



CHAPTER III

GANDHIAN ECONOMICS



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Modern economic thought took shape in the west after the Industrial Revolution in the latter part of the 18th Century. In the understanding Gandhiji's economic ideas, one must rid oneself of, or at least modify, one's ideas derived from the economic thought of the West. Gandhiji's economics has to be studied from the view point of his own moral and spiritual principles and ideals as also from the conditions that existed and still exist in India. One must also try to understand the language that Gandhiji uses. It is not the language used by the specialists. It is the language of the market place which the common man understands.

We have also said that, he viewed life as a whole and not as divided in to separate watertight compartments. All the facts of man's life can be unified, if one set of moral values is applied to them. If the same moral rules are not applied to all human activities, the result will be conflict within the individual and ^{the} ~~in~~ society. This will lead to a split personality both in the individual and the group.

The whole gamut of man's activities today constitutes an indivisible whole. You cannot divide social, economic, political and purely religious work into watertight compartments. I do not know any religion apart from human activity.¹

In Gandhiji's philosophy of life there is no place for economic classes as held by Karl Marx or an economic man as held by classical economists. These are mere abstractions. Every human being has a right to live and therefore to find the where withal to feed himself and where necessary to clothe and house himself. But for this very simple performance we need no assistance from economists or their laws.²

The economic activity of man is concerned with the production of material goods their exchange, distributions and consumption. These activities are necessary not only for the existence of man but also for his happiness and progress. Man lives in society and all these activities concern not only the individual in isolation but they create social relations. As a matter of fact, if we think of it, all wealth is socially produced. That is Gandhiji's view. No Robinson Crusoe on a solitary island, be he a capitalist or a labourer can produce

wealth. Gandhiji, therefore held that socially produced wealth must be equally divided among all those who are instrumental in producing it. If this is too idealistic a view, socially produced wealth must be equitably divided.

He says; " According to me the economic constitution of India and for the matter of that the world, should be such that no one under it should suffer from want of food and clothing. In other words every body should be able to get sufficient work to enable him to make the ends meet. And this ideal can be universally realized only if the means of production of the elementary necessities of life remain in the control of the masses." 3

THEORY OF TRUSTEESHIP :

Gandhi had immense faith in the goodness of human beings irrespective of their religion, community or social status. It was this faith that made him advocate the theory of trusteeship. Political commentators have criticised Gandhi for advocating the theory of trusteeship on the ground that it hindered the forces of revolutionary change in the economic sphere. It would be too much to expect capitalists to function as real trustees of

their own volition without some form of compulsion. Gandhi did not recognise " any right of private ownership of property except so far as it may be permitted by society for its own welfare," ⁴ fundamental to the theory of trusteeship was the principle of non-expropriation of the owners. Legally the property belonged to the owners, morally to the entire society. All that they were expected to do was to declare themselves as trustees of the poor and act accordingly. The trust was to be a voluntary one carrying only a spiritual obligation.

In consonance with his general scheme of values, Gandhi sought a moral solution to what he considered a moral problem. The difficulty with a utopian concept like trusteeship was that it ignored the force of such psychological factors like ' selfishness and acquisitiveness ' and other deeper urges which did not respond easily to the ethical stimulus. Gandhi overestimated man's capacity for moral effort. Trusteeship obviously was based on narrow and simplistic view of the dynamics of social conflict. Such an abstract concept was irrelevant to contemporary human society and Gandhi himself was aware of these difficulties. Obviously the theory was either too old or too new. It was old, because it was tried and given up

long ago as impractical. It was new in the sense that it could suit, if one believed in moral evolution, a morally superior human race to come. Gandhi was appealing to men, not as they are, but as they should be. In fine, Gandhi's view of property as a trust, his dislike of heavy industrialization and his fear that the rights of the individual might be ignored in a collective organisation of economic life, his repudiation of capitalism and imperialism as also of Marxism, precluded him from identifying his economic philosophy with scientific socialism.

