

Does Mohandas Gandhi Matter in a Modernising India?

Excerpts from a talk by Salil Tripathi at the India Club of the World Bank in Washington DC, on Oct 2, 2013, Gandhi's 144th birthday. His talk was accompanied by remarks from Ananya Vajpeyi, distinguished Indian academic and Kluge Fellow at the John F Kluge Center at the Library of Congress.

The World Bank's India Club invited IHRB's director of emerging issues, Salil Tripathi, to speak about the relevance of India's founding father, Mohandas Gandhi, in a rapidly-urbanising India. Tripathi drew on the history of Gandhi's economic thinking and related it with his moral view, suggesting that an economic outlook devoid of ethics was fundamentally flawed.

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About a quarter century ago when I was a graduate student in this country, I had signed up for a course called managerial economics. The course taught us techniques which executives could deploy in order to maximize profits. As this audience would immediately recognize, Game Theory was an important part of the course.

We had to play the famous game of *Prisoner's Dilemma* with one another – the aim of the professor was to teach us that while cooperation made sense, the selfish nature of human beings prevails, leading to an outcome where everyone loses, or where one party wins and the other does not.

I lost often, and at the end of our class I asked the class, and indeed my professor – isn't something flawed in this model, something inherently unfair, that we continue to make the same mistakes even when we know that better outcomes are possible? I should add I was 23 then. At which, my professor looked at me and asked me, in all sincerity: "What is fair?"

I was a child of Nehru's India – born a decade and a half after Independence, in the India of Permits and Licence Raj, when private capital had to serve a public purpose, and the public sector was meant to be the commanding heights of the economy. Government, and its Planning Commission, allocated resources; they decided what can be produced and by whom, and companies were penalized if they produced beyond their sanctioned capacity.

All that has changed, often for good.

But amidst all this, nobody mentions Mohandas Gandhi – the man whose moral vision shaped the thinking of the nation that fought for independence, and whose 144th birthday, in a sense, we are celebrating here today. With the exception of Kisan Hazare's campaign against corruption, when he sat on the dais below a large portrait of Gandhi, the father of the nation is absent. This is because, in very significant ways, India said goodbye to Gandhi in 1948 after his assassination –

paying him lip service, naming roads and hospitals after him, erecting his statues, and putting his face on every currency note, but ignoring his ideas. At independence, India claimed to have followed the Gandhian path, and emotionally still claimed Gandhian legacy, but practically it chose Nehru. And in choosing Nehru, India opted for five-year plans, capital goods, large dams, industrialization, and factories in the countryside. While Nehru did not challenge Gandhi's overall moral and political pre-eminence, his emphasis on heavy industry and investment planning was at variance with Gandhi's ideas.

Public sector-led development did not bring in prosperity; the Hindu Rate of Growth – growing at a rate that just about kept pace with its population growth. Malthusian pessimists feared India's collapse.

In spite of the current economic slowdown, it is nobody's case that India is not an emerging economic and military power. Its roads are full of home-made cars where the old Fiats and Ambassadors are now rarities. Gated communities are emerging, those fences creating permanent distance between the rich and the poor – the old juxtaposition of “skyscrapers and chawls”, as VS Naipaul put it, is getting rare.

Does Gandhi matter in such a modernizing India? Wasn't he obsessed with rural India, saying that the true India is to be found not in its few cities, but in its seven hundred thousand villages? That if the villages perish, India will perish too? Didn't self-sufficient villages suggest an ideal and idyllic society? He did write that he believed there was a time in the past when village economics were organized not on the basis of rights of man but on the duties of man. Body labour was at the core of these occupations and industries, and there was no need for large-scale machinery. For when a man is content to own only so much land as he can till with his own labour, he cannot exploit others, Gandhi strongly believed.

Concern for the poor and the dignity of labour were his cornerstones. He had deep sympathy for the poor, whose predicament he had observed personally. Unlike Marx, he did not want to eliminate capitalists; unlike socialists, he didn't want to forcibly take away their wealth and redistribute it. He believed business without ethical considerations as being fundamentally evil. It led to oppression, discrimination, and exploitation. It also led to enormous waste of resources. There is enough, he once wrote, for everyone's need, but not for everyone's greed.

