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Review

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Charan Singh, **India's Economic Policy: The Gandhian Blueprint.**

New Delhi: Vikas Publishers, 1978

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The central message of the book is that economic policies that have been followed in India along Nehruvian lines have been misplaced, and we have to retrace our path back to the Gandhian ideals. Many intellectuals and development planners are slowly coming around to appreciate the fundamental strength of a Gandhian strategy. In the light of disappointments with modern technology and the spread of the idea that small can be beautiful, the Gandhian approach is gaining renewed interest among development specialists.

However, readers of this book are likely to feel that the message is lost in flat assertions, contradictory remarks, and polemical language. The author is the well-known political leader representing the rural interests of northern India. He has held several important positions both in and out of government, most recently the post of prime minister of India for a short duration. He was the chief architect of economic policy for the Janata government from March 1977 onward, till it resigned following defections in July 1979.

The first four chapters, constituting the substantial section of the book, deal with the agricultural sector. He contends, rightly, that agriculture is the kingpin of the development process. Without a strong agriculture, industrialization cannot proceed smoothly, a point on which few would disagree. However, much of the case is blunted by overstatement. He writes that, "While man can do without industrial goods, he cannot do without food. Similarly, while agriculture can, in the ultimate analysis, do without a heavy or capital goods industry, industry cannot do without agriculture at all" (p.8). One is very much reminded of the discredited theories of the Physiocrats. He goes on to show that agriculture is paramount by arguing that "Wells, reservoirs, and canals can be built, and had been built by our ancestors and by the British, so also could cloth, shoes and books be manufactured without the aid of cement, steel and power on any worthwhile scale. Otherwise also, only a small proportion of these commodities is used in agriculture as compared to industry" (p. 8). This statement, which lacks any kind of supportive documentation, is supposed to establish the superiority of agriculture. If there are any questions about fertilizers from the industrial sector that are used in agriculture, they are answered in the following way: "So far as fertilizers are concerned, organic fertilizers are any day better than inorganic ones - if only they could be collected and composted as the Chinese have been doing for the last forty centuries" (P. 8). It is not clear in what sense the organic manures are "better." It could be argued that dependence on fertilizers manufactured from the scarce petroleum products is not desirable. In fact, such an argument is advanced in a brief remark in chapter 10 (pp. 113-

better fed and clothed than the Indian, then, one of the reasons may be that it has taken more than a leaf from Gandhi's teachings" (p. 59). Mao would have found this amusing.

In chapter 6 the hodgepodge system of socialist planning is taken to task and a system of planning from the bottom up, instead of from the top down, is advocated. This theme gives an opportunity to attack Nehru and Marx and extol the virtues of Gandhian economics once again.

One major interpretation of the Gandhian view of economics is that of self-reliance. Gandhi's advocacy of a more or less self-sufficient rural economy is extended to condemn reliance on foreign technology and capital. There is much nationalistic pride in advocating a policy of building the economy by one's own bootstraps. On this score, somehow, the Chinese example becomes quite relevant. Singh states that "China struggled against impossible odds for the last sixteen years, that is, since the USSR recalled its technicians from China, to shun foreign models and find indigenous solutions to their problems" (p. 71). This assessment, while quite accurate, is no longer relevant in view of more recent developments in China calling for a more open economy and modernization with Japanese and Western help. Furthermore, that a closed, nationalistic, socialistic, and authoritarian regime is no guarantee of success can readily be seen in the case of a close neighbor of India, namely, Burma.

In terms of the overall development strategy, he advocates a decentralized form of economic organization emphasizing small-scale farms, small-scale industries, and localized decision making. Arguing that there are no economies of scale in consumer-goods industry, he advocates prohibiting the formation of large industrial units. He writes: "If we mean business, therefore, a strict law demarcating the spheres of various industries will have to be placed on the statute book. *No medium or large-scale enterprise shall be allowed to come into existence in future which will produce goods or services that cottage or small-scale enterprises can produce, and no small-scale industry shall be allowed to be established, which will produce goods or services that cottage enterprises can produce*" (p. 105). Apart from problems of defining the terms, the most serious problem, should such a statute ever be passed, is that of implementation. There are so many laws in Indian statute books - like the Sarda Act setting the minimum age of marriages, the Anti-Dowry Act, the Prohibition of Untouchability Act, etc.- which make very good reading, but are respected more in their breach than in their obedience.

The last chapter brings together the various strands of arguments from the main body of the book and restated the essential elements of a Gandhian strategy as seen by the author. While there is much wisdom in this book, much of its value, unfortunately, is lost in the process of presentation.