Building a Creative Freedom: J.C. Kumararappa and his Economic Philosophy

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September 2005
(To Appear in the Economic and Political Weekly)

Joseph Cornelius Kumararappa (1892-1960) was a pioneering economic philosopher and architect of the Gandhian rural economics programme. Largely forgotten today, Kumararappa’s life-work constitutes a large body of writings and a rich record of public service, both of profound significance. In this essay we suggest that a critical intellectual engagement with his life-work can shed new light on some of the most fundamental constituents of the human economic predicament, and also contribute to a more nuanced understanding of one of the most fecund periods in modern Indian history.

While the broad contours of India’s freedom struggle are well delineated in the literature, our understanding of the lives and motivations of those nationalists who worked outside its political limelight is limited. Although engaged with the ebb and flow of the nationalist movement, a small, dedicated group of individuals had their sights set on a problem of larger dimensions. For the group centred around Gandhi’s social and economic programme, the task was one of charting an agenda for the complete revival of India. A cornerstone of this endeavour was the development of an economics that answered to the dicta of satya and ahimsa. The task of delineating such an economic philosophy and developing a practical programme was taken up by Joseph Cornelius Kumararappa (1892-1960), a philosopher of striking originality. In his lifetime, Kumararappa was the principal preceptor of ‘Gandhian Economics’ and has left behind a large oeuvre of writings. As a full-time nationalist worker, he carried out many important economic surveys, and developed the All-India Village Industries Association (AIVIA) which was dedicated to the rejuvenation and modernisation of the village economy.

Kumararappa’s life-work was driven by a passion for freedom and justice in their fullest senses. Since economic autonomy for the individual was a desiderata for freedom, and as the majority of people lived in the countryside, the village economy was an essential determinant of India’s social well-being. At the same time, Kumararappa’s deeply moral interpretation of economics was shaped by a visionary understanding of the place and role of human beings in their larger ecological setting. While in the flush of Freedom and the rush to industrialise the rural agenda fell into grave neglect, many of its original concerns have remained with us. Thus, in the context of the contemporary environmental discourse, Kumararappa has been perceived as a founding father of ‘green thought’ in India. A fuller reading of Kumararappa’s life-work paints a more nuanced portrait of his philosophy that has far greater implications. Indeed, we argue here that Kumararappa’s thought sheds new light on some of the fundamental constituents of the human economic predicament. However, his theoretical contributions, important as they are, do not convey the full import of his philosophy. It is his unique intertwining of theory and praxis that decisively sets Kumararappa apart from most thinkers. Revisiting his life-work will also help refine our understanding of the most fecund period in modern Indian history. However, in this essay we shall limit ourselves to presenting the fundamental aspects of Kumararappa’s economic philosophy and an elementary historiography of his deep engagement with Indian and international political events that shaped his thought.

Born in Thanjavur, on 4th January, 1892, Kumararappa trained as a chartered accountant and worked for many years in London in the 1910’s. During these years he seems to have been indifferent to the great political upheavals in India against the British Raj. Perhaps living as a colonial subject in the capital of the Empire, Kumararappa did not see beyond his own professional success. Later he ran a successful practice in Bombay for many years and eventually arrived in the United States in 1927. Unlike his years as a practicing accountant in London, living in America exposed Kumararappa to new ideas. After he enrolled as a post-graduate student at Columbia University, Kumararappa started grappling with a question that many young Indians had been asking themselves for two generations, i.e. why was India colonised and so impoverished? However, as a Westernised Indian during the Raj, Kumararappa neither had any familiarity with India’s reality nor an understanding of its cultural history. This he set out to correct by recourse to a detailed study of various aspects of Indian history and social organisation.

At Columbia, Kumararappa studied under the guidance of a recognised expert on taxation, Edwin Seligman and in 1928 wrote his masters thesis titled Public Finance and India’s Poverty. In this thesis Kumararappa chose to focus on the role of the British colonial financial policy rather than indulge in a broader inquiry into the reasons of India’s poverty. Defining the essay in narrow fiscal terms was useful in exploring the larger problems that he was not as yet equipped
to address. However, his great concern for freedom, justice, and autonomy was already evident. Remarkably, over his long and often controversial public life of three decades, one finds a great consistency and continuity of these ideas and values that Kumarappa first expressed, albeit in an inchoate form, in *Public Finance*.

The issues of financial defalcation that Kumarappa dealt with are by now familiar having been well researched. While India had indeed suffered from problems in the past, their depth and impact was much worse under the British. The taxation was penurious and its effects were particularly devastating as most of the revenue extracted was either spent on a top-heavy administration or was transferred out of the country. The lopsided nature of expenditure was illustrated by Kumarappa in a comparison. In 1925-26, America spent 48.8% on Debts, Military and Administrative expenditure whereas British India spent a whopping 93.7% of revenues on the same, leaving practically nothing for public works. The maintenance of a British bureaucracy and a large standing army to control a colony were also unwarranted expenditures, the civil administration being ‘five times as expensive as in the United States’. Discriminating railway tariffs in favour of foreign goods over Indian products had a serious impact on indigenous industries as it amounted to a subsidy to the foreign industry.

