

The Economics of Ahimsa:
Gandhi, Kumarappa, and the Non-Modern Challenge
to Economics

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Abstract

Heterodox ideas have always been a fixture on the economic landscape if one chose to look for them. From Sismondi in the nineteenth century¹ to Rajani Kanth² today, the dissenters and heretics have continued to voice their problems with the orthodoxy. However, in more recent times, in the realm of ideas the neo-classical school of thought has come to dominate economics, and in the realm of practice free-market capitalism stands triumphant. Under such circumstances it becomes more important than ever to keep dissenting and heterodox views alive. In this essay I explore the economic ideas of two Indian thinkers from the early part of the twentieth century, Mahatma Gandhi and J.C. Kumarappa. I will attempt to put their views in a larger philosophical context of the fact-value dichotomy, a key concept in the development of modern science, including economics. It is argued that the Gandhi-Kumarappa model constitutes a fundamentally non-modern (as opposed to *postmodern*) critique of economics, which remains a thoroughly modernist enterprise. I will also explore the consequences of this model for two economic problems of contemporary relevance, viz. overconsumption (and sustainable development) and distancing of the consumer from the producer.

1. Introduction

Economics is the flagship of modernity. While in the last forty years, at least within the academy, the “barbarian hordes” of postmodernism have rattled modernity’s gates, economics, according to Zein-Elabdin and Charusheela, “has remained intransigently modernist, largely impervious to the profound postmodernist, postcolonial and feminist critiques that have transformed other social sciences such as anthropology.”³ Here we may ask what it is that makes economics “intransigently modernist” and why this needs to change. A discipline may be called modernist if it adheres to ideals of the European enlightenment: a belief in continued progress, both scientific and material, an attitude of domination towards nature, a positivist epistemology, and recognition of the fact-value split. A reluctance to abandon these precepts in the face of mounting criticism may qualify as intransigent modernism.

Through the later half of the twentieth century and into the twenty-first there has been a growing sense that the enlightenment values mentioned above have run their course. In a century that has seen such “fruits” of the scientific method as Taylorism, Hiroshima and Zyklon B, the largely instrumental and positivist culture of science has naturally been called into question. Thus we find that philosophy of science in the later half of the twentieth century reacted sharply against the positivism of the early half,⁴ and in its more radical versions, constructed a very different, essentially subjectivist concept of scientific truth.⁵ Some of these reactions are often bundled together under the rubric of “postmodernist” thought. Generally speaking, postmodernist thought problematizes the notions of objective truth (Nagel’s “View from Nowhere”⁶) and emphasizes many different ways of knowing and understanding the same reality. It focuses particularly on the perspectives of previously ignored sections of society (colonized peoples, minorities,

women). However, as noted above, economics has remained largely unaffected by such critiques. And since economics claims to be the hardest of the social sciences, it will not come as a surprise that the natural sciences (which are “harder” still) remain even more intransigent to relativization of their truths. The resulting “science wars” have recently created much news.⁷ It is not the intention here to summarize the current state of the debate between “objectivist scientists” and “subjectivist postmodernists” but it is important to point out that the resistance of economics to postmodernization or postcolonization comes from its perceived closeness with the hard sciences (e.g. its value-free nature, its deductivist logic and mathematical formalisms).

While there may be some agreement (at least in heterodox circles) that the Enlightenment roots of Economics must be questioned, there is much room for disagreement with regard to the nature of the critique. To explicate, postmodern, postcolonial, feminist, and Marxist perspectives can all be counted as part of economic heterodoxy today. But traditional Marxist theory is as “modernist” as the neo-classical school, subscribing with the same vigor to Enlightenment values. Here I would like to make some preliminary comments about a non-modern challenge to economics. The non-modern challenge must be careful to steer clear of the violent (*anti-modern*) tendencies shown by religious fundamentalisms resurgent today (the self-styled Islamic fundamentalists with their proclaimed hatred of modernity, for example), on the one hand, and the paralyzing moral and epistemic relativism of *postmodernism*, on the other hand. It is here that we may draw inspiration from two prominent early-twentieth century Indian thinkers, Mohandas Karamchand Gandhi and his long-time collaborator, Joseph Cornelius Kumarappa.

