



Rethinking Development in India: Relevance of Gandhian Economic Thought

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Abstract

While the nation celebrates one hundred and fifty years of the Mahatma and his ideas, the question remains – Has India achieved the holistic development as envisioned by the Mahatma? The answer is a clear no. To this extent, this paper stresses the relevance of Gandhian Economic principles in rethinking India's development trajectory. Borrowing from Mahatma Gandhi's cardinal principles of Satya or Truth and Nonviolence or Ahimsa and their implications on both the economy and the ecological systems; this paper explores works of Gandhian Economic scholars such as J.C. Kumarappa, E.F. Schumacher, Lester Brown, and the like to recommend a bottom-up approach for India's sustainable development - economically and ecologically. The current state of Indian Development is critiqued and the merits of a Gandhian model of Development are discussed. The issues in the adoption of Gandhian principles in policy in India are presented and a few guidelines for the way forward are laid down.

Keywords: Gandhian Economic Thought, Holistic Development, Policy, Grassroots, India

Introduction

India is the most populated democracy in the world supported by a robust Constitution. However, India has not been all that successful in tackling the biggest elephant in the room - 'development'. Many definitions of development have been coined so far, referring to it as both a product and a process of human society. However, development in most senses of the term seems to have escaped India in its race towards being a global centre of pow-

er and progress. This broad notion of development is best captured in the definition given by Owen Barder in his Kapuscinski Development Lecture in Helsinki (2012), where he suggested that "Development consists of improvements in the well-being of individuals. It also conveys something about the capacity of economic, political and social systems to provide the circumstances for that well-being on a sustainable, long-term basis." Barder's definition could be understood as the

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broadest definition of development, borrowing heavily from Amartya Sen's idea of "development as freedom" (Sen, 1999). Gandhi had envisaged an India not much different from Barder's definition. While the nation celebrates one hundred and fifty years of the Mahatma and his ideas, the question remains – Has India achieved this holistic development as envisioned by the Mahatma?

Policy experimentation by the Government and corresponding outcomes with magnitudes as severe as those of demonetization, digitalization, and wasteful urban planning is at its peak. This is in addition to India's abysmal performance in the context of multiple development indices. India has the largest number of people living in multidimensional poverty in the world (364 million people)¹. It ranks among the world's bottom-third countries with respect to environmental sustainability, life-course gender gap, and inequality-adjusted human development index². While it is true that these indices do little justice in terms of capturing the harsh realities of millions of people across the world wound up in their daily struggles for a better life; they do reflect their plight to a certain degree in calling attention to some serious humanitarian concerns such as poverty, inequality, and gender gap. Development has not only been seriously misconstrued in the context of policy-making, but also has contributed to irrevocable maladministration in the country. The moment could not possibly be more apt to seriously change the disposition vis-

à-vis its idea and practice of holistic development in India.³

Defective Development

Linear Growth

Although there is a gamut of arguments which could be demonstrated as reasons for the current sorry-state of Indian development; this section substantiates one overarching argument which explains what has led to such detrimental development. The explanation is thus: India's unreflective emulation of the Western, Rostowian model of development. While this linear model has been located at the heart of most present-day advanced economies, what often go unnoticed in the process of such an imitation is the multiplicity of developmental dimensions and the heterogeneity of societal fabric which complicates both the planning and the implementation of development initiatives in the Indian context. Arturo Escobar captures the ripple-effect of such unidirectional development theory across scholars vividly in his writing –

“The pioneers of development economics conceived of development as something to be achieved by the more or less straightforward application of savings, investment, and productivity increases. Their notion of development was not, for the most part, structural or dialectical—not one in which development could be seen as the result of the dialectical interaction of socioeconomic, cultural, and

political factors seen as a totality” (Escobar, 1995 p.83.).