HAND - SPINNING AND KHADDAR :

Gandhi made certain aspects of the freedom movement in India a symbol for the whole of it for example, he made Khaddar a symbol for political and economic independence, though quite obviously Khaddar could not have solved even the economic problem alone. But Gandhi took it as understood that any thing that helped India to get rid of the grinding poverty of the masses would in the same process establish Swaraj. 5

Hand-spinning was a liberation from mills-both English and Indian but in the context, essentially English. It was a labour of love, a channel of communication between the rich and the poor, the educated and the illiterate and a method

of organization. When other political leaders advocated the boycott of all British goods, Gandhi, objected to not only British cloth but to all foreign cloth. He thought that the British had destroyed the spinning and weaving industry in India by using their political power to encourage their own industry. It was, therefore, proper to revive the industry which had been universal, and its destruction had changed the economic structure of the country at large. Besides, it would avoid the evils of industrialisation, and at the same time help the village to be self-sufficient economic unit, which to him, was also the ideal political unit at the lower level, namely the Panchayat Raj the reign of the village councillors.

Gandhi's preoccupation with Khadi and untouchability work during the national movement in India, were minor activities in relation to other important tasks. These peripheral political activities distorted the vision of a politically independent India. However, Gandhi's stress on hand spinning and Khadi was realistic enough because it could help the vast millions of unemployed in the rural areas to find gainful employment. In a poor society, Khadi could fulfil to certain extent the needs of the underprivileged. Was Gandhi rational and scientific in terms of his programme of

socio-economic upliftment of the masses ? His propagation of Khadi and the development of cottage and village industries ; the accent on the removal of untouchability, his clear opposition to some of the obnoxious practices connected with the caste systems, his cautious approach to heavy industrialization, his firm adherence to non-violence his ideas on religion; his concept of happiness and his frequent stress upon ' simple living and his thinking ', are all examples of a clear mind which did not act upon impulse but subjected every issue to logical reasoning and measure of scientific scrutiny. His solutions to the large number of socio-economic problems of India are rooted in reality and exhibit a high degree of pragmatism. Gandhi is not utopian, for his feet are firmly planted to the ground and his prescriptions have a ring of reality.

In his personal habits Gandhi may not appear modern for instance, in his dress he preferred to wear them in Indian style. His entire life was the epitome of simplicity and plainness. He adhered firmly to truth and non-violence which formed integral elements in his social living. His intense feeling for his fellow countrymen, his espousal of the value of

dignity of labour, all these appear as shining examples of a modern mind. The identification with the down-trodden, a full measure of humility and his universal courtesy once again picture him as an individual endowed with a modern mind.

On release of Gandhiji and his associates from detention in the Agakhan ~~Palace~~, the question of Trusteeship was taken up, Shri K. G. Mashruwala, Shri N. D. Parikh drew up a simple practical trusteeship formula which was placed before Mahatma Gandhi who made a few changes in it. The final draft read as follows. :

- 1) 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 owning class a chance of reforming itself. It is based on the faith that human nature is never beyond redemption.
- 2) It does not recognize any right of private ownership of property except so far as it may be permitted by society for own welfare.
- 3) It does not exclude legislative regulation of the ownership and use of wealth.

- 4) Thus under state regulated trusteeship and individual will not be free to hold or use his wealth for selfish satisfaction or in disregard of the interests of society.
- 5) 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 so much so that the tendency would be towards obliteration of the difference.
- 6) Under the Gandhian economic order the character of production will be determined by social necessity and not by personal whim or greed.⁶

■ When transformation of private property into public property has been achieved by the application of the doctrine of trusteeship, will the ownership vest in the State, which is an instrument of violence, or in associations of a voluntary character like village communes and municipalities ; which may of course derive their final authority from state - made laws.■ ?

The question involves some confusion of though legal ownership in the transformed condition shall vest in the trustee, not in the state. It is to avoid confiscation that the doctrine of trusteeship comes in to play, retaining for society the ability of the original owner in his own right. Nor do I hold that the state must always be based on violence. It might be so in theory but is possible to conceive a state which in practice for the most part be based on non-violence.