The theme of Public Debts was a major political issue through the 1920’s and the Congress sought to clarify its views on the future obligations of independent India towards debts incurred by the colonial Government. While this was first considered by the Congress at its Gaya session in 1922, the matter was further clarified at the Lahore session to a view that ‘obligations or concessions pronounced to be unjust and unjustifiable by an independent tribunal shall not be recognised by the Independent Government to come’. Eventually in 1931 a resolution at Karachi called for a scrutiny into the so-called Public Debt of India and a Select Committee was appointed with Kumarappa as the convenor. The committee scrutinised the transactions of the East India Company till 1858, and subsequently those of the British Crown. It found that of the Rs. 1100 crores of Public Debt, Rs. 729 crores were owed to India as they did not stand the test of legitimacy and public interest. The costs of external wars and annexations that were charged to the Indian account were also found to be invalid. More reprehensible to the nationalist mind was the expense of quelling the ‘Mutiny’ of 1857 which was put down to 40 crores. The timing of the report’s release was of great political significance as it arrived shortly before Gandhi departed for England as the sole representative of the Congress at the Second Round Table Conference.

While Kumarappa understood finance and economics well enough in 1929 when he returned from America, he was yet unacquainted with rural India. But his rapid induction into the Gandhian fold provided a quick introduction to the harsh realities of Indian village life. For years, the enormously harmful taxation and land assessment policies of the administration in Gujarat had been contested by nationalists, the Bardoli *satyagraha* being a prime example. Now Gandhi wanted a rural survey conducted since ‘Indian Economics should be built from the bottom by the *a posteriori* method of securing rock bottom facts and drawing therefrom, by the most rigid process of reasoning, scientific conclusions which no amount of jugglery could controvert’. The region chosen was the *taluka* of Matar in Kaira district (also known as Kheda) because of its ‘history of the revenue settlements’ and ‘impoverished condition’. The problems of the peasants in Matar were a combination of an inflexible Government assessment of the taxes, a heavy debt burden, a reduced water supply, and some poor seasons. Kumarappa was charged with conducting the survey and the result of his work was a first of its kind for the nationalist movement. *A Survey of Matar Taluka: Kaira District* covered fifty-four villages and provided a detailed statistical portrait of the complex relationship between land revenue assessment and the health of the agrarian economy. India was in political turmoil in the early 1930’s and Kumarappa’s Matar Survey was itself conducted in the shadow of one of the finest moments of the Freedom Movement, the March to Dandi. Subsequently, Kumarappa spent terms in prison as a result of his editing *Young India* during the aftermath of Dandi. But having proved his mettle in the writing of *Public Finance* and the *Matar Survey*, it was only a matter of time before he would be called upon by Gandhi for a greater task.

In October 1934, Gandhi announced his retirement from the Congress. The Congress while endorsing the Mahatma’s retirement from active political life also authorised the formation of the All India Village Industries Association (AIVIA) or the Akhil Bharat Gram Udyog Sangh. In accordance with the Mahatma’s wishes, the Congress ostensibly, formed the AIVIA to fulfil its aim of ‘progressive identification with the masses’. This identification was to be achieved by the ‘revival or encouragement of dead or dying village industries’ through ‘concentrated and special effort unaffected by and independent of the political activities of the Congress’. Gandhi had spent much of the previous year travelling the length and breadth of the country on his Harijan Tour. The peasants in the countryside were barely beginning to recover from the agrarian crisis of the previous three years that was in part a fall out of a complicated chain of credit crises that originated in the Great Depression. The experience gleaned from extensive travels through some of the poorest parts of India convinced Gandhi that khadi alone could not solve the large unemployment and under-employment problem in the hinterland. By 1934, the All India Spinners Association (AISA), founded by Gandhi to promote khadi, was active in over five thousand villages and in a decade had helped some three lakh spinners and allied workers. For Gandhi it was a natural step forward to expand this successful programme to now include village industries and thereby resuscitate the ailing agrarian economy. He recruited Kumarappa to establish the AIVIA at Wardha and to develop its nationwide programme. This task would soon become the central theme of Kumarappa’s life-work.
Over the years, despite his increasing engagement with larger public concerns, Kumarappa felt compelled to explain crucial financial issues to a lay audience in simple terms. By the time of Independence, Kumarappa had developed a scheme that explained the evolution of British exploitation of India by means of its financial policies. The result was published as *Clive to Keynes: A Survey of the History of our Public Debts and Credits*. Kumarappa felt that while Clive’s enterprise was to be commended ‘for its avowed and undisguised nature’, by the Second World War, British financial skullduggery had developed a disturbing innovation that was ‘simplicity itself’. With the pressures of war expenditure and need for a supply of goods and raw materials, the British had exploited a flaw in the Reserve Bank of India Act that effectively put bullion and ‘Sterling Securities’ on the same footing as currency backing.\(^{19}\) The securities were deposited in lieu of which material goods were exported out of India, and the currency notes in circulation increased from 200 crores in 1939 to a 1000 crores by 1944. Kumarappa felt this was an extremely unsound principle as the securities which represented the volatile credit of Great Britain were now put on par with gold which represented real value.\(^{20}\) This spiriting away of real goods against the credit of promissory notes was for Kumarappa, ‘robbing Peter to pay Paul’.\(^{21}\)

Towards the end of 1942, this situation was particularly worrisome to Kumarappa as the fortunes of the War were not yet decided. Britain losing the War would have disastrous consequences for India as the securities were a result of a selfless identification with the destiny of the impoverished among his fellow citizens. His economic philosophy, important and significant as it is, was not a result of academic theorising that for Kumarappa had no intrinsic value. Indeed, by the middle of 1930’s when Kumarappa developed as a philosopher, he was primarily writing for an audience that was outside the pale of mainstream scholarship. His principal idiom was one that was squarely rooted in tradition and religion. Few in Kumarappa’s own time understood the theory-praxis dialectic that was central to his thesis. On the one hand, the rank-and-file of the national movement was not equipped to intellectually comprehend the subtleties of his economic philosophy. On the other hand, the more intellectually sophisticated audience dismissed his ideas as being impractical or lacking in rigour.

