



Group Assembly Process (GAP) - Stirring Paper

An Economy of Permanence and Rethinking Value

by Rajni Bakshi

“Nature enlists and ensures the co-operation of all its units, each working for itself and in the process helping other units to get along their own too -- the mobile helping the immobile, and the sentient the insentient. Thus all nature is dovetailed together in a common cause. Nothing exists for itself. When this works out harmoniously and violence does not break the chain, we have an economy of permanence.” – J.C.Kumarappa¹

Over the last three decades there has been an upsurge of technological innovations, and business models, aimed at making production systems more ‘sustainable’.

However, as the Degrowth discourse has shown, innovations within the existing model of economy are not enough. The multiple crises of the 21st century cannot be addressed without radical departures from the prevailing understanding of ‘economy’ which is fundamentally alienated from the biosphere and nature’s economy.

Therefore the concept of an ‘economy of permanence’ is central to our quest for radical departures from the prevailing definitions of growth and what constitutes value.

This working group will aim to explore the following:

- What would be an economy of permanence?
- How and why would this be a more meaningful concept than ‘sustainability’ as it is now commonly understood?
- In what ways would we have to rethink ‘value’ in order to even begin to work towards an ‘economy of permanence’?

One possible starting point for this exploration is the articulation of the concept of ‘economy of permanence’ by J. C. Kumarappa (1892 – 1960) who worked extensively in rural areas during India’s freedom struggle in the first half of the 20th century. Like his mentor, M.K. Gandhi (1869 – 1948), Kumarappa was convinced that political freedom from British rule was a secondary goal of the India’s struggle for independence. It was far more important to challenge the dominant economic model and forge alternatives that would actually foster social, material and spiritual well-being of not just humans but the entire bio-sphere.

The questions articulated above require a wide-ranging exploration and cannot be addressed merely by studying Kumarappa's formulations. Therefore it is important to emphasize that an in-depth exploration of "Economy of Permanence" is proposed not as an end in itself but as one of the entry points for that wider enquiry.

Why should a text published in 1945 matter today?

Firstly, because it addresses many of the fundamental concerns which the Degrowth discourse aims to address, for instance, the fallacious concept of homo economicus.

Secondly, because it speaks directly to the key themes of the 2014 conference, namely building a social and ecological economy, and living conviviality.

Thirdly, it is a significant link between 19th century European challenges to the formulation of homo-economicus and our contemporary strivings.

~

Gandhi's thinking about matters economic was deeply influenced by John Ruskin's critique of modern political economy in "Unto This Last", an essay published in 1860. Gandhi's extensive experiments with village industries sought to create organic and communitarian systems where nature's economy and the human economy would dove-tail to generate the well-being of all, rather than 'wealth generation' just in terms of more goods and money.

This endeavor was premised on giving primacy to the view that humans have a soul, a factor for which there is no place in conventional economics. Thus wealth cannot be defined as money or other forms of exchange value. True wealth is that which actually sustains life and enhances not just human creativity but also the eco-system on which human life depends.

This approach was not based on denying animal instincts deeply embedded in the human psyche – such as aggression and territoriality. Instead Gandhi and Kumarappa were confident that social, cultural and economic mechanisms can be molded to bring forth the higher human faculties of cooperation, service and mutual creativity.

Thus Gandhi's articulation of the concept of 'swaraj', self-rule, was essentially about command over one's own passions and desires. This tapping of the higher human faculties was the only basis on which swaraj, as freedom from British rule, worth striving for.

Kumarappa, a chartered accountant and economist trained at Columbia University, devoted himself to finding both a practical and theoretical basis for an economics that would enable societies everywhere to strive for well being of all – rather than the maximum good of the maximum number.

This quest led Kumarappa into a close observation of nature and how its various creatures coexist. Every being, Kumarappa found, fulfills its necessary role in the cycle of life by performing its own primary function. He identified five kinds of economies in nature: parasitic, predatory, enterprise, 'gregation' and service.

In the parasitic economy one unit lives off the host and kills the latter, such as the tiger and its prey. In a predatory economy some units benefit themselves without conferring a corresponding advantage on another unit, such as a monkey enjoying fruits off the trees. In an economy of enterprise there is a more or less reciprocal relation between two units, such as the honey bee and the flower. In an economy of gregation individual units work

not for their own gain but for the common benefit, such as bees in a bee-hive. In an economy of service, one unit serves other units not to serve its own direct personal needs but for the sake of future generations, such as the mother bird nurturing her chicks. In Kumarappa's frame the economy of service is the highest form of economy in nature. Thus today's world with its endless striving for economic growth, accompanied by worldwide environmental devastation and social turmoil is an economy of transience -- the exact opposite of an economy of permanence.

Kumarappa's main aim was to connect the spiritual with every day material life so that "the daily routine of mundane existence may be regulated in accordance with the dictates of our better self..." Kumarappa's key insight was about dangers inherent in the predominant economic culture:

"An economy that is based purely on monetary or material standards of value, does not take in a realistic perspective in Time and Space. This shortcoming leads to a blind alley of violence and destruction from which there is no escape... To lead to any degree of permanence, the standard of value itself must be based on something apart from the person valuing, who is after all perishable. Such a basis, detached and independent of personal feelings, controlled by ideals which have their roots in the permanent order of things, are objective and so are true and reliable guides." ²

Kumarappa's work illustrated how the idea of economic man is peculiar to capitalist societies and far from universal. Though his theoretical work remained incomplete, since he devoted most of his energies to empirical work on village industries, Kumarappa's work continues to inspire activists in India who are resisting the devastating impacts of relentless growth as measured in terms of gross domestic product.

The dominant discourse, globally, is now based on the assumption that "sustainable development" and "inclusive markets" can be made possible by tweaking the existing framework of economic thought and related public policy.

In this context it is important to make a detailed and critical scrutiny of the core of Kumarappa's insights. Such an enquiry could be one of various entry points for creating a framework in which ethics and moral values are not treated in terms of flat binary divides – such as, wider social responsibility vs. pursuit of individual profit, cooperation vs. feral competition, generosity vs. greed.

Such stark divides are to be avoided for two reasons. Firstly, in everyday life these traits usually overlap and coexist in the same person and are rarely found in any pure or stand-alone form. Secondly, and more importantly, if nature's economy and the human economy are to be in synch, a valid and sustainable basis for determining value has to be detached and independent of human characteristics like generosity or greed.

What then are the challenges of defining 'value' on the basis of an objective understanding of the interdependence of all species with the biosphere and atmosphere? This is the key question that this working group would aim to address – both philosophically and with reference to experiences and experiments on the ground.

This stirring paper is a call to form a working group that would, in advance of the gathering in Leipzig, review some of the relevant literature and formulate a structure for exploring the key questions outlined above at the start of this paper.



Suggested Reading:

Economy of Permanence by J.C. Kumarappa

<http://www.scribd.com/doc/33953935/Economy-of-Permanence>

Economics of Ahimsa and the Environment by Amit Basole

<http://www.facstaff.bucknell.edu/ab044/Economics%20of%20Ahimsa%20paper.pdf>

An Economics for Well-Being by Rajni Bakshi

<http://ced.org.in/docs/ced/publications/An-Economics-for-Well-Being.pdf>

Building a Creative Freedom : J. C. Kumarappa and his Economic Philosophy by Venu Govindu and Deepak Malghan

<http://www.umiacs.umd.edu/users/venu/jck.pdf>