
12.4 E.F.SCHUMACHER (1911-1977)

A reader of Ernst Friedrich 'Fritz' Schumacher's works would undoubtedly find the influence of Gandhi on this distinguished economist from the West. He too produced pioneering work on the use of resources in a well thought-out manner in the process of development. His seminal work 'Small is Beautiful' has been a telling influence on the scholars and experts of his contemporary time and beyond. His advocacy of Buddhist Economics also gives an account of how economics can be peaceful as well as non-violent. He often cited Gandhi in his works, a proof of the widespread influence of Gandhi around the world.

Schumacher's concern for the nature and its significance is well reflected in the following words: 'Modern man does not experience himself as a part of nature but as an outside force destined to dominate and conquer it. He even talks of a battle with nature, forgetting that, if he won the battle, he would find himself on the losing side' (Small is Beautiful, p.1). He lamented at the widespread belief that the problem of production is solved by exhausting the 'natural capital' and was highly concerned at the alarming rate with which nature is being depleted. He was similarly aghast at quantum leap in industrialisation across the world. His farsighted thinking is reflected in his reservations about the safety devices to be developed by the scientists and technologists in 'using, transporting, processing and storing of radio-active materials in ever increasing quantities' (ibid, p.7). Like Gandhi, he advocated simple life as a means of peaceful life. He reiterated that, 'we must thoroughly understand the problem and begin to see the possibility of evolving a new lifestyle-a lifestyle designed for permanence'. These include building up soil fertility; producing health, beauty and permanence; evolving small scale, non-violent technology, with a human face; evolving new forms of partnership between management and men, and forms of common ownership. Thus one can find a striking similarity to what Gandhi and his devoted follower Kumarappa have campaigned for. He once questioned thus: 'instead of Gandhi, are we not inclined to listen to one of the most influential economists of our century, Lord Keynes?'

Schumacher forewarned about the consumption of fuel levels at alarming proportions 'that would produce environmental hazards of an unprecedented kind'. He cautioned about nuclear energy and its use wherein 'it is hard to imagine a greater biological threat, not to mention the political danger that someone might use a tiny bit of this terrible substance for purposes not altogether peaceful'. These prophetic words seem to be close to execution with proliferation of nuclear weapons and its (likely) misuse by some of the nations.

Schumacher spoke against unlimited economic growth where everyone is saturated with wealth as an unhealthy indicator of human progress. It not only makes the availability of basic resources scarce but also endangers nature and 'the capacity of environment to cope with the degree of interference implied'. The cultivation and expansion of needs, he finds, is the anti-thesis of freedom and peace. This increases the dependence of the humankind on nature that would face existential fear. As he says, 'only by a reduction of needs, can one promote a genuine reduction in those tensions which are the ultimate causes of strife and war'. Gandhi's concept of voluntary reduction of wants too echoes this. Schumacher believes that non-violence and relationship of man to nature are the only factors that guarantee peace and permanence. According to him, 'economics deals with a virtually limitless variety of goods and services, produced and consumed by an equally limitless variety of people'. He is completely in agreement with Gandhi regarding the means and ends. Modern economics, he feels, 'destroys man's freedom and power to choose the ends he really favours and the development of means dictates the choice of ends'.

Schumacher's significant contribution to economics is his concept of 'Buddhist Economics'. The influence of Burmese economics is quite evident which sees no conflict between religious values and economic progress. He thus explains the concept and meaning of Buddhist Economics:

'While the materialist is mainly interested in goods, the Buddhist is mainly interested in liberation. Buddhism is 'The Middle Way' and in no way antagonistic to physical well-being. It is not the wealth that stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the craving for them. The keynote of Buddhist economics is simplicity and non-violence. It is the utter rationality of its pattern- amazingly small means leading to extraordinarily satisfactory results. The ownership and the consumption of goods is a means to an end, and Buddhist Economics is the systematic study of how to attain ends with the minimum means'.

Therefore, from Buddhist Economics dimension, production from local resources is a rational way of economic life. Further the reverence to nature determines the level of consumption to minimum. This has two major advantages: (1) prevention of felling of trees and (2) genuine economic development without foreign aid (as the resources are sufficient and there is no scope for export/import). These ensure a measure of peace and permanence.