Gandhi would have been aghast at hedge funds and grain trading companies conspiring to keep global grain prices high even if it meant small farmers and the poor were deprived food. This also meant limiting wants, not multiplicity of wants. And that challenges the edifice of mainstream economic thinking and its notion of continuous expansion of the goods to satisfy unlimited wants. As Pulin Nayak, former director of the Delhi School of Economics observes, this may yet turn out to be the single major Gandhian insight that could dictate the agenda of the long-term sustainability of the ecosystem.

Gandhi's belief in self-sufficiency rose from his desire for full employment. Witness to the loss of employment in crafts because of cheap imports, Gandhi

wanted consumers to buy locally, eat locally, and share locally. While that sounds ideal, it may not have been a rational choice. It can have unforeseen consequences on other poor farmers, in other countries, where a local market does not exist, but who would like to export their products. If everyone bought only from within, the virtuous division of labour that David Ricardo spoke of would not occur.

His message of economic self-sufficiency had a political purpose. It was valid during the freedom struggle. Having chosen to fight for freedom without using violence, the only way forward was to act as if Britain didn't matter and was irrelevant. And that meant buying locally, from local sources and producing locally. To convince the skeptics, he decided to make an example of his own life – and his communes, or ashrams, did the same. *Sutar ne tantane laishu swaraj ame sutar ne tantane laishu*, as a Gujarati song went in Sabarmati. The 'charakha' or the spinning wheel and the khadi, or the homespun coarse cloth became the very symbol of nationalism and a sign for the support for national economy. Gandhi made it compulsory for all satyagrahis to use khadi clothes. The school I went to in Bombay encouraged us to wear khadi – many teachers, and many students, did.

Gandhi saw the village as the basis of the social construct. Reforming the village became a paramount goal. He called for using handmade tools to plough land, to avoid the creation of a land-owning class that would employ others to do the labour. The aim was not only economic upliftment, not only political freedom, but a societal transformation, and arguably, moral emancipation.

Gandhi's vision of a free India was not a nation-state but a confederation of self-governing, self-reliant, self-employed people living in village communities, deriving their right livelihood from what they made.

As Ramachandra Guha pointed out to me earlier this year in Calcutta, this message resonates with the green community. Each village becomes a decentralized microcosm of India - a web of loosely inter-connected communities. Gandhi considered these villages so important that he thought they should be given the status of "village republics", where economic and political power - including the power to decide what could be imported into or exported from the village - would remain in the hands of the village assemblies. Now, doesn't that sound like a Swiss Canton? Not mass production, but production by masses.

But India has rejected that model. It is urbanizing rapidly, and people are leaving villages, their land, their crafts, their fields, and go to work in the factories. Think of the last scene of the film, *Peepili Live*. Instead of dignified human beings and members of a self-respecting village community, people become cogs in the machine, standing at the conveyor belt as if characters of Chaplin's *Modern Times*, living in shanty towns, no longer independent. Gandhi's logic was that machinery would require fewer people to work, because the industrialists want greater productivity, leading to decline of working class. He did not anticipate the collapse of Bombay's textile industry, but he would have understood it. The rise of Shiv Sena in that city is closely linked with that decline. The inevitable outcome is rootless and jobless millions, Gandhi feared.

Gandhi was not an oracle-giver, nor an economist. Too many critics of Gandhian economics look at *Hind Swaraj*, which he wrote in 1909, and conclude that his ideas extolling rural India and its self-sufficient villages showed an outmoded thinking. But Gandhi's genius lies in his humility. His views were not set in stone; as time passed his thinking evolved, so that certain principles became talismans, but the way to reach those goals offered flexibility.

Here is Gandhi, writing in *Young India* in 1921:

I must confess that I do not draw a sharp or any distinction between economics and ethics. Economics that hurt the moral well-being of an individual or a nation are immoral and, therefore, sinful. Thus the economics that permit one country to prey upon another are immoral. It is sinful to buy and use articles made by sweated labour.

Three years later, he writes:

That economics is untrue which ignores or disregards moral values. The extension of the law of non-violence in the domain of economics means nothing less than the introduction of moral values as a factor to be considered in regulating international commerce. According to me the economic constitution of India and, for the matter of that, the world should be such that no one under should suffer from want of food and clothing. In other words, everybody should be able to get sufficient work to enable him to make the two ends meet.

Towards that end, he argues that "elementary necessities of life", which we might understand to mean food, clothing, shelter, education, and other economic, social, and cultural rights, should be "freely available to all as God's air and water are or ought to be; they should not be made vehicle of traffic for the exploitation of others. This monopolization by any country, nation or group of persons would be unjust. He wrote this in 1928, nearly 75 years before Raghuram Rajan and Luigi Zingales wrote *Saving Capitalism from Capitalists*.

