CHICAGO JOURNALS
Review
Author (s): K.V. Nagarajan
Review by: K.V. Nagarajan
Page 660-663
Published by: The University of Chicago Press

New Delhi: Vikas Publishers, 1978

K.V. Nagarajan
Susquehanna University

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-
But his outline of needed policy changes in chapter 3 gives a prominent place for agricultural inputs from the industrial sector. He also advocates a policy of price incentives for farmers and an agricultural buffer-stock operation very similar to the American farm policies.

In terms of the agrarian structure, he decries the use of machinery in the farm sector and condemns the land tenancy system which still allows large farms. He is convinced that a single-family farmer cannot handle more than 27 acres. He advocates that the average size of a farm should be anywhere in the range of 2.5-27-5 acres depending on growing conditions. Cooperatives are supposed to perform only service functions. In support of this contention, we are told that, "Statistics after statistics from all over the world as also from Farm Management Studies conducted under the auspices of the Ministry of Agriculture, Government of India, go to prove that although in theory, the size of the farm is irrelevant [sic] to production per acre, yet, in practice, under given conditions, yields per acre accruing to a farmer decline as the size of his farm increases" (p. 14). It is not clear why the size of the farm is irrelevant in theory, but relevant in practice. Moreover, in the absence of specific citations of studies, it is difficult to judge the "proof" offered by statistics.

In chapter 3 he takes up the question of capital starvation in the agricultural sector. He rightly argues that much of heavy industrial investment in the Indian context is wasteful and advocates a shift in favor of the agricultural sector. He rejects, however, collective mass mobilization of farmers in favor of promoting agrarian capitalism. But, at the same time, we are not told what to do about those who are not willing to give up their fatalistic attitudes (p. 43), because he seems to believe that only some groups in India are enterprising. He writes that "A search for or a shift from agricultural to non-agricultural employments will take a spirit of enterprise in the farmers - an urge or ambition for material advancement an a willingness to work for it - which unfortunately, except for a few communities like the Sindhis, Gujaratis, Marwaris and Punjabis residing in the western part of the country, our people generally lack" (p 43). This judgment is of questionable value when one considers that peasant movements in search of material rewards and human dignity have not been confined to these groups of people. Mounting evidence from the field also shows that achievement motivation and opportunities, not just ethnic composition, play an important role. The works of Milton Singer and David McClellande are adequate testimony.

In Chapter 4 he condemns the urban bias in economic policy. He believes that this is a result of Nehru's lack of education of the proper kind. "Unlike Mao Tse-tung," we are told, Nehru "did not develop an independent approach to India's problems. The explanation is not far to seek: unlike Mao, Nehru was the product of an urban environment and western education" (P. 51).

The Western Model of industrialization is dismissed as inappropriate to India today, because "we cannot spare or accumulate capital to the extent that heavy industry requires nor can heavy industry find employment for the huge population that India carries today" (P. 58). The Soviet model is dismissed as irrelevant, because, "In given circumstances, communism is far less relevance of Chinese experience does not even arise, since, "If under the sign of communism, the USSR could not significantly raise the living standards of its people despite its vast resources, China with comparatively little resources could not possibly hope to do so" (p. 58). But what about all the glowing accounts about China's progress under the communist rule? If anyone believed that Mao was responsible for all that progress, they would have to change their opinion, because we are told that, "If it is a success story in comparison with India or if its people are
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, socialist, 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 from 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.
The National Tax Journal joins the University of Chicago Press journals program. February 22, 2021. The British Journal for the Philosophy of Science joins the University of Chicago Press journals program in 2021. August 10, 2020. The Journals Division publishes more than 80 scholarly journals that cover a wide range of disciplines, from the humanities and the social sciences to the life and physical sciences. [more]. NEW IN 2021. Periodicals include print journals, electronic journals, magazines, and newspapers. Citations for these sources should include enough information for the reader to find them in a library or a database, and as such, publication dates are essential. Magazines and newspapers are typically serialized by day, month, and year; journals include volume, year, month, or season and issue number. One of the major differences between notes and bibliographic entries for periodicals is the way in which major elements are separated. Online Resources | Newspapers on Microfilm Online Resources The Broad Ax Chronicling America 1895 to 1922 Chicago Daily FREE! Chicago Journal. 1849-1851. Chicago Journal. Chicago Tribune. 1852-1854. Chicago Democratic Press. Chicago Journal. Chicago Tribune. 1855-1857. Chicago Democratic Press. Chicago Journal. Chicago Times. Chicago Tribune. 1858-1859. Chicago Daily Herald. Chicago Journal. Chicago Times. Chicago Tribune. 1860-1871. Chicago Journal. Chicago Times. Chicago Tribune. Today, the Journals Division publishes more than 70 journals and hardcover serials, in a wide range of academic disciplines, including the social sciences, the humanities, education, the biological and medical sciences, and the physical sciences. Journals. Journals in JSTOR from The University of Chicago Press. 79 Journals in JSTOR. Date Range. Afterall: A Journal of Art, Context and Enquiry.