

GANDHIAN ECONOMIC THOUGHT

MOHANDAS KARAMCHAND GANDHI

(1869-1948)

- ⦿ M.K.Gandhi was born on Oct 2, 1869, @ Porbander
- ⦿ From 1893 to 1914 Gandhi rendered great service to the cause of racial equality in South Africa.
- ⦿ His philosophy of passive resistance, as it was known then, against the unjust persecution of the Indians in South Africa won the hearts even of his opponents
- ⦿ He served the people of South Africa for two decades and came back to India in 1915.
- ⦿ In 1920 Gandhi started the non-cooperation movement.
- ⦿ In 1930 he led the ‘salt satyagraha’(Dandi march)
- ⦿ In 1919, he conducted the civil disobedience movement and 1942 he launched the Quit India movement
- ⦿ On 30 January 1948 he was shot dead by an Indian, named Nathu Ram Godse ,who did not agree with his views on political matters

HIS ECONOMIC IDEAS

- ⦿ Gandhi did not believe in any definite scheme of economics thought. His economic ideas are found scattered all over his writings and speeches.
- ⦿ To him, economics was a part of way of life and hence his economic ideas are part of his general philosophy of life
- ⦿ Gandhi's economic ideas are based on 4 cardinal principles: truth , nonviolence, dignity of labour, and simplicity.
- ⦿ Gandhi said that the only means of attaining eternal happiness is to lead a simple life.
- ⦿ He believed in the principle of 'simple living and high thinking'
- ⦿ He was an apostle of non-violence, and his economics may be called as economics of non-violence.
- ⦿ The principle of non-violence is the soul of Gandhian philosophy.
- ⦿ He believed that violence in any form will not bring any kind of peace because it breeds greater violence.
- ⦿ The true solution of India's problem lies in a non-violent attitude towards basic problems
- ⦿ He opposed modern capitalism since its very basis is the exploitation of human labour, which to him was a violence.
- ⦿ He was against the use of machinery because its use leads to the concentration of wealth in few hands and because it replaces human labour.

- He believed in dignity of labour, that is , every man must perform physical labour and earn his livelihood. This was one of the strongest pillars on which the Gandhian economy rests
- Accordingly, he shunned the idea of granting more leisure, since to him the demand for leisure is unnatural and dangerous.
- According to him, a man must devote his eight hours to work, eight hours to leisure, and eight hours to sleep.
- In gandhian economic thought greater significance has been attached to spiritual and moral values rather than to material and economic values.
- To him, human values are more important than money and wealth
- Gandhi was not interested in economics as a separate discipline.
- He looked life as a whole, and therefore, he was of view that the moral and social implications of economic activity cannot be considered as separate from economics.

ECONOMIC IDEAS

1. THE TRUSTEESHIP DOCTRINE

- ⦿ Gandhi was an ardent advocate of the spirit of non-possession .i.e. aparigraha, and the elimination of vested interests and other forms of inequality
- ⦿ He remarked that the capitalist who had amasses a large sum of money was a thief.
- ⦿ if a person had inherited a big fortune or had collected a large sum of money by way o trade and industry, the entire amount did not belong to him
- ⦿ It belonged to the entire society and must be spent on the welfare of all. he wanted capitalists to be the trustees and he enunciated the doctrine of trusteeship
- ⦿ All social property is meant for all people-rich or poor
- ⦿ Capitalists being the trustees would take care of not only themselves but of also others.
- ⦿ The workers would treat the capitalists as their benefactors and would keep faith in them. In this way there would be mutual trust and confidence with the help of which the remarkable ideal of economic equality could be achieved.