Writing two years before World War II started, Gandhi sounds almost like John Stuart Mill or Adam Smith, when he writes, in *Harijan*:

True economics never militates against the highest ethical standard, just as all true ethics to be worth its name must at the same time be also good economics. An economics that inculcates Mammon worship, and enables the strong to amass wealth at the expense of the weak, is a false and dismal science. It spells death. True economics, on the other hand, stands for social justice, it promotes the good of all equally including the weakest, and is indispensable for decent life.

To some, Gandhi's views on self-sufficiency and the romanticisation of the village seem anachronistic, antediluvian, dangerous, and ridiculous. In this, it has

become fashionable to criticize Gandhi. A columnist in Forbes magazine, writing without fully appreciating the nuance between Gandhi and Nehru, was to state:

An understanding of Mahatmanomics is critical to understanding Gandhi and the catastrophically impoverished post-imperial India his legend helped to create. Gandhi was the embodiment of Indian autarky. The young lawyer's principal plan for aiding the poor was to become a poverty tourist, complete with costume (homespun loincloth) and laden with a sentimental attitude toward the nobility of simple ways.

The columnist then goes on to castigate Gandhi for various sins, chief among them being Gandhi's call to boycott cheaper foreign-made goods which inevitably hurt poor Indian consumers. Indeed, Rabindranath Tagore was to write: "Consider the burning of cloth, heaped before the very eyes of our motherland shivering and ashamed in her nakedness." In his novel, *Ghare-Baire*, he contrasted the debate. There was the young agitator Sandip, who wanted to champion *swadeshi*, or home-made, over foreign products, and the gentle businessman Nikhilesh, who understood economics and realised that life was more complex. Boycotting foreign goods meant depriving Muslim traders of their livelihood. The poignancy is brought into sharp focus in Satyajit Ray's film, *Ghare-Baire*.

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For Gandhi, economics was not an end in itself, but the means, and it was the means towards creating a society in which each individual lived with dignity. Morality was at the core of his economics. And it is my case that whichever way you see the current great debates in India – what is to be done about climate change, how to deal with inequality, and how to address the needs of the poor – India will find answers by reading Gandhi, and understanding and adapting his message.

In the past couple of years, one of the enduring stories published from Bombay is of the world's most expensive high-rise apartment built for one family on Altamount Road – the Antilla, where Mukesh Ambani, among the richest Indians ever, lives. Except for a handful of people who argue that he has the right to live the way he wants, most people I run into are embarrassed by this building, which people see as an icon of greed. An unfettered capitalist would cheer its brazenness, compared to, say, the modest and hidden bungalow in which JRD Tata lived not far from Antilla, on Anstey Road. An unrepentant Marxist would want to tear down Antilla. Gandhi would have been dismayed by it, but he would have tried to bring about a change of heart in Ambani, by speaking of the ideal of trusteeship.

To Gandhi, trusteeship was a value system which could replace both capitalism and communism because it made profit the means of business, not an end in itself, as Rajni Bakshi points out. "In practical terms, this vision is compatible with the basic values of democracy and markets based on fairness. But this requires

us to rethink the world's dependence on mass production as an end in itself," she adds.

Gandhi's concept of Trusteeship was not just a moral appeal. The Green Gandhian J.C. Kumarappa wrote of an 'Economy of Permanence', which challenges the notion of "planned obsolescence," and respects interdependence. Gandhi's doctrine of trusteeship arises out of the first *sloka* of *Isopanisad*, which says:

isavasyam idam sarvam

vat kinca jagatyam jagat

tena tyaktena bhunjitha

ma gridhah kasya svid dhanam

(Who can lay claim to the plenitude of the world? Enjoy that which is afforded to you; don't grasp at wealth that is someone else's. For who can lay claim to all these riches?)

