Modi: An Improbable Hayekian
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What should one expect from Narendra Modi’s government in India? There has been much talk of nationalism, market-friendly growth, better governance, religion, and assertive foreign policy. However, there is reason to believe that his lasting legacy may surprise his detractors, including those who have rushed to put scary labels such as “strongman” on him.

In his public address in Ahmedabad (http://www.youtube.com/watch?v=02Y0Bb_odec), on the day after the election results were announced, he explained why development is the only way for India to improve the lives of her people. In a remarkable 10 minutes, beginning about 30 minutes into the speech, he spelled out what kind of development he has in his mind, and how it can be achieved. These words may easily have been missed as a part of election rhetoric. However, they reveal his thinking better than anything else I have heard.

He built his argument from a familiar historical example. The armed struggle for India’s independence in 1857, led by princes and generals, failed but the struggle led by Mahatma Gandhi succeeded a century later. Thousands sacrificed their lives in each. The difference, he argued, was the top-down nature of the first, and the bottom-up or grassroots nature of the second.

The great achievement of Mahatma Gandhi, he said, was to organize and transform the pursuit of freedom into a movement of individual responsibility and action. One did not have to be beaten, jailed or hanged by the rulers to fight for independence. Each individual contributed to independence through his or her own daily work. Teaching adults and children, wearing khadi, keeping one’s home, town and village clean, and make things—all became ways of individuals fighting for personal as well as national freedom. It was achieved not through command-and-control, but through exemplary leadership that inspired the attitude of self-sacrifice among the people.

When freedom became the goal of all work, and all work became struggle for independence, the British had not chance of winning the battle. They could put thousands of revolutionaries in jails, but not the millions who fought them by doing their daily work. How could they jail a teacher who taught because he wanted freedom? As a mass movement, pursuit of freedom infused the daily lives of people, and the freedom followed.

Independence arrived accompanied by its vast challenge of development. Unfortunately, in independent India, development was transformed from daily work of crores of people into a portfolio of government programs. Government built the hospitals, schools and roads with its money, and government employees operated and maintained them as a part of rapidly expanding government machinery. Instead of being an integral and energizing positive force in the community, government institutions and bureaucracy stood apart to dispense services and handouts. Budgetary constraints of government meant limited development.

What if development were made into a mass movement, and a way of life of our citizens? I must not litter, because it is bad for development. I must not drive on the wrong side of the road because it is bad for development. I must do my best at work because it is good for mine as well as others’ development. Imagine the power of a mass movement in India. Why have so many countries that gained independence years later have marched far ahead of India, he asked.
But let us not worry about the four decades we lost, he said. We have no time to waste. Let us make development the responsibility of each and every individual. Development must not be just a government program originating in and directed from Delhi or state capitals. Development must be a consequence of action of India’s 1.25 billion people. A student who studies hard is a soldier of development. A high productivity worker is a soldier of development. A shopkeeper selling his merchandise diligently and honestly is a soldier of development. A sanitation worker who keeps the premises clean, and disposes off the trash properly is a soldier of development. Let us transform every one of us into soldiers of development. One step by each means 1.25 billion steps for India. Its people, not the government, will develop India. Let the government serve, not command the people.

Austrian economist, Friedrich A. Hayek explained how information in society is necessarily dispersed in the hands of individuals, not centralized. He advocated the inherent superiority of decentralized actions over central planning in allocation of resources in society. In 1974, he received the The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for his ideas and work. He was a major political thinker of the twentieth century, and in its last quarter, his ideas managed to reverse the wave of central planning that dominated the preceding decades. But India has waited.

Modi’s thoughts are his own, not Hayek’s. With his humble origins, he is an improbable Hayekian. Yet, his ideas on development carry a familiar echo. He may surprise his critics by succeeding with a new model of development where the central planning has failed. He seems determined to build a new India by unleashing, not commanding as a “strongman”, the energy and creativity of India’s masses.

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