



GANDHI'S ECONOMIC IDEAS FOR A HOLISTIC AND INTEGRATED INDIA AND THEIR RELEVANCE TODAY

Dr. Anamika Kaushiva,

Associate Professor and Head of Dept., Dept. of Economics,
Sahu Ram Swaroop Mahila Mahavidyalaya, Bareilly.

ABSTRACT

In seven decades of independence India has witnessed many commendable economic and scientific advances, yet much remains to be achieved to integrate the weak and poor masses with the urban society and the world. India's percapita income continues to be low. India was ranked 131 in the 2016 Human Development Index (HDI) among the 188 countries. As had been predicted by the Human Development report of 1996, our economic growth is not properly managed, and is 'jobless, voiceless, ruthless, rootless and futureless', and thus has not contributed significantly to human development. This is not 'India' of Mahatma Gandhi's dream. Mohandas Karamchand Gandhi, through his nonviolent civil disobedience, led India to independence. Gandhi led nationwide campaigns for easing poverty, generating employment, rural development, women's rights, ending untouchability and for achieving Swaraj or self-rule. He absorbed ethics and nonviolence in his economic philosophy. He advocated development of agriculture and village industries, labour intensive technology, khadi, swadeshi, trusteeship, decentralization of economic activities. Gandhi's economic ideas were part of his general philosophy of life; they are reflected in his writings and speeches, with other related topics. This paper focuses on Mahatma Gandhi's economic ideas for developing India into a holistic and integrated nation and reflects upon their present day relevance.

Key Words: Gandhian Economics, Swadeshi, Charkha, Sarvodaya, The Constructive Programme, Sustainable Development.

Introduction

India, an “emerging economic superpower”, has been ranked 131st among 188 countries on the Human Development Index of the UN in 2016. Even after seven decades of Independence, India has failed to reduce poverty to the extent that is desirable. Despite industrial expansion, job creation in the secondary sector has been negligible and unemployment continues to be a major problem. Agriculture still bears the burden of the labour force. According to the estimates on poverty, as done by the Rangarajan committee, poverty rate was 29.5 per cent in FY12, with 260.5 million rural individuals living below poverty line and 102.5 million in urban areas. Statistical data reveal India’s underperformance in almost every socio economic parameters – health and sanitation, mortality rates, education, gender issues, caste issues. This indeed is not the Independent India Mahatma Gandhi had dreamed of. Today it is important to study the economic philosophy of Mahatma Gandhi and to reflect upon its present day relevance.

Economic Philosophy of Mahatma Gandhi

Mohandas Karamchand Gandhi, as a leader of the India’s independence struggle, employed non violent civil disobedience and inspired movements for civil rights and freedom. Gandhi led nationwide campaigns for reducing poverty, generating employment, rural development, expanding women's rights, building religious amity, ending untouchability and for achieving ‘Swaraj’ or self-rule. Mahatma Gandhi absorbed ethics and nonviolence in economics. He advocated trusteeship, decentralization of economic activities, labour intensive technology, and gave priority to rural India. He emphasised of the development of agriculture and village industries. He was not an economist yet he propagated a novel way of thinking in science of economics. The term "Gandhian economics" was first coined by J. C. Kumarappa, a close supporter of Gandhi. Gandhian economic thought is based on four fundamental principles of Truth, Non-violence, Dignity of Labour and Simplicity. Gandhi believed in simple living and high thinking and advocated that moral progress is more important than material progress. Accordingly in his economic thought, he gave importance to man rather than wealth associated with man. His economics is of

normative in character. With Gandhi, economics is a part of a way of life. He refused to recognise economics as a separate from ethics. As he struggled against the British imperial power on basis of non-violent theory and satyagraha, he laid before us the principles of an alternative and “more real” human economy and genuine progress – economic and moral.

Concept of Non Violence: Gandhi believed that economic laws should aim not only at material progress but also promote social harmony and moral advancement. They should be formulated in Indian perspective. He firmly believed that economics and ethical questions were inseparable. He wrote in Harijan, “*True economics on the other hand, stands for justice, it promotes the good of all equally including the weakest, and is indispensable for decent life.*”ⁱ Gandhi perceived that the modern urban-based industrial economies of the west are exploitative and violent. Strongly supporting this view he said that the solution to Indian basic problems lay in the practice of non-violence.

