

The Telegraph

Deepak Lal, economist who became a fervent admirer of the Raj – obituary

May 6, 2020

Deepak Lal, who has died aged 80, was an eminent development economist whose uncompromising belief in classical liberal economics was shaped by his experience advising developing countries and working for the Indian government at a time when it was committed to socialist central planning.

A maternal uncle, Sham Nath, had been imprisoned by the British during the Quit India demonstrations of the 1930s and later became a cabinet minister under Jawaharlal Nehru. Lal himself began his career believing in the socialist and nationalist ideologies of post-independence India.

By the early 1980s, however, he had aligned himself with the anti-dirigiste thinking of Hayek and Bauer, while his experiences led him to become a fervent admirer of the Raj.

This was the theme of one of his most controversial books, *In Praise of Empires* (2005), in which Lal argued that the liberal international economic order imposed by the British in the 19th century had delivered astonishing growth rates in those places fortunate enough to be coloured pink on the globe.

Drawing together an impressive array of statistics and sources, he concluded: “Despite nationalist and Marxist cant the British Empire was hugely beneficial for the world, particularly its poorest.”

Indeed, with one or two exceptions, the order provided by empires throughout history had been “essential for the working of the benign processes of globalisation, which promote prosperity.”

He poured scorn on those who, he claimed, denied these truths, including the United Nations (a “broken reed” that “merely provides a forum for the weak to unite to tie the US Gulliver down”), the World Bank, and NGOs such as Greenpeace whom he accused of “global salvationism” – projecting Western obsessions on to the developing world.

Lal went on to call for a “new imperialism” which, he hoped, could be led by the US if only it could shrug off the notion that empires are bad, resist protectionist pressures and refrain from scaring other countries with moralising lectures about freedom and democracy. “The jihad to convert the world to American habits of the heart will be resisted as much as Osama bin Laden’s jihad to convert the world to Islam,” he wrote.

Deepak Kumar Lal was born in Lahore on January 3 1940 into a “zamindar” (landowner) family whose fortune had been made by his great-grandfather Shankar Lal, an early practitioner of the “new” English law. At Partition, when Lahore fell on the Pakistan side of the border, the family became refugees, and one of Lal’s earliest memories was moving from the house of one relative to another.

His father, Nand, had trained as a lawyer in England and had tried without success to become a diplomat. The family were often short of money, yet they managed to scrape enough together to send Deepak to the Doon School, Dehra Dun, a boarding school supposedly modelled on Winchester, where he won all the academic prizes.

He went on to St Stephen’s College, Delhi, where he switched from Mathematics to History. He then won a scholarship to Jesus College, Oxford, where he read PPE and went on to take a BPhil in Economics.

Returning to India, Lal trained for the Indian Foreign Service, but during a posting to Japan he decided he was not cut out for diplomacy. He wanted to be an economist, preferably working for the Indian government, but instead took up an offer to return to Oxford.

There, he lectured at Jesus and Christ Church and spent two years as a resident fellow at Nuffield College before being appointed in 1970 as a lecturer in Economics at University College, London.

In 1971 he married Barbara Ballis, an American who would herself become a reputed sociologist, and in 1973 he returned with her to India to work for the Indian Planning Commission. He would recall that one of his jobs there was to estimate the direct and indirect demand for oil at different growth rates of GDP.

At the time, one of the most important uses of oil was in producing fertiliser. But the data being used to run the economy was based on figures from the time when India had no oil-based fertiliser plants.

A dawning realisation of the defects of what he called, in *The Poverty of Development Economics* (2000), “the dirigiste dogma”, as well as the impossibility of living on an Indian civil servant’s salary at a time of rocketing inflation and the imposition of a state of emergency by Indira Gandhi in 1975, convinced him his future no longer lay in India.

He returned to UCL, where he was appointed reader in Political Economy in 1979, and Professor of Political Economy at the University of London in 1984. From 1991, as James S Coleman Professor of International Development Studies, he taught at the University of California, Los Angeles.

As well as advising individual governments, Lal worked as a consultant for international bodies including the International Labour Organisation, Unctad and the OECD. In the 1980s he spent four years as research administrator at the World Bank.

From the mid-1990s he became involved in free-market think tanks, including the Institute of Economic Affairs and the Cato Institute. From 2000 to 2009 he was a member of the UK Shadow Chancellor’s Council of Economic Advisers.

The author or editor of more than 30 books, Lal delighted in challenging received opinion of the liberal-left variety. In *Reviving the Invisible Hand: the Case for Classical Liberalism in the 21st Century* (2006), a fiery refresher course on the virtues of the free market, he condemned fashionable ideas of a “third way” between the free market and socialism as the “new dirigisme”.

He also produced figures to show that multinationals by and large pay higher wages and offer better conditions to employees in developing countries than they would otherwise enjoy, decried attempts to reduce child labour – pointing out that the only sure way of reducing it is through wealth brought by capitalism – and laid into the green movement as being “engaged in a worldwide crusade to impose its ‘habits of the heart’ on the world.”

He condemned the World Bank for promoting dodgy statistics on poverty compiled by people whose livelihoods depend on proving it to be a serious and continuing problem, and for infrastructure funding programmes which allow governments to waste their own money on armaments and corruption.

He even had a go at Western democracy, which, he noted, was being touted as a panacea for the world’s ills at precisely the time when populism and spin, rather than rational argument, was exerting an ever tighter grip on the democratic process in the West itself.

As for the poorer citizens of rich countries who, he admitted, were being badly affected by Third World competition, Lal’s advice was bracing: “Get an education.”

His last book, *War or Peace*, in which he warned of both the threat and vulnerability of a China run by its Communist Party, was published in 2018.

Deepak Lal is survived by his wife Barbara and by their daughter and son.