



Gandhian economics-Application to Indian Economy

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Abstract: Gandhian activists such as Vinoba Bhave and Jayaprakash Narayan were involved in the Sarvodaya movement, which sought to promote self-sufficiency amidst India's rural population by encouraging land redistribution, socio-economic reforms and promoting cottage industries. The movement sought to combat the problems of class conflict, unemployment and poverty while attempting to preserve the lifestyle and values of rural Indians, which were eroding with industrialisation and modernisation. Sarvodaya also been included Bhoodan, or the gifting of land and agricultural resources by the landlords (called zamindars) to their tenant farmers in a bid to end the medieval system of zamindari.

Key words: industrialisation, modernization, Sarvodaya

Introduction

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. The value of an industry should be gauged less by the dividends it pays to shareholders than by its effect on the bodies, souls, and spirits of the people employed in it. In essence, supreme consideration is to be given to man rather than to money.

The first basic principle of Gandhi's economic thought is a special emphasis on 'plain living' which helps in cutting down your wants and being self-reliant. Accordingly, increasing consumer appetite is likened to animal appetite which goes the end of earth in search of their satisfaction. Thus a distinction is to be made between 'Standard of Living' and 'Standard of Life', where the former merely states the material and physical standard of food, cloth and housing. A higher standard of life, on the other hand could be attained only if, along with material advancement, there was a

serious attempt to imbibe cultural and spiritual values and qualities.

The second principle of Gandhian economic thought is small scale and locally oriented production, using local resources and meeting local needs, so that employment opportunities are made available everywhere, promoting the ideal of Sarvodaya– the welfare of all, in contrast with the welfare of a few. This goes with a technology which is labour-using rather than labour-saving. Gandhian economy increases employment opportunities; it should not be labour displacing. Gandhi had no absolute opposition to machinery; he welcomed it where it avoids drudgery and reduces tedium. He used to cite the example of Singer sewing machine as an instance of desirable technology. He also emphasised dignity of labour, and criticised the society's contemptuous attitude to manual labour. He insisted on everybody doing some 'bread labour'.

The third principle of Gandhian economic thought, known as trusteeship principle, is that while an individual or



group of individuals is free not only to make a decent living through an economic enterprise but also to accumulate, their surplus wealth above what is necessary to meet basic needs and investment, should be held as a trust for the welfare of all, particularly of the poorest and most deprived. The three principles mentioned above, when followed, are expected to minimise economic and social inequality, and achieve Sarvodaya.

Gandhian economics has the following underlying principles:

1. Satya (truth)
2. Ahimsa (non-violence)
3. Aparigraha (non-possession)

While satya and ahimsa, he said were 'as old as the hills', based on these two, he derived the principle of non-possession. Possession would lead to violence (to protect ones possessions and to acquire others possessions). Hence he was clear that each one would need to limit one's needs to the basic minimums. He himself was an embodiment of this idea, as his worldly possessions were just a pair of clothes, watch, stick and few utensils. He advocated this principle for all, especially for the rich and for industrialists, arguing that they should see their wealth as something they held in trust for society - hence not as owners but as trustees.

Social justice and equality

Gandhi has often quoted that 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. Therefore, any exercise on economic

planning on a national scale would be futile without uplifting these most vulnerable sections of the society in a direct manner.

In the ultimate analysis, it is the quality of the human being that has to be raised, refined and consolidated. In other words, economic planning is for the citizen, and not the citizen for national planning. Everybody should be given the right to earn according to his capacity using just means.

Non-violent rural economy

Gandhian economics places importance to means of achieving the aim of development and this means must be non-violent, ethical and truthful in all economic spheres. In order to achieve this means he advocated trusteeship, decentralization of economic activities, labour-intensive technology and priority to weaker sections. Gandhi claims that to be non-violent an Individual needs to have a rural mindedness. It also helps in thinking of our necessities of our household in terms of rural mindedness.

The revival of the economy is made possible only when it is free from exploitation, so according to Gandhi industrialization on a mass-scale will lead to passive or active exploitation of the people as the problem of competition and marketing comes in. Gandhi believes that for an economy to be self-contained, it should manufacture mainly for its use even if that necessitates the use of modern machines and tools, provided it is not used as a means of exploitation of others.

Environmentalism

Several of Gandhi's followers developed a theory of



environmentalism. J. C. Kumarappa was the first, writing a number of relevant books in the 1930s and 1940s. He and Mira Behan argued against large-scale dam-and-irrigation projects, saying that small projects were more efficacious, that organic manure was better and less dangerous than man-made chemicals, and that forests should be managed with the goal of water conservation rather than revenue maximization. The Raj and the Nehru governments paid them little attention. Guha calls Kumarappa, "The Green Gandhian," portraying him as the founder of modern environmentalism in India.

Concept of socialism

Gandhian economics brings a socialist perspective of overall development and tries to redefine the outlook of socialism. Gandhi espoused the notion of "trusteeship" which centered on denying material pursuits and coveting of wealth, with practitioners acting as "trustees" of other individuals and the community in their management of economic resources and property. Under the Gandhian economic order, the character of production will be determined by social necessity and not by personal greed. The path of socialism should only be through non-violence and democratic method and any recourse to class-war and mutual hatred would prove to be suicidal.

Implementation in India

During India's independence struggle as well as after India's independence in 1947, Gandhi's advocacy of homespun *khadi* clothing, the *khadi* attire (which included the Gandhi cap) developed into popular symbols of nationalism and patriotism. India's first prime minister, Jawaharlal

Nehru totally differed with Gandhi, even before independence and partition of India. Gandhi did not participate in celebration of Indian independence, he was busy controlling the post partition communal violence.

Gandhian activists such as Vinoba Bhave and Jayaprakash Narayan were involved in the *Sarvodaya* movement, which sought to promote self-sufficiency amidst India's rural population by encouraging land redistribution, socio-economic reforms and promoting cottage industries. The movement sought to combat the problems of class conflict, unemployment and poverty while attempting to preserve the lifestyle and values of rural Indians, which were eroding with industrialisation and modernisation. *Sarvodaya* also included *Bhoodan*, or the gifting of land and agricultural resources by the landlords (called *zamindars*) to their tenant farmers in a bid to end the medieval system of *zamindari*.

Bhave and others promoted *Bhoodan* as a just and peaceful method of land redistribution in order to create economic equality, land ownership and opportunity without creating class-based conflicts. *Bhoodan* and *Sarvodaya* enjoyed notable successes in many parts of India. Jayaprakash Narayan also sought to use Gandhian methods to combat organised crime, alcoholism and other social problems.

Conclusion:

The proximity of Gandhian economic thought to socialism has also evoked criticism from the advocates of free-market economics. To many, Gandhian economics represent an



alternative to mainstream economic ideologies as a way to promote economic self-sufficiency without an emphasis on material pursuits or compromising human development. Gandhi's emphasis on peace, "trusteeship" and co-operation has been touted as an alternative to competition as well as conflict between different economic and income classes in societies. Gandhian focus on human development is also seen as an effective emphasis on the eradication of poverty, social conflict and backwardness in developing nations.

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