Innovation and Entrepreneurship in the Global Economy

21

Economic Ideas of Mahatma Gandhi

Monika Kataria*

Introduction

Mahatma Gandhi was the most complex thinker, spiritual saint, politician and a unique personality. He is greatly admired and remembered due to his multidimensional personality. His aim in life was to serve the nation and mankind. For acheiving this aim he performed many political, social, educational, religious and economical activities. Many forms of his activities were related to economic wellbeing of society. He was clear that economic self sufficiency for an individual and for a nation is unavoidable. This led him to think about and study various economic problems of the country and devise action plans for solving them. This was the root of his economic thinking.

His economic ideas, much like everything else in his life, were governed by ethical and moral considerations. Gandhi was influenced greatly by Tolstoy and Ruskin. "The kingdom of God is within you" written by Tolstoy and Ruskin's book "Unto this last" had a profound great influence on Gandhi. From the views of Tolstoy, he derived the concepts of egalitarianism, asceticism and simplicity, which later on became the base of his economic ideas. The idea of 'bread labour' popularized by Tolstoy influenced Gandhi and strengthened his conviction that machine technology should be avoided. From Ruskin's book he developed a distaste for material progress. Anarchists like Prince Kropotkin developed hatred against centralization of economic and political power.

Gandhian Economics

Gandhian Economic Ideas are based on ethical and moral foundations. According to him economics that hurts the moral well being of an individual or a nation is immoral, and therefore sinful. He believed that the economics is untrue which

^{*} Assistant Professor, Department of ABST, Dr. Bhim Rao Ambedkar Government College, Sri Ganganagar, Rajasthan, India.

Economic Ideas of Mahatma Gandhi

ignores or disregards moral values. The principle 'Simple living and high thinking' played a significant role in Gandhi's life. Gandhi was a practical idealist. His economics should be described as the economics of non-violence. He opposed modern capitalism, because according to him it exploits human labour.

Some significant features of Gandhian Economic thoughts can be explained as under:

• Village Republics: According to Gandhi India lived in its villages. The progress and development of the nation depends on the development of villages. That's why he was interested in developing the villages as self suffient units. He stressed on the growth of rural industries such as handlooms, handicraft, khadi, sericulture etc. to promote village's progress. Rural industries are based on family labour and they need comparatively less amount of capital for the production. Required raw materials are available in local or nearby areas and production can also be sold in local markets. So there is no problem of material, production and market.

He strongly advised development of cottage industry to reduce the burden on agriculture. Cottage industry can also work as a good support system for the villages. All villagers can get employment in their own villages, which can reduce migration of villagers to cities. Further Gandhi also recommended citizens of nation to use rural products.

- **Appropriate Technology:** Gandhi was against that machinery, which displaces labour and leaves it idle. He described machinery as a 'great sin'. He was against machinery if it keeps people idle and creates unemployment problem for the people. He was against all distructive machinery. He welcomed such instruments and machinery that saved individual labour and lightened the burden of million of cottagers. He emphasised that he was not against large scale production only of those things that villagers can produce without difficulty. He believed that the machinery method was harmful, when the same work could be done easily by millions of people not otherwise occupied somewhere. He was aware of the menace of technological unemployment, so he emphasized the need for labour-intensive methods of production in a countly like India with surplus labour.
- Industrialism: Gandhi considered industrialism as a curse to mankind. Large-scale production is meant to be prafit-oriented and therefore, they are not good for the society because they led to concentration of wealth and power in a few limited hands. He thought industrialism depended entirely on a country's capacity of exploit. He advocated decentralisation because it can avoid violence. He suggested delocalisation of production as against concentration in particular areas. He opposed large-scale industrialism also on grounds of

social justice. It would enrich the few at the expense of the many. He thought it would result in the concentration of economic power in a few hands. Gandhi hated privilege and monopoly.