Dual Economy

E.F. Schumacher documents this problem in his magnum opus *Small is Beautiful*. Where he observes, among other things, the problems of a dual economy and selective development which he attributes to an obsession with gigantism without paying attention to the limited resources at our disposal and the negative externality of environmental degradation that shall haunt humanity and perhaps, even wipe it out of existence completely. He writes –

“On the contrary, the dual economy, unless consciously counteracted, produces what I have called a ‘process of mutual poisoning’, whereby successful industrial development in the cities destroys the economic structure of the hinterland, and the hinterland takes its revenge by mass migration into the cities, poisoning them and making them utterly unmanageable.” (Schumacher, 1973 p.114.).

The Lewisian model of rural-urban migration formulated the creation of employment opportunities in the urban formal sector, a waitlist of people in the urban informal sector to get absorbed into the formal sector, and an inflow of excessive labour from the rural agricultural settings, offloading the burden on limited cultivable land, but promoting a thriving dual economy in the cities. What the model did not do, however, was problematised the various issues emerging there from, in-

cluding but not restricted to burdened cities with more people demanding access to limited resources such as food, water, shelter, education, healthcare, and so on. Urban planning becomes a nightmare in the face of accommodating overwhelming numbers of ‘outsiders’ varying in race, culture, ethnicity, religion, gender, age, and occupation.

Self-Destruction

It is well documented that humans are the greatest enemies of themselves by virtue of continually self-destructing their natural habitat – planet Earth. The magnitude of environmental damage inflicted by the industrial manufacturing and engineering pursuits of human civilisation backed by the economic logic of growth is unfathomable. Restless craze for such a defective development through the linear growth and dual economic tendencies discussed above have compounded the problem of rapid depletion of natural resources coupled with severe counterintuitive effects such as man-made disasters manifold. People across the world are knowingly engaging in their own self-destruction, set on a collision course invoking the uncontrollable wrath of nature. Lester Brown notes this in *Eco-Economy* –

“Evidence that the economy is in conflict with the earth’s natural systems can be seen in the daily news reports of collapsing fisheries, shrinking forests, eroding soils, deteriorating rangelands, expanding deserts, rising carbon dioxide (CO₂) levels, falling water tables, rising temperatures,

more destructive storms, melting glaciers, rising sea level, dying coral reefs, and disappearing species.” (Brown2001 p.4.).

Gandhian Economic Principles in Thought

Non-Violent Economy

Kumarappa discusses the principles governing a Gandhian Economy wherein the Gandhian principles of *Satya* and *Ahimsa*, i.e. *Truth* and *Non-violence* as a way of life with the economy in the east whom he as a salient and inseparable part of it (Govindu & Malghan, 2005;Kumarappa, 1948, 1962). His formulation of the various Stages of an Economy suggested a spectrum beginning with the most violent form of economic engagement and ending with the most non-violent form – from a parasitic economy to a predatorial economy to an enterprise economy to a gregarious economy and finally a service economy. While the first two stages are marked by a nonchalant redemption of rights with absolutely no sense of duty; the third stage demonstrates a balance between duty and rights. The last two stages reflect an excess of duty over rights – which is the ideal stage of a Gandhian non-violent economy every human society must strive towards (Kumarappa, 1948). Kumarappa writes –

“Economy of Service: Leading type-A relief worker. 1. Motivated by the good of others even if the work be seemingly detrimental to self-interest. 2. Pressing forward to perform one’s duties unconscious of one’s rights. 3.

Based on love and deep desire to serve without reward. 4. Brings non-violence and peace and makes for permanence. Chief Test: Contribution without regard to any benefit received by the worker.” (Kumarappa, 1948 p.28.).

