

Economic Ideas of Mahatma Gandhi

1. Economic Laws:

According to Gandhi, economic laws which aim at material progress as well as social harmony and moral advancement, should be formulated according to the laws of nature. There is no conflict between the laws of nature and laws of economics. The laws of nature are universal.

The laws of economics, which deal with practical problems, are not universal. The economic laws of a country are determined by the climatic, geological and temperamental conditions of that country. Hence, they vary with the conditions of the nations.

2. Non-Violent Economy:

Gandhi advocated non-violence and hence his economics may be called economics of nonviolence. The principle of non-violence is the principle of Gandhian philosophy. As there was no industry and no activity without certain violence, he wanted to minimize it. He believed that violence in any form breeds greater violence.

He defined a non-violent occupation as one “which is fundamentally free from violence and which involves no exploitation or envy of others”.

The solution to Indian basic problems lies in the practice of non-violence. Gandhiji opposed capitalism as it resulted in exploitation of human labour. He believed that nature produced enough for the satisfaction of the people’s wants and there would be no pauperism and starvation if everybody took only that much that was sufficient to him.

3. Decentralisation: Cottage Industries:

Gandhi was not in favour of large-scale industrialisation, as it was responsible for many socioeconomic evils. He believed that large scale use of machinery led to drudgery and monotony. He was in favour of decentralised economy.

In such an economy, exploitation of labour would be nil. His belief was strong in the context of the Indian economy. India has plenty of human resources but capital supply was poor, therefore labour-intensive technology should be followed. Gandhiji advocated a decentralised economy.

Production should be organised in a large number of places on a small scale. As Gandhiji was for the development of cottage and rural industries, he suggested delocalization of industries. Gandhiji believed that decentralisation was essential for the survival of democracy and for the establishment of a non-violent state.

Gandhi preferred the decentralisation of small units of production to the concentration of large-scale units in few places. He wanted to carry the production units to the homes of the masses, particularly in villages. Cottage and village industries help increasing employment. Commodities can be produced cheaply as there is no need for a separate establishment; very few tools are needed. There is no problem of storage. Transport cost is negligible.

There is no overproduction and wastes of competition. All these factors make the production by the small units economical and thus, provide logic to the Gandhian scheme of decentralisation of village and cottage industries, Integration of cottage industries with agriculture provides work to the farmer in their spare time and thus harnesses “all the energies that at present run to waste”.

In fact, these industries are best suited to the rhythm of rural life. These industries increase the income of the villages and satisfy their basic requirements. They not only remove poverty and unemployment from the villages but also make them self-sufficient economic units.

4. Khadi Industry:

Every Indian needed at least 13 yards of cloth per year. Gandhiji believed that multiplication of mills could not solve the problem of cloth supply; therefore, he stressed the development of Khadi industry. For Gandhiji, khadi was the “symbol of unity of Indian humanity of its economic freedom and equality”. Khadi means the

decentralisation of production and distribution of the necessities of human life. Khadi movement began only after Gandhiji's return from South Africa.

He believed that Khadi industry would save millions of people from starvation and would supplement the earnings of poor people. To him, the music of the spinning wheel was sweeter and more profitable than harmonium. Gandhiji advocated the use of charkha due to its advantages. Charkha requires a small amount of capital; it is simple in operation. It is a source of steady income; it does not depend upon monsoon; it helps in solving the problem of unemployment. Charkha was considered to be the symbol of non-violence. His slogan was "swaraj through spinning".

His khadi scheme included the following:

1. Compulsory spinning in all primary and secondary schools.
2. Cultivation of cotton in areas where it was not grown.
3. Organisation of weaving by the multipurpose co-operative societies.
4. All employees in the department of education, co-operation, municipalities, district boards and panchayats should be required to pass a test in spinning, otherwise they may be disqualified.
5. Control of prices of handloom cloth woven of mill yarn.
6. Imposition of a ban on the use of mill cloth in areas where the hand-woven cloth was in abundance.
7. Use of hand-spun cloth in all Government and textile and weaving departments.
8. The old cloth mills should not be allowed to expand and new ones should not be opened.
9. Import of foreign yarn or cloth should be banned.

However, Gandhiji's belief in charkha as a means to solve the problem of poverty was criticised as stupid, and childish. Some people criticised Khadi as a non-economic proposition because its roughness caused it to soil more quickly than the mill made cloth.

It required more frequent washing and its thickness used up more soap and therefore khadi wear was not economic but expensive. Further the wages paid to spinners were low. Khadi arrested the forward march of prosperity.