‘Nonviolence’ as a Gandhian term in economics, implies the violence of man in his dealings with living nature around him and violence against the limited and finite resources of the Earth. In Harijan, he said, “*You cannot build non-violence on a factory civilization, but it can be built on self-contained villages. ... Rural economy as I have conceived it, eschews exploitation altogether, and exploitation is the essence of violence. ..*”ⁱⁱ Violence thus did not merely mean not using arms and ammunition or fighting for rights. His definition of nonviolence was all comprehensive encompassing in itself the use of insecticides, herbicides, chemical fertilizers etc. in agriculture and the use of machines to replace labour in industries. Today the concept of organic agriculture based on the strict observance of biological laws, the proper recycling of organic materials, decentralising, diversification and good husbandry, is a practical implementation Gandhian philosophy of ‘nonviolent economics’ in agriculture. In the industrial sector, use of labour intensive technology in a labour surplus economy is also a non violent means of fighting unemployment.

Production by the Masses in household units: Mahatma Gandhi supported the view of ‘mass-production in people’s own homes’ rather than production by the fewest possible number through the aid of highly complicated machinery. He believed that machinery, in particular labour saving machines, was responsible for multiplication of material wants, human frustration, violence and war. According to him mass-production using machinery led to the concentration of production in particular areas, leaving large areas underdeveloped and poor. The use of machines created a class of wealthy people and led to unequal distribution of wealth. He said, “*Mechanization ...is an evil where there are more hands than required for*

the work, as is the case of India. The problem with us is not how to find leisure for the teeming millions inhabiting our villages. The problem is how to utilize their idle hours.....”ⁱⁱⁱ

He encouraged such instruments and machinery that saved individual labour and lightened the burden of millions of cottage workers. Gandhi emphasised that he was against large scale production only of those things which villages can produce without difficulty. He emphasised the need for labour-intensive methods of production in India due to surplus labour and unemployment. Use of machinery resulted in the concentration of wealth in the hands of a few capitalists who then exploited the masses for earning profit. To support this view he presented the idea of decentralisation and promotion of village and cottage industries.

Decentralisation and Village and Cottage Industries: Gandhi believed that in a decentralised economy exploitation of labour would be nil. According to him in a country like India, with plenty of human resources and limited capital, labour intensive technology should be used by promoting a decentralised economy. Production should be spread across the country and carried out on a small scale. For this he suggested delocalization of industries. He wanted to carry the production units to the homes of the masses, particularly in villages. Cottage and village industries would help in increasing employment. Commodities would be produced cheaply. There would be no problem of storage and the transport cost would be negligible. Further, overproduction and waste would be minimised. Integration of cottage industries with agriculture would provide work to the farmers in lean season. Thus Gandhi felt that these industries are best suited to the rhythm of rural life. They not only remove poverty and unemployment from the villages but also make them self-sufficient economic units. Thus his motto was ‘Bring work to the people and not people to the work.’ According to Gandhi, the most important industry for decentralisation is Khadhi and it would help in achieving the ultimate goal of ‘Swadeshi’.

Swadeshi: According to Gandhi ‘swadeshi’ in its ultimate and spiritual sense stands for the final emancipation of the soul from her earthly bondage. Gandhi’s ‘swadeshi’ has economic, social, political and religious dimensions. Gandhi advocates the use only things that are produced by his immediate neighbours and serve those industries by making them efficient, and strengthen them in areas where they are found deficient. Gandhi realised that the economic salvation of India consists in encouraging and reviving indigenous industries. Gandhi found khadi as the necessary and most important corollary of the principle of Swadeshi. His concept of Swadeshi implies that every village of India becomes a self-

supporting and self contained unit, exchanging only such necessary commodities with other villages where they are not locally producible.

Khadi Industry and Charkha: For Gandhi, khadi is the “symbol of unity of Indian humanity of its economic freedom and equality”. Khadi implies the decentralisation of production and distribution of the cloth and return to ‘swadeshi’. He believed that Khadi industry alone can save millions of people from starvation and supplement the earnings of poor people. To quote him, “*Self-sufficient khadiis the easiest method of perceptibly increasing the income of the millions of the semi-starved villagers.*”^{iv} His khadi scheme included the following steps -

- Compulsory spinning in all primary and secondary schools.
- Cultivation of cotton in areas where it was not grown.
- Organisation of weaving by the multipurpose co-operative societies.
- Control of prices of handloom cloth woven of mill yarn.
- Imposition of a ban on the use of mill cloth in areas where the hand woven cloth was in abundance.
- Ban on Import of foreign yarn or cloth.

