



## Relevance of Gandhian Principles- Global reflections on the application of economic ideas of Mahatma Gandhi

Padmavathi P . R. Asstt. Professor in Economics, Government Arts College, Hassan,  
Karnataka

### **Abstract**

*Today global economic scenario is in great crisis. There have been several great economic crashes & financial instability. The global economy is tilting towards depression & disorder as the familiar sustenance order of things is crumbling as old strengths and old weaknesses are shifting places. As the problems are deeply intertwined, the only way for policymakers to save the global economy from falling into a dangerous downward spiral is to take concerted action, giving greater priority to revitalizing the process of productivity and employment in the short run in order to pave more solid ground for enacting the structural reforms required for sustainable and balanced growth over the medium and long run. India can act as a stimulus for providing an answer to these economic issues if the economic thoughts of Great leader Mahatma Gandhi are included, because his economic thinking always projected balanced growth conditions. This paper examines the relevance of adaptation of Gandhian economic policies as an answer to all these economic impediments. The paper analyses affirmative global impact of Mahatma Gandhi's economic thoughts.*

**Key words:** Mahatma Gandhi , Economic Upsurge , Rural Reconstruction , Self Employability , Self reliance, Sarvodaya.

### **Introduction**

Indian freedom movement is always indebted to the greatest leader Mahatma Gandhi for his great ideals. The sincere thoughts of Mahatma Gandhi were powerful enough to play a major role in the nonviolent revolution that overthrew elongated British colonialism in India. His philosophy of truth, non-violence and Satyagraha helped India get emancipation from British rule. He not only molded Indian Freedom struggle with his political derivations but also anticipated economic restructuring through

concepts of Sarvodaya & rural reconstruction. His ideology is considered a perennial philosophy to fight injustice, oppression, suppression of human rights. 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. "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 Mahatma Gandhiji & his economic philosophy, discarding it as too philosophical & impractical and adopted a mixed economy model with the state commanding the heights of the economy. Indian gigantic problems of poverty, inequality, urban –rural disparity, backwardness remained without salvation and the economy stagnated. The adoption of a free-market economic model as Post-liberalization in 1991 genuine progress and development has been eluding us. Some of the problems Indian economy faces today are compared here with the problems of Gandhi's India. A lot of discussions on the progress of India has made in facing these problems and solving them, the difficulties that remain from Gandhi's time are highlighted. According to Mahatma Gandhiji, the economic constitution of India should see that no one should suffer from the want of food; clothing & everybody should be able to get sufficient work to enable him to make a good living.

According to him this ideal could be universally realized only when the means of production of the elementary necessities of life remained in the control of the masses. These should be freely available to all as God's air and water are or ought to be; they should not be made vehicle of traffic for the exploitation of others. He felt this type of monopolization by any country; nation or group of persons would be unjust. The neglect of this simple principle causes destitution, impoverishment, penury & hardship.(

Young India,15-11-1928, p381). According to him, true economics should never fall short of the highest ethical standard. An economics that enables the strong to amass wealth at the expense of the weak is a false and dismal science. True economics, on the other hand, stands for social justice, it promotes the good of all equally including the weakest, and is indispensable for decent life. (Harijan , 9-10-1937, p.292)As such there has been great resurgent channeling of Gandhiji's philosophy aimed at reconstruction

1. Western economic thoughts have been included in India as two key waves of globalization: They are colonial imperialism and economic liberalization. Originating in response to an oppressive colonial and socio-cultural order is the movement inspired by Mahatma Gandhi.
2. The set of political and economic values embedded in Gandhi's philosophies continue to influence socio-economic structures and practices in India today. Gandhi's notion of Sarvodaya, translated as "the welfare of all" or "uplift of all" advances strong ideals for solidarity economic and enterprise activity and provides the philosophical groundwork and motivation to address pressing social issues in a different way.
3. Key characteristics of Sarvodaya include cooperation, serving those in need, satisfying work, participation, and nonviolence In practice, these



- translate into values such as local production, the importance of self-reliance, satisfying work, serving those in need,<sup>3</sup> non-exploitation, equality and frugal consumption
4. Sarvodaya thus resonates strongly with social economy thinking and is widely accepted to play an important role in building community capacity.
  5. However, given that its ideological motivations include resistance to colonialism, it is no surprise that the values related to sarvodaya are in stark contrast to Western neoliberal notions of comparative advantage production, specialization and capital accumulation.
  6. Yet, in recent years the gap between these different logics has shown some signs of narrowing, at least at the level of business discourse.
  7. This has occurred in contexts where companies and business associations are emphasizing the importance of corporate social responsibility, the so-called bottom of the pyramid approach and social enterprise.
  8. While these promise a softening of neoliberal economic activity, they do not go nearly as far as addressing the socioeconomic needs and challenges faced by the growing numbers of economically marginalized people globally.
  9. While we do not wish to romanticize Sarvodaya logics, we hope to contribute to the Social and Solidarity Economy discussion by presenting its ideals and how these may inform models of economic activity in contrast to neoliberal approaches.
  10. It is possible to compare and contrast varieties of social and solidarity economic activity in India along a continuum anchored by Sarvodaya at one end and neoliberal logics at the other end.
  11. Several models of economic activity have significantly different philosophical origins, business models and modes of governance. In turn, these have strikingly different outcomes in terms of their ability to foster, reinforce or impair socioeconomic and community resilience in numerous dimensions, including: purpose, degrees of solidarity, formality, and levels and scope of analysis.
  12. The relationships between market activity and economic growth match with the influence of underlying ideals and values shaping the construction of social and solidarity economic activity.
  13. The variations in underlying ideals and values may cultivate on the one hand community resilience, economic stability, employment and democratic governance, or, on the other hand, individualism, competition, economies of scale and dependence.
  14. This suggests that economic activity underpinned by Sarvodaya logics embodies significantly different notions of scale and scalability when