5. Use of Machines:

Gandhiji described machinery as 'great sin'. He believed that the modern technology was responsible for human frustration, violence and war. It was also responsible for the multiplication of material wants. The use of machines created a class of wealthy people and led to unequal distribution of wealth. Gandhiji was not against machinery.

He says "the spinning wheel itself is a machine; a little toothpick is a machine, what I object to is the craze for labour saving machinery. Men go on saving labour, till thousands are without work and thrown on the open streets to die of starvation". But he was against all destructive machinery. He welcomed such instruments and machinery that saved individual labour and lightened the burden of millions of cottage workers.

Gandhiji emphasised that he was against large scale production only of those things which villages can produce without difficulty. He believed that machinery was harmful when the same thing could be done easily by millions of hands. He wrote "mechanisation is good when the hands are too few for the work intended to be accomplished. It is an evil when there are more hands than required for the work, as is the case in India".

In 1938 in 'Harijan' he wrote, "If I could produce all my country's wants by means of 30,000 people instead of 30 million, I should not mind it, provided that the 30 million are not rendered idle and unemployed." In short, Gandhi was aware of the menace of technological unemployment. He emphasised the need for labour-

intensive methods of production in a country with surplus labour. Gandhiji's ideas on machinery are still relevant. In spite of more than six decades of planned, machine using and power-driven economic development unemployment is still there and is still growing.

6. Regeneration of Villages or Village Sarvodaya:

Gandhiji evolved the ideal of Village Sarvodaya. Speaking about the old village economy, Gandhiji said, "Production was simultaneous with consumption and distribution and the vicious circle of money economy was absent. Production was for immediate use and not for distant markets. The whole structure of society was founded on non-violence."

Gandhiji wanted the revival of ancient village communities with prosperous agriculture, decentralised industry and small-scale co-operative organisations. He also wanted that there should be the participation of people at all levels.

He declared that the real India was to be found in villages and not in the towns and he accepted the remark that an Indian village was "a collection of insanitary dwellings constructed on a dunghill". His desire was that every Indian village may be converted into a little self-sufficient republic.

His ideal of village Sarvodaya implied that an ideal village must fulfil the following conditions:

- (i) There should be orderliness in the structure of the village;
- (ii) There should be fruit trees;
- (iii) It should have a Dharamshala and a small dispensary;
- (iv) It should be self-sufficient in matters of food and clothing;
- (v) The roads and lanes should be kept clean;
- (vi) The places of worship should be beautiful and clean;
- (vii) There should be gutters for draining of water in every lane;

- (viii) The village should be well protected against robbers and wild animals;
- (ix) It should have a public hall, a school and a theatre hall;
- (x) It should have an efficient water supply;
- (xi) It should have a play-ground, cattle sheds, etc.,
- (xii) If space permits, cash crops excluding tobacco and opium may be grown;
- (xiii) Adequate education up to the basic standard must be made compulsory;
- (xiv) Rural activities may be organised on co-operative basis;
- (xv) Rural administration and government should be in the hands of panchayats, consisting of 5 members duly elected every year by the adult villagers;
- (xvi) The village panchayats would enjoy judicial, legislative and executive powers;
- (xvii) A system of village guards must be made compulsory for every village;
- (xviii) The caste system should be abolished.

He was confident that if all the villages in India are regenerated along these lines, there would not be any worries for her. But Gandhiji knew that it was not easy to establish ideal villages and, therefore, he emphasised the revival of village industries.

7. The Trusteeship Doctrine:

Gandhiji remarked that the capitalist who had amassed a large sum of money was a thief. If a person had inherited a big fortune or had collected a large amount of money by way of trade and industry, the entire amount did not belong to him. It belonged to the entire society and must be spent on the welfare of all. He wanted to avoid a violent and bloody revolution by gearing a permanent stability of

economic equality. He wanted the capitalists to be trustees and he enunciated the doctrine of trusteeship.

All social property is meant for all people—rich or poor. Capitalists being trustees would take care of not only themselves but also of others. The workers would treat the capitalists as their benefactors and would keep faith in them. In this way there would be mutual trust and confidence with the help of which the remarkable ideal of economic equality could be achieved.

His entire ideology is summed up as follows:

(i) “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 the chance of reforming itself. It is based on the faith that human nature is never beyond redemption.

(ii) “It does not recognise any right of private ownership of property except in as much as it may be permitted by society for its welfare.

(iii) “It does not exclude legislative regulation of the ownership and the use of wealth.

(iv) “Thus, under state-regulated trusteeship, an individual will not be free to hold or use his wealth for selfish satisfaction or in disregard of the interest of society.

(v) “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.

(vi) “Under the Gandhian economic order, the character of production will be determined by social necessity and not by personal whim or greed”.