
UNIT 9 SPIRITUAL FOUNDATIONS OF GANDHIAN DEVELOPMENT

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9.1 INTRODUCTION

Economists are appropriately studied without undue reference to their personalities. Biographies of Adam Smith, Alfred Marshall, Karl Marx, J.M.Keynes, etc. may all throw some light upon their theories but need not affect our appraisals of them. No doubt, it is sometimes useful to know about the declared purposes or practical intentions of the abstract theorists. For example, our awareness of Karl Marx's complex personality may be relevant to our grasp of his theories. But when we turn to Mahatma Gandhi's philosophy, we find it peculiarly difficult to ignore his personality and his activities.

For a proper appreciation of the ideas of Gandhi on any subject, it is necessary to bear in mind two things. First, he was not an academician in the conventional sense of the term. As Acharya J.B. Kripalani puts it, "If ever there was a planner without elaborate blue prints Gandhi was one". (Kripalani, 1961, p.252). Unlike other scholars, he did not study the subject academically. It was not in his nature too. He did not assign himself the task of setting up an academic discipline. He did not present his ideas in any systematic form and at one place; they have to be culled from innumerable passages occurring in his articles, Interviews, speeches and answers to the questions, etc. He was not a theorist; he was primarily an actionist a Karamyogi. He himself admitted "I am not built for academic writings. Action is my domain. What I understand according to my lights to be my duty and what comes my way I do" (Harijan, 03-01-1946). He did not spin his theories in the cloistered atmosphere of his study, they grew and developed in the crucible of experience in the course of his attempt to wrest freedom for his country and to solve the various practical problems as and when they emerged in the course of his long struggle against foreign domination. It could not have been otherwise in the situation he was placed in. The solutions he offered for the alleviation of the economic

ills did not derive out of any rigid doctrinaire approach. His solutions were rooted in necessity. Thus Gandhian development was primarily a response, to use a Toynbeen expression, 'to the challenge that poverty ridden India flung at a particular phase in the process of the development of Indian history'. For a person in the position which Gandhi occupied it was incumbent that he took the most pressing economic problems and issues into account and offered his own solutions. And from these solutions and experiences, there emerged a definite development theory.

Second, his genius was more spiritual and moral than intellectual. His whole life was cast in the spiritual and moral mould of which truth and nonviolence were the fundamental tenets. His ideas have to be studied from the view point of his own moral and spiritual principles and ideals. One must try to understand the language that Gandhi used. It was not the language used by specialists. It was the language which the common man uses and understands.

In considering Gandhian development, or, for that matter any socio economic philosophy, the scientific procedure as suggested by Professor N.K. Bose should be followed. The scientific procedure is to understand and assess the doctrines in terms of the conditions that give rise to them (Bose, 1940, p.52). Gandhi's ideas, can, therefore be best understood in the light of physical and social conditions. Throughout the ages India was known for its riches. It was known as 'Golden Sparrow'. The source of its riches was not agriculture, in those days its produce could not be exported. Its wealth was derived from its industry, carried on in almost every home and village. The product of this industry found a ready market throughout the then known world. It was the lucrative trade with India that induced the seamen of the maritime countries of Europe to find a sea route to India. The trade with India was at first the monopoly of the Portuguese merchants. But soon other nations in Europe participated in it. Ultimately the British succeeded in creating for themselves a vast empire.

In England the Industrial Revolution began in the later part of the 18th century. The British rulers progressively started destroying Indian handicrafts in favour of their own manufacturers. All the raw material was taken from India and products finished in England were shipped to India and were given a ready market here. Deprived of their industry more and more of growing population of India had to rely for all its requirements on their income from land. The size of the farm holdings went on diminishing, till most of them became uneconomic. The question before Gandhi was how to find useful and remunerative work for this vast population. His mental horizon was bound by the economics of colonial rules. The problem of the problems that confronted India during the British Raj was Poverty and Gandhi reacted sharply to the crushing effect and demoralising influence of grinding poverty of the masses of the country. This obvious fact should not be lost sight of in any study, worth the name, of the development doctrines he propounded. Along with the objective background the ethos has to be taken into consideration. Failing this approach pre-possessed feelings and subjective inclinations may blind our vision and lead us far away from an intelligent appreciation of the subject.

Aims and Objectives

After studying this Unit, you should be able to understand

- The Spiritual foundations of Gandhian Development
- The Development and Ethics are inseparable

9.2 MORAL AND SPIRITUAL APPROACH TO DEVELOPMENT

Gandhi formulated his economic ideas and principles in the context of his design, of an ideal social order; a non violent, non exploitative humanistic and egalitarian society. This social order embodied the fundamental philosophy of his life. He approached all facets of his social order – its economics, its politics – from the philosophical premises – truth and non violence – that governed his entire life. It was, therefore impossible for him to produce an idea that would be ethically neutral. When economics is related to this way of life it becomes "Meta Economics". "True economics", Gandhi said, 'never militates against the highest ethical standard, just as all true ethics to be worth its name must at the same time be also good economics. An economics which inculcates Mammon Worship and enable the strong to amass wealth at the expense of the weak, is a false and dismal science. It spells death, True economics on the other hand stands for social justice; it promotes the good of all equally including the weakest, and is indispensable for decent life (Harijan, 20.10.1937). He was not willing to draw any sharp distinction between development and ethics. "I must confess that I do not draw a sharp or any distinction between development and ethics. Economics that hurt the moral well being of an individual or a nation are sinful. Thus the economics that permit one country to prey upon another are immoral" (Young India, 13.10.1921). "That economics is untrue which ignores or disregards moral value. The extension of the law of non violence in economics means nothing less than the introduction of moral values as a factor to be considered in regulating international commerce" (ibid, 26.10.1924).

The fullest statement of his views about ultimate criterion in the development sphere is to be found in his 1916 speech at Muir College, Allahabad. In that speech he declared, "I venture to think that the scriptures of the world are far safer and sounder treatises on laws of economics than many modern text books.... He (Jesus) is himself the "greatest economist of his time" (The Collected Works of Mahatma Gandhi, vol. XIII, pp.311-17).

This emphasis of the ethical aspect distinguishes Gandhian development from that of Smith, Marshall, Marx or Keynes. Take for example, in his Liquidity Preference Theory of Rate of interest, J.M. Keynes argued that rate of interest is determined by demand for the liquidity (cash) in the short period because the supply of liquidity by and large remains constant. He tells us various motives for the demand of money and then the sources for the supply of cash. But he does not tell us whether this particular rate of interest is 'reasonable' or not or what should be the actual rate of interest, which does not exploit any one.

Let us take another example, While discussing the price determination in Perfect Competition, Marshall tells that price can be determined by the demand and supply of any commodity. If the demand is greater and supply is less, then price will be high and vice versa. But he does not tell us whether this price is reasonable or not? There is every possibility and some supplier might have created artificial scarcity to decrease the supply so that the price may increase, or the price determined in this way may be so high that it may be beyond the reach of a common man to purchase that particular good. Marshall is silent over such queries. These conventional ideas are neutral towards the value judgments. This is merely the science of getting rich. But there are many different ways of getting rich. There was a time in Europe when people sought to acquire wealth by poisoning owners of large estates and appropriating their possessions. Now-a-days,

merchants adulterate the food sold to the poor, for example, milk with borax, wheat flour with potato flour, coffee with chicory, butter with fats and so on. This is on the same level as getting rich by poisoning others. "Can we call this either an art or a science of getting rich?" asks Ruskin.

He further argued that "let us now, however, assume that by getting rich, experts merely mean 'getting rich by robbing others'. They should point out that theirs is a science of getting rich by legal or just means. It happens these days that many things which are legal are not just. The only right way therefore, to acquire wealth is to do so justly, and if this is true, we must know what is just. It is not enough to live by the laws of demand and supply. Fish, wolves and rats subsist in that manner. Bigger fish prey on smaller ones, rats swallow insects and wolves devour even human beings. That for them is the law of nature, they know no better. God has endowed man with understanding, with a sense of justice. He must follow these and not think of growing rich by devouring others by cheating others and reducing them to beggary" (Ruskin, 1940, p.18).

That is why men of wisdom have held that where Mammon is God, no one worships the true God. Wealth can not be reconciled with God. God lives only in the homes of poor. Perhaps that is why Gandhi equated God with Daridranarayan. "Daridranarayan is one of the millions of names by which humanity knows God who is unnameable and unfathomable by human understanding, and it means God of the poor, God appearing in the hearts of the poor." Because, for the poor economic is spiritual, you can not make any other appeal to those starving millions. It will fall flat on them. But you take food to them and they will regard you as their God. They are incapable of any other thought." While writing in *Young India*, he poured his heart, "It is good enough to talk of God whilst we are sitting here after a nice breakfast and looking forward to a nicer luncheon, but how am I to talk of God to the millions who have to go without two meals a day? To them God can only appear as bread and butter" (*Young India*, 15.10.1931).

The Mahatma does not ignore the divinity of man which is epitomised in the great maxim that 'a jiva is always shiva': a man is by and large, divine. And in this respect, it is difficult to distinguish between a man and a man. It is from this deep feeling of spirituality and divinity of man that Gandhi derived his development theory.

He approached human problems from an integral outlook of life in which development, ethics, psychology and religion were synthesised. He wanted development to be reduced to the terms of religion and spirituality. But since he was sensitive to the feelings and needs of the masses, he could never stand apart from his people. As has been correctly observed by Frank Moraes, "To him the basic fact of life is that man must eat. Freedom from want is the first article of his creed, and throughout his public life he has worked passionately to free his countrymen from the degradation of this poverty" (Moraes, 1944, p.24). In his own words, "No one has ever suggested that grinding pauperism can lead to anything else than moral degradation. Every human being has a right to live and therefore, to find wherewithal to feed himself and where necessary to cloth and house himself" Satisfaction of basic needs and moral elevation of individuals are not antithetical for him. And that is why he could adopt a spiritual and moral approach to -development.

9.3 STUDY OF MAN

Adam Smith, the father of modern economics defined economics "as an enquiry into the nature and causes of wealth of nations." Smith has paid his attention exclusively to

wealth. Little attention was paid to man for whom wealth is really meant. Writers like Carlyle and Ruskin condemned this Mammon worship. They accused economics of selfishness and meanness and therefore called it a dismal science. Alfred Marshall removed this shortcoming to a great extent in his definition. According to him, "Economics is a study of man's action in the ordinary business of life; it enquires how he gets his income and how he uses it. Thus, it is on one hand a study of wealth and on the other, and more important side, a part of the study of man" (Marshall, 1949, p.1). Marshall made it clear that although economics still studies wealth but it has a secondary place and the first place being given to man. It is for his sake and for the sake of welfare that wealth is studied. Thus, it becomes a study of material welfare.

L. Robbins offered a more acceptable definition. In his words, "Economics study human behaviour as a relationship between end and scarce means which have alternative uses." He raised three fundamental issues (i) Human wants are unlimited; (ii) Means to satisfy them are limited; and (iii) Means have alternative uses. And because of these, there arises the need to study economics. It teaches us how to get maximum satisfaction from limited resources.