Participatory Development

The defective development illustrated in the previous section has a very problematic root cause. The lack of a participatory approach to holistic development wherein all the stake holders are involved in the process of governance – truly manifesting a mutual reinforcement of *Swara-jor Self-rule* and *Sarvodaya* or *Uplift of All*. Unidirectional policy-making and centralised planning have led to detrimental and in many cases even irreversibly negative repercussions leading to severe reprimand by the people. Democratic Decentralisation as propounded by Gandhi has been achieved in letter, but nothing translates into practice – the spirit is missing. There is only limited change that can be expected in the near future given the multiplicity of factors that check holistic development at the grassroots in India. Nothing shall change until the people take charge. This theory of power-sharing and devolution, again, reflects a need for a reorganised and reoriented emphasis on trusts, cooperatives, and local institutions for taking charge of development. As renowned Gandhian Economic scholar B.N. Ghosh encapsulates –

“Gandhi has no faith in a state which has to depend on coercive and vio-

lent methods through its army and police force... In his scheme to maximize family and community welfare, he was motivated by the idea of power-sharing between the state and the people, and granting more and more resources at the disposal of trusts, family, community and institutions.” (Ghosh, 2005 p.75-76.).

Good Life

The good life in the context of Gandhian Economic Thought is envisaged as one where every member of the State has been able to achieve her or his basic needs. Not only that, but the possibility of an economically, culturally, psychologically and spiritually fulfilling life is no longer a possibility, but a reality in itself. Thomas Weber summarises this –

“Gandhi provides guidelines, which, if followed, would lead to a very different economic system, one that is sustainable and, rather than being an end in itself, would be a means to a greater spiritual end... However, there was also far more than this to Gandhi’s economic thought... It was a way to further an individual’s spiritual quest, a way to assist in the attainment of self-realization, nothing less.” (Weber, 2011 p.149.).

It may be interesting to note how such a life is facilitated through the principles of *Satya*, *Ahimsa*, *Swadeshi*, *Sarvodaya*, *Swaraj*, *Anaasakti*, and *Aparigraha*. Gandhian Economic Thought is a holistic thought. Though it may be difficult to inculcate it in practice, if we strive towards

it, then fruits of a good life as realised in his *Rama Rajya* would definitely be worth the effort. However, be that as it may, Gandhi believed in the importance and sanctity of good means in order to achieve the self-realization mentioned by Weber.

Gandhian Economic Principles in Practice

Traces of Gandhism

By *Swaraj*, Gandhi meant an India where its people would be self-reliant and self-sustainable to the extent that they neither have to depend on external help for their survival or flourishing, nor do they leave any scope for external forces to manipulate their living conditions and sabotage their freedom and independence. The concept of India Home Rule, better known as *Swaraj*, thus indirectly motivated the policies of the Planning Commission in early years of independent India. Meanwhile, *Sarvodaya*, or the uplift of all and sundry, irrespective of their race, caste, creed, place of birth, gender, age, or religion was also a feature reflected in policymaking. Referring to a ‘socialistic pattern of the society’, *Sarvodaya* has been attempted through a number of ways in the first few Five-year Plans (FYPs). “A number of attempts have been made in the plans to achieve this objective. Some of these measures include the cooperative movement, the introduction of land reforms including the imposition of ceilings on land holdings in the rural section, the democratic-decentralization through the establishment of Panchayat Raj, vigorous emphasis on agriculture and greater inter-

est in small, village and cottage industries” (Koshal & Koshal, 1973 p.315.). Same goes for decent conditions for work, equal wages for equal labour, the minimum wage legislation, and initial focus on agriculture.

Correspondingly, it would be useful to note some of the key policies which pay a director an oblique homage to Gandhian principles for encouraging holistic development at the grassroots in India. These include constitutional provisions such as Articles 39, 40, and 43 of the Directive Principles of State Policy, the Seventy Third Constitutional Amendment Act of establishing Panchayati Raj Institutions (1992), and the Ninety Seventh Constitutional Amendment Act of promoting Co-operative Societies (2011). Alongside such comprehensive constitutional provisions, there also exist a host of skill development and entrepreneurship development schemes initiated and active under various ministries of the Government of India for promoting holistic development at the grassroots in India such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Rural Self-Employment Training Institutes (RSETIs), Project for Livelihoods in Full Employment under MGNREGA (Project LIFE-MGNREGA), Support to Training and Employment Programme for Women (STEP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Atal Innovation Mission (AIM), and, A Scheme for Promotion of Innovation, Rural Industry &Entrepre-

neurship (ASPIRE) among dozens of other such schemes⁴.