Gandhi’s anti-imperialist struggle against the British *raj* in India is better known than his economic ideas. And yet he was vitally concerned with what would today be called development and modernization. Moreover, his economic ideas evolved with his political experience on the ground and despite being labeled unrealistic or utopian, may in fact be more in touch with the needs of the world than theories to be found in modern textbooks of economics. Although Gandhi’s ideas in the economic sphere have been relegated to “alternative initiatives” and are anything but a part of official Indian economic policy, an investigation into his economic thought has, in the last two decades, made itself felt as a part of the growing literature on heterodox economics. There now exists much material that dedicates itself to an exposition of Gandhi’s economic philosophy.⁸ J.C. Kumarappa, a contemporary of Gandhi who independently developed ideas similar to Gandhi’s and was his co-worker for many years is, by comparison, a lesser known figure in the history of economic thought. Educated at Columbia University, Kumarappa was an economist and author of “Economy of Permanence”, a book that outlined his “quest for a social order based on non-violence.” In this book Kumarappa criticizes economics that places excessive importance on material growth and ever-increasing standards of living. Although Kumarappa himself is relatively unknown outside his home country (and to an extent even within it), we can trace his influence in the thought of British economist, E.F. Schumacher. In his widely celebrated book, “Small is Beautiful: A Study of Economics as if People Mattered”, Schumacher says:

“From the economic point of view, the central concept of wisdom is permanence. We must study the economics of permanence. Nothing makes sense unless its continuance for a long time can be projected without running into absurdities. There can be growth towards a limited objective but there cannot be unlimited, generalized growth.”⁹

Since there is significant overlap between Gandhi and Kumarappa I refer to their model here as the Gandhi-Kumarappa model. I am using the word “model”, not in the formal mathematical sense but in a more colloquial way, to mean a set of propositions or rules that license certain types of actions and forbid others. We begin our brief survey with an examination of a fundamental Enlightenment precept (and a defining feature of modern economics) that is called into question by Gandhi’s life and philosophy, viz. that fact-value dichotomy.

2. The Fact-Value Split in Western Thought and the Gandhi-Kumarappa Response

2.1 Positive-Normative, Descriptive-Prescriptive, Fact-Value: A Brief History

“When we run over our libraries, persuaded of these principles, what havoc must we make? If we take in our hand any volume: of divinity or school metaphysics, for instance: let us ask, *Does it contain any abstract reasoning concerning quantity or number?* No. *Does it contain any experimental reasoning concerning matters of fact and existence?* No. Commit it then to the flames: for it can contain nothing but sophistry and illusion.”¹⁰ (emphasis original)

Of all the dichotomies in western thought, the fact-value split, exemplified by David Hume’s rather climactic conclusion to his “Enquiry Concerning Human Understanding” is particularly relevant to a critique of modern economics. To make the distinction between fact and value, between the “is” and the “ought” is essential if we want to claim economics to be an objective science, a descriptive science instead of a normative or prescriptive one. To refuse to make the same distinction entails nothing less than a subordination of economics to ethics. The relationship between ethics and economics and the idea of a value-free economics has “given rise to one of the most important controversies in the history of economic thought,”¹¹ and since the Gandhi-Kumarappa challenge to modern economics is aimed largely at its value-free nature, an attempt is made to situate Gandhi and Kumarappa in this tradition. In “A Short History of Economics as a Moral Science”, Alvey gives the major motivation for divorcing economics from ethics, as the emulation of the success of the natural sciences in economics by applying their methods.¹² This has somewhat pejoratively been called a case of “physics envy.” Physics envy in economics created a quest for economic “laws” that have the rigidity and general applicability enjoyed by physical laws. Thus Jevons, for example, was in search of a “perfect system of statistics” that “will render economics a science as exact as many of the physical science,”¹³ and Friedman says that “positive economics is, or can be, an “objective” science, in precisely the same sense as any of the physical sciences.”¹⁴ J.N.Keynes, in describing the “conception of political economy as a positive, abstract, and deductive science” pronounced that,

“Political economy is, in other words, a science, not an art or a department of ethical inquiry. It is described as standing neutral between competing schemes. It furnishes information as to the probable consequences of given lines of action, but does not itself pass moral judgments, or pronounce what ought or what ought not be.”¹⁵

For Keynes, an economist could (and indeed should) be concerned with ethical issues, but not while wearing her economist hat. Thus,

“...the greatest value is attached to the practical applications of economic science; and it is agreed that the economist ought himself to turn his attention to them- not however in his character as a pure economist, but rather as social philosopher.”¹⁶

However, not everyone was on the objectivity bandwagon. Keynes’ contemporary and social economist, John Hobson, had a different and much more uncompromising view of the matter:

“No collection and ordering of crude facts is possible without importing from the outside some principles of collection and order which embody the objects or ends of the process of investigation in a hypothetical way.”¹⁷

And again,

“...the ‘ought’ is not something separable and distinct from the ‘is’; on the contrary an ‘ought’ is everywhere the highest aspect or relation of the ‘is’.”¹⁸

Unfortunately for economics, the Jevons-Keynes view won over Hobson’s and today there is widespread belief amongst economists that economics is indeed, a positive, value-free science. Thus, in tracing the origins and development of a value-free economics, Drakopoulos says that most economists today,