The centre of Gandhi's Thought is man and not the material prosperity or scarcity. He aimed at the development, upliftment and enrichment of human life rather than a higher standard of living with scant respect for human and social values. He wanted to elevate his philosophy from a materialistic base to a higher spiritual plane where human actions were motivated by social objective rather than individualistic and selfish consideration. But it does not mean that he did not give any importance to the economic conditions of man. He was of the confirmed view that economic development must proceed other developments. That is why he gave due importance to the economic activities of an individual. In a speech at Muir College Economic Society, Allahabad he clarified, "By economic progress, I take it, we mean material advancement without limit, and by real progress we mean moral progress which again is the same thing as progress of the permanent element in us. The subject may therefore be stated thus: Does not moral progress increase in the same proportion as material progress? I know that this is a wider proposition than the one before us. But I venture to think that we always mean the large one even when we lay down the smaller" (The Collected Works of Mahatma Gandhi, vol.LXIII, pp.311-12).

The economic activity of a man is concerned with the production of material goods, their exchange, distribution and consumption, these activities are necessary not only for the existence of man but also for his happiness and progress. Man lives in a society and all these activities concern not only the individual in isolation but they create social relations. As a matter of fact, all wealth is socially produced. No Robinson Crusoe on a solitary island, he be a capitalist or a labour can produce wealth. He therefore held that socially produced wealth must be equally divided among all those who are instrumental in producing it.

Gandhi had a total, integrated and an evolving approach at the centre of which was man's whole being in search of knowledge and truth. He rejected such categories as the 'pure economic man' or the pure political man. All facets of man's life can be unified if one set of moral values is applied to them all. If the same moral values are not applied to all human activities the result will be conflict within the individual and in society. Take, for instance, the Marxist idea that the whole of human history is a record of the conflict between economic classes is a partial view. Man has many urges. The economic urge is

one, however, basic it may be. It is true that an individual life would be bleak if he lacked the minimum requirements of a cultured life. But if economic competence is necessary for the happiness and progress of an individual and a group, freedom too is as necessary and so are moral and spiritual values. Christ truly said, "Man does not live by bread alone." But it is also a fact that he cannot live without it either. **Matter** may be less important than the spirit; but in human beings the spirit manifests itself and works through the flesh. The economic activity cannot dispense with moral values is a fact of life. Acharya Kripalani quotes a true story in his 'Gandhi: His Life and Thought'.

A young lady went to a fashionable shop, she purchased a piece of cloth. The price demanded was four times what would have been reasonable. The lady paid the price and went away. The merchant **afterwards** discovered that she had left her purse behind. The purse contained jewellery worth a few thousands. The merchant was very much disturbed. He did not know her address. What was he to do with the purse? After a few days of enquiry he found out the address of the lady and took the purse to her. The lady smiled and said, "You charged me four times the value of the cloth. The excess price could be Rs. 20 or 25; and now you have restored to me my purse which contains **jewellery** worth a few thousands. How is that? The merchant too smiled and said: 'Madam the price that I charged you was according to my commercial morality. The restoration of the purse in my individual morality, I am not a thief' (Kripalani, 1961, p.367). Such incongruities are found in our every day life. But the old habits, traditions and conventions do not allow purely economic gains to come in the way of man's moral sensitivity and intellectual honesty.

The main purpose of the development should be the happiness of man. Material advancement is only one ingredient in this. Along with it other elements such as moral, spiritual, psychological, etc. should also be taken into consideration. Then and only then a man can be truly happy which can lead to a perfect development of his personality.

9.4 EMPHASIS ON WANTLESSNESS

Economic theory deals with the laws and principles which govern the functioning of an economy. An economy exists because of three basic facts: (i) Human wants are unlimited; (ii) Means to satisfy them are limited; (iii) Means have alternative uses. Had the wants been limited or resources unlimited or both, then there would have been no need to study economics. We can satisfy one want for all the times or all the wants for one time but we can not satisfy all the wants for all the times. Therefore, we must decide some way of selecting those wants which are to be satisfied first. In other words we face the problem of allocating scarce resources so as to achieve the greatest possible satisfaction.

However, there is a paradoxical twist in Gandhian method of solving problem of unlimited wants and limited resources. It almost amounts to putting the energy in the reverse gears. Instead of satisfying maximum wants with limited resources, Gandhi advocated reduction of wants. He was of the opinion that wants are the source of pain. Instead of adding to the sum total of human happiness, wants subtract from it to a good deal. In fact, he **thinks** that maximisation of satisfaction is rather completely inconsistent with the **maximisation** of human wants. A want is a painful experience. That is evident from the fact that we wish to satisfy it and want to get rid of it as soon as possible. We would not have bothered to remove or satisfy it, had it not been painful. So the removal of want is removal of pain and procurement of pleasure. This pleasure is something as satisfaction

or utility. If one wants to get maximum pleasure, one should see to it that all pain is removed and no fresh pain is experienced in future. At least this is the ideal for anyone who wants to achieve maximum pleasure from his limited resources.

J.K. Mehta, a distinguished economist, further elaborated this concept that to satisfy a want is to yield to it. To remove the pain caused by the presence of wants by satisfying them is, therefore, an undignified way of getting pleasure. Instead of obeying the orders of want we can ourselves order the want to quit. When we satisfy a want we make it quiet for the time being. When we order it to quit we do not merely make it quiet we kill it as it were. The process of killing of wants has been called elimination of wants. But wants can be killed by wants. That is why Professor Mehta suggests that stronger wants must be employed to kill the weaker wants. When such a battle is fought all the inferior wants get ultimately killed and one is left with superior wants only. The better among these can, in their turn, be employed to kill the other wants. In this way we can ultimately reach a stage in which only one, the most superior want, would be left. It is only when this stage is reached that we can with impunity satisfy the wants. Once satisfied such wants never recurs. Thus by the process of killing or eliminating wants, we ultimately reach the state of wantlessness a stage in which perfect happiness is experienced.

9.5 DOCTRINE OF NON-POSSESSION

Gandhi approached this problem from another angle also. "We should not receive any single thing that we do not need," he wrote in 'From Yervada **Mandir**', "We are not always aware of our real needs and most of us improperly multiply our wants and thus unconsciously make thieves of ourselves. If we devote some thought to the subject, we shall find that we can get rid of quite a number of our wants. One who follows the observance of Non-stealing will bring about a progressive reduction of his own wants. Much of the distressing poverty in this world has arisen out of breaches of the principle of non stealing" (Gandhi, 1932, p.14). He further said that the profound truth upon which this observance is based is that God never creates more than what is strictly needed for the moment. Therefore, whoever appropriates more than the minimum that is really necessary for him, is guilty of theft. The propensity to accumulate commodities cramps the soul and degenerates into the morbid desire to make a fetish of external goods of life. The luxury of the ascendant classes therefore makes them morally deprived. The monopolisation of the things needed by all, by a few men at the top, is unjust. Moreover, accumulation is condemnable because it is not possible to be practised by all. Accumulation by a few amounts to the dispossession of the many. Thus the alternative lies in renunciation. To him, renunciation is life. Accumulation spells death. But he classified, "This does not mean that if one has wealth, it should be thrown away and the wife and children should be **turned** out of doors. It simply means that one must give up attachment to these things and dedicate one's all to God and make use of His gifts to serve Him only." He advised the moneyed men to earn their crores (honestly only, of course) but asked them to dedicate themselves to the service of all. For those who wish to follow this way, "The best and most effective mantra is (Tena Tayaketen **Bhunjitha**) (Enjoy thy wealth by renouncing it). Expanded it means: Earn your crores by all means. But understand that your wealth is not yours; it belongs to the people. Take what you require for your legitimate needs and use the remainder for society" (**Harijan**, 01.02.1942).

Thus it is clear that he offered his doctrine of non possession as an indictment of one

of the most powerful drives in modern economic society- the drive for multiplication of wants, fuelled by an insatiable propensity for superfluous or conspicuous consumption.

9.6 ALIENATION

Gandhi refused to accept the thought that the problem of poverty was a fact of nature and that unless external assistance or government action would be forthcoming, poverty would not be overcome. In order to overcome the twin evils of poverty and unemployment, Gandhi held that self-realisation or **dealienation** is necessary.

He took into account the dual aspect of life i.e. material and spiritual. He considered both mind and body as of equal importance. He did not rule out the fact that all living things first strive for material existence. The idea of better life comes only after the material existence is secured or in other words before there can be good life or spiritual life, there must be life. In reply to Rabindranath Tagore's criticism of Non-Cooperation movement and Spinning Wheel, he wrote, 'When all about me are dying for want of food, the only occupation permissible to me is to feed the hungry.... To a people famishing and idle, the only acceptable form in which God can dare appear is work and promise of food as wages'.

Gandhi- without consciously attempting at systematic theory- explained the phenomena of poverty, unemployment and of economic distress of individual through alienation. He was of the opinion that the more nature was overpowered the more alienated man would become **from** nature. He simultaneously wanted to focus on the relationship between man and his natural environment which would end human exploitations, which in turn is the very cause of exploitation of nature. But to Gandhi the alienation of man is as much **from** the environment as from his true self. His true self is what man can discover through the search for truth following the path of non-violence. Man ceaselessly tries to get more and more money through any means. He desperately wants to improve his standard of living. Life has become very fast for him and he lives in fear and insecurity because of the demolition of joint family system. He lives with crime, fraud or assassination as in the West, or in a state of total fear as in the communist countries. Man indulges in heavy smoking, drinking and drugging to relieve tension and frustration which **inturn** further aggregate his problems. To him alienation meant fear, the craze for luxuries and exploitation of man by man.

The term self-alienation seems to suggest some or all of the following points-

1. The division of the self into two conflicting parts was not carried out from the outside but is the result of an action of the self.
2. The division into conflicting parts does not annihilate the unity of the **self**; despite the split, the self is nevertheless a self.
3. Self-alienation is not simply a split into two parts that are equally related to the self as a whole: the implication is that one part of the self has more right to represent the self as a whole, so that by becoming alien to it, the other part becomes alien to the self as a whole.

Though Gandhi did not elaborate these technicalities of alienation, he had a full or total view of man, his spiritual, cultural and social aspects as much as his economic needs. This led him to advocate that machine must adjust to man and not the other way round.

He would not permit imbalance to be created between increase in material production and man's spiritual and cultural needs. He was more concerned with the contradictions created by the way machinery was being used to debase man.

9.7 BREAD LABOUR

Bread labour was both philosophy and economics to Gandhi. In a precise sense it means 'that to live man must work'. The work is to be done with physique not by mind. To borrow a terminology from economics Gandhi means by bread labour something like 'productive labour' as explained by Adam **Smith**, the father of modern economics. Strictly speaking, Gandhi would have restricted the meaning of bread labour only to agricultural labour but being conscious of the impracticability probably due to the scarcity of primary factors of production-land, he allowed for undertaking other works as well. He said, "This labour (Bread Labour) can truly be related to agriculture alone. But at present at any rate, every body is not in a position to take it. A person can therefore spin or weave, or take up carpentry or smithery instead of tilling the soil, always regarding agriculture however to be ideal." According to Gandhi, the violation of the bread labour is the root cause of the present economic disequilibrium. He considers it to be the natural law and therefore enjoins even Rabindra and **Raman** to do some manual labour. "It is a tragedy of the first magnitude", he remarks, "that millions have ceased to use their hands as hands. Nature is revenging herself upon us with terrible effect for this criminal waste of the **gift** she has bestowed upon us as human beings". Also, "We are destroying the matchless living machines, **i.e.** our won bodies, by leaving them to rust and trying to substitute lifeless machinery for them." He extols labour so much that he conceived it as the medium of exchange. He observes "Under my system it is labour which is the current coin, not metal. Any person who can use his labour has that coin is wealthy. He converts it into cloth, he converts his labour into grain. If he wants paraffin oil, which he cannot himself produce, he uses his surplus grain for getting the oil. It is exchange of labour on **free**, fair and equal terms hence it is no robbery, you may reject that this is a reversion to the primitive system of barter. But is not 'all international trade based on the barter system' (Harijan, 02-11-1934). He regarded manual labour to be the **yajna** prescribed in the Bhagbadgita and while explaining the dignity of labour he used to quote several verses **from** Gita in support of himself.