Kumarappa’s philosophy represents a sweeping and original analysis of some of the most important constituents of the human economic predicament. He developed an internally consistent teleological framework that delved into such fundamental questions of economic theory and philosophy as the nature of the individual, value theory, nature of work, division of labour, role of the state, right to property, and money as a medium of exchange. In 1936, two years after the AIVIA came into existence, Kumarappa published his first major philosophical tract where he developed a theoretical basis for his economic thought, and also provided a programme for developing village industries. *Why the Village Movement? A plea for a Village Centred Economic Order* was the first comprehensive statement of the normative foundations of Gandhian Economics and comes close to being a manifesto for the Gandhian socio-economic project.\(^{24}\) Some years later, during the Quit India Movement, Kumarappa was sentenced under the Defence of India Act and incarcerated in Jabalpur Prison. It was during this imprisonment that Kumarappa wrote two of his best known books. In the first volume titled *Practice and Precepts of Jesus* he returned to the original teachings of Jesus as he perceived the organised Church to be far removed from ‘the Spirit of Truth’.\(^{25}\) The second book written in Jabalpur, *Economy of Permanence: A quest for a social order based on non-violence* is the most well known statement of Kumarappa’s economic philosophy. *Economy of Permanence* has since been cited as an example of ‘green thought’ within the Gandhian discourse. As discussed below, this perception derives from the resonance of the book’s title with the modern ecological discourse rather than its more profound central message.

Written during a period of deteriorating health in prison, *Economy of Permanence* while occasionally insightful lacks the internal coherence that characterises much of Kumarappa’s writings.\(^{26}\) Rather, the evolution of Kumarappa’s thought and practice is better traced through the successive editions of *Why the Village Movement*, although in his case inferences based on a single text can only be limited in nature. The full import of his programme can only be gleaned through a broader reading of his large corpus of writings and the experiential richness of his life-work.

Kumarappa’s project is undoubtedly founded on the Gandhian principles of *satya* and *ahimsa*:

*[if there is anything that characterises Gandhiji’s life, it is his devotion to Truth and Non-violence. Any economy that is associated with his name,*]
should therefore, answer to these fundamental principles.  

At the heart of an economy where non-violence is axiomatic, lies the concept of ‘Natural Order’ derived from a teleological understanding of human civilisation. While Kumarappa continually developed and refined this concept over two decades, even in 1930, before he found himself in the thick of the Constructive Work programme, he was advocating an economy based on the Natural Order:

> [i]n studying human institutions we should never lose sight of that great teacher, mother Nature. Anything that we may devise if it is contrary to her ways, she will ruthlessly annihilate sooner or later. Everything in nature seems to follow a cyclic movement. Water from the sea rises as vapour and falls on land in refreshing showers and returns back to the sea again ... A nation that forgets or ignores this fundamental process in forming its institutions will disintegrate.

Kumarappa recognises the decay and regeneration in the ‘cycle of life’ as a fundamental process in which all creatures cooperate. Violence results ‘[i]f this cycle is broken at any stage, at any time, consciously or unconsciously’. Even as a student at Columbia, Kumarappa interpreted the role of Public Finance in terms of an ideal Natural Order. Public Finance, he stated, was a powerful instrument in the hands of the Government to ‘husband the natural resources of the land’ and ‘taxes should rise as the vapour from the sea, from the section of the populace who could best pay, and should be precipitated like rain on the needy’.

While Kumarappa draws upon physical and biological cycles, his conception of the Natural Order is far from a fatalistic view of human life. Rather an economy that is consistent with the Natural Order is deeply moral, with well-defined rights and ethical obligations on every participant, and contributes to the welfare of all. The ideal Natural Order is broken any time there is a breach in the chain of rights and obligations. Lesser creatures in the cycle of life can, and do fail to honour the chain of rights and obligations. However humans as the only creatures that can comprehend the teleology underlying the Natural Order, have a special moral obligation. This enjoins them to exercise their freewill towards the betterment of societies while staying true to the Natural Order.

This conception of the role of individuals was also linked to Kumarappa’s own understanding of social evolution. The degree to which the rights and obligations are respected in an economy reflect the social and moral evolution of that society. To situate his theory of social evolution, Kumarappa conjured up an ingenious taxonomy of how rights and obligations operate in the natural world. He classifies the ‘types of economy in nature’ into five different categories: ‘parasitic economy’, ‘predatory economy’, ‘economy of enterprise’, ‘economy of gregation’, and ‘economy of service’. In the parasitic and predatory economies, there is no recognition of rights, obligations, or even the cyclical Natural Order. In an economy of enterprise, individuals ‘take something that is of their own effort and making’. While not overtly violent, individual self-interest continues to be the central characteristic. There is some recognition of rights and obligations that govern the Natural Order but the absence of altruism makes an economy of enterprise susceptible to violence and represents the most elementary stage of social evolution.