“...would agree that the claim of an economic theory free from values is essential in establishing the scientific nature of the discipline. A positive, value-free economics, in the sense of not relying on any particular set of value judgments or on any philosophical or psychological framework, is generally seen as ideal. This approach has critically influenced important branches of economics such as microeconomic theory.”¹⁹

It is particularly ironic that microeconomic theory should be offered as the example of a value-free economic theory given the value-laden assumptions of unlimited wants and utility maximization that go into its construction. It can be argued that microeconomics takes as its assumptions (the so-called “self-evident axioms of human nature”) those very characters that will serve an economics system based upon the principle of infinite growth. There is little effort to ask whether the assumption about human behavior, are empirically true. That is not needed since description is not the aim, prescription is. A materialistic ethos and a “wanting more” mentality are labeled “rational” behavior. An amusing anecdote that sheds light on whether economics is a descriptive or a prescriptive science is recounted by Alvey.²⁰ He reports experiments designed to test whether humans cooperate or attempt to “free-ride,” i.e. refuse to contribute towards the provision of a public good even when they will not be prevented

from benefiting from that good. This well-known study by Marwell and Ames found that people were generally cooperative, except for a group of first-year economics graduate students. Learning what economists have to say about human nature may turn people into the rational, self-interested utility maximizers they are assumed to be.

However, things were not always like this. Alvey points out that until the mid-18th century, economics was generally discussed as a part of political, moral, and theological matters.²¹ Thus for Aristotle, economics is a part of the broader enquiry into ethics and politics.²² Similarly in traditional Hindu, Buddhist, and Islamic thinking, the economic life of man is given its due space, but only in the context of larger ethical and moral concerns about what constitutes “the good life.”²³ Viewed in this context, Gandhi, Kumarappa and several other modern commentators can be seen to be arguing for a return to the sanity of the ancients.

It has recently been suggested that, while the positive-normative distinction in economics can be rationalized on the basis of the fact-value split, it can also exist without that philosophical justification.²⁴ Yuengert argues that “after Smith, the primary justification for the neglect of explicit ethical considerations in economics was the principle of specialization.” Thus referring to ethical considerations in the practice of political economy, Nassau Senior says “such enquiries far exceed the bounds of any single treatise, and indeed the powers of any single mind.” And therefore questions such as “To what extent and under what circumstances the possession of Wealth in, on the whole, beneficial or injurious to its possessor, or to the society of which he is a member? ... are questions of great interest and difficulty, but no more form part of the science of Political Economy, in the sense in which we use that term, than Navigation forms part of the science of Astronomy.”²⁵

But Gandhi would beg to differ. Not only are the “powers of an single mind” adequate for the task of making ethical decisions, it is imperative that individuals ceaselessly think about the larger implications of their economic decisions; what they buy, what they sell, from and to whom, and for how much. Moreover the economist with her special knowledge regarding issues such as the distribution of wealth is even more obliged to weigh in on the ethical implications of her work. Specialization and instrumental rationality are too easily subverted and the specialist becomes an (often unwitting) accomplice to injustice, exploitation and slavery. It is to the Gandhi-Kumarappa critique of the fact-value separation that we now turn.

2.2 The Gandhi-Kumarappa Response

As noted earlier, one response to the positivist position in the western tradition has been the relativization of the fact realm, a hallmark of postmodern thought (the flip side of the coin, the absolutization of the value realm, making it an objective entity, is the project of religious fundamentalisms). Of course, the observation that all science is value-laden does not start with the postmodern critics of science or with Thomas Kuhn’s sociological analyses of the history of science. As mentioned before, at least one western economist, John Hobson, noted the theory-laden nature of observation as early as the nineteenth century. In this context we note with interest that John Hobson was a disciple

of John Ruskin, the preeminent nineteenth century critic of John Stuart Mill's utilitarianism. Another man deeply influenced by Ruskin and his book "Unto This Last" was of course Mahatma Gandhi.

The first point to be noted when talking about a "Gandhian" economics is that Gandhi did not consider himself to be an economist. In an address titled "Does economic progress clash with real progress?" delivered to the Muir Central College Economic Society, Allahabad, Gandhi's remarked, "Frankly and truly, I know very little of economics, as you naturally understand them". And went on to admit that he "had not even read books on economics by such well-known authorities as Mill, Marshall, Adam Smith and a host of such other authors."²⁶ Instead, his economic ideas flowed naturally from his ethics and politics. The restriction of wants, self-reliance and economic equality were first and foremost moral principles before they became principles for the socio-economic organization of a society. This point becomes clearer when we note that the Gandhian challenge to modernity extends beyond economics to the natural sciences as well. Thus Sahasrabudhey points out that the Gandhian refusal to distinguish between fact and value, or the insistence on making scientific enquiry subject to the values of ahimsa and truth has profound consequences for the theory and practice of modern science, of which economics is but a part.²⁷