9.8 SUMMARY

Gandhi and his ideas continue to be enigmatic and yet of continuing interest and debate. He was not a system builder, nor a professional economist. But the insights as they arise **from** his writings and speeches lead to some conceptualisation and visualisation of Gandhi's vision of development, indeed, of society as such. It is so because of Gandhi's intuitive and inward look, pulse on the psychology of the people, the imperative of the situation and convincing as well as smooth, effortless identification with the common people and their hopes and fears, aims and aspirations. The quest among economists, social scientists, environmentalists and concerned citizens all over the world for an alternative model of development has led to renewed and wide ranging interest in Gandhi's ideas and views in this regard.

9.9 TERMINAL QUESTIONS

1. Discuss the Spiritual foundations of Gandhian Development.
2. "Development and Ethics are inseparable". Comment.

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UNIT 10 **GANDHIAN LIFE STYLE AND LIVELIHOODS**

Structure

10.1 Introduction

Aims and Objectives

10.2 Western Way of Life

10.3 The Paradoxes in the Present-day Life Style

10.4 The **Gandhian** Alternative

10.5 The Limitations of Human Wants

10.6 Small and Simple is Beautiful

10.6.1 **Simplicity**

10.7 Summary

10.8 Terminal Questions

Suggested Readings

10.1 INTRODUCTION

Man has lived on this earth for over a million years. It is his home. In this home of his, there are millions of other species of life, ranging from the single cell amoeba to multi-million cell man with a mind of his own. And in this home each one has a place; each one has his own rights and responsibilities and each one follows the laws that keep the earth system alive and **functioning** optimally.

Prior to the advent of what we call modern civilisation, man lived a primitive life following the dictates **of** nature. His response to the natural environment was instinctive rather than imaginative. Nature was so vast and bountiful that there are enough for everyone to live 'happily', though very frugally and strenuously. Natural calamities were there, and there were interpersonal and inter-group feuds, but man's presence being sparse and his creations too rudimentary, that neither of them could inflict the devastation and miseries they do today.

Layers after layers of experimental knowledge, when translated into new technologies for the domestication of plants and animals, gave to a series of river valley civilisations in sub-tropical lands of Asia and Africa some 3,500 years ago. Man came out of the cave; his wanderings slowed down; and permanent human settlements emerged. They were essentially agricultural, but some of them produced enough surpluses to form urban centres like **Harappa** and Mohenjodaro in the Indus Valley. Except for Indian and Chinese civilisation, they all became victims of time, leaving behind a rich agricultural heritage that remained the backbone of life support all over the world until the end of **17th** century.

A strange combination of social forces brought about another epochal change in human civilisation sometime in the **17th** century. Manufacturing that incubated in the home of

agriculture for over 2000 years or more came out in the open in an otherwise not very hospitable island of Western Europe. The animal power that made agriculture a success was replaced by mechanical power. And thus was born the Industrial Revolution. Within a span of just three centuries, one tenth of what Agriculture Revolution took to mature, it made the west rich and developed and converted the agriculture-based civilisation of Asia, Africa and Latin America into fiefs to supply the European industry the raw materials, labour and market. By the first half of the last century, practically the whole world was under the command of West, western people, western ideas and western goods reigned supreme.

The developing countries, after post-war liberation, tried to catch up with the industrialised countries. A few of them made remarkable progress but most of them are struggling hard to make both ends meet. Natural resources crunch has made the task of development slow and costly. Environmental pollution generated by old style industrialisation is no longer acceptable to the people. And added to all these is the advent of Information Revolution, rendering the economic, social and technological institutions and the whole process of production and consumption of the past obsolete. It demands totally a new paradigm of thinking, a new model of development, a new approach to nature, a new way of doing things and a new style of life and living.

The mode of production, refined during the Industrial Era, has the potentials of rendering this earth uninhabitable. The biosphere that sustains life on planet earth is being imbalanced; the air and water are being polluted, the land is becoming lifeless and innumerable plants and animals that keep the ecosystem in healthy state, are disappearing. There is growing fear of climate change, ozone layer depletion, overpopulation, incurable diseases, hunger and malnutrition and violence against nature and human beings. Our civilisation has really become a disease, to use Mahatma Gandhi's terminology. The continuance of the earth as a livable planet can no longer be taken for granted.

Aims and Objectives

After studying this Unit, you should be able to understand

- The consequences of modern life style; and
- The relevance of Gandhian life style and livelihoods.

10.2 WESTERN WAY OF LIFE

Western civilisation is like a blind man who has been put on the wrong road. No matter which direction we look in world affairs, a many-sided impasse economic, ideological, and military- exists. But at the root it is the impasse of a materialism that has been spreading for a long time as the result of the gradual abandonment of many vital spiritual values. One effect of this spiritual decline has been a marked fall in the quality of life in the West, especially during the last half- century.

For nearly two centuries, the West has been functioning from impulses it has never seriously challenged or even questioned. Those impulses have been gathering momentum ever since the dawn of the Industrial Revolution, although they had an earlier origin. A new factor, phenomenal Prosperity, captured the imaginations of politicians and businessmen and swept the nation into a way of life, an economy and system of values, which have never been subjected to careful analysis, let alone condemned, by any institution or

school of thought. Though there have been individual condemnations, it is only in these latter days that a few people have begun to realise that prosperity may be a dangerous acquisition, a means of lowering the quality of life, fostering class divisions, and causing international tensions.

The latest means of overcoming this dilemma is the discovery of an "expanding" economy. Whenever production outpaces consumption and exports, various financial techniques are to be employed to increase the consumption of goods and services. This means that as industrial production rises as the result of new industrial techniques, consumption will keep pace with production by means of new financial techniques.

Unfortunately, this discovery overlooks certain economic and spiritual consequences which are fatal to its purpose. The chief economic consequence concerns the supply of raw materials. If we are to accept the view that civilisation can only be kept going by perpetually increasing the consumption of goods and services and running the world's machinery at full speed, where are the raw materials to come from to keep going what can only be described as a "devouring" economy? But what will be the situation when the rising demands of the awakening East and the rest of the world for the earth's resources come into conflict with those of the West? The impoverished East has stronger entitlement to increased supplies, but will it get them?

It is easy to say that new sources of food and raw materials will be discovered. Such optimism is not supported by the rates of consumption and discovery during the last forty years. The rate of consumption of food and raw materials in the U.S.A. is now so high that it is drawing upon outside resources at an alarming rate. Not long ago the U.S.A. was practically self-supposing, but to day it is dependent upon world supplies for its raw materials, while its consumption is equal to that of the rest of the world put together.

It would be a folly to look for answers since the "way of life" in question is not the good life for man and must therefore be rejected. We thus come to the moral consequences of this devouring economy. That economy is now accepted by most Western, and possibly a few Eastern, nations, Capitalist, Communist and Socialist alike. It is the latest in the edifice of the most colossal expression of materialism the world has yet known, It is intrinsically evil in that it stimulates by artificial means, including pressurised advertising the cultivation of habits of extravagance without any reference to the good life, the social good, or the needs and welfare of mankind as a whole. It therefore stands condemned.

10.3 THE PARADOXES IN THE PRESENT-DAY LIFE STYLE

The balance sheet of the 20th Century, which humanity has pushed behind, reflected the following developments:

1. Decolonisation, death of imperialism, rise and fall of communism, rise of USA as the leader of unipolar world.
2. Development of Science and Technology and emergence of a technological mentality and crass **materialism**.
3. Death of religion and spirituality
4. Spread of violence and development of non-violence alternatives

It was Socrates who defined Wisdom as "Knowing what you do not know". The emerging present-day realities perhaps defy even a wise man like Socrates. In the twenty-first century with the confused visions of a world without war and boundaries, statesmen, scientists, social activists, religious leaders and others reiterate from different world forums their commitment to the ushering in of a just and peaceful world order; the one thought that troubles the minds of sensitive souls who have no stake in any of these high-profile declamations, is how wise are we in believing that the web of the soulless consumerist and materialistic culture- with all the temptations it offers- is a dependable and durable shield.

The general scenario is one of utter helplessness and to add to this is the acquisitive tendency of those who are tempted to acquire all that the market offers. A kind of insatiable greed seems to have taken control of mankind and no effort is being made anywhere to limit one's wants. And this has become a global phenomenon and no country seems to be free from this. Thus the average man finds himself to be truly at cross roads of utter despair and helplessness. He is swept away by the mighty waves of materialism and consumerism. Economic well-being appears to be the sole purpose of life and the manner in which value systems are being trampled upon, raises the big question: Where are we heading to?

The self-styled custodians of the emerging trends are impervious to the following paradoxes:

- While absolute poverty has decreased globally, relative poverty has increased.
- More people have become literate. But access to information and technology has become concentrated and centralised.
- More countries have become democratised but there is greater concentration of power.
- Communication explosion, growing alienation and lack of communication at individual level has become rampant.

Certainly, our **fundamentals** have gone wrong. Life is one, a unity which rapidly disintegrates when one of its major functions ceases, as happened when creative and social values were taken out of the labour of increasing percentages of the people. Once spiritual values and principles cease to control the vital functions of life, religion quickly loses its significance and meaning; and religion will not regain its lost power until it earnestly seeks to restore to human labour the spiritual values which alone can make it wholesome and holy.

The nature of a man's work has more to do with deter-mining his spiritual health and well being than any other single factor, and if it fragments him religion cannot make him whole except as a stimulus to social revolt. Man must work in order to eat, but if his labour does not develop the whole man, his imagination and creative genius, and satisfy his inward being, his life will be out of joint. The right to wholeness is basic, and it should be one of the major aims of religion to make it possible for all men to achieve it. It was the failure of religion to do precisely this and also to demand economic justice for the workers during the Industrial Revolution that was responsible for the great exodus from the Churches of Britain during the first three decades of the 19th century.

The acceptance of the inevitability of human fragmentation in the interest of "progress" was also responsible for a change of emphasis in the working-class struggle for justice

and freedom. The economic pressures of the struggle for markets and the consequent necessity for increased **speciali-sation** blocked the road to responsible, creative labour for the average worker, in consequence of which propaganda was concentrated on shorter hours and higher wages.

The spirit of man wilted under the materialism of quantitative production for the capture of markets, as politics became a sordid personal and class struggle for cash and power. The "good life" was reduced to maximum consumption of goods and services.