In the next stage of social evolution, ‘man becomes more and more conscious that no one lives unto himself but that there are certain ties that bind [humans,] and man develops a gregarious attitude’. The individual in an Economy of Gregation, like the honey bees, ‘do not work for their own respective individual gains but for the common benefit of the whole colony’ which represents ‘an extension from self-interest to group-interest and from acting on immediate urge of present needs to planning for future requirements’. However, the evolution from individual self-interest to group-interest does not preclude the possibility of violence as obligations are not yet accorded an axiological precedence over rights. In an Economy of Gregation, duties and obligations are recognised only within a narrowly defined group, but self-interest in the garb of group-interest prevails in interactions with individuals that are outside this group. A society that is organised on the basis of ‘higher cultural values’, is built on ‘consideration of duties’ rather than an emphasis on rights. Such an economy that leads ‘to an evaluation of each life in terms of the others’ will make way for an economy of permanence or an ‘economy of service’. For Kumarappa, any form of human gregation that does not recognise the pre-eminent role of duties and obligations will lead to an ‘economy of transience’. Any emphasis on rights rather than obligations ‘are all based on the fleeting interests that govern the short span of an individual’s life or even that of a group or nation’.

An important corollary of this moral characterisation of the Natural Order is the relationship between humans and the ‘insentient beings’. Material resources are an integral part of the Natural Order and to the extent that societies utilise them, humans have an obligation in their use of these resources. Kumarappa discerns two fundamentally different kinds of material flows used by societies – ‘those in limited and fixed supply such as minerals, coal, petroleum etc., and those that can be increased by man’s effort or are inexhaustible, such as timber, cotton, water etc.’ These two modes of drawing on material resources lead respectively to the ‘Reservoir Economy’, and the ‘Current Economy’. In Kumarappa’s scheme of things, a Reservoir Economy is predatory in nature because the society draws on resources that it has not contributed to in any manner. This leads to a short circuiting of the chain of rights and obligations, resulting in violence. The Current Economy on the other hand is predicated on societies fulfilling these obligations. Thus Kumarappa advocated that societies be built primarily on renewable flows rather than by mining their bequest of non-renewable resources. Thereby he emerged as one of the
earliest voices against the indiscriminate use of non-renewable resources.

Economics in its role as a positive science has used a narrow utilitarian formulation to solve major riddles of economic organisation by providing a basis for modern price theory. However, this axiomatic basis of modern economic theory results in a conundrum where economics is able to contribute very little to theoretical questions that contain irreducible normative elements such as questions of distributive justice or ecological sustainability. Kumarappa’s was primarily a normative project. On the subject of value theory for example, rather than explaining observed prices in an exchange economy, Kumarappa’s writings focus on developing an axiological framework that is consistent with an Economy of Permanence based on the ideal Natural Order. Kumarappa believed that exchange value is an erroneous concept. An Economy of Permanence based on the ideal Natural Order. Kumarappa believed that exchange value is an erroneous concept. An Economy of Permanence based on the ideal Natural Order.

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Kumarappa advocated ‘multi-purpose co-operative societies’ to restrict the ‘spread of money economy’ and limit the impact due to ‘fluctuation and speculation’. This reasoning by Kumarappa anticipated the modern local currency discourse by several decades. Further, an economy that is primarily based on money exchange facilitates unfettered accumulation, which is antithetical to the ideal Natural Order. Of much larger practical significance, and cardinal to Kumarappa’s project is the constraint that an ideal Natural Order places on production and distribution of wealth in an economy. As it is not possible to have unfettered accumulation without violence and exploitation, the process of distribution becomes inseparable from production.

Central to Kumarappa’s conception of an ideal society is the understanding that autonomy at the individual level is essential to a society’s economic freedom. More importantly, political and social freedom rests squarely on economic freedom. Any non-violent social organisation is predicated on providing complete autonomy for every individual. The Gandhian ideal of Sarvodaya, though much used and abused in recent times, is based on this material and spiritual autonomy. Kumarappa’s deep rooted concern for individual autonomy is best seen in his writings on the nature of work. Some four decades before ‘good work’ became a slogan of the appropriate technology movement, Kumarappa called for a philosophical understanding of the fundamental nature of work that was independent of the form of economic or social organisation. For Kumarappa, this started with the rejection of the conception of work as mere drudgery, a characterisation he traced to the Judeo-Christian tradition where work is seen as a ‘curse from God’. For Kumarappa, an economic exchange was not merely a material transaction but also a moral one. For instance, a buyer purchasing goods produced under exploitative conditions becomes a party to the ‘evil conditions under which those goods were made’. The distance between the producer and consumer impedes the moral assessment of an exchange. This is one of the bases for Kumarappa’s prescription of decentralised production and local consumption.

Money, for Kumarappa, is not only an impediment to moral valuation of an economic exchange, but the use of money is intrinsically unequal and exploitative. Money, unlike any physical good, is not subject to the physical laws of decay that continually erodes the value of all physical goods. This is particularly stark when an economic exchange involves perishables:

For transferring purchasing power, money and credit are unsurpassed. An honest exchange does not consist in such transfer of material values only, but should also include transfers of human and moral values. These last two are not represented in a money transaction. The bargaining power of a seller of perishable bananas or fish is not on a par with that of the buyer, the holder of imperishable gold. The growth of money exchange has smothered all conditions of equity and justice. Recognising the need for ‘an unalterable storage of purchasing power ... in an agricultural country like ours’, Kumarappa advocated ‘multi-purpose co-operative societies’ to restrict the ‘spread of money economy’ and limit the impact due to ‘fluctuation and speculation’. This reasoning by Kumarappa anticipated the modern local currency discourse by several decades. Further, an economy that is primarily based on money exchange facilitates unfettered accumulation, which is antithetical to the ideal Natural Order. Of much larger practical significance, and cardinal to Kumarappa’s project is the constraint that an ideal Natural Order places on production and distribution of wealth in an economy. As it is not possible to have unfettered accumulation without violence and exploitation, the process of distribution becomes inseparable from production.

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‘By the sweat of thy brow shall thou eat bread’ was the punishment meted out to Adam for his disobedience. Since then man has been trying hard to circumvent this curse. He wants to eat bread but does not want to sweat.