As opposed to the value-free, positive and descriptive economics sought by Jevons, Keynes, Senior, and Friedman, both Gandhi and Kumarappa propose a system of economic organization that is unashamedly value-bound, normative, and prescriptive. For them there does not exist an economics independent of society, politics and ethics. Human economic activity is an integral part of humanity's striving for truth and ahimsa. The Gandhian concept of ahimsa has been translated into English as "non-violence," but it entails much more than the mere negation of violence. It is sometimes translated more appropriately as "love." It is a positive idea that stands for a way of life that emphasizes simple living without doing undue violence to the earth and its creatures. In modern parlance, we may think of it as living with the smallest possible ecological footprint.²⁸ Gandhi once said: "That economics is untrue which ignores or disregards moral values." Similarly, Kumarappa, in "Economy of Permanence", remarks, "an economy that is based purely on monetary or material standards of value, does not take a realistic perspective in Time and Space. This shortcoming leads to a blind alley of violence and destruction from which there is no escape."²⁹ And again, "in the outside world economic man does not exist."³⁰ Note that the challenge to the deeply entrenched idea of separation of fact and value in modern economics mounted by Gandhi and Kumarappa is very different from that mounted by post-modernist thought. Rather than relativizing fact, it absolutizes value. It subordinates fact to value. In this it shares something with religious fundamentalism. However it escapes the inherently violent and philistine nature of fundamentalism by making ahimsa or love the supreme value.

According to Diwan and Gidwani there are six key concepts in Gandhian economics, viz. *swadeshi*, bread labor, *aparigraha* (non-possession), trusteeship, non-exploitation and equality.³¹ In this essay I will discuss two ideas, those of *swadeshi* and *aparigraha* (non-possession) as solutions to two problems of contemporary relevance,

distancing of the consumer from the producer and overconsumption leading to ecological degradation.

3. The Doctrine of *Swadeshi*: A Philosophy of Local Economy

“*Swadeshi* is that spirit within us which restricts us to the use of our immediate surroundings, to the exclusion of the more remote.” – M.K Gandhi

3.1 Background and History

In *swadeshi* as in all other doctrines of the Gandhi-Kumarappa model, economics is inseparable from ethics. A.M Huq says, “as an economic principle, *swadeshi* means a consumption preference for domestic goods against a preference for foreign goods. As a moral principle, *swadeshi* embodies the principle of service to one’s neighbors in the domestic economy.”³² In Gandhi’s words, “A votary of *swadeshi* will carefully study his environment, and try to help his neighbor wherever possible, by giving preference to local manufactures, even if they are of an inferior grade or dearer in price than things manufactured elsewhere.”³³ This is in clear contradiction to conventional economic thought including Ricardo’s theory of comparative advantage in international trade.³⁴ The reason for the insistence on *swadeshi* to the extent of allowing economic inefficiency, was the recognition of the exploitative nature of trade based on the principles of comparative advantage and national division of labor. Moreover, in the light of current income distribution inequalities to be found in post-colonial societies, Gandhi was concerned not only with the exploitation of non-industrialized nations by industrialized nations (colonialism) but also of rural masses by urban elites. His prescient analysis of the later has since come to be known variously as internal colonialism, economic dualism or the elite-mass divide. His solution to both type of exploitations mentioned above was the advocacy of *swadeshi*.

Historically, the *swadeshi* movement started as a response to British imperialism. The theory of economic drain articulated by Dadabhai Naoroji had already pointed out the disastrous consequences of British trade policy for Indian industry and economy.³⁵ Naoroji took the view that India had been de-industrialized in an attempt to make it a supplier of raw materials and a financier for Britain’s industrial revolution. Since the British had effective political control of large parts of India, initially under the British East India Company and after the defeat of the Indian forces in the first Indian War of Independence in 1857, under direct control of Queen Victoria, the British were able to implement terms of trade that enabled them to buy raw materials (such as cotton and silk) cheap and sell the manufactured goods, dear. Thus the affluence of Britain was linked directly to the pauperization of India. In many ways, Naoroji’s “drain theory” is reminiscent of later-day dependency theories of underdevelopment.³⁶ The nationalist response to British trade policies was to boycott all manufactured British goods and an insistence on buying Indian products. In Gandhi’s hands, however, buying Indian, or *swadeshi* became much more than a reactionary response to British exploitation. Significantly for today, it was seen as a weapon in the fight against internal colonialism or what Gandhi called the difference between the classes and the masses. The concern

was that a mere transfer of political power from the English to Indian hands would only result in “English rule without the Englishman” and economic exploitation would continue unabated. Many of such fears expressed by Gandhi have come to pass. Economic Dualism is accepted today, as a universal feature of post-colonial states. Thus Benjamin Higgins concludes that:

“There can be no question about the phenomenon of dualism; it is one of the distinguishing features of underdeveloped countries. Virtually all of them have two clearly differentiated sectors: one confined mainly to peasant agriculture and handicrafts or very small industry, and the trading activities associated with them; the other consisting of plantations, mines, petroleum fields and refineries, large-scale industries, and the transport and trading activities associated with these operations. Levels of technique, productivity and income are low in the first sector and high in the second.”³⁷

Swadeshi can be an answer to both forms of exploitation that persist in post-colonial societies to this day; the neo-colonial practices (under the guise of economic liberalization and with the utopian rhetoric of globalization) of industrialized countries and economic policies of central governments that are biased against traditional agricultural practices and in favor of modern industry.