Issues in Application

What remains true, however, is the fact that this influence only went so far when it came to a pristine and unadulterated adoption of these ideas. Contradictory policies have been adopted, as evident through the rapid industrialisation promoted by the Second FYP without paying any regard to a) the perils of mechanization and b) first focusing on achieving self-sufficiency before adopting aggressive measures as propounded by Gandhi. The State extended its arms and influence into every nook and corner of the country; urban development and city-planning became an order of the way, ports and industrial complexes became a matter of pride, and gigantism overshadowed the village-centric development envisioned by Gandhi in no time (Koshal & Koshal, 1973 p.324.).

Two problems therefore come to mind. First, that there has been minimal effort to include the people of the grassroots in the change making process while treating them as mere lab-rats for policy experimentation at the receiving end of development policy. Second, and more dangerous of the two, that if the comprehensive constitutional provisions and schemes across various ministries of the Indian government have failed in bringing about necessary socioeconomic change despite being in operation for a considerably long time; then what are the odds that there shall be a sudden strategic

paradigm shift to an earnest, effective, and efficient participatory model in the immediate future? Even though one uses a highly optimistic lens to suggest such a sudden switch, what is the guarantee that it would not sooner or later be plagued by the evils of unidirectional top-down policymaking tendencies which have been the order of the day for so long?

Concluding Remarks

Any set of ideas conceptualised by a political thinker is liable to being interpreted and adopted either formally or substantively or both. However, when it comes to the provisions, schemes and policies discussed above, the interpretation and adoption of Gandhian principles have largely been only formal in nature. They have, to say the least, been a name-sake tribute to Mahatma Gandhi and his dictums. While there has been an adoption in letter, it has not been the case in spirit of *Swaraj*. Mere listing of provisions and schemes or drafting and passing of legislation do not reflect an honest homage to cardinal Gandhian principles of *Satya* and *Ahimsa*. For, had that been the case, then the coming into existence and functioning of such policies would have long solved grassroots problems and paved the way for a self-sufficient economy championing holistic development. As discussed in the paper, regardless of the attempts made thus far; Gandhian Economic Thought has only been practiced in India at a formal level. The substantive adoption of Gandhian Economic principles in thought and in practice still remains. This necessitates a few guidelines

to be kept in mind for rethinking development in India through the Gandhian Economic lens today.

First, Gandhian Economic Thought needs to be adopted as the ideal model of holistic development in India as opposed to the current fetish with the Rostowian and Lewisian models. Being a model that is sensitive to the democratic nature and demographic complexity such as that of India, a fundamental reorientation of economic thinking is the need of the hour. Such a reorientation is needed not only among ordinary citizens, but also politicians, academicians, social activists and advocacy groups, bureaucrats, law-enforcers, environmentalists and others. Second, policies for grassroots development need to overcome their unidirectional tendencies and promote an earnestly participatory approach involving people in the process of both strategizing and implementation. Third, Gandhian Economic principles need to be tailored with due diligence to forces of the current times. One example would be that of promoting social entrepreneurship at the grassroots level to promote bottom-up holistic development while leveraging both Gandhian ideas and contemporarily relevant socioeconomic agents of change. Finally, the skewed and selective application of Gandhian principles in practice needs to be altered. Moving beyond mere quoting of Gandhian ideas in reports and slogans, robust awareness and sensitization among the youth of today regarding the essence of such ideas and their contemporary relevance needs to be undertaken.

That these principles of responsible production and consumption to promote the common, holistic good for all are timeless is beyond doubt. Any human civilisation, at any given point in time, may adopt, enact, and live by the Gandhian Economic principles to achieve a truly fulfilling life. Only then can collective well-being of each and every member of the society be realised.

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