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## RELEVANCE OF GANDHIAN ECONOMIC THOUGHT: AN APPRAISAL

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**Abstract:** *Gandhi was the great philosopher of India who had played major role in the national movement that defeated the British colonialism in India. He engaged in non cooperation, non violence and peaceful struggle against British rule. However, he was not economist but he has given economic vision, if implemented, it would have relieved India from many socio-economic problems. He mostly emphasised on the small scale industries and also adopted the principle of Swadeshi. It evades economic dependence on external market forces that could make the village community weak. He encouraged cottage and village industries to improve the economic condition of the country. By the encouragement of Mahatma Gandhi small scale trading of pure Indian products started and gradually small scale business changed into industries. New large scale and foreign industries with intensive mechanization are coming with ongoing process of globalization which is mainly responsible for many socio-economic problems. Therefore, the main focus of this paper is analysing the present economic scenario from the Gandhian economic perspective.*

**Key Words:** *Gandhi, Economic, Revolution, Relevance, 21<sup>st</sup> Century etc.*

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## **INTRODUCTION:**

Gandhi was not an academician even he was a charming leader of the Indian National Movement with prime intention of obtaining freedom from the British rule and re-established self-reliance of India's population. He always works for the well being of the Indian people who were suffering from the policies of East India Company during the era of British's. He was not a basically economist but given his ideas on economic issue and always struggled against the exploitation policy of British's. Gandhi was also influenced by the Marxian doctrine of neutrality, and its emphasis on the "exploitation of labour". Gandhiji was very much infatuated by Ruskin's heterodox doctrine that the wealth of a nation consisted, not in its production and consumption of goods, but in its people (Chavan,2013). His economic philosophy was mainly concerned with individual dignity and the welfare of the poor people. Gandhi's stress on individual's liberty includes a sense of responsibility towards oneself, to others, to society and perhaps to the world beyond. Thus individual would have more choices of enterprises and prospects. This type of arrangements would ensure a smooth relationship between the labour and entrepreneur which may enhance efficiency with increased labour welfare. Definitely, these institutional arrangement did not fully fruitful and develop an institutional arrangement for harmonious relationship between the capital and labour (Pani,2002).

Gandhiji's economic ideas are understand in his whole philosophy. His main idea aims at the socio-economic reconstruction of society. These days, some people criticised the Gandhian thought as —not up to date and un-progressive. He thinks about a total socio-economic reform, so his economic thought must be analysed in this context. He didnot give any economic model regarding the development of economics but gave some basic canons based on which we can decide what kind of economic composition is most preferable for Indian economy (Ishii, 1994). Gandhiji has given the concept of useful work which would be helpful among all communities, lack of untouchability, ban (of liquor), small scale and village industries, focus on basic education, Gram Swaraj. These are necessary social inputs without them economic development is not possible. Reconstruction in the rural areas is the main source of development in villages. In his views, each village is a totally independent and efficient which will fulfil their needs (Bhuimali, 2014).Gandhian mode have very important place in the history of economic thought. Gandhiji sponsored the rule of control the wants



and to take care of one's need and not greed. However the entire structure of economic thinking which is based on the perception of a constant development of the goods which satisfy unlimited demands. The second has to do with the idea of focusing on the well-being of the poorest and weakest member of society. This was an essential part of Gandhiji's moral view of the world (Nayak, 2005). Therefore, the main focus of this paper is analysing the present economic scenario from the Gandhian economic perspective.

### **ECONOMIC THOUGHTS OF GANDHIJI:**

Gandhi's views on economics were simple and straight forward which would make India economically self sufficient, manufacturing and satisfying its own needs in domestic market, home-grown ways. This would not only improve the composition of the rural economy of India, it had also demoralized the British economic motives of the exploitation of Indian people. The ethics of economic self sufficiency were spread all over India by Gandhiji during the colonial period.

### **VILLAGE INDUSTRY, KHADI AND SMALL SCALE INDUSTRY:**

Gandhi's great approach of Self reliance and Swadeshi is playing a significant role for the improvement of human beings. He presented a very useful model for economic development in India. Gandhi saw the importance of the rural economy and thought that poverty could be eased by stimulating village economies of agriculture and labour intensive production by using simple technologies on a ground level. Gandhiji wanted to re-establish India from the lowest level. Therefore, he gave an idea to Indians to reconstruct the villages. He had imagined self-reliant villages, free from dependency on big cities which cure them from exploitation. He has also strongly advocated for decentralization of economy. According to Gandhiji, if we want Swaraj to be built on nonviolence, we will have to give the villages their proper place. He said that development of the village is depended on their own self-sufficiency which is only possible when there is no more exploitation. On the other hand the use of large scale industries will create problem of competition and marketing in the economy. Gandhi felt that India's dependence on imports from other countries was the main reason of much adversity in India. His basic approach has always supposed about the intentional needs, the need for independent villager and very close to his philosophical and sociological thoughts. He was paying attention on the development of common person and more significantly the development of the depressed and needy group of people



(Mathur,2011). Therefore, he has to focus on the village being self-reliant, mechanized mainly for use.

