilled, these crisis events would constrain options for India's monetary policy (interest rate reduction), investment reform process (attracting foreign investment inflows) and foreign exchange management (stable exchange rate and robust foreign exchange reserve maintenance) at precisely the moment of the articulated need to implement these measures, thereby diminishing prospects for reform as judged by the same neoliberal standards on which these expectations are articulated.

Evaluative talks by internal actors include allusions to the *shameful* legacy of India's economic performance prior to the introduction of liberalization and commencement of global integration (1991), the externally anchored nature of the vision of what India must or must not do – the imperative of *measuring up* to international expectations, the separation of the social sphere from the economic and, the articulation of a *business case* for future financing of the social sector contingent upon economic growth. In the context of emergence, evaluative talk thus seeks to further the logic of commodified finance in two very distinct and related ways. First, it seeks to achieve and sustain the completion of the Polanyian triad, namely the commodification of land and labour. Second, in the domain of performance accounting, it demands on-going spatial (across emerging markets) and temporal (fiscal quarter or year) policy accountability echoing the earlier reversal of roles between state and corporation.

Opportunistic invocation of non-crises in the service of market fundamentalism

How do prescriptions by the prevailing orthodoxy retain credibility against chronic and episodic crises of slow-down, recession and jobless growth? I posit that this is achieved through the evaluative rhetoric of *non-crisis*. This involves talking down by juxtaposing relative intensities of episodic indigence, emphasizing the absoluteness of *fundamentals* and, the imperative of countering capital flight. Such manufacture of crisis reconcilement is often accompanied by a pragmatic, naturalistic emphasis on the inevitable incurrence of globally imported costs for imminent local development. The discursive construction of concrete visions of development through persistent appeals to the power of instrumental imagination involves the constant conjuring of material manifestations of progress and the consequent shaping of realities that hide the tenuousness of access and ignore the problematic domestic reproduction of a colonial past, in the relentless and febrile makings of a new *free* history of a *free* society. The capture of ideology, vision and institutional action by conforming and totalizing imaginations is thus complete.

This paves the way for the situational negotiation of morals predicated on the economic imperatives of substantively non-economistic contexts that is simultaneously pervasive (by its reproduction throughout the hierarchy of society) and regressive (by its relentless shaping of individual and collective consciousness). The dialectical abasement of wholesome collective histories and geographies, their diversities and inherited human-ness, through the verbalized elevation of synthetic boundaries formalized in grand narratives of growth is thus achieved. Simultaneously, the reinforcement of conformity to the instrumental epistemology underlying such narratives through the continual emphasis on the precariousness of *growth* is on display, resulting in the non-reflexive advancement of performative growth over its subjective and substantial alternatives. The fierceness of calls for safeguards to growth arising from *unavoidable* imperatives to nurture the reified concept persists, in the course of which, the real subjective constituent is often, collateral damage. The latent negation of human-ness in the pursuit of metricized outcomes eventually, by its reproduction, constitutes a conscious abnegation of stated intent. Finally, the anticipatory rhetoric of *deep and impending crisis*, simultaneously serves preparatory and cautionary purposes (highlighting the *inevitable* consequences of failing to fall in line) in the age of *market fundamentalism*.

Burden of proof

The over-riding (though not unchallenged) mainstream assertion dominating Indian economic policy discourse is the following — not opening markets to investment and competition, i.e. not establishing 'One Big Market' (Polanyi, 1944/2001: 75, 187), and the failure to unleash *animal spirits*, will accelerate the decline of India as an *emerging* super-power and jeopardize development. Arguments for a more complete commodification of land and labour prescribe a simpler land acquisition process that would overcome the challenges of adequate compensation, community consensus and social audit and, a labour market where separation is easier. Central to this naturalistic, conversion narrative is a mix of unreflective experiences and notions. Dissatisfaction with decades of *insular* and *bureaucratic* approaches to post-independence economic development acts as a powerful motivating force. Further, the collapse of communism is putatively interpreted as representing the permanent demise of non-capitalistic and often by conflated association, non-libertarian modes of economic and social organization. These are accompanied by misplaced juxtaposition of advanced capitalistic economic models with those of the former Soviet bloc to highlight the absence of viable alternatives and, the conflation of liberal, socialist models with those of failed communist models by tarring all alternative models of nation building and development with the same brush. These arguments fail to adequately introspect, in several ways.

