Finance Capital and Infrastructure Development: The Asian Context
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The paper looks at the relation between integration, finance and infrastructure in the context of Asia, where infrastructure is the key word. It is seen as both the magic pill of producing connectivity and integration of the otherwise disarticulated Asia as also that of generating economic growth by imparting positive externality effects of various kinds. In this sense, the author seem to be accepting the ruling narrative of the geopolitical force and then trying to produce an analysis of why this narrative is justified and can be made possible. At times, the failures are pointed to but then these are seen as problem areas to overcome so that that the dream of an economically and spatially connected Asia leading to the spread of virtuous growth is realized in its full potential. This marks the strength but also the weakness of the paper. The strength of the paper is its clear exposition of this position, its evolution and explanation of arguments made by institutions (state, corporations, banks, credit agencies, etc.) in terms of policy prescriptions and arguments. What it gains in terms of descriptive value is lost however in terms of reasoning and arguments, political and economic. The paper will gain in substance if it brings some of the latter into consideration.

I will simply lay down a few aspects that I consider important. First, the paper seems to have taken out the aspect of geopolitical tension (say, between India and China) from his analysis even as he rightly claims that calculation of political risk is a major factor in investment decision making of private players. For example, the New Silk Road is integral to the way China is positioning itself as a global power. Does it conflict with India's aspiration as a global power? The complexity of conflict in the recasting of Asia through the medium infrastructural connectivity is missing in the dished out analytical frame. There seems to be an unacknowledged economism that is underpinning the paper even as the described relation in the context of Asia is said to be containing factors surpassing economic ones. I wish that the author introduced this important complication in his narrative and made a more nuanced analysis out of it.

Second, I wish to draw upon the distinction between privatization which is a transfer of existing assets and investment that is the creation of new capital. The paper seems to be suggesting, wittingly or unwittingly, that private players have always been the pioneer in investment, particularly infrastructural investment. I am not sure if that this is correct at all. While private players have existed for long, the massive investment boom in the era of industrial capitalism, particularly in the 19^{th} and 20^{th} century, was to my knowledge pre-dominantly organized and/or driven by state funding and enterprise (including as diverse as USA, Europe, erstwhile Soviet Union and China; prominent examples being the New Deal, Marshall Plan, Soviet industrialization and Chinese modernisation). It is only in the aftermath of 1980s with the rise of financialisation of global economy that one witnesses the rise of private funding in investment, especially in the form of public-private partnership (henceforth PPP), in a massive and concerted way as part of government policy. In case of PPP also, the author does not refer in any way to the economics of PPP (pricing of elements with public goods character) and hence the types of PPP that exist (O&M contract, Lease, Concession, Divestiture) raising the question of which kinds of PPP is actually the author talking about; each one of them has a specific constellation of rights, obligations and risks. Moreover, the paper does not touch on the demand side of PPP. It is especially important in light of the historic event whereby the birthplace of modern PPP that witnessed a boom in 1990s and early 21^{st} century – namely Latin America – has fallen out of favor with the general public. What explains this failure? Taking a look at its failure in turn might throw light on taking a more careful and considerate look at the PPP model.

Moreover, what about Keynes's uncertainty or non-ergodic postulate inferring that future cannot be calculated and investors take decisions based on animal spirits rather than on some probability distribution that cannot be calculated! If one agrees that the future cannot be predicted i.e. to say that investment decision under the condition of uncertainty is a constituent feature of capitalism then it is self-evident that greater the economic and political uncertainly in any environment the more the investors will be disinclined to invest. This takes me to the next point. The paper seems to have completely ignored the aspects of economic and political uncertainty associated with both national and global finance and production which is afflicting the contemporary global order and Asia is no exception. Despite all kinds of potential incentives and benefits that are being dished out by the state and regional powers, why is the desired, actual, infrastructure investment (and hence growth benefits from it; India is no exception) not yet happening from the side of private players, especially in countries such as India. What explain this failure and what needs to be done about it? Why is China with its state organized and/or driven investment strategy emerging as the leader in investment?

My final point is about the focus of the paper. The impression that one gets is that the paper's focus is on Asia. Howevercross border infrastructural development is not exactly the same as finance for domestic infrastructure. There is a need to explain why this switch in focus is necessitated to address the problem laid down in the introduction whose focus is regional integration and connectivity.