■ How would the successor of a trustee be determined ? Will he only have the right of proposing a name, the right of finalisation being vested in the state ■ ?

The choice should be given to the original owner, who becomes the first trustee but it must be finalised by the state. Such arrangement puts a check on the state as well as on the individual.

This did not mean that pending necessary legislation the transformation of the capitalists into trustees would be left to the sweet will of the capitalists. If they proved impervious to the appeal to reason, the weapon of non-violent non-co-operation would be brought into play. Force of

circumstances will compel the reform unless they court utter destruction. When Panchayat Raj is established public opinion will do what violence can never do.⁷

From the point of view of the western economic, he did not put forward any purely, scientific economic theory like Ricardo and Marry, nor formulated a model of economic development, yet a consistent and logical pattern of economic model consisting of objectives, approach and programmes based on certain assumptions, can be worked out of his mosaic view points and ideas on economic matters, scattered in his lectures, writings, especially in his book "Hind Swaraj".⁸

What are the elements of Gandhian economic theory ?
 What are the fundamental postulates of Gandhian economics ?
 What is the Gandhian approach ? What are the implications of Gandhian economics so far as India's economic problems are concerned. ?

Gandhian economics constitutes a major departure from the so called western economics. Gandhiji was an economic reformer rather than an economic theorist. He was an Indian

economist in the Justice Ranade tradition. His economic ideas were revolutionary as well as traditional ; revolutionary as they posed a challenge to the blind application of western economics and traditional in the sense of their recognition of the social values peculiar to Indian culture. Gandhian economics is not merely a theoretical orthodox doctrine, it is a practical proposition involving the process of thinking and analysis, where in lies its originality.⁹

Gandhian economic theory mostly revolves round his moral philosophy towards a simple life. It is a way of life. It points out new attitudes and refine the old ones. It is based on the high values of life and culture. True economics, according to Gandhiji must be life oriented and a servant of humanity at large considering the various aspects of life in a totality, he urges upon economics to be conducive to social justice and human welfare, Gandhian economic theory is based in three distinct ethical foundations ; first; only that economy which conduces to the good of all, is good, second, all have the same right to earn their lively hood and third, the life labourer, whether the tiller of the soil or the craftsman, is a life worth living.¹⁰

In contrast to Adam Smith's emphasis on wealth, Robbin's neutrality to normative and moral values and Marx's concept of class conflict, Gandhiji cherished a new value the human value which is a sine-qua-non of Gandhian economics. On the basis of which he evolved a new, non violent socialism. He recognised the evils of both capitalism and state-socialism, nor did he favour a mixed economy.

According to Gandhiji economism is not a basic urge of human life. Hence he relegated it to a secondary position. Gandhiji should be considered as a vehement and consistent critic of the concept of economism in the socio-economic system. He strongly denounced the endless pursuit of materialism, which resulted in manifold sufferings and hardships to mankind. His approach aims at improving the quality of life rather than attaining material prosperity. According to him, wealth and income are the means of human welfare and not an end in themselves. He did not favour modern industrialisation, mechanisation, centralisation and urbanisation process which went on strengthening the materialist urges in human being. Industrial revolution entailed many evils such as slum life, child labour endless pursuit of profit destruction of the spirit of cooperation, fluctuating employment, decay of small agro

industries and handicrafts, exploitation of labour disruption of village life, moral degradation, class conflicts etc.

It may be noted that the assumptions underlying Gandhian economic theory are not purely economic in nature alone, but also social, moral, cultural and spiritual. These assumptions may be summed up as follows :

- 1) ■ Sarvodaya ■ : The alround good of all.
- 2) The interest of the society implies the interest of an individual.
- 3) A voluntary curtailment of wants is the real indicator of progress.
- 4) Co-operation is the better principle of life than competition.
- 5) Every individual has the same and equal right to earn ones livelyhood by one's labour.
- 6) Every individual has inherent potential for growth, and hence should provided with equal opportunity and resources.
- 7) A small surplus, not maximum profit should be the aim of the average individual.
- 8) Supremacy of physical labour ~~labour~~ is not necessarily of discommody to the always minimised.