His entire ideology is summed up as follows:

- ⦿ Trusteeship provides a means of transforming the present capitalist order of society into an egalitarian one. It gives no quarter to capitalism, but gives the present owing class the chance of reforming itself. It is based on the faith that human nature is never beyond redemption.
- ⦿ It does not recognise any right of private ownership of property except in as much as it may be permitted by society for its welfare.
- ⦿ It does not exclude legislative regulation of the ownership and the use of wealth.
- ⦿ Under state regulated trusteeship, an individual will not be free to hold or use of his wealth for selfish satisfaction or in disregard of the interest of society
- ⦿ Just as it is proposed to fix a decent minimum living wage, even so, a limit should be fixed for the maximum income that could be allowed to any person in society. The difference between such minimum and maximum incomes should be reasonable and equitable and variable from time to time .
- ⦿ Under the gandhian economic order the character of production will be determined by social necessity and not by personal whim or greed

2. INDUSTRIALISATION AND USE OF MACHINES

- He was a sharp critic of large scale industrialisation
- He was fully convinced that large scale production was responsible for many socio-economic spoils
- Acc. To him, mechanical devices led to drudgery and monotony. The worker lost all interest in his work
- He was opposed to an industrial economy because he thought that mill industries and use of machines created violence.
- Gandhiji described machinery as great sin
- The use of machines created a class of wealthy people and led to unequal distribution of wealth.
- He was not against machinery , he welcomed such instruments and machinery that saved individual labour and lightened the burden of millions of cottage workers.
- He emphasised that he was against large scale production only of those things which villages can produce without difficulty
- He believed that machinery was harmful when the same thing could be done easily by millions of hands
- He wrote “mechanism 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 the work, as is the case in India”
- He was aware of the problem of technological unemployment
- He emphasised the need for labour intensive methods of production in a country with surplus labour.

3. REGENERATION OF VILLAGES OR VILLAGE SARVODAYAS

- Gandhiji wanted the revival of ancient village communities with prosperous agriculture, decentralised industry and small scale co-operative organisations
- He declared that the real India was to be found in villages and not in the towns
- His desire was that every village may be converted into a little self sufficient republic.
- His ideal of village sarvodaya implied that an ideal village must fulfill the following conditions:

4. DECENTRALISATION

- ⦿ Gandhi advocated a decentralised economy i.e. production should be organised at a large number of places at small scale
- ⦿ He wanted that small units should be established in the people's home.
- ⦿ He encouraged the development of cottage and rural industries. And he suggested the delocalisation of production as against the concentration of production in particular areas
- ⦿ He believed that the decentralised economy was essential for the survival of democracy and the establishment of non-violent state
- ⦿ He argued that the cottage and village industries help increasing employment
- ⦿ Commodities can be produced cheaply as there is no need for separate establishment; very few tools are needed. There is no problem of storage. Transport cost is negligible. There is no overproduction and wastes of competition
- ⦿ All these factors make production by the small units economical and thus provide a logic to the gandhian scheme of decentralisation of village and cottage industries
- ⦿ These industries increase the income of the villages and satisfy their basic requirements
- ⦿ They not only remove poverty and unemployment from the villages but also make them self-sufficient economic units.

5.KHADI INDUSTRY

- ⦿ Every Indian needed atleast 113 yards of cloth per year. Gandhiji believed that multiplication of mills couldnot solve the problem of cloth supply: therefore he stressed the development of khadi industry
- ⦿ Khadi means the decentralisation of production and distribution of the necessities of human life
- ⦿ For Gandhiji khadi was a symbol of unity
- ⦿ He advocated the use of charkha due to its aadvantages.
- ⦿ Charkha requires a small amount of capital ; its simple in operation
- ⦿ It is a source of steady income ; it does not depend upon monsoon ; it helps in solving the problem of unemployment
- ⦿ Charkha was considerted to be the symbol of non-violence
- ⦿ His slogan was “Swaraj through spinning”
- ⦿ His khadi scheme included the following ;
(PLZ REFER NOT BOOK)

6.LAW OF BREAD LABOUR

- It was propounded by T.M.Bondaref and popularised by Ruskin and Tolstoy.
- This law emphasises that man must earn his bread by his own labour
- His views on bread labour was published in ‘Young India’ and ‘Harijan’
- He strongly believed that without physical labour no one was entitled to get his food.

