

Title: Resistance to neo-classical economics in India: some considerations of the principles of Hinduism

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ABSTRACT

Indian development economics has a long-standing intellectual support for ‘liberal’ neo-Keynesian and ‘radical’ neo-Ricardian visions of Economics. The latter has been underpinned by dependency/underdevelopment perspectives, albeit of a particular Gandhian variant, while the former is rooted in planning models, ones which are connected with Nehrovian thinking, and indeed ones which tend to be more optimistic about the favourable outcomes of indirect state intervention. This economic approach also tends to blur the distinction, ala ‘institutionalist’ development literature, between market and institutional forces.

This paper seeks to analyse the reasons why, despite the ascendancy of ‘liberalising’ neo-classical economics in the 1980s, India has been determinedly resistant to the IMF/World Bank stabilisation and structural adjustment programmes which so dominate global political economy. Fundamentally, the objection to economic ‘global liberalisation’ in India is arguably rooted in the processes that have historically operated to produce a distinctive form of society in India, one whose intellectual manifestation has its own dynamics. The view of homo hierarchicus pervades much of socio-economic anthropology research in India, and caste gives deep cultural legitimation to a model grounded on non-individualism, one with a strong sense of collective group awareness, albeit segmented into sub-groups. Thus, Hinduism and caste, despite their many short-comings, are significant to understanding economic thought in India. Despite the glaring inequalities and corruption in Indian society, the concept of dharma points to a strong civil society which has high levels of trust and confidence, and security and certainty.

It is our contention that there is a deep-rooted, ‘national’ ideological predisposition in India to a position in economic thought which is broadly consistent with Western neo-Ricardianism, albeit one in which caste plays the theoretical role of class. It is this coherent body of thought which arguably explains India’s continued resistance to ‘global liberalisation’.

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