- 9) No work or occupation is inferior or superior.
All occupations are equally important.
- 10) Decentralisation is conducive to progress,
Centralisation of power is likely to be abused.
- 11) Self reliance is the best policy.
- 12) Scope of state power and functions is limited .

With these assumptions Gandhiji enunciated a novel programme for action known as a constructive programme consisting of both economic and noneconomic elements which he considered as the social inputs for a take off on the economic front. In recognising and emphasising the role of the non-economic factor in the process of economic development, Gandhiji was far ahead of the present day behavioural scientists. Gandhiji's envisaged not only economic development but also the development of the individual personality. India has about 80 percent rural poor and mostly unemployed population. Industrialisation he felt process neglects the needs of the poor, implies unfair distribution system increase poverty, unemployment income inequality, keeps the real wages of the workers low as a result of ever increasing prices.¹¹ Gandhiji hence offered an alternative strategy of development, for solving the problems of poverty, unemployment and inequality. Various aspects of his economic thought can be examined from the follows.

Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villagers as the problems of competition and marketing come in. Therefore, we have to concentrate on the village being self-contained manufacturing mainly for use. Provided this character of the village industry is maintained there would be no objection to village using even the modern machines and tools that they can make and can afford to use. Only they should not be used as means of exploitation of others.¹²

The present distress is undoubtedly insufferable, Pauperism must go. But industrialism is no remedy. The evil does not lie in the use of bullock carts. It lies in our selfishness and want of consideration for our neighbours. If we have no love for our neighbours, no change however revolutionary, can do us any good - - - ?

Indeed, the west has had a surfeit of industrialism and exploitation. The fact is that this industrial civilization is a disease because it is all evil. Let us not be deceived by catchwords and phrases. I have no quarrel with steamships or telegraphs. They may stay, if they can, without the support of industrialism and all it cannotes. They are not an end.

They are in no way indispensable for the permanent welfare of the human race. Now that we know the use of steam and electricity, we should be able to use them on due occasion and after we have learnt to avoid industrialism. Our concern is therefore to destroy industrialism at any cost.¹³

Industrialism is, I am afraid, going to be a curse for mankind, Exploitation of one nation by another cannot go on for all time. Industrialism depends entirely on your capacity to exploit, on foreign markets being open to you, and on the absence of competitors. It is because these factors are getting less and less everyday for England, that its number of unemployed is mounting up daily. The India boycott was but a flea-bite. And if that is the state of England, a vast country like India cannot expect to benefit by industrialization. In fact, India, when it begins to exploit other nations - as it must if it becomes industrialized - will be a curse for other nations, a menace to the world. And why should I think of industrializing India to exploit other nations. Don't you see the tragedy of the situation, viz; that we can find work for our 300 millions unemployed, but England can find none for its three millions and is faced with a problem that baffles the greatest intellects of England. The future

of industrialism is dark. England has got successful competitors in America, Japan, France, Germany. It has competitors in the handful of mills in India, and as there has been an awakening in India, even so, there will be an awakening in South Africa with its vastly richer resources - natural, mineral and human. The mighty English look quite pigmies before the mighty races of Africa. They are noble savages after all, you will say. They are certainly noble, but no savages ; and in the course of a few years the western nations may cease to find in Africa a dumping ground for their wares. And if the future of industrialism is dark for the west, would it not be darker still for India. ? ¹⁴