7.FOOD PROBLEM

- Gandhiji had seen the worst famine of his life during 1943-44, when Bengal suffered heavily owing to the country wide shortage of food.
- First he thought that this scarcity of food had been artificially created. But after visiting Madras and Assam he arrived at the conclusion that the shortage of food was real and not artificial.
- He suggested following measures for solving the problem of food shortage in India
 - i)every individual should curtail his or her requirements of food to the minimum and as far as possible the consumption of food grains and pulses should be reduced to the minimum by substituting vegetables, milk , fruits etc. for them
 - ii)every flower garden should be utilised for cultivation purpose
 - iii)the consumption of food grains and pulses by the army personnel should be economised.
 - iv)black marketing should be stopped
 - v)deep wells should be sunk by the government so as to provide irrigational facilities
 - vi)export of oil seeds, oil cakes should be stopped
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8.ON POPULATION

- Regarding the problem of population, he opposed those who advocated the use of contraceptives.
- Gandhi was in favour of birth control through Brahmacharya or self control
- Gandhi did not see eye to eye with those who held that birth control was necessary for solving the problem of food shortage.
- Acc. To his opinion by a proper land system, better agriculture and a supplementary industry this country is capable of supporting twice as many people as there are to-day

9. PROHIBITION

- Acc. To Gandhi the use of coffee, tea, tobacco, and alcohol was 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.
- He had no objection to the use of liquor if taken under medical advice.
- He thought that the evil of drinking liquor could not be eradicated by legislative measures alone.
- Other measures suggested by him are :
 - public opinion should be educated.
 - refreshment rooms should be opened for selling harmless drinks
 - the income derived from the sale of intoxicants should be used for cultivating public opinion in favour of prohibition

10. LABOUR WELFARE

- ⦿ One of the important fields where Mahatma Gandhi extended his right for economic equality was the factory
- ⦿ He saw that workers were subjected to gross injustice and the treatment meted out to them was below dignity
- ⦿ To him, employment of children was a national degradation
- ⦿ He always pleaded for shorter hours of work and more leisure so that the workers might not be reduced to the condition of beasts
- ⦿ He also demanded safety measures inside factories
- ⦿ He laid emphasis on the welfare of the worker, his dignity and proper wages.
- ⦿ In order to improve the condition of the worker , first of all he laid claims on a minimum living wage so that a family of 4 to 6 members live a human life.
- ⦿ Mahatma Gandhi always suggested the harmony between labour and capital
- ⦿ Acc. To him , “capital should be labour’s servant, not its master”
- ⦿ He believed in the formation of labour unions.
- ⦿ If the rights of workers were not conceded, they could go on a strike which should be based on non-violence and truth.

11.GANDHIAN SOCIALISM

- Gandhian system is based on moral and spiritual forces, ie on truth and non-violence, on the development of individual expression and freedom of thought.
- He wanted the establishment of order which would be based on the principles of non-violence and truth
- He presented the scheme of Sarvodaya which meant an all-round development of the individual, community and the country
- He wanted a new social order in which the poor would get a just and equitable share in the gifts of nature and would have the freedom of enjoying the fruits of their labour
- He was opposed to the accumulation of capital. In this respect, he may likened to Marx. But whereas Marx advocated the use of force, Gandhi believed in non-violence.
- Gandhi advocated the decentralisation of economic and political power, whereas Marx believed in the concentration of political and economic power . That is why , Gandhi did not like communism, since it was based on the selfishness of human nature. He therefore wanted that socialism or communism in India should be based on non-violence and cooperation of all concerned

- Gandhi considered himself to be a greater socialist since he thought that his socialism was long-lasting when the western socialism would die soon.
- He believed in that socialism in which there would be individual freedom.
- Accordingly he presented the Sarvodaya scheme.
- The theory of Sarvodaya was based on enlightened individualism. Sarvodaya advocates the emancipation and realisation of the good of all human beings.
- The sarvodaya philosophy is based on the values of freedom, equality, justice and fraternity.

