

Reflections on Gandhi's Economic Ideas

Dr. Ramesh Kumar, Asstt. Prof. in Political Science
M.L.N College, Yamuna Nagar,
Kurukshetra University Kurukshetra

Abstract:-

Due to increasing income inequalities which widens the gap between the rich and the poor, growing incidence of poverty associated with liberalization, privatization and globalization, Gandhiji's economic philosophy appears to be relevant forever in this materialistic, agnostic and consumerist culture. His thoughts and economic ideas can be adopted in this 21st.

Keywords:- Welfare, Culture, Truth, Non-Violence, Satyagraha.

Introduction:-

The need of the hour is to strive hard to adopt Gandhiji's methods to meet the challenges of present day with earnestness and perseverance. M.K.Gandhi, an epitome of truth, sacrifice and spirituality taught us not only truth and non violence but also economics principle for sustainable development, food problem, labour welfare, exchange economy. Due to increasing income inequalities which widens the gap between the rich and the poor, growing incidence of poverty associated with liberalization, privatization and globalization, Gandhiji's economic philosophy appears to be relevant forever in this materialistic, agnostic and consumerist culture. His thoughts and economic ideas can be adopted in this 21st century to solve the current puzzle of development syndrome of the country.¹

Mahatma Gandhi's philosophy of truth, non-violence and satyagraha helped India get liberation from British rule and is considered a perennial philosophy to fight injustice, oppression and suppression of human rights. Martin Luther King effectively used non-violence as a weapon to secure rights and justice for the Blacks in America. While Gandhiji's philosophy had wide acceptance to deal with political and social issues, it had not many followers in the arena of economics. He was aware of it. "Pandit Nehru wants industrialisation because he thinks that, if it is socialised, it would be free from the evils of capitalism. My own view is that evils are inherent in industrialism, and no amount of socialisation can eradicate it." Gandhiji was not impressed by the two prevailing dominant systems of the management of the economy, the capitalist free-market economy and the state-bureaucratic socialism of the communist countries. Post-independence, India abandoned Gandhiji's economic philosophy and adopted a mixed economy model with the state commanding the heights of the economy. As we know, this nowhere helped solving our gigantic problems of poverty and backwardness and the economy stagnated. Post-liberalisation in 1991, we have adopted a free-market economic model, but genuine progress and development has been eluding us.

Today the global economy with the free market as its mantra is in a state of severe crisis. The political leadership, thinkers and intellectuals are all searching for the 'right model' of economic development but it is nowhere in sight. Does Gandhian philosophy provide an insight into how to manage the economic system?

It should be remembered that Gandhiji propounded a total philosophy of life, from which economics cannot be divorced. Gandhi's philosophy was based on truth, ahimsa, and service to society, particularly the poor and down-trodden. He derived inspiration from the ancient Indian philosophy of Ramayan,

Upanishad and Gita, expounded the highest ethical standards, and felt that religion and morality is the same thing. Gandhiji did not draw distinction between economics and ethics. "Economics that hurt the moral well-being of an individual or a nation are immoral and, therefore, sinful." He was not enamoured of the Western civilisation based on materialism, exploitation, competition and domination which, in his view, was responsible for India's enslavement by the British.

Gandhian Economic Philosophy

The basis of Gandhiji's economic philosophy was individual dignity and the welfare of the poorest of the poor. He felt that a man earns his dignity by working and earning his bread and livelihood. Therefore the economic system should be organised to provide employment for every- one. "According to me, the economic constitution of India, and for that matter of the world, should be such that no one under it should suffer from want of food and clothing. In other words, everybody should be able to get sufficient work to enable him to make two ends meet. And this ideal can be universally realised only if the means of production of the elementary necessities of life remain in control of the masses." He was against mass production and industrialisation which destroyed local industry, impoverished villages and reduced man to a cog in the machine. "What I object to is the craze for machinery, not machinery as such. Men go on saving labour till thousands are without work and thrown on the open streets to die of starvation." Gandhiji did not oppose all machinery; he praised the invention of Singer Sewing Machine which ended the drudgery of the housewife. His opposition to machine was particularly in the context of India as it has a huge population and unemployment. "Mechani-sation is good when the hands are too few for the work intended to be accomplished. It is an evil when there are more hands than required for work as in the case of India."