First, they over-weight (often unconsciously) a particular phase of Western development based on the self-regulating market commencing between the late 1960s and early 1970s and in particular the globalized neoliberal version ascendant since the early 1980s. However, they ignore the period of turbulence arising out of unregulated market orientation in the run up to the great depression and the period of relatively stable welfare capitalism after the end of the Second World War culminating in the early 1970s in which restrictions on international finance attenuated the commodification of money (Lacher, 1999: 356). They also discount the strong state-led (sometimes at the expense of democratic rights) and social infrastructure-intensive nature of development in the case of East Asia, the experiences of failed transition to capitalistic organization of eastern Europe and Russia in the 1990s through the foisting of market institutions on unprepared and incompatible societies (Williamson, 2000) and indeed, the prolonged period of political and economic turbulence in advanced Western societies since the GFC. Hence they are ahistorical by being selectively attentive. Further, they shift the burden of proof onto arguments in favour of alternatives to prove that alternatives are superior and worthy of consideration. In so doing, they impose their own market fundamentalist standards on which basis the acceptability of any alternative must be judged, i.e. they 'exercise ideological hegemony over the boundaries of political discourse' (Block and Somers, 2014: 184). Thus, they suffer from the fallacy of *argumentum ad ignorantiam* – merely because a more effective alternative cannot be proven immediately, they assume the opposite, in this case, the financially capitalist proposition must be true, despite obvious inherent contradictions.

The reference to pre-1991 (pre-reform) India in popular discourse is representative of a widespread belief in the collective Indian mind, especially amongst wide sections of contemporary, educated middle and upper class Indians (who also dominate the bureaucratic, policy making, business and, increasingly, the political establishments), that India has never broken clear of the burdensome fetters originating from historic policy choices. 1991 represents a red-line in the past and notions of speed and flight need to be read in context – that of need for a decisive, permanent escape from a 'shameful' past and a prolonged present. Interacting with this belief, is the further notion that 25 years of reform, since 1991, have not produced desired results, putatively because the desired swift focus on wealth generation has been relegated due to an excessive preoccupation with redistribution, an argument often bordering on theoretical realism, e.g. that the poor need purchasing power not welfare support. This was exemplified by the discourse in the popular and financial media, in the run up to the 2014 general elections that was overwhelmingly critical of and anathematized *policy paralysis* and *governance deficit*. There is now, therefore, more than ever, the widely articulated need for speed and flight.

Conclusion

In the context of discussing different bases on which theories of ideology can be organized, Geuss (1981: 7) analyzes rituals as non-discursive elements of religion (itself a component of ideology) and thereby, draws a distinction between the beliefs and attitudes most people in society naively associate with (a particular) ritual, either implicitly or explicitly through participation in the ritual and 'the conflicting theological interpretations conceptually sophisticated members of the society give to the ritual.' Analogously, I posit that the wider, and to a significant extent, manufactured discourse on Indian emergence has focused overwhelmingly on the coveted short-term outcomes (jobs, infrastructure, better standard of material life, competitive out-performance) of neoliberal policy choices that the path has thus far involved taking, thereby, shaping public beliefs and expectations amongst explicit and implicit participants with respect to their own participation in the ritual of emergence.

Conversely, those having influence, providing inputs into or responsible for policy choices ('the conceptually sophisticated') are far more circumspect with respect to the structural adjustments and the tariff involved in emergence as a desideratum, almost dispassionately so. This dispassion is often a function of the disproportionate effects of such adjustments on the governors and the governed but more fundamentally reflective of the lack of space for alternative ideas and an inadequate critical appreciation of the zeitgeist. In either case, however, the discourse is overwhelmingly about methods, efficiency and narrowly instrumental aspects. The ideological mooring of India's *emergence* at this time is remarkably reflective of Polanyi's prescient characterization of the rise of the market economy in early nineteenth century England in the wake of the Industrial Revolution:

> Fired by an emotional faith in spontaneity, the common-sense attitude toward change was discarded in favour of a mystical readiness to accept the social consequences of economic improvement, whatever they might be…The elementary truths of political science and statecraft were first discredited then forgotten…household truths of traditional statesmanship, often merely reflecting the teachings of a social philosophy inherited from the ancients…(were)…erased from the thoughts of the educated by the corrosive of a crude utilitarianism combined with an uncritical reliance on the alleged self-healing virtues of unconscious growth. (1944/2001: 35)

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