The Welfare State is the logical outcome of that policy, and an indispensable condition of a materialistic civilisation, notwithstanding the unpleasant fact that it has increased personal dependence upon the State and reduced personal responsibility precisely when it needed to be increased.

The longer the present trends continue, the more **fragmented** will people become, and the more dependent will they be upon end less diversions in order to preserve their mental balance. The root problem of our time is how to pass from a quantitative civilisation which fragments the human person to a qualitative civilisation which makes whole persons.

10.4 THE GANDHIAN ALTERNATIVE

Gandhi formulated his **order** in the context of his design of an ideal social order: a non-violent, non exploitative, humanistic and egalitarian society. His approach is through the avenue of truth and non-violence. Its goal is not pure material benefit but the advancement of humanity on its road to progress by strengthening the character and the individual development of personality of every single person engaged in such activity. No one's gain should be anybody's loss- financial, physical, moral or spiritual. If there is to be a choice, the preference should fall on the eternal constituents of man rather than on the material. It is the first brick upon which the edifice of his entire philosophy stands. He denounced the concept of economic man because the mind of the industrial robot suffers an almost complete black out when it comes to **freedom** and responsibilities of a human person and it will not easily be quickened into a realisation of what has happened to it.

The problem is how to conduct life style in a manner that is compatible with non-violence. The problem gains real urgency, from the strenuous attempt all over the world to develop the underdeveloped countries. This development is generally conceived along Western lines. Yet it is easy to see that the Western way of life cannot be permanent and will be incompatible with peace if it spreads to all mankind. It is based on non-renewable resources and rejects any idea of voluntary self-limitation.

The western way of life, even in a much more modest form than its American model, requires the annual use of several tons of 'fossil' fuel per person. But the world's resources of fossil fuels, obtainable at a reasonable cost, are strictly limited. It follows that a civilisation based on fossil fuels can be only an episode in the history of man- and when measured against the life of nations a very short episode. By using coal and oil, we live on capital instead of income. This is quite legitimate under certain conditions. Many a young man has his education financed out of capital **funds**, but if he is wise he does two things: (a) he voluntarily limits his annual drafts on capital so that it will last **atleast** until he no longer needs it, and (b) he never loses sight of the fact that he must quickly learn to subsist an income, without further substantial drafts on capital. His principal task is to find a way of life that is self-supporting. And that precisely is also the major task of modern man.

A way of life that even more rapidly depletes the power of earth to sustain it and piles up ever more insoluble problems for each succeeding generation can only be called violent. It is not a way of life that one would like to see exported to countries not yet committed to it. Man's urgent task is to follow a non-violent way in his life. It is a concept that needs to be widened out, to combat not merely the violence of man against man, but also the violence of man in his dealings with living nature around him and with the limited and finite resources of the earth. Let us take the agricultural research the world over which still goes into method, of violence-insecticides, herbicides, fungicides, artificial fertilizers, etc. in that modern agriculture has become a gigantic battle with nature instead of a careful devoted striving to gear in with its unbelievably gentle and efficient methods. If man should emerge as victor from this battle with nature, he would undoubtedly find himself on the losing side. Similarly, a civilisation ruled almost exclusively by town dwellers is always in danger of forgetting this basic truth, until the emergence of famine reminds it of its utter dependence on the health of country side. This pattern exists not only in agriculture but also in industry and every walk of life. We need to give our attention to the development and perfection of non-violent methods, so that the answers will be found to the three-fold crisis of this modern world, the crisis of resources exhaustion, the ecological crisis, and the crisis of man's alienation and disorientation. All this requires work with a new orientation.

Gandhi did not undermine the importance of economic aspect of life; rather he gave it, its due importance. All men have material needs. It is neither wrong nor unworthy to devote thought and care to the satisfaction of those needs to the economic aspect of life. In view of the universality of the economic aspect, it is not surprising that a systematic body of thought should have grown up, commonly called Economics. But what is surprising is that the science of Economics is based on one particular outlook on life, the outlook of the materialist. Every concept of Economics is rooted in this outlook. Even where Economics admits that man does not live by bread alone, it counts as cost any activity that fails to cater to material needs. Economics distinguishes between productive and unproductive activities, and only those are called productive which cater to material wants. Not that Economics had failed to concern itself with welfare. But even welfare is a term completely rooted in materialism.

The concept of 'economic man' is robbing the modern economics of its moral character. Where Mammon is God, no one worships the true God. God lives only in the homes of the poor. Gandhi equated God with 'Daridranarayan' meaning God of the poor or God appearing in the hearts of the poor. He emphasized the divinity of man which is epitomised in the great maxim that 'a jive is always a shiva', a man is by and large divine. And in this respect it is difficult to distinguish between a man and a man. It is on this deep feeling of spirituality and divinity of man that Gandhi based his order.

10.5 THE LIMITATIONS OF HUMAN WANTS

Human wants are unlimited. The means to satisfy them are limited too. Human beings strive to get the maximum satisfaction from what so ever they have. There is a paradoxical twist in the Gandhian method of solving this problem of unlimited wants and limited resources. It almost amounts to putting the energy in reverse gears. Instead of satisfying the maximum wants with limited resources, Gandhi advocated wantlessness. He was of the opinion that wants are the sources of pain. Instead of adding to the sum total of human happiness, wants subtracts from it a good deal. In fact, he thinks that maximisation

of satisfaction is rather completely inconsistent with the maximisation of human wants. A want is a painful experience. This is evident from the fact that we wish to satisfy it and want to rid of it as soon as possible. We would not have bothered to remove or satisfy it had it not been **painful**. So the removal of a want means removal of pain and procurement of pleasure. And this pleasure is the same thing as satisfaction or utility. If one wants to get maximum pleasure one should see to it that all pain is removed and no fresh pain is experienced in future. At least this is the ideal for anyone who wants to achieve maximum pleasure from his limited resources.

Gandhi approached the problem of wantlessness from another angle also. "We should not receive any single thing that we do not need", he wrote in "From Yervada Mandir". We are not always aware of our real needs, and most of us improperly multiply our wants, and thus unconsciously make thieves of ourselves. If we devote some thought to the subject, we shall find that we can get rid of quite a number of our wants. One who follows the observance of Non-stealing will bring about a progressive reduction of his own wants. Much of the distressing poverty in this world has arisen out of breaches of the principle of non-stealing. He further clarified that the profound truth upon which this observance is based is that God never creates more than what is strictly needed for the moment. Therefore whoever appropriates more than the minimum, that is really necessary for him, is guilty of **theft**. The propensity to accumulate commodities cramps the soul and degenerates into the morbid desire to make a fetish of external goods of life. The luxury of the ascendant classes, therefore, makes them morally deprived. The monopolisation of the things needed by all by a few men at the top, is unjust. Moreover accumulation is condemnable because it is not possible to be practised by all. Accumulation by a few amounts to the dispossession of the many. Thus the alternative lies in renunciation. To him, renunciation is life. Accumulation spells death. But he clarified: "This does not mean that, if one has wealth, it should be thrown away and his wife and children should be turned out of doors. It simply means that one must give up attachment to these things and dedicate one's all to God and make use of His gifts to serve Him only". He advised the wealthy men to earn their crores (honestly) but asked them to dedicate themselves to the service of all. The best and most effective mantra is **"Enjoy thy wealth by renouncing it"**. Expanded it means: Earn your crores by all means. But understand that your wealth is not yours; it belongs to the people. Take what you require for your legitimate needs, and use the remainder for society".

Thus it is clear that Gandhi offered his doctrine of non-possession as an indictment of one of the most **powerful** drives in modern economic society; the drive for multiplication of wants, fuelled by an insatiable propensity for **superfluous** or conspicuous consumption. One may justify such consumption as an essential prerequisite for economic growth. This argument is based purely on economic grounds. To Gandhi it was an economic issue as well as a moral issue. To him, Ethics and Economics are inseparable. "I must confess that I do not draw a sharp or any distinction between Ethics and Economics. The Economics that hurt the moral well-being of an individual or a nation are immoral and, therefore, sinful." But he realised that the perfect ideal of wantlessness is unattainable because it demands total renunciation. His pragmatic mind would accept something short of perfect realisation of the ideal; namely a movement towards it through the process of gradual **reduction of wants and minimisation of consumption**.

The doctrine of non-possession, if it implied only voluntary reduction of wants, could be construed as a totally negative doctrine. But Gandhi expounded it as a positive doctrine. According to him, the doctrine of non-possession would teach that everyone should limit his own wants and spend the rest for the welfare of others. He considered this as a desirable non-violent method of reducing inequality of income distribution and misdistribution of wealth. In his own words, "Now let us consider how equal distribution can be brought about through non-violence. The first step towards it, is for him who has made this ideal part of his being to bring about the necessary changes in his personal life. He would reduce his wants to a minimum bearing in mind the poverty of India." He was aware of other means of dealing with these problems of inequality of income distribution and misdistribution of wealth but he discounted this because of his fear that other methods may include the coercive power of the state. Thus Gandhi put utmost reliance on the individual and his moral awakening to bring these radical changes in the distribution of income and wealth in the society through wantlessness.

10.6 SMALL AND SIMPLE IS BEAUTIFUL

"I have taken fuel merely as an example to illustrate a very simple thesis", writes Professor Schumacher, "That economic growth, which viewed from the point of view of economics, physics, chemistry and technology, has no discernible, limit, must necessarily run into the decisive bottlenecks when viewed from the point of view of the environmental sciences. An attitude to life which seeks fulfillment in the single minded pursuit of wealth in short, a materialism does not fit into this world, because it contains within itself no limiting principle, while the environment in which it is placed is strictly limited. Already, the environment is trying to tell us that certain stresses are becoming excessive. As one problem is being solved ten new problems arise as a result of the first solution. As Professor Barry Commoner emphasizes, the new problems are not the consequences of incidental failure but of technological success".

Schumacher not only points out the defects and drawbacks of the system, but also suggests positive remedies, "If the road is leading us into a crisis of survival, we may consider whether new guidelines may be called for, which would point in opposite directions".

Towards smallness rather than gigantism;

Towards simplification rather than growing complexity;

Towards capital saving rather than labour saving and

Towards non-violence, in a rather generalized sense.

Man is small and man is or ought to be beautiful. When Gandhi said: "Not mass production but production by the masses", he talked the language of Small is Beautiful or when he demanded that "Production and consumption must become reunited". Re-uniting production and consumption is possible only if production units are small and therefore easy to manage and adaptable to local conditions.

10.6.1 Simplicity

Gandhi said: "High thinking is inconsistent with complicated material life", and this applies not merely to consumption but just as forcefully to the modes of production. Complexity, like goods transport, has to be seen, not as a sign of achievement, but as a mark of

failure or at best as a necessary evil. Complexity entails the need for extreme specialisation, so that men become "fragmentary men", too specialised to be able to attain wisdom. Like the trend towards gigantism, it destroys work satisfaction, and it also means exclusion: only highly specialised people gain admittance to the productive process; the rest become technological gap-fillers having to hawk themselves around. Any highly trained person can make complicated things even more complicated, but it takes perhaps a touch of genius to regain the essential simplicity of things. All real human needs are essentially simple; only the frivolities and extravaganzas. The findings of Professor Schumacher and other technologists and ecologists have reinforced the basic validity of Gandhi's approach.