Schumacher wondered at the futility of the modern economics that does not help the poor man to improve his standard of life. He too advocated production by the masses instead of gigantism and automation in production processes. He forewarned the danger of atomic energy which is meant for so-called peaceful use and views nuclear reactors as massive wastes, where even a minor accident can cause catastrophe that affects several generations.

Schumacher raises some genuine concerns about the use of modern technology. It is bound to lead towards suffocating and debilitating effects, or even a partial breakdown of living environment. The limitless and expansive materialistic life ensures in the least the real purpose of human development. Modern technology, as a massive replacement to human energy, leads to unhealthy trends in human beings like overeating and sleeping, and renders them unproductive and gives them greater amounts of leisure. He finds that hands and brains involved in productive work are excellent tools and offer a therapeutic and educational value of real work apart from promoting creativity, work-enjoyment, and much less illness. He named it intermediate technology, vastly superior to the primitive technology or super technology, wherein 'the technology of production by the masses, making use of the best modern knowledge and experience, is conducive to decentralisation, compatible with the laws of ecology, gentle in its use of scarce resources, and designed to serve the human person instead of making him the servant of machines'. In final, he says that technology should address the real needs of man. Man's needs too are small as 'Man is small and small is beautiful. To go for gigantism is to go for self-destruction'. Thus, one can find a close semblance of thought between Schumacher and Gandhi, speaking for the welfare of humanity with a human touch.

12.5 J.K.MEHTA (1901-1980)

Prof. Jamshed Khaikusroo Mehta, a renowned economist, through his seminal work 'A Philosophical Interpretation of Economics' interpreted the subject in a most humanistic and spiritualistic mode. Mehta views economics as a subject of 'everybody's concern' and the economist as someone searching 'for the one in many'. Mehta places greater responsibility on the role of economist, who can bring about a positive change in the realm of human welfare. Precisely, the economist, like his counterparts in other subjects, 'studies man, and sees the

universe through man'. In this search, the economist makes several generalised observations that give us a rational, temporal and holistic perspective. Mehta observes that 'if the economist regards bringing together of all men as his primary duty, he must begin to theorise and to philosophise. He should give up his fruitless quest of social welfare among the developments of the material world that surrounds him'. Such quest is bound to end in failure; therefore an economist has to philosophise and make the philosophy of economics as the ultimate end. As Mehta interprets, 'wantlessness' is the ultimate end, which brings with it peaceful solutions. In spiritual analysis, man is the seeker of truth which is straight and axiomatic. This truth ensures his reaching the spiritual goal. In the material world, man loses sight of his spirituality and perceives the world through his sense organs; as Mehta says, this state is a complex picture, ugly to some extent, which makes man look for happiness in material gains and the multiplication of wealth and wants. This happiness cannot be lasting. The state of happiness is reached when one becomes free from all wants and attains a state of 'wantlessness'. An atmosphere of material development, as Mehta observes, breeds jealousy and ill-will among human beings and prevents them from living a harmonious life. The solution lies in looking at the 'inner depths of our mind and consciousness' for forging better relations, the task which an economist can successfully undertake.

Mehta rightly estimates the economic problems confronting the modern India. The low output of produced goods, distribution of national resources and wealth, the dependence on foreign countries not only for machinery, manufactured goods but also food depict the backwardness of our nation. He also effectively points out to the causes and consequences of rising prices, unemployment problem, small-savings, planned economics, and problems related to the redistribution of national wealth. He advocates a thorough revision of these policies; further, he laid emphasis on revising policies on agriculture and recommended great investments into this sector. The fulfillment of basic needs like food, clothing and shelter should be prioritised in planning. Mehta considers utilisation of resources in a careful manner and laid emphasis on planning. Planning, he felt, should be done taking into account our own merits and demerits rather than importing the ideas from other countries. As he observes, 'we are blindly following the pattern of life and growth of other countries, where the index number of a satisfied and contented existence has been falling. That is a sad commentary on the manner in which we manage our affairs' (Economic Problems, p.151). The ultimate aim of planning is to ensure a just redistribution of wealth and resources and also equality. The role of state is significant in this context in that it needs to think and plan with an eye on the ultimate end. Mehta laments that no state has done this job rationally; rather the states have concentrated more on procuring armaments and spending huge amounts on defence equipment. He disapproved the concept of the welfare and happiness of the people judged in terms of consumption of material goods.