3.2 Swadeshi: a precursor of today’s “local economies”

The doctrine of *swadeshi* recognizes that the value of a good or service is not restricted to its use-value (i.e. its usefulness to the consumer) but that the conditions of its manufacture matter as much if not more. That explains the willingness to trade quality and cost for locality. Today maxims such as “think globally, act locally” have become the watchword of the anti-globalization movement and experiments in local economy and local currency are being carried out in India, Australia, Japan, Canada, Britain and the United States. Distancing of the consumer from the producer is also recognized as an important factor to be considered in issues as diverse as fair trade, use of child or sweatshop labor and environmentally sound practices. Anticipating the days of consumer awareness and campaigns that encourage consumers to support local businesses, Kumarappa had the following list of questions ready for all consumers:

“What does one know about where the article comes from?
Who makes the article?
From what material?
Under what conditions do the workers live and work?
What proportion of the final price do they get as wages?
How is the rest of the money distributed?
How is the article produced?”³⁸

As can be seen, these questions are easier to answer for participants of an economy that produces mainly for the local market. In Kumarappa’s words *swadeshi* is the “moral law of self-reliance.” He succinctly explains the moral basis of *swadeshi* as follows. “Those of us who apply human standards of value (to production) have to inquire into all aspects of manufacture. It is an arduous task and it becomes almost impossible for ordinary persons to undertake it when the articles come from far off countries.”³⁹ In more recent times, the idea of distancing is slowly entering the

vocabulary of modern economics. Thomas Princen defines distancing as the separation between primary resource extraction decisions and ultimate consumption decisions occurring along four dimensions- geography, culture, bargaining power and agency.⁴⁰ Large transnational corporation can now have their production facilities distributed over the globe in what have been called post-Fordist production schemes. The result is transnational commodity chains.⁴¹ The links in this chain include raw material extraction, manufacture of various components, assembly into the final product, packaging, advertising, and retailing. For an increasing number of commodities these links now occupy global proportions. Thus an American consumer gets fruit from Latin America, computers from Malaysia and shoes from Thailand. Distancing and transnational commodity chains achieve almost complete severance of negative feedback. This means consumers are completely uninformed about the condition and means of production employed in the manufacture of their items of daily use. The ill effects of distancing and lack of feedback are easy to see. They follow from the fact that I am less likely to protest against what I feel is unjust if it happens halfway across the globe than if it happens in my own backyard. Because it intrudes less on my consciousness I find it easy to ignore it.

Swadeshi has sometimes been (mis)interpreted as an insistence on complete economic self-sufficiency for a nation or a community. Gandhi had anticipated such criticisms and said, “Even *Swadeshi*, like any other good thing can be ridden to death if it is made a fetish... To reject foreign manufacture merely because they are foreign and to go on wasting national time and money in the promotion of one’s country of manufacture for which it is not suited would be criminal folly and a negation of the *Swadeshi* spirit.”⁴² Thus Gandhi does not reject trade with other nations but he is opposed to an international order based solely on considerations of comparative advantage or a system that celebrates global trade for its own sake.

Even if the will is present, serious questions still remain as to how a *swadeshi* economy can survive in today’s globalized world. With the Information and Communications Revolution of the 1990s and the relentless expansion of the neo-liberal model of economic organization, arguing for a *swadeshi* economy in 2004 seems even more difficult than it was for Gandhi in the 1920s. However, interesting experiments are being carried out, serving as models for more such efforts. Not surprisingly, these experiments are occurring amongst people that have by and large been the losers in the process of development and modernization. One such effort in southern India, under the leadership of Rangaswamy Elango, in the town of Kuthambakkam has achieved some success.⁴³ Elango was born into a *dalit* (previously “untouchable” in the Hindu caste hierarchy), farmer's family in Kuthambakkam. A chemical engineer by training, his involvement in a rural reconstruction project, brought him face to face with rural reality and inspired him to read Gandhian literature. He is currently working on establishing a land/agriculture-based local economy in Kuthambakkam, along the lines of the Gandhi-Kumarappa model. In this local economy, the villagers who are producers are consumers themselves. By bringing together six neighboring villages into a cluster, many products that are consumed by the villagers can be produced locally. Elango estimated, through a detailed door-to-door survey by his team, that Kuthambakkam consumes six million rupees worth of commodities every month. The survey covered fifty most commonly

used products from rice to item of festival use. He also identified that as much as five million rupees worth of commodities could be produced within the village and traded locally. The objective was to minimize the outflow of money from, and maximize the inflow of money into the village cluster economy. While experiments such as Elango's are by far the exception rather than the norm, they can still be an inspiration for anyone wishing to create alternatives.