Gandhi advocated the use of charkha in every household for producing khadi cloth for full filling the family needs. He advocated charkha due to its advantages - small amount of capital, simple in operation, source of steady income and above all a simple but efficient method of solving the problem of unemployment. He wrote, “*The spinning wheel represents to me the hope of the masses. The Charkha supplemented the agriculture of the villagers and gave it dignity. It was the friend and the solace of the widow. It kept the villagers from idleness. For the Charkha included all the anterior and posterior industries- ginning, carding, warping, sizing, dyeing and weaving. These in their turn kept the village carpenter and the blacksmith busy. The Charkha enabled the seven hundred thousand villages to become self contained. if the villagers are to come into their own, the most natural thing that suggests itself is the revival of the Charkha and all it means.*”^v

Village Sarvodaya: Gandhi always emphasised on his view that a nation cannot be independent unless it develops self-sufficiency in its primary needs—food, clothing and shelter. Village based economy helps the nation to stand on its own legs. He suggested measures to ensure self-sufficiency in all villages though the ideal of ‘Village Sarvodaya’. He wanted the revival of village communities with prosperous agriculture, decentralised industry and small scale co-operative industries.

According to him an ideal village must fulfill the following conditions:

- There should be orderliness and cleanliness in the village;
- It should be self-sufficient in matters of food and clothing;
- It should have an efficient water supply;
- Adequate education up to the basic standard must be made compulsory;
- Rural activities should be organised on co-operative basis;
- It should have a dharamshala and a small dispensary, a dharamshala and a small dispensary, a play-ground, cattle sheds, etc.,
- Rural administration and government should be in the hands of panchayats which have judicial, legislative and executive powers;
- The caste system should be abolished.

He was confident that if all the villages in India are regenerated along these lines, India would progress. He emphasised the revival of village industries such as hand grinding, hand-pounding, soap-making, paper-making, matchmaking, tanning, oil pressing etc. In the Sarvodaya society every member is free from any greed for material wealth and luxurious living and follows the motto of simple living and high thinking. Everyone gets opportunity to produce and earn sufficiently through honest work for decent and dignified living. Consequently there is no poverty and unemployment. Thus through village sarvodaya, the ultimate goal of the establishment of self-supporting village communities where distinctions based on race, creed, caste, are completely eliminated. Agriculture ensures that all the people have enough to consume. Cottage industries ensure that all the people in the village are gainfully employed.

The Trusteeship Doctrine: Gandhi upheld economic equality as the master key to nonviolent independence. According to him economic equality meant abolishing the conflict between capital and labour. It meant the levelling down of the few rich in whose hands was concentrated a major portion the nation's wealth on and levelling up of the semi-starved naked millions. He wanted the capitalists to be trustees and put forward a doctrine of trusteeship.

According to his trusteeship formula, capitalists, by becoming trustees should take care of not only themselves but also of others. In such a situation, the workers treat the capitalists as their benefactors and have faith in them. In this way there is mutual trust and confidence which will lead to the ideal of economic equality. He said that trusteeship provides a means of transforming the present capitalist order of society into an egalitarian one. Trusteeship does not recognise any right of private ownership of property except in as

much as it may be permitted by society for its welfare. An individual is not free to hold or use his wealth for satisfaction of selfish needs or in disregard of the interest of society.

Poorna Swaraj -The Constructive Programme

Gandhi calls his vision of 'poorna swaraj' by truthful and non-violent means, 'The Constructive Programme. It is a way of carrying out a struggle through community and self-improvement by building society, systems, processes, and resources that promote self-sufficiency and unity in the community. This implies constructing the nation from its smallest unit. In a small booklet, 'Constructive Programme: its meaning and place', which he wrote on the train from Sevagram to Bardoli, Gandhi suggests thirteen different activities for 'The constructive programme' in which the most important are khadi, eradication of untouchability and Hindu-Muslim unity.

Sustainable Development: The words environment and ecological protection were never used by Mahatma Gandhi but he was also an environmentalist. He cautioned mankind against unrestricted industrialism and materialism and he presented an alternative model of development based on rural economic growth in his ideas like Hind Swaraj, Swadeshi and Charkha.

Gandhiji wanted every village in independent India a self sufficient sustainable production unit, serving people's need and maintaining the fragile limited natural resources. Stating that, "*The earth, the air, the land and the water are not an inheritance from our fore fathers but on loan from our children. So we have to handover to them at least as it was handed over to us*"^{vi}, he put forward his view of a sustainable society working in partnership with nature to conserve resources and energy to avoid degradation of renewable resources. He clearly stated that the methods of growing food and raising livestock have to be based on the use of soil and water conservation, bio-fertilizers, biological control of pests. The society should use environment friendly technologies mainly based on renewable resources.