10.7 SUMMARY

Mulling over these points time and again, one becomes progressively convinced that the present ecological crisis is a direct consequence of man's inability to rise to the level of understanding and responsibility demanded by his new power of understanding and responsibility demanded by his new power role in the world. The problem is within man, not outside him, and so is any solution. And this is precisely what Gandhi emphasized. To quote him, "The world will live in peace only when the individuals composing it make up their mind to do so". Human beings will have to realise that a way of life that rapidly depletes the power of earth instead of sustaining it piles up more insoluble problems for each succeeding generation can only be called violent. Man's urgent task is to follow a non-violent way of life in economics. It is a concept that needs to be widened out to combat not merely the violence of man against man, but also the violence of man in his dealing with living nature around him and with the limited and finite resources of the earth. A new approach would be required to redirect the human society involving a supreme effort of understanding, imagination and political and moral resolve. There is no other avenue but man has to explore himself his goals and values as much as he seeks the world to change. There needs to be unending commitment to ensure that man will survive without falling into a state of worthless existence. More and more people all over the world should look for the ways to redirect economic and ecological system "as if people mattered".

10.8 TERMINAL QUESTIONS

1. What are the problems and consequences generated by modern life style?
2. Examine the relevance of Gandhian life style and livelihoods in the present context.

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UNIT 11 INSTITUTIONAL DIMENSIONS OF DEVELOPMENT

Structure

- 11.1 Introduction
 - Aims and Objectives
- 11.2 Institutions and Economic Development
- 11.3 Causal Effects of Institutions
- 11.4 Institutional Rectitude
- 11.5 Conceptual Overview
- 11.6 Institutions and Geography
 - 11.6.1 From a Policy Perspective
- 11.7 Institutional Restructuring in Japan
- 11.8 Summary
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 - Suggested Readings

11.1 INTRODUCTION

Income levels between the world's richest and poorest countries differ by a factor of more than 100. In some cases, the gap between the rich and the poor has gotten progressively worse over the last century. Many have asked: why do these inequalities exist? Others have asked: what (if anything) can we do to reduce them? A multifaceted literature is emerging that focuses on the causes behind the gap between rich and poor nations and the requisite policy prescriptions needed to reduce the gap. This literature is enabling us to understand why some regions, notably Sub-Saharan Africa and parts of Latin America and Asia, have made little progress in closing the gap. Obviously, in such a diverse literature, a number of different explanations and causal dynamics have been identified and articulated to account for the wealth of some nations and the endemic poverty of others.

In this context, natural resources, the effects of climate, tropical diseases, transportation costs and the diffusion of technologies across spatial barriers within and between nations are the main determinants in the gap between rich and poor regions. An important perspective centres on institutions. Institutions are defined as the quality of formal and informal sociopolitical arrangements ranging from the legal system to broader political institutions. Relying on Douglass North's conception of institutions as a composite of norms governing human interactions, protected property rights and the rule of law, the institutional perspective has attempted to map out the causal effect of institutions (North, 1990). The institutions thesis sees economic development as a by-product of effective institutions rather than something epiphenomenal to environmental constraint.

Aims and Objectives

After studying this Unit, you should be able to understand

- The Institutional Dimensions of Development;
- Why some countries are rich and others are poor;
- Which is more important for Development, Institutions or Geography?

11.2 INSTITUTIONS AND ECONOMIC DEVELOPMENT

Institutions are fundamental elements of technological change and economic transformation. Institutions featured prominently in the classic works of both Marx and Schumpeter and the seminal contributions of Alexander Gershenkron (1952) on the process of economic development in capitalist societies. Recent years have seen growing interest in the relationship of institutions to development. Both Lazonick (1990, 1991) and Olsen (1982, 1983) have argued that the principal reason for Britain's economic decline rests in institutional rigidities which did not allow its industry to employ new technologies effectively or generate new organisation forms. A growing number of theories from the so-called flexible specialisation school to regulation theory suggest that economic and social institutions inform the processes of economic growth and transformation. A growing number of scholars argue that the advanced capitalist nations and the broader world economy are currently in a period of restructuring which involves the transformation of many of the hallmarks of postwar socioeconomic organisation-mass production industry, pyramidal bureaucracy, vertically integrated corporations, and functionally specialised work with the use of new technologies, new systems of work and production organisation. The new social arrangements argue that the division of labour is of fundamental importance in advanced capitalist economies. Still, social and regional scientists have only the most rudimentary understanding of the institutional dimensions of economic transformation and of the ways that actual societies respond to it.

Institutions matter to economic development-particularly to the process of economic transformation. New technologies and new ways of organising economic activity do not emerge in a vacuum, but bear the imprint of institutional arrangements. Economic transformation thus entails social adaptation as well as technological change-the emergence of new social relationships, new ways of organising production, and new sets of institutions which provide the social context for technological change, industrial reorganisation, and the emergence of new production systems. Just as importantly, new institutional arrangements do not emerge *tabula rasa*, but reflect the legacy of old social and institutional forms. Given particular social and institutional legacies, different societies adapt differently to economic transformation. In this sense, restructuring is similar to Schumpeter's (1934, 1942) concept of "creative destruction" and entails the simultaneous creation and transformation of social and economic institutions.

11.3 CAUSAL EFFECTS OF INSTITUTIONS

Institutions affect the development of human capital and determine whether or not there is political order, the degree to which a country is integrated into a broader international division of labour and finally a country's level of wealth. Underlying the theory of the primacy of institutions is the idea that institutions solve coordination problems. By protecting property rights and providing security, institutions create environments in which individuals

are willing to take investment risks. In the absence of these institutional controls, North asserts that 'third world countries are poor because the institutional constraints define a set of payoffs to political and economic activity that do not encourage productive activity' (Ibid.56). Thus at the theoretical level, the qualitative aspects of institutions matter as much as their presence or absence.

In many ways, the institutions literature reformulates the traditional theory of development established by the economist **Solow**. **Solow's** model of development assumes that economic growth is an outcome of capital accumulation. Essentially, Bates and **Nkurunziza** state, 'countries that experience per capita growth have increasing capital-labour ratios, which in turn result from high enough rates of savings (capital accumulation) to compensate for the cost of capital depreciation and population growth'. In this model, institutions are a by-product of economic development. The institutions literature assumes that the rule of law and the protection of property rights are antecedent to **Solow's** model of economic growth and account for subsequent income gaps.

11.4 INSTITUTIONAL RECTITUDE

The conundrum lies in establishing the theoretical primacy of institutions empirically. Acemogolu et al. have responded to this challenge by testing the proposition that European colonialism led to an institutional **reversal** of fortunes by introducing or maintaining extractive institutions in previously densely settled and prosperous areas and by developing institutions of private property in previously poor and sparsely populated regions. In their econometric model, they argue that geography can be treated, to a certain extent, as a constant. They note that if geography was the key determinant of income differences across countries, then economic performance should be highly persistent insofar as geographic conditions have not changed much during recent history. Hence, they claim, 'the geography view predicts persistence in relative incomes: the same geographic, climatic and ecological factor making countries prosperous before should also contribute to prosperity after European colonization' (Acemogolu, 2002, p.1235). This would not necessarily be the case if European dominance came with a change in the organisation of these societies. In a nutshell, they contend that such a 'reversal in fortune' did occur.

For instance, regions containing societies that were among the richest in 1500—notably the Mughals, Aztecs and Incas—are now among the poorest, while regions such as North America, New Zealand and Australia that once contained less developed societies are now among the richest. The deciding factor was the type of institutions established. In the case of previously richer regions, European colonialism created extractive institutions that undermined the capacity of the previous institutions. In contrast, in the poorer regions cited, Europeans set up institutional arrangements that reinforced private property rights and the rule of law.

Without going into the **full** empirical and methodological details developed by Acemogolu and others, two key points can be drawn from their argument that influence the broader literature on institutions. The authors claim that they have shown that institutional quality has a direct causal effect. This assumption has always been central to the perspective; however, it is **difficult** for this literature to tease out the causal effects of institutions from trade, culture and economic growth. Secondly, effective institutions explain the variation between different geographic environments in terms of their levels of wealth and economic development.

Dani Rodrik's edited volume, 'In Search of Prosperity' crystallises the literature on the primacy of institutions. The text reflects the emphasis on property rights and the rule of law as the *sine qua non* of institutions. Institutions matter more than trade and economic integration. He focuses on analytical country-based narratives instead of cross-national econometric data. Cross nation econometric studies abound in the literature; however, as Rodrik notes, the literature does a good job in indicating that the institutional variable is the most robust and explanatory with all things being equal.

There are two important points that require some comments. First, there is a general agreement that institutions matter, but it is far from evident why and how they matter. For example, China has undergone a tremendous economic transformation without corresponding to the definition of institutions generally adopted in the literature. Obviously, this does not obviate the significance of institutions; it simply indicates that '... successful institutions often have heterodox elements'.

Thus, the heterodoxy of institutions suggests that there is no specific dimension to institutional arrangements that account for the gap between rich and poor countries. Institutional arrangements as varied as a quasi Marxist one party state, as in the case of China, to a neo-patrimonial monarchy, as in the case of Botswana, have produced successful examples of economic development.

Second, the case studies indicate that rather than on the primacy of institutions at a particular point and time, the focus should be on the primacy of politics and leadership.

Whatever the institutional arrangement, the studies underline the role that the decisions and the attitudes of leaders have in bringing about sharp improvements in economic development in a relatively short period of time. China, Mauritius and India are cited as illustrations of how shifts in attitudes affected-shifts in economic fortunes. Such shifts in economic fortunes, however, were not characterised by any set of uniform policies or institutions. Although the authors do not explore this point, it appears that what matters are not specific institutional types but simply some institutional capacity attuned to local conditions. The range and depth of the institutional capacity varies depending on the economic situation.

Drawing on these case studies, one could conclude that in countries at the initial stage of economic development that are trying to integrate into the international economy via trade, the depth of institutional capacity required is not that high. Political leadership and the absence of violence and instability appear to matter much more. As economies become more complex and integrated into regional and international networks, the level and depth of institutional capacity and complexity becomes more of a necessity.

11.5 CONCEPTUAL OVERVIEW

It is useful to briefly review some of the basic concepts associated with the view of social institutions and restructuring. It emphasises the institutional determinants of capitalist development. In doing so, it hopes to provide a coherent conceptual framework for explaining how relatively stable arrangements of social-institutional (or political-economic formations) arise; how and why they encounter disequilibrium, rigidities, and dislocations; and how new institutional arrangements emerge to replace them. At bottom then, the approach is a dynamic one-concerned with the ways that mutual adjustment, collective action, and conflict shape social change.

Consider first the organisation of the production system itself. The production system includes the machines, technologies, social relationships, and institutional forms which inform the organisation of work both in the factory and the R & D laboratory. The production system is important because it is the place where value is created. The organisation of the production system is embedded within a changing social and organisational context which makes the point of production a source of economic and political contestation. Similarly, technology itself is a product of evolving social relationships which embody a legacy of past political struggles and simultaneously influence existing social relations. The production system is surrounded and gives shape by organisational factors. Following Chandler (1962; 1977) and Williamson (1975, 1981), the rise of functionally-specialised pyramidal and vertically integrated corporations are seen as a response to the difficulties of coordinating industrial mass production. Furthermore, these institutions represent a set of technological and administrative mechanisms for orienting and monitoring the work process. This institutional structure also creates the possibilities for bringing productivity growth in line with wages and consumption, creating a self-reinforcing cycle. In this sense, social institutions help to organise demand and establish the conditions for self-sustaining economic growth or social reproduction.