4. The Doctrine of *Aparigraha*: A Critique of Wants-Based Economics

“The world has enough for every man's need but not for every man's greed.” - M.K. Gandhi

4.1 Overconsumption and Sustainable Development

Since the 1992 Earth Summit in Rio de Janeiro, the idea of Sustainable Development has become more and more prominent in the discourse on international development. Sustainable practice is defined as that which meets the needs of current populations without endangering the prospects and livelihoods of future generations.⁴⁴ This definition of course begs the question, what constitutes the needs of today's populations. As Thomas Princen says, the answer has remained “blurred, out of focus and even usefully ambiguous: everyone has become adept at talking about sustainability without having to wade into the treacherous waters of consumption.”⁴⁵ In the living room of sustainable development consumption is the proverbial 800 pound gorilla that everyone chooses to ignore.

Overconsumption is the level or quality of consumption that undermines a species' own life-support system and for which individuals and collectivities have choices in their consuming patterns. The concept of an “ecological footprint” briefly mentioned before, tries to quantify the ecological impact of an individual or a society by measuring aspects of its lifestyle. The level of consumption of material goods largely determines the size of the ecological footprint and industrialized nations such as the United States and the United Kingdom have per capita footprints many times the size of poorer countries such as India or Bangladesh.⁴⁶ The consumptive habits of the world's elite have long been a matter of concern in economic thought as evidenced by Veblen's concept of “conspicuous consumption.”⁴⁷

However, the new era of global free trade, with its unprecedented levels of consumption, as more and more people adopt consumerist lifestyles in the rapidly industrializing third world, has made this issue more acute. Once again the seeds are to be found in the core assumptions of the economics that shapes our society. A standard textbook on modern economics defines one key assumption that serves as a foundation of economics as, “society's material wants, that is, the material wants of its citizens and institutions, are virtually unlimited and insatiable.”⁴⁸ The economics built on this foundation is a wants-based one in which agents are maximizers (as opposed to satisfiers) in the quest of eternal material progress. An insistence on ever-increasing “standards of living” readily translates into the consumption of more and more goods and services. To quote Richard Tedlow, “the United States during the course of the past century has been a nation of consumers. A higher percentage of the population has been

able to purchase a greater variety of goods and services than even the most visionary dreamer in the mid-nineteenth century would have imagined possible.”⁴⁹ Consumption, of course, transforms nature, and the ecological impact of a society consisting of economic maximizers is large and poorly understood. Even more importantly the human and ecological impact of mass consumption in the industrialized nations, on the third world remains severely under-explored. Richard Tucker points out that “the causal links between the economic expansion of Europe and North America and the environmental degradation of the tropics have not been studied with any precision.”⁵⁰ This issue is of paramount importance in developmental economics, since the newly industrializing nations in a hurry to emulate their erstwhile colonial lords and masters, are rapidly embarking on the road to consumer-driven economies. Can the earth sustain six billion individual with American lifestyles?

4.2 Voluntary Simplicity: A Cure for Affluenza?

We find that Gandhi and Kumarappa were deeply concerned with the issue of acquisitiveness and consumption. Gandhi saw Britain’s industrialized lifestyle as essentially unsustainable and remarked:

“God forbid that India should ever take to industrialism after the manner of the West. The economic imperialism of a single tiny island kingdom (England) is today keeping the world in chains. If an entire nation of 300 millions took to similar economic exploitation, it would strip the world bare like locusts.”⁵¹

He therefore encouraged a way of life that minimized wants instead of maximizing them and urged people to be content with what material possessions they had. In the Gandhi-Kumarappa model non-possession or minimization of wants is a natural consequence of ethical considerations. Gandhi summarizes the motivation for *aparigraha* thus in “Hind Swaraj”: “We notice that the mind is a restless bird; the more it gets the more it wants, and still remains unsatisfied. The more we indulge our passions the more unbridled they become.”⁵² And again, “The Moral Law also requires that the strong men of a community or nation should regard it as their paramount duty to protect the weak and the oppressed. If all men realized the obligation of service, they would regard it as a sin to amass wealth; and then, there would be no inequalities of wealth, and consequently, no famine or starvation.”⁵³ A key concept to be noticed in the above quote is that of service. Both Gandhi and Kumarappa emphasized service towards fellow humans as the highest goal. In Kumarappa’s ordering of the types of economies, the economy of service finds the highest place of honor. Thus he says, “the noblest faculty man possesses in excelsus is his capacity for love and to express it in the form of selfless service to his fellows.”⁵⁴ The economy of service consists of such individuals who are “motivated by the good of others even if the work be seemingly detrimental to self-interest.”⁵⁵