- **Decentralization:** Basic principle of Gandhi's life was non-violence. According to him large scale production were laid on violence so he advocated decentralization of economy. He advocated production at a large number of places on a small scale or production in the people's home. He wanted production by masses not mass production. Mass production doesn't help the masses.
- Village Sarvodaya: According to Gandhi real India was to be found in villages and not in towns and cities, so he suggested the progress and development of self dependent and self sufficient villages. He wanted the revival of village economy. Khadi programme was the top priority for him for this purpose. He considered khadi as the sun of the village solar system.
- **Bread Labour:** Gandhi was highly influenced by Tolstoy's book. Further he was greatly attracted by the Gita's view that "one who eats without offering sacrificial fruit to others is thief." For Gandhi, labour is the root of the entire creation. He believed that nobody should eat his bread without performing sufficient labour. He made use of the concept of 'bread labour' to tell people to utilize their idle hours which in villages are equal to the working days of six months in the year. He preached and practised the gospel of manual work.
- The Doctrine of Trusteeship: Trusteeship concept is Gandhi's most revolutionary economic philosophy. It is a theory of need-based production equitable distribution and social justice. The theory of trusteeship is based on three Gandhian principles-non-violence, swaraj and equality. Truth (Satya), Non-violence (Ahinsa), Bread Labour and Non-Possession (Aparigraha) led Gandhi to this concept. Everyone, by becoming a trustee for himself and for other, can cater to the needs of the society. According to Gandhi a man plays the role of a trustee to devoid of the feeling of social power as well as of a beneficiary. Gandhi desired the capitalists to become trustees of the nation by running their business with integrity and efficiency and for the welfare of the people. In short Gandhi's theory of trusteeship is "all people having money or property should hold it in trust for the society." It means that all money and property originally belongs to society but it stands distributed among all for the purpose of their livelihood.
- Food Problem: Gandhi had seen the worst famine of his life during the year 1943-44, when Bengal suffered heavily owing to the country wide shortage of food. To start with he thought that this scarcity had been artificially created. But when he visited Madras, Assam & Bengal, he concluded that the shortage of food was real. He suggested many measures for solving this problem in

192

Economic Ideas of Mahatma Gandhi

India. He suggested that every individual shold curtail requirements of food to the minimum and as far as possible the consumption of pulses and food grains should be reduced to the minimum by substituting milk, fruits and vegetables etc. for them.

- Population: Gandhi opposed the method of population control. He didn't agree with the view that food shortage was caused by excessive growth of population. He believed that "by a proper land system, better agriculture and a supplementary industry, the country is capable of supporting twice as many people as there are today."
- Prohibition: Gandhi advocated prohibition. He felt that it was better for India to be poor than to have thousands of drunkards. He regarded the use of liquor as a disease rather than a vice. He believed that the consumption of alcohol was a major social evil. He didn't agree with those who held the view that the introduction of prohibition would cause a steep fall in the revenue of the Government and because of those sufficient funds would not be available for education and other social services.

The Relevance of Gandhi's Economic Ideas to Modern India

Many economists regard Gandhi as a medieval mystic who tried to put back the clock of human progress. But most of the criticism is based on gross misunderstanding of Gandhi's thoughts. To understand and appreciate his economic philosophy and thoughts, it requires understanding, vision and sympathy.

Gandhian philosophy is based on ethical and moral values. He was a practical idealist. His thought is basically sound and is also relevant to present times. His ideas are not medieval and out of date. His thoughts have significant relevance for modern India. Many things which have happened since he passed away have not diminished but heightened its relevance.

It is often thought that he was essentially a religious saint who was against to the modern technology and scientific method. But it is a misconception about him. He was not against machinery as such. All that he thought was that in a country like India, where capital was scarce and labour abundant, it would be more profitable and favourable to use labour intensive industries. He afraid that use of machinery as a large scale would result in technological unemployment. His ideas on machinery are still relevant. In spite of many decades of planning machine using and power driven economic development, unemployment is still present and is growing.

In his Asian Drama, Gunnar Myrdal has broadly supported Gandhi's emphasis on village and cottage industries. In under developed countries, full employment of human resources will depend not on mass production but on production by masses. In an economic system based on large scale production, generally the rich get richer and the poor get poorer. Gandhi's views on non-violence, decentralisation, village swaraj etc. are still relevant today. Gandhi firmly believed that communist method of violence and class war are unsuitable to Indian conditions.

Industrialisation and urbanization has resulted in the air and water pollution. This problem is slowing becoming number one problem of the world. In the ideal social system based on village economy, pollution will not be a big problem. His doctrine of trusteeship is also relevant in present circumstances.

Gandhi belongs to the future, not to the past. His message is eternal. He once wrote, "So long as my faith burns bright, as I hope it will even if I stand alone, I shall be alive in the grave and what is more, speaking from it." We may conclude with the words of Louis Fisher, a great admirer of Gandhi. "If man is to survive, if civilization is to survive and flower in freedom, truth and decency, the remainder of the twentieth century and what lies beyond must belong not to Lenin or Trotsky, not to Marx or Mao or Ho or Che but to Mahatma Gandhi."

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194