That Mehta was influenced by Gandhi's views on economics is evident in his appreciation of Gandhian scheme of economic planning and development centred on villages. Gandhi's spiritual approach greatly influenced Mehta; the latter also agreed on the concept of self-realisation as the ultimate happiness. It is apt to quote his words here: 'it must be recognised that in the matter of planning almost all the countries of the world have taken the narrower point of view and have assumed that the end of happiness can be approached through the satisfaction of a large number of wants. Poverty is exalted in all the religions of the world and a life of comfort and luxury is regarded as an obstacle to the attainment of the ultimate end. But we appear to believe that for purposes of economic planning, there should be a different conception of happiness- poverty should be shunned and a life of ease and comfort planned for' (Ibid, p.172).

Mehta also believed in the economics of non-violence. He considers the basis of our economic life as violent in nature that failed to address the issue of human unhappiness. To quote him, 'non-violence is the right principle in economics. The science of economics is not only light-bearing, it is also fruit-bearing. The fruit we want it to bear is welfare or happiness of mankind. Happiness is that state in which there is no pain. We have got all wants. When we have a want, it causes some pain. That is why we want to get rid of our want. A want can be got rid of by satisfaction.....the science of economics aims at freeing us from wants. It teaches us how to eliminate our wants. We should be wantless so that we may be free from pain and, therefore, happy' (p.199). Non-violent economics implies that economics in which we yield to our environment and free ourselves from wants. Instead of conquering nature, we should adapt ourselves humbly to its forces. It enables us to envision the right economic policy to be formulated by the state. When an individual, firm or state abides by this principle, non-violence in economics prevails. Mehta's thoughts resonate the current thinking on eco-friendly economics that insists on judicious resource use. As he said, 'if we only knew what non-violence really meant we would realise that our happiness consists not in marching on the road to industrial development but in living a simple life' (p.201).

12.6 SHRIMAN NARAYAN (1912-1973)

Shriman Narayan was a renowned interpreter of Gandhian economic thought and the philosophy of Sarvodaya, who worked closely with Mahatma Gandhi during India's freedom struggle. His distinguished work on 'Gandhian Plan of Economic Development for India' and 'Gandhian Constitution for Free India' drew a great amount of appreciation from Gandhi, who acknowledged the former's works as illustrious pieces. He was also associated with many Gandhian institutions and organisations apart from serving as a distinguished parliamentarian, educationalist, social reformer, member of Planning Commission of India, Ambassador and also held prominent Constitutional posts like Governor.

It is evident from the writings of Narayan that he was much impressed with Gandhi's holistic approach towards the human welfare and his refusal to compartmentalise it. In the same vein, he maintained that 'true economics could never be divorced from the ethical and spiritual and values of life' (Narayan, 1970, p.229). Narayan's decisive work on Gandhian Plan of Economic Development highlighted the need to adopt Gandhian approach if India has to achieve real economic progress. Like Gandhi, Narayan believed in the following constituents of planning: (1) planning should be based on indigenous culture and civilisation; (2) planning should not divest people from their legitimate liberty in social, economic and political life; (3) planning should necessitate the least amount of state control and coercion; and (4) planning should preserve, promote and enrich democracy. Narayan also viewed an individual's right to earn his/her livelihood as absolute. The human aspect cannot be neglected in favour of increased productivity through labour saving machines as 'man is much more valuable and important than machines or material goods' (Narayan, 1944, p.6).

Narayan discussed in detail the prominent features of the Fascist Plan, American Plan, British Planning and the Soviet Plan in his work on Gandhian Planning. He asserts that Gandhian Plan is the most viable alternative in the context of these as it focuses on simplicity, decentralisation and cottage industrialism. He cites Prof.Cole's statement wherein he appreciated the Gandhian plan as 'a practical attempt to relieve the poverty and uplift the standard of the Indian villager' (cited from GDH Cole's 'A Guide to Modern Politics', p.290).Further, the Gandhian Plan presents 'to the perplexed and war-torn world an economic system based on peace, democracy and human values' (Narayan, 1944, p. 15).