The maintenance of such institutional patterns does not, however, occur automatically; since advanced industrial societies do not have any natural or intrinsic mechanisms to ensure that enterprises do not over-produce and compete too harshly, or that workers adjust their training, attitudes, location, etc. to new forms of production, or that consumers adjust their purchases to growing economic output, institutions matter greatly to the way these tasks are accomplished. In other words, social and economic systems are given their coherence by institutional arrangements. This goes beyond the concept of technological trajectories in economic development and learning within established social routines. Institutional patterns are not automatically generated, but are products of concrete social forces.

More fundamentally, economic restructuring and economic transformation represent periods of institutional transformation and realignment. Here, it is recognised that advanced industrial economies tend toward dislocation or disequilibrium rather than equilibrium. During stable periods, dislocation is held in check by the prevailing institutional structure. However, once certain critical points are crossed, existing institutional arrangements begin to unravel, disequilibrium sets in, and a cycle of economic dislocation may unfold. Although attempts are made to patch up the institutional framework and remedy weaknesses, it becomes increasingly difficult for the old institutional system to work- to generate productivity improvements required to spur growth and development. The dysfunction of institutions and the production system creates a social prisoner's dilemma of sorts leading to increased chaos and disruption. At these points, the institutional structure of society rigidifies and serves to block the kinds of institutional reform necessary for the production system to generate production and growth. This social and organizational conception of economic dislocation bears close resemblance to Schumpeter and Marx's conception of the role of social relations and institutions as inhibitions of technological and economic change, and to Olson's more contemporaneous notion (1982, 1983) of the role of "institutional sclerosis" in the rise and decline of nations.

The solution of such dislocation and dysfunction is two-fold. The reorganisation of the production system and the broader institutional system which surrounds it are needed to create the conditions for a new round of economic expansion. But a new framework must also be created, one which can effectively channel and orient the productivity

increases associated with new technologies and new modes of organising production. At bottom, this institutional system must help to realign work organisation and technology to create a production system and a broader and related system of economic, political, and social institutions that create the institutional space required to generate and harness new sources of values and productivity improvement and turn them into great reinforcing economic growth.

11.6 INSTITUTIONS AND GEOGRAPHY

An increasingly large and complex body of econometric analyses has emerged that engages the debate over whether geography or institutions are primary. The debate is taking place at two interrelated levels, the theoretical level and the empirical level. The intersection of theory and data boils down to how relatively complex econometric models are developed and which types of factors are included in the measurement of the effects of geography and/or institutions. At the theoretical level, there is some agreement on the specification of the relationship between geography and institutions. Few dispute that geography is an exogenous determinant. Yet, whether or not geography should be viewed as a constant and thus not the main source of variation in accounting for the differences between rich and poor regions is open to discussion.

Regardless of this controversy, geography clearly conditions institutions, because it precedes it. Nevertheless, the institutions literature claims that geography works through the association with poor institutions and that once institutions are accounted for there is no independent geographical effect. As Goldsmith puts it, 'effective states find ways to work around geographic hardships for example by investing in infrastructure or organizing grader relationships with neighboring states'. Geography thus leads back to the state. Those who view geography as primary in the causal dynamic argue that institutions scholars arrive at these conclusions because they mis-specify their models by excluding or confounding certain factors. For example, Warner notes that the institution-only school's regressions are based on per-capita output measurements ignoring factor mobility bias that is inherent in such a measurement. He contends that when the model is re-specified by taking factor mobility into consideration, the institution school's models that include geography and institutions are no longer statistically significant (Warner, 2002). The reason, according to Warner, is that the cross-country data are too highly correlated for the regression to discriminate effectively between these two explanations. Obviously, many of those within the institutional perspective would dispute this interpretation.

There is, however, even less agreement concerning the direction of the causal arrows in regard to institutions. Since institutions are not exogenous, their effects are more difficult to separate from other factors such as trade, economic growth and regional integration. Thus, the problem of reversed causality has bedeviled efforts to model the effect of institutions on development. The reversed causality manifests itself, for example, in the question whether rich countries are rich because they have high-quality institutions or the other way around?

The institution literature faces several different problems of endogeneity. First, there is the issue of change and path-dependence. Theoretically, the literature assumes that there is a relatively robust element of continuity to institutions. Normally, institutions change slowly, and the rules and norms that underlie them persist over a significant period of time. Such an assumption, however, is questionable in the case of many poor and developing countries; because of political instability, terms of trade, climate shocks, weak political and social

integration, and violence, there is a great deal of institutional discontinuity. Thus, institutional quality is likely to be highly correlated with these episodic events or developments.

Secondly, the subjective measure of institutions is subject to the biases of observers whose judgments might reflect overly optimistic or pessimistic assessments of institutions because of short-term events or simply the quality of life in poor countries.

Finally a robust economy or the absence thereof can have an impact on the quality of institutions. In other words, economic growth can't spur institutional development. Much of the modernisation literature of the 1950s and 1960s assumed as much. In that literature, political development followed economic development. It is useful, however, to recall Huntington's trenchant critique of that assumption. Like contemporary **institutionalists**, Huntington argued that for modernisation to 'stick', effective institutions had to come first.

The significance of the primacy of geography or institutions does not boil down to a debate over model specification, endogeneity, the validity of cross-country data, or measurement issues. Instead, substantive theoretical issues predominate in the literature. More importantly, the primacy of one perspective over the other is tied directly to policy recommendations and concerns. Without being too melodramatic, the ways in which we think about development and the types of programmes and aid that should be targeted to promote development **depend**, to some extent, on whether their focus is geography or institutions.

In the case of Sub-Saharan Africa, Van de Walle's rather bold assertion that 'political institutions hold the explanatory key to the African crisis and that there will be no **successful** economic reform without prior reform of the region's politics' is a good illustration of the primacy of theory in the debate over the causes of the gap between rich and poor nations (N Van de Walle, 2001, p.14). He goes on to note that before providing foreign aid, more attention has to be paid to **African** institutions if the continent is to overcome its chronic economic malaise.

11.6.1 Prom a Policy Perspective

Understanding these two issues is central for comprehending many aspects of economic development and underdevelopment. At the international level, it is important for understanding the forces shaping the location decisions of firms and the consequent demand for labour and pattern of cross country wage differentials. At the national and sub-national level, it is important for understanding the processes driving urbanisation and the evolving internal economic geography of countries and cities during their development. And at the policy level, it is important for understanding the contributions of international trading arrangements, of regional policies and of public infrastructure investments in shaping the location of economic activities and thereby promoting development.

The purpose behind the burgeoning literature on the gap between rich and poor nations is neither to engage in abstract theoretical exercises nor to get mired in endless debates over mis-specified econometric models and proxy variables. Much of this literature is encouraged by a keen **interest** in developing policy recommendations that are aimed at closing this gap. Each camp assumes that a number of **useful** policy proscriptions naturally flow **from** their theoretical claims that either geography supersedes institutions or institutions trump geography in accounting for the gap between rich and poor nations. In fact, the purported effectiveness of each camp's respective policy proscriptions is premised on the

causal dynamics that they have mapped out. In this respect, scholars have accepted Karl Marx's adage that the task of an academic is not to analyse the world but to change it! From the geography perspective, the dominant development paradigm needs to be radically altered.

As Haussmann notes, it still rests on the oversimplified view that that 'market-oriented economic policies and the rule of law are all that matter for economic progress'. Based on this mantra, he adds, 'Mozambique could become Singapore if it would only get its institutions and policies in order; in the meantime, we could alleviate poverty through targeted social spending for the poor, such as the financing of education' (Haussmann, 2001, p.44). A different set of policies is required, however, if a region is poor because of its geography. Targeting the poor and pressuring governments to get their development objectives right will not suffice to overcome the gap between rich and poor nations. In contrast, development policies should be designed to help poor nations overcome their latitude problems. Poor geography functions like a tax on development. In order to overcome the handicaps caused by poor geographical conditions, Jeffrey Sachs recommends that the international community pursue a specific set of policies that will help reduce the handicaps.

First, he indicates that much more could, and should, be done to combat tropical diseases that affect worker's productivity and quality of life.

Secondly, more emphasis should be placed on developing technologies that are more appropriate to tropical zones. Too much technological development tends to reflect temperate zone concerns; however, the poorest countries are mostly in tropical regions. More research and development on technologies and materials that are more suitable for these types of regions is needed.

Thirdly, more resources should be devoted to transportation infrastructure, which lowers the costs of trading. Finally, more emphasis needs to be placed on reducing the spatial barriers in tropical-zones that have made trade and diffusion of technologies so difficult. While good institutions would make these aid policies more effective, the underlying assumption in the geography literature is that dealing with harsh environmental conditions will do more to foster better institutions and attract foreign capital than an excessive focus on good governance and protecting property rights.

The institutions literature assumes that the promotion of the rule of law and the protection of property rights will enable governments to tackle the geographical factors that contribute to their nations' poverty. Thus, foreign aid should be targeted towards reinforcing the institutional capacity of developing countries.

There are two sides to the policy ideas that arise from the literature on the primacy of institutions. On the one hand, there is a prevailing view that what matters are aid programmes that help foster-institutional capacity with staying power. Thus, World Bank and International Monetary Fund (IMF) programmes that emphasise short to medium term macro and micro economic fixes to overcoming poverty and poor economic management are misplaced.

If institutions are the 'deep determinants' of the gap between rich and poor countries, then traditional policy measures-fiscal, monetary and exchange rate adjustments-fail to address the underlying problems. When the underlying institutions are not being changed in the appropriate way, conditionality is often ineffective'. Instead of focusing on short-

to medium-term fixes, the emphasis should be on long-term strategies that strengthen the protection of property rights and the rule of law. Programmes that move towards these objectives have nothing directly to do with short to medium-term micro and macro-economic remedies; they concentrate on providing aid and resources to reinforce organisational and bureaucratic capacity.

11.7 INSTITUTIONAL RESTRUCTURING IN JAPAN

An example is provided here with reference to Japan in the realm of institutional restructuring. Japan's response to restructuring was to a great extent determined by the organisational and institutional arrangements that first emerged within the production system. By creating the social space, flexibility, and openness in which social innovation could occur, Japanese industrial organisation paved the way for a synthesis of production and innovation and for integrating new technologies into industrial manufacturing. The Japanese approach to restructuring thus represents a qualitative break with mass production and constitutes an alternative set of institutional and social relationships.