The term Swadeshi which used by Gandhi consists to promoting and stimulating indigenous industries like small scale and cottage industry of Khadi, Handloom spinning and weaving mills. He offered khadi as a sign of patriotism, equal opportunity and independence. It was his idea by using Khadi India can defeat the British rule and which can also rebuild of the Indian society. Therefore, Gandhiji has started his movement for khadi in 1918. He suggested that if we wear and produce such type of clothes then British cloth must be abolished from the Indian market and India become an independent economy. He imposed small scale and cottage industry in India which would be beneficial to Indian economy because these industries are based on family labour and low investment. Raw material is easily available in villages from agricultural products like cotton, food and many other crops. So this would lead indigenous market. Gandhi gives pressure on the growth of the rural industries like khadi, handlooms, sericulture and handicrafts. Gandhi was of the opinion that large-scale industries have capital intensive which would concentrate of wealth in the hands of few. If small scale industries introduced then people would never face the problem of production and external market. Small scale industries play major role in Indian economy it is a source of Employment generation. The most probable problem faced by the Indian economy is increasing pressure of population therefore there is need of employment opportunities. Only small-scale industries can solve the problem of unemployment because small-scale industries use labour intensive technique. The small-scale industries give equal distribution of income and wealth in the among labour. This is mainly due to the fact that small scale industries are wide-ranging as compared to large scale industries and are having large employment potential. These industries have more capability to generate or attract innovation. They provide abundant opportunities for the advance technology. The entrepreneurs of small industries play a deliberate role in expansion of new innovation and goods. It also make easy to transfer the technology from one to the other. As a result, the economy collects the benefit from small units.

In the age of globalization, there is a different scene in India due to the mass effect of globalization. India becoming is an emerging economy and plays a significant role in global world. Actually in 21<sup>st</sup> century the economic views of Gandhi were not adopted by Indian



government. Jawaharlal Nehru had give other idea of development which not only an indigenous growth of small industries and villages. It is happen with the significant effect of rapid westernization and industrialization during recent period. (Baviskar,1999). But in the global world the perspective of economies is to construct heavy and large scale industries. Globalisation possibly will be supposed as a development of 'global external market'. The main source of globalization is 'privatisation' and 'liberalisation' (Kurian, 2013).

Therefore, India also concentrates on the industrial growth which may be enhancing the growth of India. The growth of industrial sector leads to a more utilization of natural resources which have easily available in the particular country as a result, production of goods and services has increased employment opportunities has been generated and increased the standard of living of common people. In this ongoing process of globalization country framed various policies aimed at development of industries in the public and private sectors. Due to this effect India emphasis on large scale industries and multinational companies (Dodh,2012).The main effects of globalization in the Indian economy are that many foreign companies established industries in India. The benefit of Globalization on Indian economy is that the foreign companies acquire highly advanced technology and this would help to make the Indian economy more technologically advanced. But the real picture is totally different because this is one sided development in India. Due to the effect of Globalization small scale sector has abolished its existence from Indian economy. Large scale industries have use capital intensive technique which would increase unemployment because India is a most populated country and people wants more jobs. However with the effect of globalization or technology based industrial expansion and use of machines have created more unemployment in country. The rapid growth of large industries due to globalization has not passed benefits to everyone. It has tremendously increased in the informal sector which affected the working population. The informal sector is not included in the labour legislation because thses workers have not good health, terrible working situation and more burdens. Child labour has been forced to work in industries because in this ongoing period of globalization, the people who work in the large scale industries are living in extreme poverty. Profits are goes to only entrepreneurs therefore gap between the rich and the poor has been increased. Apart from this, large scale industries has also ruin of the environment through pollution which affects the health of human beings.



## **RELEVANCE OF GANDHIAN ECONOMIC THOUGHTS:**

The great economic ideology of Gandhi enhanced the development of rural areas and minorities by giving them equal and sustainable earnings, therefore question presents itself: What is his relevance of economic thought of Gandhi ji today for Indian economy.

Globalization has been playing a vital role in Indian economy. 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 21<sup>st</sup> 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 fair', which was articulated by Jawaharlal Nehru. India focused on the import substitution policy. Due to this ongoing process India has give stress on expansion of industrialization 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 on sided because the profits goes to only entrepreneurs and people who are benefitted from these reforms and globalization 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 (Nachane, 2007). 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 fulfilment of the socio economic objectives of Gandhi's particularly in achieving equitable and sustainable growth. So there is need to move back to Gandhian economic ideology who was always in fever of Swadesi and self- reliance of villages. If all the land and resources that is available was fully utilized, it would definitely fulfil the needs of all



human being. If 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 21<sup>st</sup> 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 Gandhi ji which is totally favourable in today's Indian economy because India's balance of payment is unfavourable because India exports more from other countries rather than produce in our country by using labour intensive technology. The products which are imported by India are such a high technology based. On the other hand, if India should follow his ideas of self-sufficiency and 'Swadeshi' India never faces these types of problems. So, India must need to go back to Gandhian economic ideology.

#### **CONCLUDING REMARKS:**

Gandhi's economic thoughts have a great impact on the Indian economy. He emphasized on cottage and small scale industries which have significant importance for the development of the socio-economic condition of the common people. He has proposed very constructive economic ideas and if these ideas are implemented, India would have been relieved of many socio-economic problems. India should emphasize on the policy of Gandhi ji which specially represents the Swadeshi policy and work for human beings. In the age of globalization, Indian society is facing many socio-economic problems on account of large scale industries and mechanization. In such a scenario, there is an urgent need to rethink over Gandhi's economic ideology. Small scale industries play a key role in our economy for its development. These industries are basically using labour intensive and have high potential for employment generation. Gandhi's thought that industrialism which uses capital intensive techniques is based on the exploitation of people. As a result, most of the people would be suffered from this type of mechanism.

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