For Kumarappa, work has ‘two important components’ – the ‘creative element which makes for the development and happiness of the individual’, and ‘toil or drudgery’. If the real purpose of work is to ‘develop man’s higher faculties’, both the creative and drudgery parts are equally important and separating them was akin to separating fat from milk – a healthy body needs not just the fat but also the nutrients in the whey. More significantly, this separation of drudgery from the creative aspect of work is one of the fundamental sources of violence. To the extent that toil is characterised as a necessary evil, coercion and thus violence that follows becomes inevitable. For Kumarappa, the ‘strong have always attempted to divide work and allocate the heavy part to the worker and retain to themselves the higher and the more pleasant part’. Indeed, this violence at the individual level also operates at a much larger level and punctuates the rise and fall of entire civilisations:
Kumarappa clearly recognised the impact economic organisation had on the political structure obtained in a society: “Large scale industries in economics is the anti-thesis of democracy in politics.” He went on to suggest that one of the motive powers of the imperial project was the coercive division of labour which none of the dominant forms of economic and social organisation had been able to address. An average worker is reduced to ‘gun-fodder’ for the machine under a capitalistic organisation based on large centralised industries, or a ‘cogwheel in a machine’ under communism. Thus, while the economic structure largely determined the choices available to individuals, for Kumarappa, a non-violent social organisation had to base itself on freedom and autonomy for every individual. However, he went on to qualify that we may not ‘entirely ban [the] profit motive nor advocate complete decentralization. What we want to find is a mean between capitalism and communism’. While he critiqued coercive methods, Kumarappa was also no naive advocate of a co-operative basis for large-scale social organisation:

While it may be granted that group activity has a contribution to make within a limited community, it is open to serious doubt whether such activity is possible on a national scale for any length of time. A few理想ists may get together and run an Ashram or other philanthropic institutions on the basis of service but whether such principles can be applied in the present stage of varied and varying civilizations on a world basis may be questioned ... Experiments may be carried on under controlled circumstances in order to find out the laws that govern economic movements but it is too much to expect humanity, as a whole, to function in like manner under normal conditions without such a controlled environment.

Driven by his desire for a non-violent basis for social organisation, Kumarappa also came to recognise that production under a capitalist regime meant that the sources of raw materials, often in far-off places, had to be protected and their regular supply ensured. More importantly, competitive production without relation to real demand necessitated the opening of newer markets for ensuring steady profits. This ‘extension of markets in their turn call for the Army, Navy and the Air Force to control them in the interests of particular nations’. All of this engendered disequilibria that dissipated the form of periodic global wars of great violence and destruction. The state control of such industrial production as under Soviet Communism was not an answer as it implied a greater concentration of power in the hands of those who controlled the state. This coupled with the class hatred advocated in Russia meant that violence remained a corollary to centralised production. Kumarappa’s understanding of the intimate relationship between economic organisation and violence is best summarised in a contemporary assessment of his attitude towards Western Pacifism:

Ruthlessly he penetrated the weakness of modern Western Pacifism by saying that it took for granted an economic system that was the root of modern war. He insisted that if Western Pacifism was to become effective, it must have a revolutionary economic programme.

The only inoculant that would lead to peace and prosperity, Kumarappa contended, was decentralisation of production which would prevent the accumulation of power. While in such a decentralised system the ‘rewards were moderate’, Kumarappa argued that it was ‘the only path to true democracy in political life, and to peace among nations.’

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With Independence imminent, the future course of India’s economy was a matter of lively debate in the 1930’s. For a decade, the Bolshevik revolution had been a beacon of hope for many nationalists. Now the advocates of socialism, including those within the Congress argued that industrialisation purged of the evils of capitalism held the key to rapid economic growth. And for this, state control of the means of production was the answer. However this proposition held no charm for Kumarappa as the central problem of the centralisation of production remained unaddressed. With his emphasis on both obligations of an individual and the need for autonomy at a fundamental level, it is natural that the role for the state was to be distinctly different from the economic functions of the state in both the West as well as under communism. He believed that under both capitalism and communism, the states were appropriated by a minority who were in control of economic organisation rather than states working for the true betterment of the masses. If an overtly competitive political economy was responsible for this state of affairs under capitalism, the wholesale reliance on the state machinery under communism leads to centralisation of power in the hands of a few: ‘while the ideal is that the Governments should provide the fulcrum of economic activity they have become the levers themselves’.

Thus it was inevitable that Kumarappa would spend a significant amount of time in 1935 explaining and expanding upon the difference between socialism and the programme he sought to propagate on behalf of the Village Industries Association. Asked if Russia was an example for India to follow, he perceptively noted that there was ‘a danger of being content with a remedy without curing the ailment’. He went on to point out that ‘by means of artificial dams of idealism, Russia is trying to prevent the evils of capitalism although she is using the very same economic structure, namely, centralized production’. Further he exhorted that without addressing this problem, it was a short distance from the Soviet model to a
capitalistic organisation and a ‘change of the personnel at the helm of affairs’ could cause the reversal.\(^{69}\)

