“According to me, the economic Constitution of India and for the matter of the World should be such that no one under it should suffer from want of food and clothing.”

-Mahatma Gandhi.

After becoming the President of United States of America for the first time, Mr. Barak Obama was once asked by a journalist whom will you invite to accompany dinner with you? He immediately retorted one is Mohan Das Karamchand Gandhi from India and other one is Martin Luther King of USA. Verily both are incredible and their achievement was staggering. Such was the infectious as well as ubiquitous charm of Bapu which completely mesmerised posterity. Showering encomium on Bapu, the most venerated as well as greatest scientist of the world Albert Einstein remarked “scarcely will future generations believe that such a man in flesh and blood walked upon this earth”. While Gandhiji's philosophy had wide acceptance to deal with political and social issues, it had not many followers in the arena of economics. For instance the concept of trusteeship as inundated by Gandhi demands non-possession. It is a utopia because individuals are immensely attached to their wealth in the ordinary cause of life. It should be remembered that the synthesis of the ideas of Gandhi with the ideas of modern world will create a more holistic and integrated society. It will deliver more happiness, generate more altruistic economic surplus and being about a more egalitarian society than what is now available to us. Gandhi never created a body of literature known by the name of Gandhian economics. He neither claimed to be an economist nor was trained in economics. He was not a voracious reader of economic literature. Nevertheless he expressed his views on economics at various points of time in his life. Students of Gandhian thought and writings collated his reflections on economics and created a body of literature known as “Gandhian Economics”. Gandhian economics is a school of economic thought based on the spiritual and socio-economic principles expounded by Mohandas Gandhi.
Gandhian Economic Philosophy:

It should be remembered that Gandhiji propounded a total philosophy of life from which economics cannot be divorced. His philosophy was based on truth, ahimsa and service to society, particularly the poor and downtrodden. The basis of his economic philosophy was individual dignity and welfare of the poorest of the poor. He felt that a man earns his dignity by working and earning his bread and livelihood. Therefore the economic system should be organised to provide employment for everyone. He was against mass production and industrialisation which destroyed local industry, impoverished villages and reduced man to a cog in the machine. His opposition to machine was particularly in the context of India as it has a huge population and unemployment.

He was against India copying the west and carbon-centric civilisation and pleaded for Gram-Swarajya, as he said “I have believed and repeated times without number that India is to be found not in its cities but in its 700000 villages. But we town-dwellers have believed that India is to be found in its town and villagers were created to minister our needs. The cities with their insolent tort are constant menaces to the life and liberty of the villages”. Gandhi rejected a pure economic man. The modern economic theory is based on wants and not on need and this is the source of rat race that debases the human beings by keeping them subject to their animal spirit. Want oriented economics create a psychology of scarcity and poverty, as all wants can never be satisfied.

Gandhiji criticised the capitalist system because it is based on ownership of the means of production and other property. Gandhi advanced a theory of trusteeship as an organizational structure under which production could be organised instead of large industrial houses where economic power was concentrated in the hands of a few and inherently exploitative. Gandhiji declared himself to be a socialist and repudiated the concept of private ownership of property. But he was opposed to the use of violence or hatred to bring about social change. He wanted to do it by moral force and persuasion. The objective is to create a non-violent, non-exploitative property relationship. Gandhiji proclaimed his profound belief in the rightness of economic equality. He did not visualise a world where there will be no property but he would restrict the right of private property to what was necessary to yield an honorable livelihood.

Gandhian economics direct draw a distinction between economics and ethics, economics that hurts moral wellbeing of an individual or a nation is immoral and therefore sinful. In essence the supreme consideration is to be given to man rather than to money. The first basic principle of Gandhian 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 gives the end of earth in search of their satisfaction.

The Gandhian ideology, whose main focus is on welfare and dignity of the individual, provides us a broad framework into the new philosophy of economic development that we need today. We may first summarise the Gandhian principles.

- The economic system should be so organised that every individual has an opportunity of getting gainful employment, so that he can buy his own bread and essential means of living.
- Gandhiji was opposed to mindless industrialisation as it displaces labour and causes unemployment and is the main reason for rural poverty.
Gandhiji supported rural-centric development with agriculture and small scale industries getting pride of place as this is the only way the unemployment problem can be solved in a labour abundant country like India.