compared with those operating along neoliberal logics. Given variations of scale and community entrenchedness, the differences in PC's and BP's enterprise models produce extremely different realities for the producers they work with. While the density of community economic integration resulting from PC's approach is not without potential negative effects, the overarching intent of the PC model is aligned with the values and principles of sarvodaya. BP, on the other hand, works along a classic neoliberal model of efficient allocation and profit maximization. Both PC and BP, as legitimate enterprises and suppliers of quality poultry, compete with one another within the same market system and regulatory-institutional framework. While both models are economically viable, their differing approaches express contrasting logics—values, beliefs, rules and practices—and outcomes in terms of Social and Solidarity Economies. As indicated above, the differences between them are evident along many dimensions at the level of the producer. However, at a more macro level, we find that while BP is a far larger company and thus employs more people in aggregate, PC's model creates greater employment per capita. That said, if PC's business was to grow to the same size as BP in terms of total poultry produced, far more people across a greater number of rural areas would be gainfully employed.

In order to advance a better understanding of Social and Solidarity Economies, the underlying ideals and values that inform economic activity must be explored at a deeper level. Our research, which suggests that ideals certainly govern economic activity, challenges many common assumptions of neoliberal thinking. By linking ideals to enterprise models and economic activity, better policies and practices could serve to foster and protect those market activities that create positive social value. Moreover, if cultivating Social and Solidarity Economies is indeed a desired outcome, then economic practices that express the ideals of solidarity—such as community resilience, full and stable employment, democratic governance, sustainable scale—must be appropriately elaborated, measured and internalized so that they can be taken into serious consideration by economic policy makers and planners.

15. The term was first coined by him as the title of his 1908 translation of John Ruskin's tract on political economy, *Unto This Last*, and Gandhi came to use the term for the ideal of his own political philosophy. Later it became the social movement in post-independence India which strove to ensure that self-determination and equality reached all strata of Indian society.
16. "Economic equality is the master key to nonviolent transform of



- independence”, wrote Gandhi. “Working for economic equality means abolishing the eternal conflict between capital and labour. It means leveling down of the few rich in whose hands is concentrated the bulk of the nation’s wealth, on the one hand; and the leveling up of the semi starved naked millions, on the other. A nonviolent system of government is clearly impossibility so long as the wide gulf between the rich and the hungry millions persists.”
17. The concept of trusteeship as enunciated by Gandhi demands non-possession. It seeks individual to dispossess his wealth and income beyond his requirements so that the economic welfare of the less capable is realized. The principle of non-possession and trusteeship is not realized practically because individuals are immensely attached to their wealth in the ordinary course of life. Gandhi and even later day Gandhians have not been able to find the root cause of attachment to wealth and its accumulation overtime.
  18. Gandhi claimed that “True economics never militates against the highest ethical standard just as all true ethics must also be good economics.... True economics stands for social justice; it promotes the good of all including the weakest and is indispensable for decent life”. His Khaddar promotion was based on ethics and self sufficiency. That the ideal of man is spiritual progress first and last and no economic progress can violate this principle.
  19. Gandhian economics laid emphasis on spiritual satisfaction. Spiritualism holds sway over consumerism. Gandhi emphasized on minimizing wants and keeping away from luxuries.
  20. Gandhi never advocated the destruction of factories and machines but sought regulation of their excesses. He felt that production and consumption must be decentralized and both these functions must take place near the source of production. Gandhi had explained that his small scale rural based economic system was not based on the rejection of machinery but on objection to the craze for machinery. “The craze is for what they call labor-saving machinery. Men go on ‘saving labor’ till thousands are without work and thrown on the open streets to die of starvation. I want to save time and labor not for a fraction of mankind but for all. I want the concentration of wealth not in the hands of few but in the hands of all. Today machinery merely helps a few to ride on the backs of millions. The impetus behind it all is not the philanthropy to save labor but greed”.
  21. Gandhi says that greed leads to parasitism. Both greed and



parasitism are unsustainable. He says that "earth provides enough to satisfy every man's need but not for every man's greed". Gandhian economics was thus normative and highly ethical. (Subhash Mehta -A Handbook of Sarvodaya, 2004).

22. The essentials of Gandhian economics says that Gandhian economics boils down to a simple injunction that "never advocate actions or policies that lead to material advancement at the cost of social, moral or spiritual impoverishment". The seven social sins of Gandhi constituted the key elements of Gandhi's political and economic thought. They are: politics without principles, wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity and worship without sacrifice. (Narayanasamy. s -The Sarvodaya Movement: Gandhian Approach to Peace and Non Violence, 2004)

### Conclusion

The amalgamation of the thoughts of Mahatma Gandhi with the ideas of the modern world will generate a more holistic and integrated society. It will deliver more happiness, generate

more altruistic economic surplus and bring about a more egalitarian society than what is now available to us. He never fashioned a body of literature known by the name 'Gandhian Economics'. He neither claimed to be an economist nor was trained in Economics. He was not a voracious reader of economic literature. But he expressed his views on economics at various points of time & his reflections on Economics found expression consistently in his writings and thoughts. His thoughts popularly nowadays known as 'Gandhian Economics' thus created was enormous & was unparalleled in the history of modern Indian economic thought because it's deliverables were felt worldwide.

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