For this criticism of the Soviet model, Kumarappa was viciously attacked in a pamphlet by Jayaprakash Narayan, then a member of the Congress Socialist Party (CSP), a ginger group within the Congress.\(^{70}\) Kumarappa held that centralisation was the primary road-block to economic freedom and autonomy of an individual. However, he recognised that in a modern economy some sectors such as the railways and electricity are ‘naturally centralised’. In such cases, Kumarappa argued, the state was to retain control on behalf of the people and that ‘[s]upport of village industries does not necessarily run counter to patronage of railways or motor transport. These latter functions, which require centralisation will provide necessary balance to maintain independence of one on the other in society’.\(^{71}\) Kumarappa was also aware of the limitations of existing practices in the village economy, but for him ‘[t]he remedy is not to abandon cottage units but to bring the light of science to cottage workers.’\(^{72}\) Curiously, his ideological opponents attacked him for advocating such a ‘mixed’ line. More concerned with the purity of their theoretical framework they argued that it was preferable that Kumarappa rejected machinery and centralisation altogether rather than advocate this qualified view.\(^{73}\)

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In the early 1950’s Kumarappa went on a series of trips to China, Russia and East Europe. While the visit to China in 1951 was a goodwill mission, the European trips were under the aegis of the Communist-sponsored World Peace Congress. Kumarappa was very aware that these tours were propaganda exercises.\(^{74}\) Yet he was eager to go as it offered him new experiences and was perhaps a welcome change from the depressing scenario in newly independent India. As a life-long champion of the poor, he was deeply disillusioned both with a manqué Sarvodaya order and the policies of the Congress in Government. With an emphasis on rapid industrialisation and no real movement on land reform, Kumarappa saw the contemporary scene as a betrayal of the cause of the poor that Gandhi had made his own. After these trips, Kumarappa wrote a series of essays that praised the new spirit of self-improvement prevalent in China and Russia. He pointed out that he was not interested in doing a Miss Mayo on Russia and urged Indians to draw positive lessons. While there was much talk of Sarvodaya in India, in Russia he saw ‘intense zeal and singleness of purpose’ to improve the material lives of people.\(^{75}\) However his admiration was limited to this zeal and he repeatedly warned that the socialist experiments based on violence were unsuitable for India and they could never ‘develop into true Communism as long as the State is allowed to strengthen itself’.\(^{76}\) This apparent reversal of his stand puzzled many observers and the advocate of an economic order based on Truth and Non-violence was labelled a communist.

Kumarappa also felt that the rapid improvements in the material conditions in Russia and China were only possible behind the Iron Curtain that offered room for the massive social experiments to be carried out without interference by the Western powers. Most crucially these views were shaped by the world after the Second World War, where America was rapidly ascendant as a superpower and replaced the influence of European colonial powers. In particular two developments had a profound influence on him, namely the American use of napalm bombs and germ warfare in Korea, and their involvement in Indian developmental projects. An ardent lover of freedom who spent a lifetime struggling against the colonial system in India, Kumarappa took a dim view of increasing American interference in the affairs of the world. Seeking to see the colonised peoples of the world free of their bondage, he viewed the war in Korea with alarm:

America attempts to cordon off the awakening of the masses along the political line starting from Korea, China, Burma, India, Iraq, Jordania, etc., going on to West Germany. To this end the USA, is moving heaven and earth to get a foothold in these countries by fair means or foul - by wars, by finance, by pretended social service and goodwill etc.\(^{77}\)

He went on to call for a non-violent, economic boycott of the United States.\(^{78}\) The American involvement in Indian affairs was no less alarming. The early manoeuvres of the Cold War included the infusion of aid into India in the form of food-grains and monetary assistance. Some within the American establishment viewed this as a necessary step to prevent India from ‘going Red’ and Chester Bowles, a successful advertising magnate turned Ambassador to India played up on the American hysteria against Communism to elicit the first aid package to India in early 1952 and went on to suggest providing a billion dollars in aid! Kumarappa likened this to a noose around India’s neck and viewed the American penetration into India as the first steps of a new form of ‘financial imperialism’.\(^{79}\) More disturbing to him was the quixotic decision of Nehru to hire an American colonel, Albert Mayer to run the first ‘community development’ exercise, well-known as the Etawah Pilot Project. The nationalist in him recoiled at the idea of American control of developmental work in India. Having spent more than two decades as the foremost Gandhian constructive worker who carefully studied the real living conditions in Indian villages and crafted an agenda to improve and modernise them, the arrival of American ‘experts’ was very distressing. Thus Kumarappa felt, ‘[i]f the country is so bankrupt of capacity to solve its problems and rebuild the nation, it confesses its unfitness for Swaraj’.\(^{80}\)

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With his lifelong concern with the village, it was natural that the agrarian economy was at the heart of Kumarappa’s vision for India. Although considerably affected by the nationalist fervour of the 1930’s and 40’s, the modernisation and maturation of various village industries was to remain Kumarappa’s main concern and the AIVIA was the means to propagate these ideas.\(^{81}\) Over the years his extensive travels,
many surveys and work with the AIVIA gave Kumarappa an unparalleled understanding of the conditions in rural India. While his philosophical considerations can be seen in his principal texts, Kumarappa’s concern with practical exigencies is best reflected in the many essays he penned in the AIVIA’s official organ, Gram Udyog Patrika. While it is here that the theory-praxis dialectic is best reflected in his perceptive analysis of the agrarian economy and his prescription for its reorganisation on newer lines.