While these thoughts may strike us as being too idealistic it should be pointed out that neither Gandhi nor Kumarappa expect selfless service to be the only motivating force behind an individual’s actions. But neither are they willing to cede all acts to the domain of self-interest or rational greed. Here, as in *swadeshi*, what matters is a genuine desire to strive towards the respective ideals, knowing that one may never completely achieve

them. It is also important to emphasize that neither Gandhi nor Kumarappa glorified poverty. Gandhi called poverty a sin and his system of political economy was intended to eradicate India's poverty and bring about parity of means. As Ajit Dasgupta points out, "Doctrines calling for limitation of wants can easily be construed as an attempt at ideological justification of the status quo."⁵⁶ However, even a preliminary reading of Gandhi should make it clear that he was anything but *status quoist*. His doctrine is "not intended as a glorification of austerity but rather as an exercise in the optimization of overall individual welfare."⁵⁷ Thus, speaking on the theme of material and moral progress, Gandhi emphasizes that it is disingenuous to point to grinding poverty in order to make the argument that material progress is essential for moral progress. He says that some economists,

"...seem to be obsessed with the concrete case of thirty millions of India...living on one meal a day. They say that before we can think or talk of their moral welfare, we must satisfy their daily wants. With these, they say, material progress spells moral progress. And then is taken a sudden jump: what is true of thirty millions is true of the universe. They forget that hard cases make bad law. I need hardly say to you how ludicrously absurd this deduction would be. No one has ever suggested that grinding pauperism can lead to anything else than moral degradation. Every human being has a right to live and therefore to find the wherewithal to feed himself and where necessary to clothe and house himself. But, for this very simple performance, we need no assistance from economists or their laws...The only statement that has to be examined is whether it can be laid down as a law of universal application that material advancement means moral progress."⁵⁸

Gandhi proceeds to examine this statement and rejects the law that "material advancement means moral progress".

Gandhi and Kumarappa, though they speak with the interests of the poor and dispossessed, at heart, are really speaking to the consuming middle and upper classes. And since all of Gandhi's ideas were first put into practice by himself, the Tolstoy Farm in South Africa, inspired by his reading of Tolstoy's "The Kingdom of God in Within You" and Ruskin's "Unto This Last", is an early experiment in creating a voluntarily simple community. Today the voluntary simplicity movement (VSM) with its motto of simple living, restriction of wants and minimization of the burden we place upon the resources of the earth, is slowly gaining ground.⁵⁹ In the United States, there is a growing consciousness, at least amongst the middle classes, that a simplification of lifestyle can lead to greater happiness and fulfillment in life. It is true that such concerns and yearning for a simpler life hark back at least to the days of Thoreau and "Walden" if not even earlier and one may question if there is any freshness left in the idea. However, the very existence of a mass movement with a solid middle-class involvement is an indication that ideas of simple living are gaining currency.

Of course, in absolute terms the number of people displaying this consciousness is rather miniscule but here it is worth remembering that millions of people living less industrialized or more traditional lifestyles do not take much from the earth in the first place (recall the ecological footprint). But it is also true that this is rapidly changing as globalization of American culture beams images of affluence and conspicuous

consumption via satellite TV to remote corners of the Third World, resulting in what Nepalese environmentalist, Dipak Gyawali calls the “tyranny of expectations.”⁶⁰ The tyranny of expectations is the motto “keeping up with the Joneses,” extended to the third world. Michael Maniates points out that the forces of globalization are rapidly creating a conspicuously consuming third world elite with the result that the “masses of poor in these countries feel poorer by comparison and come to expect more.” And as these expectations go unmet, “mass frustration and an overall *decline* in felt material satisfaction ensues, even as real incomes among the poor slowly inch *higher*.”⁶¹ Maniates is quick to emphasize that this is not an argument for keeping poor people poor. As Gandhi said, no one has suggested that grinding poverty leads to anything other than moral degradation, and many around the world must be lifted from such depths of poverty. However, “if the four billion or more global underconsumers are to raise their consumption levels to some minimally rewarding and secure level, the one billion or so global overconsumers will...have to make ecological room.”⁶² There is the rub. And this is where the voluntary simplicity movement comes in.

The VSM has come under fire, particularly from the political left, for being elitist and escapist, the domain of upper middle class, white, suburbanites looking to exit the rat race and find a more fulfilling way of living.⁶³ It is accused to being too focused on the individual or the family and of lacking the theoretical or philosophical basis for collective mass action. Mahatma Gandhi led one of the largest anti-imperialist mass movements in the world and his leadership was based on sound ethical principles. Gandhian thought can, once again, provide the philosophical justification that can take the VSM beyond a yearning for simple living and make it the only viable option for peaceful coexistence and sustainable development.