- In sarvodaya, every individual would have equal rights insofar as the satisfaction of economic wants is concerned.
- It would not be based on industrialisation but on the development of village industries.
- Sarvodaya thus means a society based on universal brotherhood.
- In such a society real ‘swaraj’ would be established where people would be free from sickness and disease, pauperism and cowardice, and equal opportunities would be provided for education.
- There would not be any untouchability.
- The sarvodaya state would respect all religions
- There would not be any warfare between the labour and the capitalist, cultivator and the land lord.
- The large scale production and use of machinery would be reduced to the minimum as small self-sufficient units would be established.

- Sarvodaya stands for all-round well-being of all
- It believes that institutions and relationship should be fashioned on the twin principles of non-violence and truth.
- It believes that the only enduring cohesive force that can weld men together in a society free and equal, are love and cooperation and non-constraint and non-coercion
- These forces can neither be generated nor strengthened by giving free play to competitive and combating instinct of man but by means of co-operation,
- The sarvodaya programme thus included
 1. full attention to the cultivators and the labourers
 2. The cultivators would organize their own committees and labourers would form their own unions
 3. All persons would receive education whether technical or basic
 4. Special attention would be provided to the development of village industries, sanitation and hygiene. Hand spinning would be carried out in every rural family.
 5. Economic equality and communal harmony would be established.

In short, the basic object would be to develop the village into a complete republic.

Relevance of Gandhian Economic Thought to India

- ⦿ There are economists who believe that Gandhian economics is utopian in nature.
- ⦿ They regard Gandhi as a medieval mystic who tried to put back the clock of human progress.
- ⦿ Gandhian Economics is based on ethical values and the dignity of man.
- ⦿ Gandhian economics do not draw a distinction between economics and ethics.
- ⦿ Economics that hurts the moral well-being of an individual or a nation is immoral, and therefore sinful.
- ⦿ It is regarded as an alternative to western socialism. Sometimes it is said Gandhism is communism minus violence.
- ⦿ Gandhism tries to bring communism without violence or with the consent of capitalists.
- ⦿ Gandhi was a practical idealist. His economic thought is basically sound and is relevant to our times.
- ⦿ His concept of trusteeship, decentralization of economic activities, labour intensive technology and priority to weaker sections are all relevant today.
- ⦿ Gandhi has often advocated social justice and equality.
- ⦿ According to him if mankind was 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.
- ⦿ Gandhi was not against machinery as such. What he intended was that in a country like India where capital was scarce and labour abundant, it would be profitable to use labour intensive industries. He feared that use of machinery would result in technological unemployment.
- ⦿ The mad race in industrialization and urbanization has resulted in the pollution of air and water.
- ⦿ In the ideal social order of village economy, environmental pollution will not be a problem.

CRITICISMS

- ⦿ Gandhian economic philosophy has been criticized on many accounts.
- ⦿ . Gandhi's heavy dose of ascetism and other-worldliness is considered as utopian nostalgia.
- ⦿ Ambedkar criticized Gandhian ideal village republic and its economic structure, saying that it was this decentralized village that was the power base of exploitative money lender, provided the cultural stage for caste exploitation, and bred isolated economies which often failed to cooperate with each other due to long distances and disconnectedness.
- ⦿ Early experiments in Decentralization in India have demonstrated some of the evils of empowering local levels of government.
- ⦿ Gandhi's concept of swadeshi (favoring local production and production by one's neighbors) is seen as divisive by some critics, as it leads to favoritism in an already divided and stratified society.
- ⦿ Given that most of the Indian villages are caste villages, it may actually cause greater isolation than assimilation.
- ⦿ Rise of cities and rapid industrialization along with globalizing economy are indicative to some Gandhian ideals have been given a back seat in Indian Economic Planning.
- ⦿ Only those features which can be accommodated in modern industrial structure have been carried forward.
- ⦿ Most of the Gandhian ideas which were sought to be implemented by Planning Process (swadeshi, promotion of village and cottage industries, import substitution) have failed, though it is debatable if they were failure of governance or the Gandhian ideal itself.
- ⦿ It is also argued that the problems of the 21st century have to be solved in response to the needs of the day, without necessarily adhering to the ideology made and developed in early 20th century, by someone who could not have seen the unprecedented interconnectedness and dependence (with associated social, economic and political problems) of 21st century.