Contrary to those advocating a rapid modernisation of Indian agriculture, Kumarappa’s understanding hinged on the difference between ‘the principles of agriculture as an industry and agriculture as an occupation’. Consequently he argued against the ‘import [of] capitalistic principles where capital is scarce and labour is in abundance’. In his reckoning, there were three primary components of agriculture that needed specific attention, namely ‘land, the human element and the Government’. While meeting food needs was the immediate objective, Kumarappa wanted the plan to ‘not be improvident and work ‘towards the solution of our long term needs’. Arguably, maintaining soil fertility was a prime concern and here Kumarappa drew on his insights on the ideal Natural Order. In his scheme, the primary source of fertility was to come from farmyard manures and compost. In contrast, artificial fertilisers were expensive ‘stimulants’ that eventually ‘exhausted soils’ and violated the natural cycle by killing off earthworms that ‘do a great deal of the agricultural work’. Kumarappa did recognise that certain soils were deficient but argued for a scientific approach in their treatment. Without providing a careful analysis of the requirements by agricultural chemists, he stated, it was ‘sheer folly to put artificial fertilizers in the hands of the farmers’.

The complex problem of ensuring local self-sufficiency in essentials, maintaining soil fertility and providing a well-rounded, nutritive diet for all using limited land resources led Kumarappa to formulate an ingenious plan for ‘balanced cultivation’. Based on a regional unit of one lakh people, he worked out the requirements for cereals, pulses, vegetables, dairy etc. for a balanced diet of about 2800 calories and cotton for adequate clothing. While the plan for a balanced diet was available, implementing it implied a definite, interventionist role for the State. Thus Kumarappa envisaged a scheme of careful licensing so that crops were grown ‘not according to the whims of the farmer but according to the dictates of the needs of the village’. While any change in the agrarian landscape was to be necessarily drafted onto an existing situation, post-Independence the political pressure for distributive justice could not be ignored by the Congress. In 1949, Kumarappa was appointed by the Congress to head a Committee to ‘make recommendations about agrarian reforms arising out of the abolition of zamindari system’. After a very extensive tour of the country, the Agrarian Reforms Committee presented a report with far-reaching recommendations on land reform, rural indebtedness and credit, the condition of agricultural labour etc.

By the 1950’s, independent India had failed in implementing any serious land reform. The Agrarian Reforms Committee itself had held that in the agrarian economy ‘there is no place for intermediaries, and land must belong to the tiller’ and in a radical interpretation of rights, Kumarappa pointed out that ‘land must be available to the cultivator as freely as light, air and water to every being’. However his concern with aligning the economic order with principles of permanence implied a distinction. The ownership of land was not merely a matter of right but only a step towards meeting the overall objectives of individual autonomy and the needs of a stable social order. It is on this count that he made his last controversial public intervention, on Vinoba Bhave’s Bhoodan. While Vinoba’s crusade of acquiring and distributing land was enthusiastically embraced by the workers of the Sarvodaya movement, Kumarappa was hardly convinced of its efficacy. A veteran of many an agrarian experiment, Kumarappa immediately identified the weakness of Bhoodan, namely, its utter lack of a plan beyond distributing land. Kumarappa did ‘not lay much store on distribution of land as a great deal depends on its proper utilisation’. Kumarappa, like Gandhi, recognised the need to build institutional capacity and adequately train workers before launching into a large-scale social intervention and constantly warned against the setting of targets which was a ‘violent’ method ‘used to force the pace of the movement’. While a haphazard approach to the fundamental question of land was worrisome, Bhoodan was also seriously undermining the working of existing institutions that Gandhi had carefully built over the years to further different aspects of Constructive Work. The experienced Kumarappa could foresee the quick sands that would engulf Bhoodan, but in the headlong rush to move ahead his warnings were ignored by Vinoba and his companions.

Kumarappa’s theory, its practice, and his writings were profoundly shaped by his direct engagement with ordinary people and their economic concerns. While this is visible in the decidedly non-academic tone of his writings after 1930, his own position is best represented in the numerous economic surveys that he undertook. Recognising the value of academic surveys as aids to building and testing theories, Kumarappa lamented that the ‘detached and dispassionate’ study often contributed little to the solving of problems that needed immediate attention. While the core of his philosophy has far-reaching implications, Kumarappa’s theory and practical programme were themselves developed amidst the chaos of India’s Freedom Struggle and in the face of a greatly felt urgency. Consequently, while Kumarappa developed a cogent thesis about the normative dimensions of his programme he failed in establishing its sociological basis. Although the emphasis on a fair deal to the villages is justifiable, Kumarappa’s theory is uneven in places. The project of a village-centred, localised economic production was meant to prevent exploitation, but the requisite social collaboration hinged on the essential goodness and perfectibility of human nature. This problematic and unstated assumption of Kumarappa is partly explained by the fact that
the state in independent India was expected to provide some of the requisite support and inducement for co-operation. Similarly, in tackling the 'intellectual consensus' for developing an industrialised nation and placing a radically different programme on the table, Kumarappa failed to adequately grapple with the social reality of village India, in particular, the vexed problems of class and caste. Like many of his time, Kumarappa felt strongly about the pernicious effects of caste in India and decried its morbid orthodoxy by pointing out that "[l]earning ancient lore is no more culture than vomiting is digesting." But his understanding of the original basis of the varnashrama dharma was entirely dated and his voluminous writings do not adequately engage with the question of how caste-based village industries could be purged of the stigma attached to them.

Despite these lacunae, Kumarappa’s contribution as a visionary deeply committed to building a just and egalitarian India remains a vital source of theory and practical experience. Although necessarily marked by the imprint of his times, Kumarappa’s life-work is simultaneously a fascinating object lesson in history and a source of inspiration and understanding with tremendous significance for our own times. While the contemporary neglect of Kumarappa can be attributed to a variety of reasons, a careful, critical engagement with his life, work, and historical context will indeed be a fruitful exercise.