The Gandhian model of bottom up rural development aimed at an economy of permanence. His antyodaya approach was very much similar to the sustainable development ideas. Sanitation, maternal health, primary education, gender balance, reduction of hunger, and ensuring partnerships for development formed the basis for Gandhi's life and practice long before the Millennium Development Goals were designed. Gandhi fully understood man-nature relationship and his theory and philosophy of life, society and politics reflect this throughout.

Other Economic views: The problem of rapid rise in population attracted the attention of Gandhi. Though Gandhi opposed the use of contraceptives in India, he was in favour of birth control through self-control or brahmacharya. He considered self-control as the best remedy. Another important economic idea was prohibition of alcohol as it is detrimental to the mental, physical, and moral development of an individual. In his opinion, the use of liquor was a disease rather than a vice.

Mahatma Gandhi supported right for economic equality in the factory. He saw that in factories workers were subjected to gross injustice and the treatment and the employment of children was a national degradation. He laid emphasis on the welfare of the worker, his dignity and proper wages. Mahatma Gandhi always suggested the struggle between labour and capital would come to an end through co-operation. He supported the formation of labour unions.

Gandhi's promoted the idea of an exchange economy based on his swadeshi spirit. According to his philosophy, every Indian village should be a self-supporting and self-contained unit exchanging only necessary commodities with other villages where they are not locally producible. He recognised money only as a token of exchange only and felt that it played an insignificant role in an economy.

Present Day Relevance of Gandhi's Economic Philosophy

To quote J. C. Kumarappa, "*Gandhian economy is based on moral and spiritual forces. Each individual is supreme; each individual is considered a potentially divine person; each individual represents that which is immortal in man. When the economic and social organisations are so tuned as to encourage individual development and expression, we have what may be called the Gandhian Social order.*"^{vii}

Gandhi's economic thinking is spiritual as opposed to materialistic. Gandhian economics explains the difference between economic reasoning based on 'people' as against 'goods'. Gandhian thinking directs attention to the question why people are poor and argues that if it is because their productivity is zero, then it should this be raised and suggests measures to do so. Thus he points out that eradication of unemployment the most critical step towards development.

Gandhian concepts of decentralization of economic activities, labour intensive technology, trusteeship, and priority to weaker sections are all relevant today. Gandhi advocated social justice and equality. According to him if mankind wants to progress and to

realize the ideals of equality and brotherhood, it must act on the principle of paying the highest attention to the prime needs of the weakest sections of the population.

Critics are of the opinion that a rural economy, with cottage industries and labour intensive techniques of production may be self sufficient but will remain stagnant. Progress is not possible until the country keeps pace with the industrialising economies of the west. In such an economy, there is no scope of capital accumulation and advancement. Surplus instead of self-sufficiency for a steadily increasing population is also essential in an economy. However if Gandhi's alternate model of development based on village swaraj, swadeshi, decentralisation, khadhi and charkha, household and small scale industries is adopted hand in hand with the western growth models, India can surely overcome its socio-economic problems which continue to persist till today.

Conclusion

Today India and the world needs a new model of economic development based on the Gandhian ideology. This model should imbibe in itself Gandhi's philosophy of importance of agriculture, micro- and small-scale industries, expansion of education especially vocational skill, and improvement in health and sanitation across India. When Mahatma Gandhi said there is enough in the world for 'everyone's need but not for his greed', he had presented in the most simple words a philosophy of simple living, self-reliance and inclusive growth. Today, the economic policy makers should redesign their policies and focus on the welfare of the poorest members of the society, and promote economic development model aiming at providing employment to all, equitable distribution of income and wealth, sustainability and social well-being.

Mahatma Gandhi discovered his own science of economics and laid before us the principles of an alternative and "more real" human economy and genuine progress – economic and moral. Today Gandhi's thoughts are an inspiration to economic, environmental and sustainable development issues. Relevance of Gandhian philosophy today cannot be denied. The need of the hour is to view it in the right perspective.

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ⁱⁱ M.K.Gandhi, Harijan, 4-11-1939,

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ⁱⁱⁱ M.K. Gandhi, Village Industries,
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^{iv} M.K. Gandhi, Harijan, 3-8, 1935,
<http://www.mkgandhi.org/gandhionkhadi/importanceofkhadi.htm>

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^{vi} Gandhi on Environment,
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^{vii} J. C. Kumarappa, Gandhian Economic Thought, Pg 51-15,
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