5. Conclusion

In this essay I have tried to situate the economic thought of Mahatma Gandhi and his long-time collaborator, J.C. Kumarappa, in the larger debate of the relationship between economics and ethics. I have attempted to show that both Gandhi and Kumarappa challenge the fact-value/positive-normative/descriptive-prescriptive dichotomy in modern economics and argue for a system in which economic decisions (of individuals and societies or nations) are taken with the values of truth and ahimsa, always in mind.

Next I took as particular examples, two principles of the Gandhi-Kumarappa model, viz. *swadeshi* or local economy and *aparigraha* or non-possession and argued that they could form the basis of a solution to two problems of contemporary relevance. An economy organized to the extent possible along *swadeshi* lines has the capacity to transcend the evils of distancing and severance of negative feedback which can be cause of exploitative practices in the global economy. A society wherein satisfaction of needs is seen to be superior to expansion of wants, where individuals practice *aparigraha*, is unlikely to suffer from the malady of overconsumption and its accompanying effects such as ecological degradation and creation of massive externalities elsewhere in the world.

It is easy to look at the scale of problems confronting the globe and doubt the effectiveness or feasibility of the Gandhi-Kumarappa approach. However, as I mentioned in passing, the idea that human economic life should be governed by ethical or moral considerations other than those of immediate self-interest or infinite expansion of wants, is not new. It has the backing of such intellectuals as Gautama Buddha, Jesus Christ and Aristotle, to name a few. With the postmodern age lies the responsibility of taking modernity to task for its evils, including the construction of an economic system that licenses acts with obvious long-term detrimental consequences for life on the planet. With the relentless advance of globalization in its economic and cultural forms, now more than ever, is the need to generate and sustain alternative systems of socio-economic organization.

6. Notes and References

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⁴ Kuhn T.S. (1962) *The Structure of Scientific Revolutions* (University of Chicago Press).

⁵ For example see, Feyerabend P. (1975) *Against Method: Outline of an Anarchistic Theory of Knowledge* (Verso, London and New York, 1993), Polanyi M.(1958) *Personal Knowledge: Towards a post-critical philosophy* (Harper and Row, New York).

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¹¹ Yuengert A.M. (2000) The Positive-Normative Distinction Before the Fact-Value Distinction, Association of Christian Economists (ACE) working papers available online at http://www.gordon.edu/ace/pdf/Yuengert_PosNorm.pdf.

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¹⁴ *Ibid.*, p.67

¹⁵ Keynes J.N. (1890) *The Scope and Method of Political Economy* (Kelley and Millman, New York, 1955), p.13.

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¹⁷ Quoted in Lutz M.A. (1999) *Economics for the common good: Two centuries of social economic thought in the humanistic tradition* (Routledge, New York and London). p.87.

¹⁸ *Ibid.*, p.88.

¹⁹ See Yuengert A.M. (2000)

²⁰ Alvey J.E (1999) recounts a study by Marwell and Ames, p.54

²¹ *Ibid.*, p.55.

²² Aristotle. *Nichomachean Ethics* (Prometheus Book, New York, 1987) trans. J.E.C. Welldon.

²³ See Tideman S.G. (2001) Gross National Happiness: Towards Buddhist Economics (http://www.neweconomics.org/gen/z_sys_PublicationDetail.aspx?PID=47), Wagner H-G. On Buddhist Economics as a Science of Right Livelihood (<http://www.buddhanetz.org/texte/economic.htm>), Pandya M. (1998) Ethical Economics in *Hinduism Today*, March 1998 and The Accommodation of Common and Private

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(http://www.ymofmd.com/books/eepie/copnflcting_interest.htm).

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- ²⁵ Senior N.W. (1836) *An Outline of the Science of Political Economy* (Allen and Unwin, London, 1938), p.2.
- ²⁶ Gandhi MK (1916) *Collected Works of Mahatma Gandhi*, vol. 15, p.273.
- ²⁷ Sahasrabudhey S. (1991) Gandhi and the Challenge of Modern Science, in *Science and Politics: Essays in Gandhian Perspective* (Ashish Publishing House, New Delhi).
- ²⁸ The idea of the “Ecological Footprint” tries to quantify how much ecological capacity an individual or a society occupies. For example see <http://www.ecouncil.ac.cr/rio/focus/report/english/footprint/> and <http://www.myfootprint.org/>
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⁴⁶ For a nation-by-nation analysis of ecological footprint size see *Ranking the Ecological Impact of Nations* online at <http://www.ecouncil.ac.cr/rio/focus/report/english/footprint/ranking.htm>.

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