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Notes:

1While Kumarappa’s life was consumed by a quest for economic justice, for him freedom was valuable as it enabled the fullest creative expression of the individual. Such a creative freedom was to be available to all and not a chosen few.
3Beyond the significance of his philosophy and writings, the story of Kumarappa’s life and the historiography pertaining to his public interventions are interesting and important. These aspects will be considered in a forthcoming biography by the authors.
4As evidenced by his notes on various books and subjects; Subject File 4, J. C. Kumarappa Collection, Manuscripts Division, Nehru Memorial Museum and Library, New Delhi (henceforth Kumarappa Papers).
5In an America that had only sporadic and tenuous links with India and its people, Seligman had helped in Lala Lajpat Rai’s efforts in New York to educate Americans about the Indian cause. Seligman was also the advisor of Bhimrao Ambedkar, a man who has left a larger-than-life imprint on modern India.
6This thesis was serialised by Gandhi in *Young India* and later published as a book by Navajivan Press.
8The development of the railway network itself was a sore point and contrary to present-day popular understanding, Kumarappa contended that the railways were developed far in excess of demand with "the result that large amounts of Government revenue [had] to be diverted to maintain these unnatural and parasitic growths" (*Public Finance*, p. 24).
11At the conference, Gandhi while decrying the financial machinations of the British sought to lay to rest the ‘vicious suggestion’ that the Congress would repudiate all of India’s debts. *Extract from proceedings of the Federal Structure Committee Meeting, London, November 25, 1931* Collected Works of Mahatma Gandhi Vol. 48, p.343, Publication Division, Reprint, January 1995, henceforth Collected Works.
15The fieldwork for the study was completed a day before Gandhi set out on his historic march. See Kumarappa, J. C., ‘Preface’, *A Survey of Matar Taluka*, p. xi.
22Kumarappa, J. C., *A Stone for Bread*, Gram Udyog Patrika, 7(12), December 1942. In this article Kumarappa explained that if bullion was used as the real backing, ‘the proportion of assets to liabilities works out at 8.4 %’ which was dangerously low ‘and not at 70.6 % as the Reserve Bank statement claims after taking the valueless paper into account’.
23Ibid.
24Several additional chapters were added to the original 1936 edition in subsequent editions published between 1939 and 1948. While the Vileage Movement dealt with a breathtaking array of questions that ranged from foundational issues in economic philosophy to practical organisation of village industries, applying Gandhian principles to economics was pioneered by Richard Gregg in *Economics of Khaddar* that was published in 1928. The Khadi movement itself deeply influenced Kumarappa’s views on economic philosophy and its practical application. See for example, Kumarappa, J.C., *The Philosophy of Work and Other Essays, All India Village Industries Association*, 1947.
25See *Preface to Practice and Precepts of Jesus*, Ahmedabad, Navajivan, first revised edition, 1958; During the Civil Disobedience period of the early 1930’s Kumarappa entered into a debate with the head of the Anglican Church in India, Bishop Westcott. Here he decried the failure of the Church to align with the nationalist struggle. He also had a series of sharp exchanges with Verrier Elwin on the role of foreign missionaries in India.
26Kumarappa was prematurely released from prison in early 1945, when his declining health became critical.
28*Village Movement*, p. 46.
31*Public Finance*, pp. 1-4.
32 Needless to say, the use of a moral and ethical lens to interpret the Natural Order is far removed from contemporary ecological philosophies which deny the primacy of humans as a species. A moral interpretation of the Natural Order as the basis for social organisation represents a fundamental break from the intellectual history of modern Western social sciences that have largely
tried to model themselves by borrowing insights from physical and life sciences.

33Economy of Permanence, pp. 11-12.
34Village Movement, Ch. 4.
35ibid, p. 28.
36Economy of Permanence, pp. 5-8.
37ibid, p. 6.
39ibid, p. 27.
40Note the contrast between Kumarappa’s usage of the bee hive metaphor and its role in the development of modern economics. Bernard de Mandeville, a Dutch-English physician, widely regarded as a key source of inspiration for Adam Smith, writing in the early eighteenth century posited that vice advanced a civilisation more than virtue. Mandeville suggested that the bee hive with its well laid out division of labour, and each individual working for its own narrow self-interest resulted in the best possible outcome for the hive as a whole. His ideas first expressed in The Grumbling Hive were later incorporated in his well-known Fable of the Bees that he subtitled ‘private vices, public benefits’.

41Economy of Permanence, pp. 6-7.
42Village Movement, p. 28; Economy of Permanence, p. 7.
43Village Movement, p. 28.
44ibid p. 28.
45ibid, p. 25.
46ibid, p. 42.
47Economy of Permanence, p. 36; emphasis added.
48ibid.
49Village Movement, p. 41.
50Economy of Permanence, p. 138.
51Unlike the libertarian ideology, Kumarappa’s conception of autonomy is explicitly tempered by an individual’s obligations.
54ibid
55ibid, p. 2.
56ibid, p. 4.
57ibid.
58Village Movement, p. 150.
59ibid, p. 13.
60ibid, p. 14.
61ibid, p. 121.
63Village Movement, Chapter 10.
65Village Movement, p. 31.
66ibid, p. 49.
68ibid.
69ibid., p. 292.
70See Collective versus the All India Village Industries Association : A Pamphlet, 1935; Reproduced in Jayaprakash Narayan : Essential Writings, pp. 125-140. Also see the Meerut Thesis of the CSP which strategically chose not to obstruct the Congress Constructive Programme but claimed it should be ‘scientifically criticized and exposed’. Reproduced in Prasad, R. A., Socialist Thought in Modern India, Meerut, Meenakshi Prakashan, 1974.
71ibid.
72Village Movement, p. 110.