The early rise of an alternative institutional system in Japan paved the way for a very different response to restructuring in Japan than in the Western industrial democracies of the U.S. and Europe. Propelled from below, Japanese enterprises were able to avoid certain institutional barriers which result from increasing bureaucratisation and develop a portfolio of organisational types which are well suited to various types of economic activity. This unique set of social arrangements combined aspects of flexibility, integration, market transactions, and innovation integrated to production. New technologies were incubated within large firms, then applied to enterprises. For these reasons of social and institutional structure, Japan appears to be at the centre of the current Schumpeterian (1934, 1942) process of creative destruction that is remaking the world economy. Indeed, such a transfer in the centre of gravity in the global economy is in keeping with modern industrial history which has seen similar shifts (e.g. from Britain to the U.S.) in the past.

11.8 SUMMARY

The analysis of postwar Japanese development illustrates the importance of institutions and institutional relationships for economic development. Economic development is not the result of abstract economic forces, but is shaped and motivated by real institutions. Institutions inform the production system where value, wealth, and profit are generated, and also give shape to the economic and social arrangements which create the context or institutional landscape where economic development takes place. The processes of economic transformation and restructuring are at bottom processes of institutional change and adaptation.

11.9 TERMINAL QUESTIONS

1. Critically examine the Institutional dimensions of development.
2. Which is more important for development of a country? Geography or Institutions? Give arguments and illustrations in support of your answer.
3. Discuss the development of institutions in the rich and poor countries in the world.

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UNIT 12 ANTYODAYA TO SARVODAYA

Structure

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12.1 INTRODUCTION

People in the West generally hold that the duty of man is to promote happiness of the majority of mankind and happiness is supposed to mean only physical happiness and economic prosperity. If the laws of morality are broken in the pursuit of happiness, it does not matter very much. Again, as the object sought to be attained is happiness of the minority, they do not think that there is any harm if this is secured by sacrificing the interest of others. The consequences of this line of thinking are all too plain. This exclusive search for the physical and economic well-being in disregard of morality is contrary to divine law, as some wise men in the West have shown. One of them was John Ruskin who contended in "Unto this Last" that man can be happy only if he obeyed the moral law (Ruskin, 1940, p.12).

Gandhi was so much fascinated by "Unto this Last" that he paraphrased it and later translated this paraphrase into Gujarati and named it "Sarvodaya". The Mahatma recorded in his autobiography three teachings of this booklet (1) "that the good of individual is contained in the good of all; (2) that a lawyer's work has the same value as the barber's in as much as all have the same right of earning their livelihood from their work and, (3) that a life of the tiller of the soil and the handicraftsman is the life worth living. The first of these I knew, 'he further stressed, "The second I had dimly realized. The third has never occurred to me". "Unto this Last" made it as clear as day light for me that the second and third were contained in the first. I arose to the dawn ready to reduce these principles to practice" (Gandhi, 1927, p. 273).

This is how the word "sarvodaya" came to be used. But now it is a generic name given to the nonviolent order which the Mahatma aimed at. This philosophy was propounded by him, and later Vinoba Bhave and Jayaprakash Narayan tried to translate it into action. Gandhi did not originally coin sarvodaya. Even before him, the idea of sarvodaya was found in religious books-Vedas, Upanishads, The Ramayan, The Gita, The Quran and many others. It was also preached by Indian and Western saints as well as philosophers. But Gandhi gave to these age-old principles and ideals an extended meaning and application.

Aims and Objectives

After studying this Unit, you should be able to understand

- The meaning and genesis of Sarvodaya.
- The proper rendering of 'Unto this Last' would be Antyodaya (uplift of the last) rather than sarvodaya.

12.2 SARVODAYA: MEANING AND GENESIS

The word 'Sarvodaya' is of Sanskrit in origin which is comprised of 'Sarva' meaning all and 'Udaya' meaning rising. The etymological meaning of Sarvodaya is the rising of all. This 'all' includes all living beings. In other words, sarvodaya means welfare of all. It is not something which one man or set of men can gain or enjoy to the exclusion of others. It implies the participation of all kinds of people irrespective of class, caste, creed and religion. It also stands for the total blossoming of all the faculties – physical, mental and spiritual of the human being. It is an activity in which all may partake and it amounts to a full realisation of the human faculties of the human soul.

According to Vinoba Bhave, the term Sarvodaya commands a two-fold meaning. Firstly, sarvodaya means making all happy by removing suffering and poverty with the help of scientific knowledge. Secondly, establishing a world state full with divinity, kindness and equality, Sarvodaya aims not at the rise of the few or the many, or for that matter the rise of the greatest number; it is not utilitarianism, which stands for the greatest good of the greatest number. It contains the germ of minority and majority. Contrary to utilitarianism, Sarvodaya stands for the good of one and all, of the high and the low, of the strong and the weak, the intelligent as well as the dull. As against the *laissez faire* theory, that is the survival of the fittest, sarvodaya believes in the survival and development of all. To Vinoba, "The idea of sarvodaya, as preached by the Gita is to merge oneself in the good of all" (Harijan, 13.02.1949).

Apart from connoting the welfare of all, sarvodaya commands two more meanings: firstly, the universal welfare and secondly, the integrated development of all. Sarvodaya rejects all those theories, which stand for the joy of a few. It advocates the welfare of all, irrespective of class, caste, colour, race, region or religion. The philosophy of sarvodaya makes the attempt of reorienting human mind for reconstructing human society. All must progress together without collision of interest. Interpreting the purport of Sarvodaya, Dada Dharmadhikari said: "Sarvodaya is a term with a wider connotation since it conceives of assimilation of all and not only of many or most" (Dharmaadhikari, 1960, p.18). Sarvodaya is a philosophy, which provides checks against the imperfections of human mind and soul.

12.3 ANTYODAYA OR UPLIFT OF THE LAST

Vinoba, writing in the Harijan, expressed the view that 'proper rendering of Unto This Last would be Antyodaya (Uplift of the Last) rather than Sarvodaya'. But he added that because Gandhi had **preached** that in working towards Sarvodaya it was necessary to begin with the last and lowest. This is one of the key ideas of Sarvodaya, though it has to be admitted that much remains to be done about its socio-economic methodology. It is well-known how **current** theories and practices of growth, whether in the West or the East, bypass this question and assume that the benefits of development would in due time percolate down, to use **Vinoba's** expressive term, to the last and lowest (Harijan, 10.04.1949). In contrast to this view, Antyodaya preached that the development should begin from the lowest and would in new course cover one and all.

12.4 PHILOSOPHICAL FOUNDATIONS OF SARVODAYA

The fundamental notion in the sarvodaya philosophy is the primacy and ultimateness of the Spirit. **Gandhi's** dominant concern was with the realisation of God as all-pervasive Truth. His political, aconomic and social endeavours and programmes were oriented towards progressive enlargement of the moral consciousness through the service of the **daridranarayana** and the consequent, intimate and intuitive realisation of the primordial divine spirit. The belief in the all-governing majesty of the Spirit imparts to man the compassionate ethical incentive to share in the pain and anguish of all creatures because all are the manifestations of the same supreme truth. Gandhi had sincere, unquestioning and deep faith in the divine being. He wanted to realise God through selfless, dedicated, social and political service.

The movement of sarvodaya is an attempt at the reinforcement of these abiding and significant values. One of the most distressing phenomena of modern times is the worship of worldly success. Success has come to be measured in terms of achievement, bank balance and efficiency. It is computed in numbers and expressed through mathematical figures, long charts, diagrams, histograms, polygons and cubes of statistics. But in the craze for success, power and strength, there is a silent repudiation of the perennial significance of the human spirit. But Gandhi would have refused to barter the human soul for external success. The latter is temporary and ephemeral. It may have only superficial glamour. But the continuing vitality of civilisations and cultures is built by the human spirit which is oriented to **the** realisation of a noble and decent existence for all. Our political, social and economic life has been seized with a malady. The malady of our times-perhaps of all times, is the mad quest for power. Sovereignty is preferred to co-operative activity and suffering. Service is being given up in quest of personal aggrandisement. Humanity is, thus, undergoing almost a phase of moral collapse and ethical nihilism. In an era of the mad rush for power, the significance of sarvodaya lies in stressing the permanent value of self-abnegation. It wants to replace party strifes, jealousies and competition by the sacred law of **competition** by the sacred law of co-operative mutuality and dominant altruism. Party struggles have corrupted and perverted political life. In its stress on the replacement of **majority** voting by unanimity in the village panchayats, sarvodaya is giving expression to moral **principles** of cardinal importance because it wants to enshrine the primacy of goodness and character in place of the **skill** of manipulation and self-assertion. **Sarvodaya** appeals to the mind and heart in terms of values and goals. The decadence and corruption which infect organised institutional mechanisms can be removed only by the reassertion of moral and spiritual values and their ever-growing incorporation in

social, political and economic life. That is perhaps the only way to the salvation of India and the world.

12.5 SOCIALISM AND SARVODAYA

Sarvodaya stands for the emancipation, the uplift and the elevation of all. It traces its theoretical roots in the Vedic and Vedantic teaching that from a higher standpoint all living beings are participants in our portions (amsa) of a super-material reality. Hence the good of all living beings which necessarily implies the good of all humanity has to be positively fostered. It repudiates, therefore, the limited gospel of the greatest good of the greatest number. It aims to serve the good of all and not merely of the numerical majority. It is, certainly, not opposed to the concept of social and economic equality. All beings are reflections or manifestations of a supreme spiritual ultimate; hence, all have to be provided the opportunity for their greatest development and perfection. In socialism, the stress is on material and vital perfection attained through the devising of a socio-economic structure which eliminates wasteful competition and private appropriation. In the theory of sarvodaya also, there is no negation of political and economic satisfactions and requirements. It will not be correct to characterise sarvodaya as negativistic in its approach. It does not negate the importance of material commodities. It would refuse, however, to regard them as the dominant goal of all human endeavours. Like Aristotle, sarvodaya would like to use the external goods for the satisfaction of the human spirit. It would regard them as means and not as ends in themselves. But there is in sarvodaya, an all-dominating moral and spiritual approach. Economic amenities have to be oriented to serve the needs of the human spirit and it is wrong to cramp the free movement of the spirit by suffocating it with the all-governing dominance of the sinews of production. Sarvodaya, however, is not merely a theory of ethical justice. It is emphatic in its quest also for distributive social and economic justice. In its acceptance of the concept that all forms of wealth belong to society, sarvodaya has shown its radical and even revolutionary character.

12.6 SELF-REALISATION THROUGH SERVICE

Gandhi's Sarvodaya concept, a social ethic for the welfare of all, is a unique reaction against the barriers of a Hindu social system, in which functional cooperation and ritual separation coincide. The ritual purity of the upper castes depends upon specific relations with lower castes, who thereby become impure. Gandhi tried to break this circle of depending origination of purity and untouchability and was proud to be his own sweeper. Cleaning a toilet, removing one's own "night soil" was for him not a symbolic gesture to 'raise the image of "Harijans", but an essential part of his own struggle for self-realisation. "Service unto this last" and true self-realisation were interdependent.

Gandhi never made a secret of the fact that this quest for self-realisation was the driving force behind all his activities. He declared openly, "I am a humble seeker after Truth. I am impatient to realize myself, to attain Moksha in this very existence. My national service is part of my training for freeing my soul from the bondage of flesh. Thus considered, my service may be regarded as purely selfish. For me, the road to salvation lies through incessant toil in the service of my country and there through of humanity. I want to identify myself with everything that lives. So, my patriotism is for me a stage in my journey to the Land of Eternal Freedom and Peace" (Young India, 3.4.1924).