The spirit of this doctrine is detachment and service. Gandhi's idea of trusteeship arose from his faith in the law of non-possession. If an individual has more than his share, he becomes a trustee of that portion for others who are more deprived. Trusteeship aims to transform the society into a more egalitarian model. While this might make some restless, in that nobody wants equality of outcomes, but surely, equality of opportunity is not only a worthy goal, but also a fundamental human right? Gandhi liked capitalists; capitalists like Birlas and Sarabhais, nurtured him; he did not seek to eliminate them. He wanted to reform them, assuming that human nature could always be redeemed. Trusteeship does not outlaw property ownership, but there were laws and ceilings if only to ensure that nobody goes without shelter. Now I accept that Vilfredo Pareto would have a problem here, because he would think redistribution, by definition, would make someone worse off in order to make someone else better off. The resentment against the food security bill in India, or reservation for scheduled castes and scheduled tribes, arises not only out of well-founded concerns about benefiting the creamy layer or feeding corruption, but a certain amount of inherent meanness, or what Ayn Rand characterized as the virtue of selfishness.

But John Rawls would not be taken aback by any of this. He came up with the veil of indifference as the way to address the problem of discrimination.

The fundamental difference between socialists and Marxists and Gandhi was that Gandhi would not advocate force to realize his ends. He wanted to liberate the society from its narrow-mindedness. The notion of possessing wealth to guard it from being misused and to distribute it equitably aims at protecting human dignity.

Gandhi expects a moral obligation on the part of the trustees, as he is fully aware of the pernicious effect of inequality.

Nayak explains: "Trusteeship was developed as an alternative to the doctrine of socialism or communism. The thesis was that the capitalists would hold their wealth as trustees for the service of society. Trusteeship was thus to be thought of as a moral compact between the wealthy and society at large. This thesis has been roundly critiqued in several quarters. But in the present conjuncture when command economies are in retreat and globalized capitalism is the prevalent mode, the need for a moral and ethical basis for business practices has never been more keenly felt."

That is why Gandhi would not attack zamindars with guns, as a Lenin would to kulaks, or Arundhati Roy's irresponsible characterization of Maoists, Gandhians with Guns, would, to village chiefs. Gandhi wanted Zamindars to act as trustees of their lands and allow them to be used by tenants. By providing them trust land, Gandhi was solving one of the major economic problems of an independent India to be. Socialist collectivism failed because of the use of force. And force is antithetical to human dignity.

Soon after Gandhi's death, George Orwell wrote: "Saints should be judged guilty until they are proved innocent." He was deeply skeptical of Gandhi's spirituality and wondered whether his steadfast commitment to non-violence and passive resistance would have succeeded against any rival other than the English, who seemed to rather like him. "The things that one associated with him — home-spun cloth, "soul forces" and vegetarianism — were unappealing, and his medievalist programme was obviously not viable in a backward, starving, over-populated country. The attitude of the Indian millionaires was similar. Gandhi called upon them to repent, and naturally they preferred him to the Socialists and Communists who, given the chance, would actually have taken their money away. Nobody ever suggested that he was corrupt, or ambitious in any vulgar way, or that anything he did was actuated by fear or malice. In judging a man like Gandhi one seems instinctively to apply high standards, so that some of his virtues have passed almost unnoticed. For instance, it is clear even from the autobiography that his natural physical courage was quite outstanding: the manner of his death was a later illustration of this, for a public man who attached any value to his own skin would have been more adequately guarded. One may feel, as I do, a sort of aesthetic distaste for Gandhi, one may reject the claims of sainthood made on his behalf (he never made any such claim himself, by the way), one may also reject sainthood as an ideal and therefore feel that Gandhi's basic aims were anti-human and reactionary: but regarded simply as a politician, and compared with the other leading political figures of our time, how clean a smell he has managed to leave behind!"

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In that mall in Gurgaon, in that song in a Bollywood film, in the cars on India's roads, and in the call centres of Bangalore, it may seem as if Gandhi no longer matters. But think of the mantras that the government and opposition both speak with: limiting wants in a world where resources are forcing significant choices; treating labour with dignity; not exploiting people; working with the wealthy so that they act as society's custodians; and placing the poorest at the centre of one's thinking. Whether it is the new law dictating CSR, reducing emissions, imposing luxury tax on conspicuous consumption, or the food security bill – how could India live without Gandhi?

One of the last notes that Gandhi left behind in 1948 encompasses Gandhi's worldview. A decade earlier, in his early writings, Rawls had said something similar. In his *A Theory of Justice* Rawls was to take Gandhi forward, profoundly alter the course of theoretical welfare economics.

And that message was:

I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man [woman] whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him [her]. Will he [she] gain anything by it? Will it restore him [her] to a control over his [her] own life and destiny? In other words, will it lead to swaraj [freedom] for the hungry and spiritually starving millions?

Then you will find your doubts and yourself melt away.