He was against India copying the West and its urban-centric civilisation and pleaded for gram-swarajya. "I have believed and repeated times without number that India is to be found not in its cities but in its 7,00,000 villages. But we town-dwellers have believed that India is to be found in its town and the villages were created to minister our needs. The cities with their insolent tort are a constant menace to the life and liberty of the villages." Gandhiji believed in Village Swaraj, 'independent of its neighbours for its vital needs, and yet inter-dependent for many others in which dependence is a necessity'.²

Gandhiji rejected a pure economic man. The modern economic theory is based on wants and not on needs and this is the source of the rat race that debases human beings by keeping them subject to their animal spirit. Want-oriented economies create a psychology of scarcity and poverty, as all wants can never be satisfied. Prof J.K. Mehta, a revered philosopher-economist of Allahabad University, took a Gandhian view of the science of economics which he defined 'as the science of human activities considered as an endeavour to reach the state of wantlessness'. He said that a man wants to maintain mental equilibrium for which he satisfies wants, but all wants can never be satisfied. "The science of economics sets for itself the goal of removal of all wants. It is not realised, however, that the way we proceed to reach the goal is self-defeating... Economic theory developed to explain human behaviour on the fundamental postulate that man wants to satisfy his wants with least expenditure of the resources at his command. And that meant that it was assumed that in satisfying one want care must be taken that the fewest possible other wants were created." The karma yoga philosophy pleads for not wanting results of one's actions—the wider discipline of economics should pull down barriers between economics and religion. "Where the desire to satisfy wants is encouraged and efforts to raise the standard of people eulogised, man is robbed of mental peace and nations of peaceful existence." The pampering of wants is not our final desideratum, observed Prof Mehta.³ Mahatma Gandhi's philosophy of [non- violence](#) and simple life-style is more relevant today than ever before as [Islam phobia](#), [terrorism](#) and climate change stand in the way of peace.⁴ According to Gandhiji, work is not only an economic activity. It's necessary for spiritual growth. Bapu wanted that India should have its own economic policy. It should not follow any foreign countries policy.

In this paper I would be highlighting on some points.

Swadeshi:

Swadeshi literally means 'of one's own country.' Swadeshi is defined as that spirit within us which restricts us to use the service of our immediate surroundings to the exclusion of the more remote. It aims at the removal of unemployment and poverty. It doesn't advocate rejection of foreign trade, in fact it advocates a healthy and non-exploitative form of trade. According to Bapuji, Swadeshi is not just good, it does comprise of our culture, tradition and values. Bapu wanted that people in India should have sufficient demand for their produce and therefore, he pleaded for the use of Swadeshi goods. However, it's wrong to assume that Bapuji was altogether against foreign goods. It's clear from his words that says, "It is criminally foolish to produce the goods which are not profitable to be produced in our country, instead of producing them we should import them."

Mechanisation:

Gandhiji had no objection to mechanization of production if it doesn't hurt the dignity of man and self-reliance of villages. He believed that mechanization is good when the hands are few for the work to be done. In a country like India, where labour is abundant, maximum industries should be labour intensive and not capital intensive.

Industrialisation:

Gandhian economics is not based entirely on handicraft and cottage industries. Gandhiji visualized that electricity, ship building, iron works etc. should exist side by side with village and cottage industries. Industrialization leads to maximum exploitation of man and nature. Industrialization is based on large scale and highly sophisticated technology which leads to unemployment, poverty, urbanization, deforestation, desertification, pollution etc. Large scale industries should be owned by the state and administered wholly for public good.

Trusteeship:

According to Gandhi, capitalist and rich should consider themselves as trustees of society and make use of their wealth for the benefits of society which is known as trusteeship. Gandhiji wanted that co-operative system should be developed in India, in agriculture and many other fields so that everyone's economic welfare can be achieved.

Villagism:

Gandhiji always said that India can't be developed unless we develop the village of India, there has to be grass root development. In his opinion, which is very correct, that the process of development in India should begin from village level. Gandhiji always profounded that agriculture should be supported by some subsidiary occupation like bee keeping, animal husbandry, khadi, paper making, mud utensils etc. Gandhiji advocated that women should contribute in agriculture and in subsidiary industries or by the way of playing charkha. He wanted that every home there should be charkha which will enable the use of local productive resources and man power available in villages.

Decentralisation:

Gandhiji strongly advocated decentralization of economic system. Gandhiji believed that centralization is the root cause of exploitation which leads to unemployment and poverty in India as the powers are concentrated in the hands of few because of centralization. There has been a wide gap between the haves and have-nots that the rich are becoming richer and the poor are becoming more poor.⁵

Co-operative principles:-

Gandhi emphasized the cooperative efforts in the field of agriculture, small scale and cottage industries and in other fields of national interest. In agriculture, the small and fragmented holdings of land would be cooperatively cultivated to increase the production and minimize the cost. The small scale and cottage

industries too would enjoy all advantages of large scale productions without practically getting into large scale.⁶

Sarvodaya or the rising of all:-

Sarvodaya means the rising of all in the society. In the economic context, it means the economic welfare of all. Gandhi believed that the followers of non-violence will not stop at the utilitarian principle 'greatest good of the greatest number' but move ahead and achieve the greatest good of all. The rich could uplift their moral statue and walk the ethical path by giving up their privileges and become trustees by dispossessing their wealth for the welfare of all. Gandhi paraphrased John Ruskin's book 'Unto This Last' into Gujarati with the title 'Sarvodaya'. Literally, sarvodaya means the rise of all human beings. The society should function as an organic whole rather than being disjointed into economic classes or social castes. In order to maintain purity in personal life, Gandhi wanted the people to follow vegetarianism and be teetotalers. The practice of non-violence, respect for others religion, serving neighbors and eradicating untouchability were at the core of the principle of Sarvodaya. Gandhi felt, if justice and right wages were given to all, no person will be able to accumulate wealth beyond his requirements. According to Gandhi, women epitomized non-violence. She must enjoy equal rights with men. There should be no illiteracy and disease in the society. Poverty and cowardice shall be banished from the society following Sarvodaya. A Sarvodaya State shall be a secular State. The Sarvodaya program as charted out by Gandhi and supplemented by Dr. Rajendra Prasad, the first President of independent India has the following features:

1. Farmers and workers will be at the center of a Sarvodaya State. There will be no exploitation of the farmers and the workers. To this end, the farmers and the workers should organize themselves.
2. Children will be given basic education and adults will be given basic as well as technical education.
3. Village industries, health and hygiene will be emphasized.
4. The villages to become self sufficient republics.
5. Every household will spin yarn in the village.
6. There shall be social justice and communal harmony.⁷

Ethics and Economics

Gandhi's abiding concern remained with the economic conditions of the ordinary Indians. In India, the very first movement - Champaran movement - that he came to lead was related to economy. His work on khadi, village industries, Harijans, health, technology, etc., was all concerned with economic issues. No doubt, these are not economic issues alone. And that itself is a pointer to how Gandhi understood economics - it could not be separate from human condition in its totality, including human relations and human dignity. Hence Gandhi's economics comes bundled with morality. Gandhi said, "I must confess that I do not draw a sharp or any distinction between economics and ethics." Interestingly, perhaps, the only paper that he read at a large gathering of economists (that included Prof. Stanley Jevons, the founder of The Indian Journal of Economics) at a meeting of the Muir Central College Economic Society on December 22, 1916 was entitled, 'Does Economic Progress Clash with Real Progress?' and this paper brings out the core of Gandhi's economic ideas. He clearly places moral progress (real progress, according to him) decidedly above economic progress. He believed that fixation on economic progress is inimical to the 'real progress', though it must not be taken to mean neglecting economic sustenance: "No one has ever suggested that grinding pauperism can lead to anything else than moral degradation." In the world of Gandhi, economic study would be much less concerned with 'what is' and more with 'what ought to be'. In the ensuing discussion to his talk, he reportedly remarked that if an economist did not investigate laws of God and show... how to distribute wealth so that there might not be poverty, he was a most unwelcome intrusion on the Indian soil.⁸

Individual and Society

Gandhi held that there was enough on earth for everybody's need, though, but not enough for anybody's greed. Hence, he laid great emphasis on the individual and his transformation. He writes in Harijan in 1942: "Man's happiness really lies in contentment. He who is discontented with however much he possesses, becomes a slave to his desires. And there is really no slavery equal to that of his desires. And what is true for the individual is true for society."

Much earlier in Hind Swaraj, he had remarked: "We notice that the mind is a restless bird; the more it gets, the more it wants and still remains unsatisfied. The more we indulge our passions, the more unbridled they become." Hence, in his view the task of economics is not merely to study human economic behaviour as a bundle of given facts but to work on principles of transformation for a well-ordered society - an indication of which, in his own words, is as follows: "In well-ordered society, the securing of one's livelihood should be and is found to be the easiest thing in the world. Indeed, the test of orderliness in a country is not the number of millionaires it owns, but the absence of starvation among its masses."⁹

Machinery and Technology Gandhi was not against machines or technology. He was in favour of appropriate machinery and technology. He wrote to welcome the machines that lighten the burden of millions of men living in cottages and reduce man's labour. He was not against machinery but he was against all machinery designed for the exploitation of the people. In other words, he opposed large scale industrialisation. He had written that there is no room for machines that would displace human labour and that would concentrate power in a few hands.⁶ Regarding technology, it can be stated that Gandhi was not against technology, but he was in favour of appropriate technology. Appropriate technology, according to him was one, which, besides fully utilizing or augmenting the existing resources, would keep its need determined. Technology is essential if it is simple and usable by the masses. It should enhance the productivity of workers, and not replace workers. He favoured widely dispersed cottage and small scale industries using labour intensive technology as a solution to the problems of a labour surplus economy like India. Gandhi opposed establishment of large scale industries but he was not opposed to establishment of Iron and Steel, defense industries and other strategic large industries in the greater interests of the country.¹⁰

Conclusion:-

Mahatma Gandhi said there is enough in the world for 'everyone's need but not for his greed'. He propounded a philosophy of simple living and reducing consumption. Through his call of swadeshi and gram-swaraj, Gandhiji delivered a strong message for not only political independence but also economic self-reliance and inclusive growth. We should therefore design policy initiatives which take care of the welfare of the poorest members of the society, fulfil their basic wants and give them a dignified and respectable living. We need a new matrix of economic development, in which progress is measured in terms of development of human capability, dignified employment for everyone, equitable distribution of income and wealth, ecological sustainability and social well-being of the community. Gandhian philosophy, properly understood, provides the solution.

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