Man and Machines to technology. Gandhiji's views regarding the relation between man on one hand and science, technology and machines on the other hand, were the direct out come of his ideas of dignity of labour, village swaraj and opposition to modern industrialisation. He has been often misunderstood as, against the use of machines. But what he really objected to was not machinery as such, but the craze for machinery. He wanted to regulate the indiscriminate use of machinery, displacing human labour. He looked upon machines as the instruments through which capitalist exploitation of

labour takes place. Gandhiji favours the use of that machine which aids labour and simplifies it if the owner himself uses a machine, and is not required to hire labour, then such a machine ceases to be an instrument of exploitation, then it can be said to be well used. In a country like ours, where disguised unemployment and underemployed exists, no man having the potentialities to work should be kept idle. The use of labour saving machinery, though useful for a fraction of a society, is not beneficial to the society as a whole.¹⁵

He observed "What I object to, is the craze for machinery, not machinery, ~~not machinery~~ as such,. The craze is for what they call labour saving machinery. " " I am aiming, not at eradication of all machinery, but limitation."

Gandhiji was not opposed to new invention either. On the contrary, he was of the opinion that the development of the decentralised village economy requires as advanced knowledge of science and technology. All that he emphasised was that the technology to be adopted should be appropriate, decentralised and useful in improving the working of agriculture and small industries and handicrafts in villages.¹⁶

Machinery has its place; it has come to stay. But it must not be allowed to displace the necessary human labour. An improved plough is a good thing, but if by some chance, one man could plough up by some mechanical invention of his the whole of the land of India, and control all the agricultural produce and if the millions had no other occupation, they would starve and being idle they would become dunces, as many have already become. There is hourly danger of many more being reduced to that unevitable state I would welcome every improvement in the cottage machine, but I know that it is criminal to displace the hand-labour by the introduction of power driven spindles unless one is at the same time ready to give millions of farmers some other occupation in their homes.¹⁷

I would favour the use of the most elaborate machinery if thereby India's pauperism and resulting idleness be avoided. I have suggested hand spinning as the only ready means of driving away penury and making famine of work and wealth impossible. The spinning wheel itself is a piece of valuable machinery, and in my own humble way I have tried to secure improvements in it in keeping with special conditions of India.

When Gandhiji was asked, "Are you against all machinery?"¹⁸

My answer is emphatically, "No". But I am against its indiscriminate multiplication. I refuse to be dazzled by the seeming triumph of machinery. I am uncompromisingly against all destructive machinery. But simple tools and instruments and such machinery as saves individual labour and lightens and burden of the millions of cottages, I should welcome.¹⁹

"You are against this machine age, I see" To say that is to caricature my views. I am not against machinery as such, but I am totally opposed to it when it masters us.

"You would not industrilize India" ?

I would indeed, in my sense of the term. The village communities should be revived. Indian villages produced and supplied to the Indian towns and cities all their wants. India became improverished when our cities became foreign markets and began to drain the villages dry by dumping cheap and shoddy goods from foreign lands.

"You would then go back to the natural economy" ?

Yes otherwise I should go back to the city I am quite capable of running a big enterprise, but I deliberately

sacrificed the ambition, not as a sacrifice, but because my heart rebelled against it. For I should have no share in the spoliation of the nation which is going on from day to day. But I am industrializing the village in a different way.²⁰

I know that man cannot live without industry. Therefore I cannot be opposed to industrialization. But I have a great concern about introducing machine industry. The machine produces much too fast, and brings with it a sort of economic system which I cannot grasp. I do not want to accept something when I see its evil effects which outweigh whatever good it brings with it. I want the dumb millions of our land to be healthy and happy and I want them to grow spiritually. As yet for this purpose we do not need the machine. There are many too many idle hands. But as we grow in understanding, if we feel the need, of machines, we certainly will have them. We want industry, let us become industrious. Let us become more self-dependent then we will not follow the other people's lead so much. We shall introduce machines if and when we need them. Once we have shaped our life on Ahimsa, we shall know how to control the machines.²¹

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Thisⁿ how Gandhi based his economic ideas. His
main concern was village self-sufficiency. He view^{ed} India
in the villiage economy, which one can state, that he was
right in his own way. The village economy has been well
destru^cted and industrialism has had its own impact. Even to
this day his economic thought can be simply termed as ' Utopian '.

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