The fundamental principles of Gandhian Economics which Narayan identified are simplicity, non-violence, sanctity of labour, denial of lure of leisure and promotion of human values. Narayan's objective of planning is to 'raise the material as well as the cultural level of the Indian masses to a basic standard of life'. He envisioned the implementation to be taken up and reach the goal within a short span of time. His plan attached paramount importance to 'the welfare of the rural areas, scientific development of agriculture and the subsidiary cottage industries' (p.54). The prominent features of his Plan have been highlighted as follows:

1. **The Basic Standard:** Ensure a balanced and health giving food, clothing, housing, free and compulsory education, medical facilities, public utility services, and recreational facilities
2. **Per Capita Income:** to meet basic necessities of well balanced diet, per capita consumption of cloth, expenditure incurred on housing maintenance, and assess annual income of the total.
3. **Village Communities:** establish autonomous, self-sufficient units that connect with the taluka, district and higher councils and that which adopt economic decentralisation.
4. **Agriculture:** to develop scientific methods to increase self-sufficiency, promote wholesale national economy, discourage commercial farming and encourage community farming, and set up model/experimental farms to tackle food shortage, ensure reasonable land tenure and rent, envisage nationalisation of land, reduce rural economic indebtedness and tackle the cases through special tribunals, tackle the problem of soil erosion, promote irrigation facilities, increase agricultural efficiency via improvement of cattle, cow protection, better seeds and implements, and agricultural insurance.
5. **Allied Industries to Agriculture:** Promote animal husbandry, dairy farming, adopt mixed farming (cultivation of food and fodder crops by scientific system), tanning and leather work, promote fruit culture, vegetable gardening and adequate development of forest industries.
6. **Cottage Industries:** Khadi (spinning and weaving), paper making, oil extraction, paddy-husking, miscellaneous industries like bee-keeping, flour grinding, carpentry, cutlery, toy-making, bamboo and cane work, brick-making, and glassware. State should provide aid to promote these industries by imparting technical skills and collective purchases of the products via cooperative societies.
7. **Basic Industries:** defence industries, thermal and hydro power, mining, metallurgy, engineering and chemicals that are necessary for the development of the country.
8. **Public Utilities:** The National Government should ensure public utilities like transport and communications, public health and sanitation, basic and higher education and banking and insurance; provide better roads, coastal shipping, civil aviation, post and telegraph; maternity and child welfare, and promoting sports facilities.
9. **Trade and Distribution:** including internal trade, distribution of resources to cities, towns and villages, international trade.
10. **Labour Welfare programmes,** tackling population problems, efficient management of public finance, taxation and currency, ensure administrative efficiency, formulate budgets that include all the above mentioned areas, and finance disbursement to villages for the village upliftment programmes.

Narayan also envisioned the implementation aspects of Planning that would include cooperation and coordination between the national government and local bodies. It also requires a committed contingent of individuals and youth who repose their firm faith in the Gandhian ideology of simple living and high thinking. Without this, he observed, 'all Planning will be an expensive show and a mirage', which needs to be realised by the present generation and policy makers.

12.7 SUMMARY

From the above discussion on eminent economic thinkers, we can draw certain commonalities. Kumarappa, Schumacher, Mehta and Narayan, renowned for innovative and feasible economic thinking, insisted profoundly on the wise use of economic planning for social welfare, individual development and a careful use of natural resources. Their thoughts were very much in consonance with that of Gandhi's economic thoughts and ideas. The inherent spiritual inquiry and approach is evident when we study their economic ideas in depth. In this market-oriented economic system era, it would be wise to revise some of their thoughts for implementation at the individual and societal level. The liberal economic policies have brought about agonising results with the collapse of different corporations and the ensuing recession and its after-effects on the global economic system. The so-called austerity drives and cut down on economic privileges and benefits are being implemented to undo the damage. Further the current economic system, with its expansionist agenda, has drastically reduced the availability of natural resources and also widened the gap between the rich and the poor, while the benefits of globalisation are yet to trickle down. What we need today is the revision of our economic policies- policies that centre on human welfare, societal values and planning that simultaneously ensure the conservation of our nature. A careful study and analysis of the works of these thinkers provide many a viable solution to our impending economic crisis. It is in our interest to adopt some of these principles and put them into practice for the benefit of all.

12.8 TERMINAL QUESTIONS

1. Discuss the economic philosophy and ideas of J.C.Kumarappa.
2. Examine at length the thoughts and ideas of E.F.Schumacher.
3. Critically assess J.K.Mehta's philosophical approach to economics.
4. Evaluate Shriman Narayan's concept of planning. Discuss its relevance in the contemporary economic system.

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