Even more revealing is the answer that Gandhi gave to a Polish engineer who came to

see him on a rainy day in August 1936. He asked why Gandhi had retreated to a humble hut in a Gujarati village and whether his aim was simply humanitarian, just to serve the villagers as best as he could. Gandhi's answer put in a nutshell his "this-worldly ascetism" as the true driving force of his life.

"I am here to serve no one else but myself", Gandhi replied, "to find my own self-realization through the service of these village folk. Man's ultimate aim is the realization of God, and all his activities, political, social and religious, have to be guided by the ultimate aim of the vision of God. The immediate service of all human beings becomes a necessary part of the endeavour simply because the only way to find God is to see Him in His creation and be one with it. This can only be done by service of all. And this cannot be done except through one's country. I am a part and parcel of the whole, and I cannot find Him apart from the rest of humanity. My countrymen are my nearest neighbours. They have become so helpless, resourceless and inert that I must concentrate on serving them. If I could persuade myself that I should find Him in a Himalayan cave, I would proceed there immediately. But I know that I cannot find Him apart from humanity" (Tendulkar, IV, p.88).

For a realistic interpretation of the Gandhian Sarvodaya concept and its present relevance as an attempt to build a non-violent social order, we must bear in mind its specific socio-cultural and socio-individual background.

12.7 THE ECONOMICS OF SARVODAYA

Sarvodaya's ethics of love, conversion and heightened goodwill are derived from its metaphysical idealism. But to the Vedic and Vedantic conceptions of the supreme existence of a spiritual ultimate from which the universe and mankind derive their being and value, sarvodaya adds almost a communistic approach to wealth.

From the metaphysical arguments for theism, Vinoba Bhave has deduced several economic implications. If God is the supreme Existent and men are only temporary sojourners on this earth, then everything belongs to God. Thus Vinoba put forward a divine theory of land ownership. God is the supreme owner and hence, individuals subjected to ultimate death should not claim personal ownership over land. Vinoba further said that all the great saints in this country have taught that land should not be kept under personal or private ownership. Modern sarvodaya also extends the connotation of the rather individualistic and moralistic Gandhian conception of 'trusteeship'. Although, sarvodaya has its roots in the Gandhian thought which is primarily individualistic, in the context of the grave social and economic crises of the present day world, it has advanced towards the concept of a radically equalitarian social and economic structure. It does not seem correct to interpret the famous verse of the Ishopanishad- *tena tyaktena bhunjithah*, as teaching the ownership of all wealth by society. This verse accepts the individualist concept of property and simultaneously inculcates a spirit of non-attachment. It may be pointed out that the social ownership of wealth is a concept foreign to ancient Hindu political thought.

Sarvodaya pleads for, (a) the repudiation of the proprietary possession or *malkiyat* of the non-producers, (b) the establishment of the proprietary possession or *malkiyat* of the producers, and (c) the neutralisation or the negation of ownership. It hopes to establish a society of producers or labourers. *Bhoodan* and *Sampattidan* are regarded as steps towards the realisation of that kind of society.

Some of the basic techniques of sarvodaya are Bhoodan, Sampattidan and Gramdan. One great economic advantage that has been claimed for Bhoodan is that it effectuates the redistribution of land without the payment of any compensations. The land-holders are asked to keep only that portion which is essential for their requirements and surrender the rest to the community. The protagonists of Bhoodan believe in the social origin of all wealth and hence they interpret this surrender by the land-holders as an act of giving to the community what really belongs to it. If Bhoodan and Gramdan are techniques of agrarian revolution based on moral force, Sampattidan is a significant path in the transformation of capitalism into the sarvodaya society. For the realisation of Sampattidan, man is, at first, to utilise, one-sixth of his wealth for the sake of society. Jayaprakash Narayan says:

'The next step is that of 'Full Trusteeship'. Under 'Trusteeship' commercial and industrial enterprises would belong to the society and there would be no employer and employee. The management and labour would have joint responsibility to run them not for themselves but for the good of the society as a whole' (Narayan, 1956, p.18).

12.8 PHILOSOPHICAL ANARCHISM

Sarvodaya accepts the sacrosanct character of the human spirit. It is, hence, emphatic on the inculcation of the value of freedom, equality, justice and fraternity. It, therefore, is opposed to the state machine. The state is not the terrestrial reflection of the merciful divine being but is a soulless mechanical instrument to effectuate the will of those who have the manipulating skill, dash, cunning and capacity to control the governmental structure. In tracing the evolution of the state, Vinoba Bhave says:

"In the early stage it was unrestrained violence that held the faith. Gradually man learnt to curb and limit his violence and the institution called the state came into existence. The formation of the state did limit violence up to a degree. The advent of the apparatus of government created a new kind of law' and order. Even Vedas had said that coercive power of the state was personification of Dharma. But gradually the state grew stronger, became more and more powerful till it became an all-powerful state with the power of destroying the whole world with its military might based on nuclear weapons" (Vinoba, 1956, p.7).

In most cases, the state does operate with the methods of intimidation, coercion, persecution and organised violence. Hence Gandhi was thoroughly opposed to the state. He pleaded for Swarajya- the inner rule of man over himself. He wanted that the Swarajya should be based on the moral sovereignty of the people. But while Gandhi believed in the spiritualisation of politics, Vinoba stands almost for the nullification of politics.

Sarvodaya aims to replace thoroughly the manipulative politics of power by the participant politics of co-operation. It emphasizes mutualistic activities spontaneously engaged in by the people. According to Vinoba Bhave, there are ten criteria of an ideal polity:

- (i) International Fraternity.
- (ii) The conscious, spontaneous (as far as possible) and hearty co-operation of all the inhabitants of the country.
- (iii) The identity of the good of the capable minority and the general majority.

- (iv) The orientation towards the universal and equal development of all.
- (v) The widest dispersion of political sovereignty.
- (vi) The least amount of government.
- (vii) The easiest availability of tantra or justice (?) (Sulabhatama tantra).
- (viii) The least possible expenditure.
- (ix) The lowest degree of external protection.
- (x) The universal, **uninterrupted** and neutral or objective spread of knowledge (Vinoba, 1953, p.25).

12.9 POLITICAL IMPLICATIONS OF SARVODAYA

12.9.1 Repudiation of the Marxist Theory of Class Struggle

The fundamental theme of sarvodaya is the realisation of the happiness and elevation of all. At the political level, **this** has two significant implications. They are, **first**, the repudiation of the theory of class struggle, and second, the safeguarding of the interests and rights of the minority. The concept of class struggle is based on the acceptance of the existence of divergent and even antithetical interests in the social structure. Sarvodaya, on the other hand, starts with the **notion** of the community as a reality almost sui generis and it holds that the aim of social and political efforts is not to serve the disproportionate interests of the dominant classes but to maximise the good of the entire community. Sarvodayism attacks the repugnant and perverse consequences of egoism and the lust for power and wealth. Hence, it stresses the necessity of disinterested service. Service, dedication, and the realisation of **common** good are its techniques and formula and it is opposed to the Marxist theory of class struggle which favours utilisation of violence. Once it is accepted that violence has to be **rgnounced** as a basis of organised social existence, there is no place for the advocacy of the disruptionist theory of the struggle of mutually opposed classes. Sarvodaya, hence, pleads for the replacement of the concept of class struggle by the more rational and organic theory of social good and harmony. This social harmony is to be realised not by **mere** verbal profession. It is to be experienced in daily conduct. There has to be deliberate extension of good feelings. The aim is not the forcible expropriation of the wealth of the rich but the conscious and spontaneous practice of 'sharing' the goods one has ready at hand. In this way, there can be an overpowering accentuation of the ideal **of** sharing and almost a mass moral revolution oriented to the effectuation of a peaceful social reconstruction can be brought about. The aim of this revolution is not to **seize** power but to bring about a change in one's outlook and hierarchy of values. The propensity to accumulate has to give place to the propensity to share.

But the repudiation of the concept of class-struggle and the acceptance of the ideal of social harmony do not **mean** the perpetuation of the present status quo with landlords and big farmers on one side **and** small farmers and agricultural labourers on the other, and the exploitation of the **latter** by the former. In his earlier days of political leadership, Gandhi was in favour of retaining the Zamindars but, later on, his views underwent a radical transformation **and** he talked endlessly about a social structure rid of all class stratification. Sarvodaya **aontemplates** not the retention of the system of exploitation and coercion but it wants to **bring** about a regime of absolute social equality and the maximum of economic equality **too**. On the plane of social idealism, sarvodaya and communism

both accept social equality. But the vital difference is found in the profound attachment of sarvodaya to the ethics and techniques of non-violence. Sarvodaya contemplates a regime of equality and justice to be brought about by the dynamic transforming power of love and non-violence.

12.9.2 The Repudiation of the Concept of Majoritarianism

The second implication from the sarvodayist conception of the organic reality of the community is the repudiation of the element of superior virtue supposed to be contained in the judgement of a majority of heads. If the community is an organic structure and if all the individual members of it are bearers of moral and cultural values, then there is no place for jeopardising the lives and interests of even the lowest and the humblest. From the superficial standpoint of having got oneself registered in the list of the component members of a specific group or having paid the requisite fees for membership of a particular party, one may be in a majority or a minority. But if truth is the supreme canon and if the opinion, wish and aspiration of every one member is precious, then, in that case, one has to work on the basis of consensus and not of majority. There has to be discussion and debate and through the dialectics of argument and counter-argument some fundamental areas of mutual goodwill emerge. This and not the numerical counting of heads is the genuine method of social action. Hence, according to sarvodaya, the concept of majoritarianism has to be replaced by the concept of consensus. Sarvodaya is not satisfied with the various safeguards of proportional representation that have been devised to protect the interests of the minority. It adheres, rather, to the Gandhian concept that the superficial numerical criteria of many and few have to be replaced by a fundamental adherence to the good of the community. Sometimes it is said that different types of parties and associations grow in response to the diversity of social interests. But sarvodaya implies that this mechanical conception of plurality of social interests has to be replaced by the moral conception of the homogeneity of the fundamental interests of the society. Thus sarvodaya aims to replace the concept of majoritarianism by the concept of fundamental consensus.

12.10 SUMMARY

The philosophy of Antyodaya to Sarvodaya, based on the insights and experiences of Gandhi, is a **reassertion** of the valuation and moral approach to the problems of mankind, which has been a part of ancient Indian culture for ages. Vinoba Bhave rightly said, "Sarvodaya stands for not only **making** all happy by eliminating suffering **from** all but also for the bringing of a world state based on equality." For Gandhi, sarvodaya stands for the merger of one in all with self-sacrifice and a selfless service. His sarvodaya ideal, apart from standing for the meaning of the welfare of all, implies the meaning of the universal welfare and integrated development of all. As a universal ideal, it aims at not only fulfilling the minimum material needs but also developing the ethico-spiritual aspects of all people. The great contribution of sarvodaya in the present century lies in the reassertion of the Gandhian moral approach to the problems of mankind.

12.11 TERMINAL QUESTIONS

1. Discuss the meaning and genesis of Sarvodaya.
2. 'Proper rendering of 'Unto this Last' would be Antyodaya (uplift of the last) rather than sarvodaya'. Comment.

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