Gandhiji believed in the decentralised development model as this helps the fruits of development reach everyone and promotes equality and social harmony.

Gandhiji was opposed to conspicuous consumption and luxurious living. He wanted people to have minimum needs and lead a simple life.

While Gandhiji was not opposed to private ownership of industries and business, he advocated social control of business so that the profits generated are equitably distributed so as to prevent concentration of wealth in the hands of a few people, which lead to exploitation.

**Relevance of Gandhian Economic Thought:**

We should not look forward Gandhian economics as a rigid doctrinaire framework and view with skepticism. Gandhiji was pragmatic and expressed views in the context of Indian condition at the time of prevailing during the British Raj. If we properly understand Gandhian philosophy, we will find that it is very much relevant today, when the world is facing severe crisis due to mass poverty and unemployment, side by side with conspicuous consumption and exploitation of natural resources. The economy of India is currently the world’s fourth largest in terms of real GDP (Gross Domestic Product) after the USA, China and Japan. It has registered ninth position in terms of GDP (Gross Domestic Product) and fourth position in terms of PPP (Purchasing Power Parity) and recorded highest constant growth rates in the 21st century. It has accounted for a remarkable rate of growth in 2011-12, which is estimated at 7.1 per cent (Economic Survey 2011-12). Going back, in the Year of 1947, when India achieved independence from British rule, it had faced stagnation in economy and was caught up in a vicious circle of poverty. Then Indian government took a policy of ‘laissez-faire’, which was articulated by Jawaharlal Nehru. India focused on the import substitution policy. Due to this ongoing process India has given stress on expansion of industrialisation on large scale. As a result new and foreign industries are coming to Indian market which enhances India’s growth. But this type of progress is one sided because the profits goes to only entrepreneurs and people who are benefitted from these reforms and globalisation are entrepreneurs and belonging to business class. Therefore the gap between the rich and poor has increased. Most of the private enterprise is established in urban and big cities so that villages are totally ignored by the industrialist who would lead them demoralize. On the other hand, India is a country of villages where most of the people lives. However, the production on large scale would create conflicts between labour and capital. Here capital takes upper hand over labour. Such conflicts may not occur in the case of rural industries. Rural industries are the symbols of unity and equality. In India large-scale industries have been concentrated in a few big cities and in rural areas there is no big industry like khadi, handlooms, sericulture and handicrafts. The small-scale and cottage industries would give a deliberate place in our planned economy towards the fulfillment of the socio-economic objectives of Gandhi particularly in achieving equitable and sustainable growth. So there is need to move back to Gandhian economic ideology which was always in favour of Swadesi and self-reliance of villages. If all the land and resources that is available was fully utilised, it would definitely fulfill the needs of all human beings. We should try to
improve villagers workmanship and buy their products in spite of imported products or even articles produced in big cities, big factories. In other words, we should induce the creative talent of the villager and develop their indigenous market in the present 21st century. Gandhi’s term true ‘Swadeshi’ consists in enhancing and stimulating cottage and small industries. It also provides opportunities to the original talent and imagination of the people. It can generate employment for Indian youth in the country that is in search of job. So India should adopt the economic mode and idea of Gandhiji which is totally favourable in today’s Indian economy and India’s balance of payment is unfavourable because India export more from other countries rather than produce in our country by using labour intensive technology. The products which are imported by India is of high technology based. On the other hand, if India follow his ideas of self sufficiency and ‘Swadesi’ India will never face these types of problems. So, India must need to go back Gandhian economic ideology.

**Finding the way-out:**

What we need today is to devise a new mode of economic development based on Gandhian ideology. This in practice would mean that public policy should give massive support to agriculture on which more than half of the population of the country depends for their livelihood and make it a remunerative occupation par with industry and the service sector. It is highly imperative we badly need a new matrix of economy development, in which progress is measured in terms of development of human capacity, dignified employment for everyone, equitable distribution of income and wealth, ecological sustainability and social wellbeing of the community.

**References**: