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## UNIT 9    MACHINERY AND INDUSTRIALISATION

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### 9.1    INTRODUCTION

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Industrialisation plays a major role in the economic development of a country. Historically industrialisation has been a major source of economic growth in Western countries. Development in the post-war period in initial phase was defined as a sustained annual increase in GNP at rates varying from 5 to 7% or more with such alteration in the structure of production and employment that the share of agriculture declines in both whereas that of manufacturing and tertiary sectors increases. To bring in such structural transformation, investment in industrial sector has to be increased at a rapid rate through the transfer of resources from agriculture towards industry. Industrialisation is associated with higher levels of income and technology. Colin Clark's thesis states that with greater economic development and rise in national and per capita incomes, there is shift in the occupational pattern from primary to secondary and tertiary sectors. This is clearly evident in the case of Western countries like UK, USA, Germany etc. It is in this context that the developing countries have laid more emphasis on programmes and policies promoting industrialisation in the economy.

The process of industrialisation is associated with mechanisation and urbanisation in developing countries. The mechanisation process has led to large-scale labour displacement and unemployment in these countries. Poverty and unemployment in these labour surplus economies have social, economic and moral costs. Gandhi was well aware of these consequences and therefore, he never favoured large-scale industrialisation based on capital intensive machine-based technology in these countries. His ideas on machinery, industries and modern civilisation are clearly expressed in *Hind Swaraj*, *Harijan* and *Young India*.

## Aims and Objectives

After reading this Unit, you would be able to understand

- Gandhi's ideas on Machinery and Industrialisation
- His model of industrialisation and the current structure of industrialisation in India
- The relevance of Gandhi's ideas in the present context.

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## 9.2 GANDHI'S CONCEPT OF MACHINE

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The process of industrialisation has been promoted by rapid technical progress and use of machines in production process. To mechanise means to substitute mechanical power for the power of man. A machine is equipment that does the work automatically and performs the work efficiently and faster than the man. It does the work of more than one person. The work is uniform in character. The purpose to be served by machines is to modify the environment in such a way as to fortify and sustain the human organism by extending its powers or by manufacturing, outside the body a set of conditions more favourable towards maintaining its equilibrium and ensuring its survival.

As against this, Gandhi's concept of machine involved simple tools and instruments that help to increase production and reduce the drudgery of workers. The tool differs from a machine. The machine lends itself only to automatic action. The tool is manipulated by the person using it. Machine emphasises the specialisation of function whereas the tool indicates flexibility. A tool such as knife may be used for various purposes but the machine is designed to perform a single set of functions.

Gandhi felt that machinery, to be well used, has to help and ease human effort. His machinery was of most elementary type which he can put in the hands of millions of people. His comment on the invention of sewing machine by Singer clearly indicates this. It is one of the useful things ever invented and there is a romance in the device itself. He (Singer) devised the sewing machine in order to save his wife from unnecessary labour. He, however, saved not only her labour but also the labour of every one who could purchase a sewing machine. Gandhi favoured the machines that supported and reduced the burden of the labourer. It should be simple and available to all. It should generate more income and employment for the poor.

The spinning-wheel, advocated by Gandhi, is a simple tool. It symbolises his ideas about machinery. The advantages of the spinning-wheel as put forward by Gandhi are as follows:

- It provides occupation to those who have leisure.
- It is easily learnt
- It is known to many people.
- It requires practically no outlay of capital.
- It can be easily and cheaply made.
- It fights famine.
- It spells equitable distribution of wealth.
- It solves the problem of unemployment and underemployment.

- It can stop the drain of wealth which goes outside India in the purchase of foreign cloth.
- It supports other village industries.
- People have no repugnance to it.

(*Young India*, 21-8-1924, 21-10-1926 & 11-11-1926.)

Spinning-wheel is the way of life. No other village craft other than it had the power to put money in the pockets of the millions of rural people. The advocacy of home-made cloth (khadi) is no more a fad of a romantic eager to revive the past, but a practical attempt to relieve the poverty and uplift the rural areas. It was a strategy of inclusive growth.

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### 9.3 TECHNIQUE OF PRODUCTION: MAN VS MACHINE

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Mechanisation is a process of large-scale application of machines at all stages of production. Gandhi felt that mechanisation is good when the hands are too few for the work intended to be accomplished. It is an evil when there are more hands than are required for work, as is the case in India. Thus mechanisation was acceptable to him only if it did not displace useful labour and did not lead to concentration of production and distribution in few hands. His views on machinery are mixed in nature.

He further wrote: "what I object to is the craze for machinery and not machinery as such. The craze is for what they call labour saving machinery". Gandhi made his first frontal and massive attack on machinery in *Hind Swaraj* in 1908. He also used the concept of machinery in *Hind Swaraj* as symbolic: "Machinery is the chief symbol of modern civilisation". It is this symbol, which he used as a line of demarcation, between the machine-based British India and the machine-less poor India. Gandhi was against machinery and modern technology as in his early writings he described machinery as 'great sin'. He opined that books could be written to demonstrate its evils. Material advances need to be judged by their moral and spiritual effect on human beings. Machines should be made for man and not vice versa.

But in his later writings on machinery, Gandhi has made his stand clear. He classified that what he opposed was the craze for labour saving machinery as men go on saving labour till thousands are thrown on the open streets to die of starvation. He said: "I would favour the most elaborate machinery, if thereby India's pauperism and resulting idleness be avoided." His concern was to eliminate poverty and unemployment in the shortest possible period through providing productive employment to human beings. Grinding pauperism leads to nothing else than moral degradation. Every human being has right to live and therefore, the securing of one's livelihood should be the easiest thing in the world. The growing social violence and anti social activities in India are on account of growing unemployment. Gandhi realised that even if India makes the maximum possible efforts, it will not be able to meet the requirements of all the people through large-scale production due to shortage of capital, or give full employment to rural labour or utilise effectively the idle physical and human resources going waste in the villages. The solution is an appropriate mix of the two.

Gandhi favoured some great inventions of science which had eased human labour, like Electricity, shipbuilding, railways, iron works and the like existing side by side with village handcrafts. They should not supplant but rather sub-serve the villages and their crafts. He considered them as necessary evils and felt that these should be owned by the state. Further, the centralised ownership of industry in most essential sectors was supported because if the cottage sector

has to be provided with even simple tools and machinery, if this has to be done for millions of production units, then, all the tools and machinery has to be produced in factories and these should be essentially in nationalised sector.

Gandhi's advocacy of spinning-wheel and other village industries was thus based on his preference for labour-intensive technique of production. This is rational in the context of scarcity of capital and abundance of labour in India. The growth models developed by Lewis, Vakil, Brahmananda and Gunnar Myrdal support the low capital, small industries and simple machinery-based industrialisation in developing countries.

Gandhi thus supported simple technique of production which was an appropriate technology for India. This technology was later strongly advocated by EF Schumacher in his work *Small is Beautiful* (1974) as a technology with human face. Man should occupy the sovereign place he deserves in this scheme of things. Man is always the end and not the means. There is no objection to the adoption of machinery in which human goals are constantly kept in view.

### 9.3.1 Evil effects of Machinery

Gandhi opposed the craze for machinery as it was labour saving. His ideas about machine and industrialisation are shaped by the socio-economic conditions that prevailed in India. He observed the growing pressure on land in India, as the alternative occupations were not available due to destruction of village crafts and industries under the rule of East India Company. Millions of landless labourers had no gainful employment and the farmers who worked on their own land were underemployed for several months in a year. 'The problem with us', he wrote, 'is not to find leisure for teeming millions inhabiting our country. The problem is how to utilize their idle hours which are equal to the working days of six months in the year. Dead machinery must not be pitted against the millions of living machines represented by the villagers scattered in the seven thousand villages of India' (Harijan, November 16, 1934). His views on machinery and large-scale industrialisation are not thus based on any blind prejudice but the harsh realities of the millions of poor people living in rural areas of the country. The evil effects of machinery as listed by him are:

- It leads to unemployment and starvation of masses.
- Machinery makes concentration of wealth in the hands of few people.
- It does not lead to philanthropy but 'greed' i.e. profiteering.
- Machinery tends to atrophy the limbs of man.
- It destroys the villager and the village craft and village economy.
- It promotes mass production.
- It makes machine supreme to man.
- It makes people idle.
- It makes reduction of poverty more difficult.
- It widens the urban-rural gap and the gulf between the rich and the poor.
- It leads to imbalanced development.

In *Hind Swaraj*, he said “machinery is like a snake-hole which may contain from one to a hundred snakes.”

Gandhi also opposed the mechanisation of agriculture. Indiscriminate use of mechanical tractors denudes the soil of the covering which the living vegetation provides. Absence of protective covering for the soil and absence of grass roots to bind soil together leads to soil erosion and lessens the water holding capacity of the soil. Once the vegetation covering of the soil is destroyed, the productivity of the soil is drastically affected. Therefore he did not favour the application of modern technology in agriculture that provides food and employment to the people.

Gandhi is not alone who wrote about the evils of machinery. Other economists like Adam Smith, Ricardo and Marshall also pointed out the evils of the system but they were equally influenced by the development potential of the capitalist system in the form of growing profits and investments made possible by the use of machinery. It was only Marx and Engels who pointed out that it is the system of capitalism at the root through which the machines are begetting the evils. Gandhi not only condemned the machine but also the system of ‘greed’ (profiteering), which was enabling it to do so.

Gandhi’s views on machinery may ultimately be expressed in the following form: “As a moderately intelligent man, I know that men can not live without industry, therefore, I can not be opposed to industrialisation. But I have a great concern about introducing machine industry. The machine produces much too fast and brings with it a sort of economic system that I can not grasp, I do not want to accept something when I see its evil effects which outweigh whatever good it brings with it. I want the dumb millions of our land to be healthy and happy and I want them to grow spiritually. As yet for this purpose we do not need machine. There are too many idle hands. But as we grow in understanding, if we feel the need for machines, we certainly will have them. Once we have shaped our life on Ahimsa, we shall know how to control the machine” (Pyarelal, ‘Towards New Horizons’, Navajivan Publishing House, Ahmedabad, 1959, pp. 45-46).

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## 9.4 INDUSTRIALISATION

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### Meaning

Industrialisation is a process of expansion of industrial sector with application of more capital and higher level of technology. For obtaining a higher level of technology, the economy is required to enlarge the physical apparatus in the form of machines, equipments, tools and instruments of production on the one hand and on the other, to train the labour force of the country to make use of the physical apparatus thus created. The process is thus associated with mechanisation and high rates of capital formation. It is characterised by mass production in factories and in essence supports and strengthens capitalism. The strategy of industrialisation essentially involves the establishment of basic and large-scale industries in urban areas. Industrialisation and urbanisation invariably and undoubtedly are closely linked to each other.

#### 9.4.1 Structure and Patterns of Industrialisation

Industrialisation does not follow any single or uniform pattern all over the world. It may encompass a single industry like cotton textile or a group of industries which may include different types of industries, such as:

- Manufacturing industries: Industries producing capital goods or consumer goods on large-scale with machines.

- Energy-based industries: Industries producing energy from various sources like wind, solar, natural oil gas, bio-gas etc.
- Processing industry: Industries processing agricultural products like paddy, red gram, oil producing units, fisheries, Tea processing, herb-culture, vegetable processing and tissue culture etc.
- Mining industry: Industries that are involved in excavating or processing minerals.
- Service-based industries: transport, hospitals, education, trade and business, laboratory, cold storage, consultancy etc.
- Construction industries: Roads, bridges, railways, construction of residential and industrial complexes etc.

The process has started with consumer goods and then shifted to capital goods industries. In case of underdeveloped countries, the pattern should be guided by the considerations arising from the scarcity of capital. Since labour is abundant and capital is scarce, the development of labour-intensive consumer goods industries is inevitable. Therefore, the Western model of industrialisation is less applicable to developing countries as it is based on the situation of scarce labour in those countries at the time of industrialisation. Thus Industrialisation process may generate different types of industries based on the availability of raw materials, infrastructure, capital and skilled manpower etc.

#### **9.4.2 Classification of Industries**

On the basis of capital investment, industries are classified as:

- Cottage industries.
- Small-Scale industries.
- Large-Scale industries.
- Cottage industries mainly use traditional skills, art and culture. They are home-based and require less skills and capital. The use of power and machinery is minimum. They use local resources and cater to the needs of the local market.
- Small-scale industries are industries operating on small-scale using mostly indigenous technology. These include industries producing soap, leather products, textiles, accessories, food processing units etc. The investment limit is up to one crore.
- Large-scale industries: These are industries with investment above Rs. 1 crore producing on large-scale with indigenous as well as imported technologies. These include a variety of industries producing different types of commodities.

The process of industrialisation may follow any one of the two paths, one consisting of cottage and small-scale industries and the other consisting of large-scale industries or a combination of both.

#### **9.4.3 Key Components of Western Industrialisation**

The Industrial Revolution had its origin in Great Britain sometime during the middle and latter part of the 18th century. It transformed the country from a rural traditional society seeking its livelihood from agriculture to an urban-centred society, largely engaged in factory work. The factory system gave rise to a new mode of production with abundant gains in production and

productivity encompassing other sectors of the economy. From UK, it spread to other European nations and followed by others during the 19th century. All these countries experienced rapid economic development during this phase. The basic features of this industrialisation process are:

- Basic and heavy industries.
- Sophisticated high level technology.
- Capital-intensive production process.
- Substitution of machines for human skills.
- Mass production.
- Mass consumption.
- Capital accumulation.
- Urbanisation and centralised production.

Industrialisation in this form and pace that took place in Western countries was able to attain high rates of growth in production, productivity and income. The society reached the stage of affluence and high levels of material welfare, but it failed to understand the limits of production. As J. K. Galbraith has pointed out, this society increases its wants and therewith its consumption, with its production. It is interested in production for profit or production for production and thus moving along a road which has no direction. A great evil afflicting industrialism lies in the fact that while it rationalises the processes of production, it never rationalises the purposes of production. It does not attempt to know the limits of production. Gandhi did not support this model of industrialisation and development; he focused on rural economy strengthening the khadi and village industries using simple machines.

## 9.5 GANDHI'S VIEWS ON INDUSTRIALISATION

Gandhi's views on industrialisation and machinery should be read in the context of his attitude towards modern civilisation which was criticised severely in his *Hind Swaraj*. The Western industrialisation promotes mass production and is sustained by high levels of consumption arising out of growing wants. Gandhi believed that the chief aim of socio-economic organisation should not be multiplicity of wants and accumulation of wealth but a minimum standard of living must be assured to all human beings. The progress of materialism does not promote happiness and instead gives rise to conflict and social discontent. He was not against the industrialisation but what he opposed was machine-based industrialisation.

Gandhi strongly disliked the profit motive which is the base of modern industrialisation. The new economic order that Gandhi envisaged is not judged by the value of production and the quantity of material comforts and luxuries but by high standards of moral and ethical values that govern the life of a nation.

### 9.5.1 Gandhian Model of Industrialisation

Gandhi's model of industrialisation was village industries based on limited capital, local raw material, short gestation period and easy marketing. He favoured the khadi and village industries model. The industries should be small in size, simple in organisation, capital saving, non-violent and non-exploitative. They use locally available resources. The industries are eco-friendly and

human-friendly with an advantage of short gestation period. It has decentralised the structure and adequate income and employment generating capacity. He wanted production by masses in their homes.

Gandhi saw the difficulties and dangers of indiscriminate industrialisation in the under-developed countries which may result in the concentration of wealth or creation of industrialised urban areas leading to regional imbalances. It will promote exploitative relationship between the city and the village. Modernisation, industrialisation and mass production was not useful in solving the problems of mass poverty and unemployment. He considered hand-spinning and other village industries that provide employment opportunities to the people.

Gandhi favoured the use of machines as long as it helped in the eradication of poverty and unemployment. He did not mind using electricity or even atomic energy for the spinning wheel. He also accepted the importance of shipbuilding. He did not deny the importance of large-scale industries in essential spheres like basic and capital goods. But they should be complementary to small industries and should be owned by the state.

Gandhi was aware of the fact that the nature is being destroyed by unlimited industrialisation and massive urbanisation which are thought necessary for development. He felt that any attempt to introduce mass production, is endemic and self-defeating. It increases the problems of unequal distribution and it also creates the problem of urbanisation.

Gandhi visualised a self-sufficient village economy wherein villages produce all necessities of life. Cities buy the necessities and supply the machine tools and equipments. They should produce machines needed for village industries. This was his view of village industrialisation, forging a complementary rural-urban relationship.

The Gandhian model of small industry-oriented industrialisation was based on the self-employed small producer producing for his basic requirements and not for the pursuit of wealth for its own sake. These small producers are a social category fundamentally different from the medieval surfs as well as the modern proletariat of the capitalist class. Now these small self-employed producers working and living within the constraints of community life in the village are also not the individual-based capitalists. Gandhi was aware of the difficulties and dangers of alienating millions of small producers from the means of production. He therefore, argued that the participation of his vast force in economic development calls for a new approach and exploration outside the bounds of Western or Soviet models.

### **9.5.2 Rural Industrialisation**

Rural industrialisation is a process of establishment of small and cottage industries in rural areas. These industries help in the utilisation of local resources including the idle labour. It uses labour-intensive technology and caters to the local needs and local markets. The industries can be started with small amount of capital and use single technology. These industries have strong forward and backward linkages and they support each other.

The basic features of rural industrialisation are:

- Small and cottage industries located in rural and semi-urban areas.
- Easy and convenient to start and manage.
- Low capital investment.
- Labour intensive technology and low skill requirement.

- Simple production structure and organisation.
- Flexibility and easy adaptability to local condition.
- Adequate forward and backward linkages to promote rural development.
- Near to local culture and environment.
- Promotion of agro-processing and food processing activities.
- Environment and consumer-friendly approach.
- Variety of products suited to local tastes.
- Decentralised ownership conducive to inclusive growth.

Rural industrialisation is thus a programme to boost the industrial activity in rural areas. This programme helps to promote integrated development. It promotes diversifications of the rural economy through development of non-farm sector. It has high employment potential. In view of the meagreness of capital resources, there is no possibility for creating employment through the factory industries. For example, consider the household or cottage industries. They require very less capital. About six or seven hundred rupees would get an artisan family started with any given investment, employment possibilities would be ten or fifteen or even twenty times greater in comparison with corresponding factory industries (P.C. Mahalanobis).

The model based on khadi and village industries and rural industrialisation is 'Swadeshi' in character. Since most of the production is localised in villages and caters to local needs, there is little exchange market and profit. Gandhi thought that any payment to factory owner in excess of the remuneration for the managerial skill was an indication of the exploitation of worker. The strategy in this direction involves the following components:

- Avoiding the consumption of any commodity, not producible by labour intensive methods.
- There must be a plan to build up labour-intensive, mass-employment industries to supply adequate level of consumption goods.
- There must be a simultaneous attempt to build up capital/ intermediate goods industries but only to the extent of the requirement of the mass employment industries.
- As the economy approaches self-reliance, trade may be gradually opened in the form of exports of mass employment goods, surpluses and purchases of goods not produced within the economy.

Full employment was a key factor in Gandhi's approach to development. Manpower, which is the wealth of a nation, should not go waste. Thus the Gandhian model of industrialisation was mainly guided by the considerations of removal of mass poverty and unemployment.

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## 9.6 SMALL INDUSTRIES IN INDUSTRIALISATION PROCESS IN INDIA

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The independent India, under the leadership of Nehru, did not adopt the Gandhian model of village industries and economic development. The Second Five Year Plan adopted Mahalanobis model of large-scale industrialisation, covering basic and capital goods large-scale industries based on capital-intensive technology. This model was borrowed from Soviet Russia where it was found successful in promoting rapid economic development. Nehru believed that

industrialisation, along the Western lines, alone would make the nation really independent and militarily strong. When the entire country passed through the long and arduous process of industrialisation, the villages, he thought, would be automatically replaced by urbanised dwellings with mechanised agriculture and therefore, the exploitation of villages by towns will not arise at all. He adopted the strategy of large-scale industrialisation to promote rapid development in India. Thus the Second Five Year Plan laid down the path for rapid large-scale industrialisation.

This strategy of industrialisation has not only been the root cause of unemployment today in the economy but also for lopsided and imbalanced growth of the economy. The rural-urban gap is on the increase continuously and the village economy is suffering from the insecurity of income as well as employment. During the Second Five Year Plan in India, C N Vakil and Brahmananda advocated the wage goods model based on small industries producing mainly the consumer goods. But the model was not accepted. This model was close to the Gandhian model of rural industrialisation and decentralised production. This could have solved the problems of poverty and unemployment in the Indian economy and would have enabled to promote sustainable development.

In the industrial policy resolution of 1948 and 1956, the small-scale sector was given special role for creating employment with low capital investment. The thrust on small industries is also observed in the Industrial Policy of 1977. The studies on small industries have brought out that the failure of small-scale industries in India is mainly on account of lack of adequate working capital, low technical skill and managerial ability and lack of marketing contacts. Therefore, the focus of the policy approach is to fill up these gaps. Small industries are provided with credit at concessional rates of interest. The National Small Industries Corporation (NSIC) helps them in marketing, through obtaining a greater share in government purchases; there is provision of grading and ISO 9000 certificate of small industries product; the corporation also helps in the provision of adequate raw materials, imported components for production and selected imported equipment to small enterprises. The industrial estates provide, on rental basis, a good accommodation and other basic common facilities to the small entrepreneurs.

The small-scale sector was also promoted to produce the consumer goods. The Government followed the policy of reservation of items for production in the small-scale sector. In 1972, the list of reserved items was 177 which further increased to 837 in 1983. But since post 1990 new economic policy, the list of items has been declining continuously.

### **9.6.1 Survival of Small Industries- Challenges of Globalisation**

The small industries are in crisis today in India as they suffer from severe competition and are becoming sick at a rapid rate. They are facing numerous problems like lack of technological methods, inadequate and irregular supply of raw materials, lack of organised market channels, imperfect knowledge of market conditions, lack of quality consciousness and high costs. Consumerism and the craze for foreign goods are increasing rapidly.

The economic reforms have an adverse effect on the small-scale sector. Cheaper and better quality imported products are posing a serious threat to small industries, like chemicals, silk, auto components, toys, sports goods etc. The entry of multinationals in small-scale sector products, including retail trade, is a serious threat to these industries.

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## **9.7 SUMMARY**

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Gandhi's concept of industrialisation was rural industrialisation consisting of small and cottage industries and not machine-based modern industrialisation. The industry should use simple

technology and labour, generate employment for the masses and ensure every Indian an access to minimum level of living. It should promote self-sufficiency in rural economy and help to avoid conflict between the labour and capital. This method effectively balances the production and distribution. The present trend of industrialisation in India has generated wealth at the cost of unemployment and poverty. The trend is less likely to be reversed by the forces of globalisation.

Of late, machinery in the form of computer hardware and software skills have become the drivers of the economic progress and with increased levels of literacy and skills the employment opportunities have witnessed an increase. But the growth is highly unstable as it is driven by the global demand. Gandhi's concern about the type of economic development and industrialisation is relevant even today. In a labour abundant economy, technology and industry should support production for masses. The way out is either we have to reduce our population drastically or search for big global markets. Both the alternatives are equally difficult. Therefore, a proper balance between the man vs. machine i.e. the rural small-scale sector and the urban large-scale sector in favour of the former is essential to find solutions in the present situation.

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## 9.8 TERMINAL QUESTIONS

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1. Explain Gandhi's concept of machine. Comment on the debate of Man vs Machine.
2. Bring out the evils of the Western model of industrialisation.
3. Discuss the Gandhian approach to Machinery and Industrialisation. Do you agree with it? Substantiate.
4. Evaluate the present pattern of Industrial Development in India and examine the relevance of Gandhian model in the present context.

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## SUGGESTED READINGS

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## UNIT 10 ECONOMICS OF NON-VIOLENCE

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### Structure

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  - Aims and Objectives
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- 10.3 Sources of Violence in Economic Order
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### 10.1 INTRODUCTION

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The Gandhian economic thought is based mainly on the principles of truth, non-violence, dignity of labour and decentralisation. Non-violence (Ahimsa) is a means to achieve the end. Ahimsa or non-violence is an all-pervasive eternal principle applicable to every situation in life without any exception. Ahimsa is the means and truth is the end. Gandhi said: “My marriage to non-violence is such an absolute thing that I would rather commit suicide than be deflected from my position. I have not mentioned truth in this connection. Simply because truth cannot be expressed excepting by non-violence (Young India, 12-2-1931, p.354). The future of India and the world lies in the adoption of non-violence. It is most harmless and yet equally effective way of dealing with the political and economic wrongs of the downtrodden portion of humanity. Thus non-violence as a means to attain the end, i.e. the truth involves all aspects of human life. Non-violence and truth are inseparable. They are the two sides of the same coin. Both represent purity. Impure means result in impure end. All the socio-political economic goals in

the Gandhian state- freedom, democracy, rural development, equality, Sarvodaya, decentralisation and socialism are based on truth and non-violence.

### **Aims and Objectives**

After reading this Unit, you would be able to understand:

- Gandhi's ideal of Non-violence and the economic aspects of non-violence.
- The application of the ideal of non-violence from political to the economic life of the people.
- And how a non-violent economic order is established.

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## **10.2 MEANING OF NON-VIOLENCE**

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The words Non-violence and Ahimsa are negative in form on account of negative prefixes 'a' and 'n' respectively. Gandhi explains why this virtue has been defined negatively. Himsa is an inherent necessity for life in the body. Life lives on life. Ahimsa means an effort to abandon the violence that is inevitable in life. It stands for the ultimate deliverance of man from the bondage of the flesh, so that he may attain the state in which life is possible without the necessity of a perishable body whose sustenance inevitably involves destruction. Thus Ahimsa/ or non-violence means avoiding injury to anything on earth in thought, work or deed. As Gandhi says, "Exploitation is the essence of violence. The test of himsa is a violent intention behind a thought, word or deed i.e., an intention to harm. Non-violence thus means the largest love, love even for the evil doer".

Non-violence in economic activities implies that one must engage in occupations that involve the least violence. The occupations the non-violent man adopts should be fundamentally free from violence and should involve no exploitation of others. Occupations and industries based on body labour minimise exploitation. Therefore, physical labour is the base of non-violence. In this scheme the work of butchers, hunting, war and war preparations are obviously ruled out. Thus, in the economic life of an individual and the society, any activity that results in any kind of exploitation of human-beings or natural resources becomes a source of violence. Economic growth and prosperity attained through violence is not sustainable. Therefore, Gandhi said that "an economics that includes mammon worship and enables the strong to amass wealth at the expense of the weak is a false and dismal science".

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## **10.3 SOURCES OF VIOLENCE IN ECONOMIC ORDER**

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Any economic activity i.e. organisation of production and distribution, market and exchange that results in exploitation of any kind becomes a source of violence. Gandhi strove to create an economic order based on truth and non-violence in which the exploitation of man by man will disappear in all its forms. The Western Civilisation based on rapid large-scale industrialisation and mass production has generated many sources of violence. As Gandhi said, we cannot build non-violence on factory civilisation. The Western Civilisation promoted by rapid industrialisation is a basic source of violence. The consequent forms of exploitation that have emerged out of it are discussed below.

### **10.3.1 Imperialism**

Imperialism as a source of violence emerged in the post-Industrial Revolution Period. The economic organisation of the West believed in the multiplicity of wants. It creates the supply

and then creates a demand for it and thus strives to dispose of its production through capturing the markets in other countries, for which, it requires power and to obtain such power it is necessary to resort to violence. The East India Company entered India for trading purpose to sell the excess production from the factories of England. Japan, in her industrialisation process, began to push her goods in various countries. Thus industrialisation and mass production lead to imperialism, which becomes a source of violence. It results in the exploitation of one nation by another. This imperialism is also reinforced by the actions taken by the industrialised country to control politically the places from where it gets its raw materials that again leads to the use of violence, to subject simple people to political domination and make them merely raw material producers, securing to the most violent nations the privilege of manufacturing the finished goods. It has emerged now in the form of globalisation in which the underdeveloped countries are forced to stay away from the global markets.

### **10.3.2 Urbanisation**

The centralised mass production in urban areas leads to exploitation of villages that retards their growth, paralyses their lives and contributes to their perpetual misery and dependence. Exploitation is as much an evil when practised by the cities over the villages as it is when practised by one country over another. The poor villages are thus exploited by the urban centres. The process is well explained as cumulative causation by Gunnar Myrdal. In this process, the resources are transformed from hinterland- the villages to centres of growth and the centre- urban area grows at the cost of the pauperisation of periphery. Paul Sweezy also supports this, wherein he says that even if a country adopts Socialism or Communism to end violence, even then it cannot do so. Industrialisation, with centralised production in few urban places, has always advanced from the very beginning by subjugating, plundering, exploiting and re-shaping the environment in which it existed. The result was to transfer wealth from the periphery to the metropolis and correspondingly to destroy the old society in the periphery and re-organise it on a dependent satellite basis.

### **10.3.3 Capitalism**

The capitalist mode of production is based on the exploitation of human labour and therefore, it is a source of violence. Gandhi said that any payment to factory owner in excess of the remuneration for the managerial skill was an indication of the exploitation of worker. It leads to unequal distribution of income and violence is inherent in this economic inequality. As he said, "A non-violent system of government is clearly an impossibility so long as the wide gulf between the rich and the hungry millions persists- a violent bloody revolution is a certainty one day, unless there is a voluntary abdication of riches and the power that riches gave and sharing them for common good" (Gandhi, M.K., Constructive Programme, Navajivan Publishing House, Ahmedabad, 1968edn, p.26). Thus, without the elimination of inequality between the rich and the poor and the labour and capital and cities and villages, there can be no real freedom in society. He was in favour of socialism through non-violent methods only. He put forward his doctrine of Trusteeship as against exploitative capitalism. But until trusteeship was not followed, he was against the use of any kind of violence by the State against capitalism. He also said: 'it is my firm conviction that if the state suppressed capitalism by violence it will be caught in coils of violence itself and fail to develop non-violence any time.' Thus industrialisation and capitalism breed concentration of power and replacement of labour and became hindrance in freedom and liberty of labour resulting in accumulation of wealth by violence. Here are few examples:

The Industrial Revolution in England was financed from the profit of the Black slavery in the West Indies and by the resource transfer from India. Violence in this form exists even today. The advanced capitalist countries and the underdeveloped countries are not the two separate entities but the top and bottom sides of the same globe. Trade investment and government aid are the various means by which the advanced countries exploit the developing countries and maintain them in a continuous state of backwardness. Though aid is given to promote development, it is mainly in the form of tied aid which is not suitable to urgent requirements of the developing countries. Much of the aid is also utilised for the purpose of paying back the debt and interest. Thus the capital transactions, either in the form of investments or aid, are never in favour of the developing countries and thus the control of developed countries over the developing ones continues forever. The world economic relations are thus based on violence over the times. The world order that is based on exploitation, injustice and disparities cannot and should not be allowed to last long.

### **10.3.4 Degradation of Environment**

The mass production and consumerism leads to environmental stress and degradation. The western style of industrialisation was inherently not merely the violence of man against man but also the violence of man in his dealings with living nature around him and violence against the limited and finite resources of the earth. The environmental degradation is equalled to global warming and depletion of the ozone layer, acid rain, etc. The more localised concerns are pollution, soil degradation, desertification etc. The factory production process has thus led to three major crises- the crisis of resource exhaustion, the ecological crisis and the crisis of man's alienation and disorientation. The modernisation of agriculture has destroyed the healthy relationship between plants, animals, human beings and micro-organisms in the soil. The massive uses of insecticides and pesticides and modern technology have been sources of violence and crisis in agriculture.

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## **10.4 PREPARING FOR NON-VIOLENT DIRECT ACTION AND ECONOMY**

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### **Constructive Programme**

The Constructive Programme, initiated in 1920, was considered essentially as a non-violent direct action. To fight with the opponent, a Satyagrahi must generate adequate internal strength through self-purification by conscious co-operative effort because fighting against evils in others and harbouring them in oneself is neither truth nor non-violence. The Satyagrahi has to establish rapport with the people. Success in Satyagraha campaign is impossible unless the Satyagrahis have the sincere backing and firm control over the masses so that they would eschew all violence. The only way to acquire this control is to win the heart of the masses and to establish a living contact with them. Constructive work also goes a long way to convince the opponent the non-violent intentions of the Satyagrahi. It is an essential prerequisite of the Non-violent direct action. Just as the military training is necessary for armed revolt, training in constructive work is equally necessary for civil resistance.

Constructive Programme is a quiet, solid and substantial work involving direct personal service of the masses, suffering for them, organising them and educating them in the ways of non-violence. It is a process of mass-effort and mass education. In 1942, Gandhi wrote, "If we wish to achieve swaraj through truth and non-violence, gradual but steady building up from the bottom upwards by constructive effort is the only way" (Harijan, 18-1-1942, p.4). Gandhi consistently focused on and reshaped the Constructive Programme. In his foreword to this

programme in 1945, he said that “Constructive programme may otherwise and more fittingly be called “Poorna Swaraj or complete independence by truthful and non-violent means”.

The Constructive Programme is thus an effort to recast the present social order to eliminate exploitation and injustice. It is a programme of social and economic reforms at the village level. It includes:

1. Communal Unity
2. Removal of Untouchability
3. Khadi
4. Prohibition
5. Village Industries
6. Village Sanitation
7. New or basic education
8. Adult Education
9. Village sanitation
10. Education in Hygiene and health
11. Provincial Languages
12. National Language
13. Economic Equality
14. Kisans
15. Labour
16. Students
17. Adivasis
18. Lepers

Of these, Gandhi attaches greatest importance to the economic items, particularly to khadi and economic equality. To induce the rich to accept the ideal of economic equality and hold their wealth in trust for the poor, he would depend upon persuasion, education, non-violent non-cooperation and other non-violent means. Gandhi said, “The theory of trusteeship lies at the root of the doctrine of equal distribution. The only alternative to trusteeship is confiscation through violence. But by resorting to violence the society will be poorer as it loses the skill of a man who knows how to accumulate wealth. Non-violent non-cooperation is the infallible means to bring about trusteeship because rich cannot accumulate wealth without the co-operation of the poor in the society” (Harijan, 26-8-1940, p.260).

Constructive Programme also includes organisations of labour, kisans and students. Labour should have its unions who should take up educational programmes for workers and their families. The organisation pattern of the kisans is indicated by Gandhi’s kisan movements in Champaran, Kheda, Bardoli and Borsad. He was in favour of cooperative farming and cooperative cattle-keeping and a decent living wage to the landless labourer.

The Constructive Programme is a ground preparation for non-violent direct action. Its aim is the regeneration of society by ridding it of violence; it is a non-violent direct action, as a means of generating moral strength among the masses and after direct action as a means of consolidation in the form of a decentralised economic structure, social and economic equality and the right kind of education.

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## 10.5 BASIS OF NON-VIOLENT ECONOMIC ORDER

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A non-violent economic order is characterised by a set of economic activities that promote equality, justice and maintain natural balance in the economy. The organisation of production and distribution on the following lines leads to the establishment of a non-violent economic order.

### 10.5.1 Bread labour

Bread labour is at the base of economic philosophy of Mahatma Gandhi. The idea is derived from Tolstoy, Ruskin and *The Gita*. Bread labour means every man has to labour with his body for his food and clothing. According to him, the needs of the body must be supplied by the body.

Gandhi regarded bread labour as a powerful tool for the removal of economic as well as social inequalities, which are the sources of exploitation of the poor by the rich. In a society based on bread labour, “there will be no rich and no poor, none high and none low, no touchable and untouchable” (Harijan, 29-6-1935). Much of the exploitation and conflict in the society was due to the fact that some powerful individuals avoid physical labour and throw their burden on others. Therefore, all must be involved in physical labour for earning their bread. Bread labour will eliminate large-scale production and profit motive and bring about the self-sufficiency of the villages and the country.

### 10.5.2 Khadi

Khadi and village industries are not only a panacea for the problem of unemployment but also the best means for industrialising villages. To Gandhi, khadi was the symbol of unity, economic freedom and equality. Khadi production removes poverty, unemployment, idleness and dependence on others.

Khadi is also the symbol of Ahimsa. The emphasis on Khadi was not only based on moral and spiritual significance but also on strong common sense approach. Unemployment and idleness lead to violence and Khadi is the only alternative to this. Thus Khadi spirit means fellow feeling with every human being on earth. It means a complete renunciation of every thing that is likely to harm our fellow creatures (Young India, 22-9-1927).

### 10.5.3 Spinning-Wheel

Spinning-wheel is a symbol of decentralisation and emancipation of the rural masses of India. Gandhi believed that ‘Charkha’ (Spinning-wheel) was the only means to achieve full employment to establish a non-violent economy. He believed that “the message of spinning wheel is much wider than its circumference. Its message is one of simplicity, service of mankind, living so as not to hurt others, creating an indissoluble bond between the rich and the poor, capital and labour, the prince and the peasant. The larger message is naturally for all. The movement of spinning-wheel is an organised attempt to displace machinery from the state of exclusiveness and exploitation and to place it in its proper state”. It is a means to attain equitable distribution of income which is an essential requirement of a non-violent economic order.

### **10.5.4 Swadeshi**

Gandhi defined Swadeshi as that “spirit in us which restricts us to the use and service of our immediate surroundings to the exclusion of the more remote.” Swadeshi means use of goods and services belonging to or produced in one’s own country. Every one must use only things that are produced by his immediate neighbours and serve those industries by making them efficient. The basic economic objectives of Swadeshi are economic self-reliance and employment for the people. Swadeshi, through khadi, removes poverty, unemployment, idleness and dependence. Swadeshi has an attachment to the rural civilisation of India, based on spiritual and non-violent values, as against the materialism and violence of modern civilisation.

### **10.5.5 Decentralisation**

Production and distribution should be decentralised at the village level to attain balance between production and consumption. Decentralisation in economic sector involves a comprehensive programme of rural industrialisation based on labour-intensive technology. Production in small and cottage industries in rural areas, along with agriculture, facilitates production by the masses. This promotes participative growth with social justice as the benefits of production trickle down to the millions of masses. Gandhi favoured simple tools and techniques that may help to increase industrial and agricultural production without throwing people out of employment. Thus, if India has to evolve along non-violent lines, it will have to decentralise in many ways. The system should be able to meet the basic human needs of food, clothing and housing and restore equilibrium between agriculture and cottage industries.

### **10.5.6 Village Swaraj**

Gandhi wanted to build up a new India in terms of Gram Swaraj. It was revival of the ancient village community system with due purging of its social evils. The village is a republic, complete in itself, self-supporting and self-sufficient, independent of neighbours for its own vital wants and yet interdependent for many others in which dependence is a necessity. Here people have maximum possible direct participation in the economic, political, social and cultural affairs. This envisages maximum decentralisation of political and economic powers to the villages.

### **10.5.7 Trusteeship**

In order to avoid a violent revolution in a capitalist society and to bring about equality in the distribution of income and wealth, Gandhi propagated his doctrine of Trusteeship. The basic idea is that the rich man will be left in possession of his wealth, of which he will use what he reasonably requires for his present needs and will act a trustee of the remaining to be used for the society. People cannot amass wealth without violence and without the co-operation of the other members of the society. They have, therefore, no moral right to use any of it for their personal advantage and to exploit others. Trusteeship thus provides a means of transforming the capitalist order of society into an egalitarian one.

Gandhi’s way to deal with economic conflicts is not the class struggle and the extermination of haves by have-nots but via class collaboration and class coordination as the first step towards the classless democracy in which every one will perform the same form of productive physical labour and there will be no exploiters. Gandhi believed that a capitalist can render useful service to the society if he develops fraternal attitude towards labour and extend him the status of co-proprietor of his wealth. Thus both labour and capital should act as mutual trustees and trustees of consumers. This will help in attaining the goal of classless society by ending all exploitation without violence and revolution.

### 10.5.8 Non-Violent Strikes

For solving the legitimate grievances, labour should resort to non-violent strikes to compel the capital and to submit to arbitration. This is a strike which is non-violent in spirit as well as method. It is a voluntary purificatory suffering undertaken to convert the erring opponent. The important conditions of a non-violent strike are:

- The cause of the strike must be just.
- Strikes should not resort to violence
- Workers should be able to maintain themselves during the period of strike without falling upon Union funds and therefore, should occupy themselves in some temporary occupations.
- They should remain firm no matter how long the strike continues. Unless the labourers find their own support rather than depend on the resources of the union, the strike can not be prolonged indefinitely.
- There should be practical unanimity among the strikers.
- A strike is no remedy when there is enough substitute labour to replace strikers. In that case, in the event of unjust or inadequate wages, resignation is the remedy.
- Workers should, on no account, strike work without the consent of their union.
- Strikes should not be risked without previous negotiations with the mill owners on the basis of an unalterable minimum demand.

Gandhi was against sympathetic strikes. He stated that a non-violent strike should be limited to those who are labouring under the grievance to be redressed. He was also against labour strikes for political purposes until the workers are able to understand the political situation and are able to make right political choices.

### 10.5.9 Sarvodaya

Sarvodaya implies spiritual and material welfare of all. It is based on all embracing love and no individual or group will be suppressed, exploited or liquidated. All shall be on equal footing and sharing equitably the joint product, with the strong protecting the weak and the wealthy functioning as trustee of his superfluous wealth in the joint endeavour of the greatest good of all.

It is based on truth and non-violence and belief in God. It is an integrated approach to all human activities. The social, political, economic and other activities of man are facts of human life. It is based on equality and harmony with nature.

Sarvodaya seeks to eliminate injustice by eliminating economic conflict and by reducing the scale of material wants to the minimum necessary for subsistence. Every human being must satisfy certain material wants and to that extent a person may be a materialist but the excess of wants over and above more than necessary for subsistence should be totally controlled. Thus Gandhi opposed the notion of unlimited wants. It is based on the principle of simple living and high thinking. To sum up, Sarvodaya refers to an all-round progress and development of the humanity and advocates social ownership of means of production, equitable distribution of income, elimination of discrimination of all kinds, universal brotherhood, peace and progress. Thus bread labour, village swaraj, decentralisation, spinning-wheel, swadeshi and sarvodaya form the basis of a non-violent economic order.

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## 10.6 SATYAGRAHA- TECHNIQUE OF NON-VIOLENT DIRECT ACTION

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As the situation in India was based on inequality, mass production, colonialism and centralisation, it was essential to identify the means or instruments that may help to eradicate these sources of violence. These means should also be non-violent in nature. Satyagraha fulfilled the requirements of the technique of non-violent direct action.

### Satyagraha

The literal meaning of satyagraha is “holding on to truth” or “insistence on truth” ‘Satyagraha’, a non-violent mass action, is recommended as the sovereign remedy against economic oppression and the ultimate means for economic reform. Satyagraha may be individual or corporate. A corporate Satyagraha may take many forms such as non-cooperation, civil disobedience, fasting, hartal (strikes), social boycott and picketing etc. Satyagraha is different from passive resistance. Both are the methods of meeting aggression, settling conflicts and bringing about social and political changes, but Satyagraha is a moral weapon based on the superiority of soul force.

The Satyagraha at Kheda launched by the peasantry for non-payment of revenue was a successful event and so also the Satyagraha at Champaran where the farmers were forced to grow indigo plants in their land to obey the orders of the white rulers. Gandhi was able to abolish this system with the help of cooperation of the people. Thus Satyagraha in various forms was used as a technique to bring about socio-political and economic change in India.

Non-cooperation is an important off-shoot of Satyagraha. The idea that underlies non-cooperation is that even the evil doer does not succeed in his purpose without carrying conviction with him, if necessary, by force, and that it is the duty of the Satyagrahi to suffer for the consequences of resistance and not to yield to the will of the tyrant.

The most potent weapon in the armoury of Satyagraha is fasting. Though fasting has a place in the individual as well as group conflicts, it cannot be used correctly and effectively by the masses. It can be resorted to only by select and qualified individuals. The method of fasting is criticised as terrorism against which “the action of an opponent has no alternative between surrender and the fasting individual’s suicide. It, therefore, is a kind of exploitation of the opponent of his feelings of humanity, chivalry and mercy”. Gandhi has also emphasised that it should be used in limited cases and only by those or under the direction of those who have mastered the science of satyagraha and those who have acquired the necessary discipline.

Satyagraha as corporate action has been criticised on several grounds. It is sometimes described as destructive of law and order, non-progressive and unconstitutional. But these criticisms are not based on valid grounds and therefore, are not justified.

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## 10.7 THE NON-VIOLENT STATE

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Gandhi’s social ideal is the classless and stateless society. A society can be stateless when it is completely or almost completely non-violent. This is an ideal that may not be fully realised. What we may evolve in actual practice may be a predominantly non-violent state advancing towards the stateless stage. The non-violent state has to be retained due to human imperfection. Gandhi distrusts the state because it is steeped in violence. For the state to be democratic, the citizens must acquire the capacities to resist any misuse of authority. The state is a service

state and will be a federation of rural republics.

The non-violent state has minimal interventions in social and economic life of the society. The society is based on equality. A large part of production is in agriculture and cottage industries. There will be a minimum of centralised production in essential sectors. The centralised production will be organised either on the basis of private enterprise with both labour and capital acting as mutual trustees and trustees of consumers or failing this, on the basis of state ownership and joint management by the state and the representatives of workers.

Due to the partial realisation of bread labour and trusteeship, the non-violent state alone will be able to achieve equitable distribution of wealth. Economic inequality will continue due to differences in the earning capacities of the people. But this disparity will be within limits and a part of the excess will be taken over by the state and will be used for the good of the community.

The socio-economic structure of the non-violent state brings out the importance of the role of the State, ensure social justice and self-sufficiency. The State will control forests, minerals, power, and communications in the interests of the masses. On moral considerations, the State will completely wipe out the revenue from alcoholic drinks and drug traffic. In the long run, the State promotes adjustments in the socio-economic structures so that the economic life will become increasingly self-regulated and the need for state regulation will diminish gradually.

Thus the non-violent state will minimise exploitation and replace master-servant and capital-labour relationships by a new cooperative order based on rural culture. There will be political equality followed by social and economic equality. The society and economy will be simple enough to be within the grasp of a normal person that shall make the society and the state democratic.

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## 10.8 SUMMARY

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The economic order based on truth and non-violence is the ideal of the Gandhian economy. It tries to eliminate the various sources of exploitation and violence emerging out of industrialisation and centralised mass production. A non-violent economy is characterised by decentralisation, production by masses, Village Swaraj, Swadeshi, Trusteeship, Sarvodaya and Khadi. The spinning-wheel is a symbol of equality. Satyagraha is a technique of non-violent direct action. The Constructive Programme is a precondition for non-violent direct action. This corporate action may take various forms such as non-cooperation, civil disobedience, social boycott, fasting etc. In this democratic rural based economy, the State assumes a non-violent form with minimal intervention. It will promote the greatest good of all. Today the rapid process of industrialisation and the consequent pattern of urbanisation have raised serious social, economic, and environmental problems. In India, the level of urbanisation is expected to reach 57 percent by 2025. The world is realising the limits to growth. The new global economic order is based on multiplicity of wants and consumerism leading to violence and over-utilisation of resources. While the short-term compulsions drive us towards the technological race, the long-term solutions are to be searched within the Gandhian economic order.

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## 10.9 TERMINAL QUESTIONS

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1. Define non-violence. Explain how the modern civilisation is at the root of violence.

2. Write a note on Constructive Programme. How do you compare it with the Human Development Approach?
3. Discuss the base of a non-violent economic order. To what extent is this attainable in the era of globalisation?
4. Explain the nature of a non-violent State. Do you think that the present state in India is non-violent in nature?

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## **SUGGESTED READINGS**

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## UNIT 11 KHADI AND VILLAGE INDUSTRIES

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### Structure

- 11.1 Introduction
  - Aims and Objectives
- 11.2 Industrial Civilisation
- 11.3 Why Village Industries?
- 11.4 Swadeshi, Sarvodaya and Constructive Programme
- 11.5 Cottage Industries
- 11.6 Spinning-Wheel (Handlooms and Weaving)
  - 11.6.1 Khadi/Khaddar Economics
- 11.7 Other Village Industries
- 11.8 Summary
- 11.9 Terminal Questions
  - Suggested Readings

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### 11.1 INTRODUCTION

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‘I would say that if the village perishes, India will perish too. It will be no more India. Her own mission in the world will get lost. The revival of the village is possible only when it is no more exploited. Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villagers as the problems of competition and marketing come in. Therefore we have to concentrate on the village being self-contained, manufacturing mainly for use. Provided this character of the village industry is maintained, there would be no objection to villagers using even the modern machines and tools that they can make and can afford to use. Only they should not be used as a means of exploitation of others’.

*Harijan, 29-8-1936, p.226*

Gandhi advocated years ago what we call today as ‘development with a human face’. It is evident from his writings and speeches that he thoroughly opposed the heavy industrialisation, which would rob the innocent villagers of their due share in the development work. He could foresee the exploitation they would be subjected to and was highly critical of establishing such system in the villages. Gandhi’s economics consists of village and cottage industries where handicrafts, spinning, weaving and likewise remain constant sources of income and revenue generation. These would ensure income to even the poorest of poor who would put in their hard work and labour to earn their living wages. To him, this constituted the real ‘Swaraj and Swadeshi’. An in-depth analysis of what Gandhi envisioned for village development and the rise of all is necessary to understand his concept of economics, which is so uniquely different from the conventional economic theories that talk of the welfare of man/individual.

## Aims and Objectives

After reading this Unit, you would be able to understand:

- Gandhi's concept of village development;
- His intent behind promoting village and Khadi industries;
- His preference for cottage and spinning units for village development; and
- His analysis of how it would ensure economic equality.

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## 11.2 INDUSTRIAL CIVILISATION

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Gandhi attributes the demerits of mechanisation and industrialisation as the main reasons for the decline of village development. As he says, 'it is an evil when there are more hands than required for the work, as is the case in India'. Mechanisation would not only displace the huge manual workforce but also render severe unemployment problems for the villagers. He considers that 'the mills are menace to India, and it is no use thinking of labour-saving devices'. Gandhi wanted these devices to be opted out in favour of providing work to the millions who would spend idle hours for nearly half a year, mainly in search of work.

As had already been mentioned in the preceding Unit on 'Machinery and Industrialisation', Gandhi did not favour industrialisation or the craze for mechanisation that leads to large-scale labour displacement and unemployment. He was highly against this model of development for it would contribute to deepening India's pauperism and massive idleness of the masses. These would also lead to mass production and consumption apart from capital accumulation and centralised production. Gandhi highly deplored the Western model of development. He was aware of the temptations of money and the lure of consumption that would ultimately enslave a man to materialistic life. Machinery, as he said, 'is the chief symbol of modern civilisation that represents a great sin' (Hind Swaraj, p.81) and that which is leading to the ruination and desolation of the Western world. He did not want India to emulate this model of development for it is ill-suited to the Indian needs.

As JS Mathur observes, 'Gandhi despised modern industrialisation and wanted economic regeneration of India in decentralised pattern. He felt that to change to industrialism is to court disaster. The present distress is undoubtedly insufferable. Pauperism must go. But industrialism is no remedy' (Introduction, p.xxxviii). As he viewed it, materialism has stunted moral growth which is so essential for humankind; his concept of national planning and development consisted not in the industrial development but in adopting and leading a simple life by developing the cottage industries. He despised the use of machinery which incapacitates man and that which makes him weak in using the tools and cripples the limbs of the man.

Gandhi was against taking to industrialism on a massive scale. He considered it as nothing but a control of the majority by a small minority. He warned against its entrapment by false analogies. As he said, 'to make India like England and America is to find some other races and places of the earth for exploitation. The fact is that this industrial civilisation is a disease because it is all evil. We must not suffer exploitation for the sake of steamships and telegraphs. They are in no way indispensable for the permanent welfare of the human race' (Young India, 12-11-1931).

### 11.3 WHY VILLAGE INDUSTRIES?

Gandhi's model of industrialisation consisted of village-based industries wherein the labour is used extensively and that which has limited capital and involves local resources/ raw materials. This involves an element of non-violence and leads to non-violent economy, which includes non-exploitative, cooperative and self-supporting mechanisms. Gandhi favoured giving utmost attention to the rural industries as these would highly help in developing the rural areas without involving the ills or negative effects of a typical capitalist and urbanised system. Further, to empower the rural masses and generate income, he advocated the development of village and cottage industries as the solution.

The rationale behind the village industries and insistence on khadi is to enhance the national wealth not through industrialisation but through the small-scale industries. Gandhi insisted on khadi since it represented the Swadeshi and self-reliant strategy. The purpose is to outline village planning; development from below and within, inclusive in nature and to promote employment opportunities in villages.

True Swadeshi, as Gandhi enunciated, consists in encouraging and reviving the home industries and also 'provide an outlet for creative faculties and resourcefulness of the people' (MK Gandhi, Village Industries, p.5). He espoused it especially for those who are unemployed and willing to work hard to meet their basic requirements or add to their inadequate incomes. Further, the villages are the chief sources of supply of our daily needs. Therefore, necessary help should be extended to the supplier of our needs (Harijan, 23-11-1934).

Moreover, to help develop village industries is to engage in a constructive work. The main purpose, as Gandhi viewed it, is to bring a ray of light into the lives of the millions of idle masses so that their leisure hours are well utilised. Village industries are necessary to make the villages self-supporting, self-contained with their own manufacturing tools and techniques.

The development of village industries acts as an insurance against the onslaught of the massive industries. By preferring to take products manufactured in the village industries, Gandhi reiterated that the village industries would be saved from extinction due to foreign competition. He felt that the utmost need of the hour is to 'protect the village crafts and the workers behind them from the crushing competition of the power-driven machinery' (Harijan, 10-8-1934).

Developing village industries also involves an element of nationalism as Gandhi had believed. By opting to purchase from the village manufacturers, one tends to become village-minded. To put it in Gandhi's words, 'when we have become village-minded, we will not want imitations of the West or machine made products, but we will develop a true national taste in keeping with the vision of a new India in which pauperism, starvation and idleness will be unknown' (Constructive Programme).

Village industries would also highly encourage the local skills and the use of local resources, which can be obtained for a much cheaper rate than the machine made products. Gandhi advocated developing of such a high degree skills by the villagers so that their products would have high demand in the market. This would not only hone their skills but also make their life worth living in the absence of enduring poverty and unemployment. There would be no dearth of skilled people like village poets, artists, architects and others. Gandhi sought to 'build India from the bottom, that is from the poorest and the weakest and hence followed the centrality of the villages' (JN Sharma, p.47). Gandhi thus gave a new meaning to the concept of reconstruction or regeneration of the villages.

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## 11.4 SWADESHI, SARVODAYA AND CONSTRUCTIVE PROGRAMME

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Swadeshi, as Gandhi defined it, is that spirit in us which restricts us to the use and service of our immediate surroundings to the exclusion of the more remote. In the economic context, it refers to the use of products produced completely in our own nation and by our own villagers. Khadi became a symbol of Swadeshi in the Gandhian economics. His first advocacy was not to give in to the temptation of using foreign mill cloth in preference for the hard work of the millions of impoverished masses. Charkha or the spinning-wheel became an eternal symbol of Swadeshi for Gandhi. As he often said, it is our desire to wear the foreign manufactured cloth that displaced charkha from its dignified status. In order to revive that dignity and also to inculcate true economic spirit that is devoid of exploitation and deceit, Gandhi took to the spinning-wheel. As he rightly observed, 'economics that hurt the moral well-being of an individual or a nation are immoral and sinful. Thus the economics that permit one country to prey upon another are immoral' (Young India, 13-10-1921). The revival of hand-spinning and the extensive use of spinning-wheel to assert our self-sufficiency demonstrated Gandhi's deep interest in developing it into a full-fledged khadi industry.

Sarvodaya means the rise or upliftment of all. In the economic context, it means the economic equality of all devoid of discrimination. It also calls for the equitable distribution and this is possible only when one adopts the self-denial method or voluntarily reduces the wants. Gandhi advocated simple living and high thinking precept, for this alone can bring about the happiness that is more spiritual in nature as against the accumulative materialistic life. Also, in the economic field, 'Sarvodaya pleads for (a) the repudiation of the proprietary possession of the non-producers, (b) the establishment of proprietary possession of the producers, and (c) the neutralization or the negation of ownership' (JN Sharma, p.24). In the village development, the precept of economic sarvodaya is crucial for it is built on the local resources with the collective effort of all the villagers. The production is aimed not at commercial profit but for the consumption within the village community. Moreover, it is the responsibility of the village community to ensure a means of income to everyone. Gandhi envisaged that with decentralisation, the village industries can prosper as they are not only labour-intensive but also non-exploitative.

Constructive Programme is a blueprint of complete independence or Poorna Swaraj as Gandhi envisaged. It consists of his guidelines regarding the reconstruction of the villages and society by truthful and non-violent means. Gandhi includes the development of village industries as one of its primary features. He laid emphasis on the village economy because 'it cannot be complete without the essential village industries such as hand-grinding, hand-pounding, soap-making, paper-making, match-making, tanning, oil-pressing, etc'. He also talked of economic equality calling for 'abolishing the eternal conflict between capital and labour', and also stressing on adopting the 'trusteeship' doctrine. Gandhi clearly laid the outlines for village development via village and cottage industries and promoting handicrafts.

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## 11.5 COTTAGE INDUSTRIES

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It is important to acknowledge the role of cottage industries in the Indian economic context wherein they provide employment to millions of people. Unfortunately the encouragement given to these industries has been rather dismal; they are also afflicted by shortage in budgetary allocations. Gandhi once remarked that 'Without a cottage industry the Indian peasant is doomed. He cannot maintain himself from the produce of the land. He needs a supplementary

industry. Spinning is the easiest, the cheapest and the best' (Young India, 10-12-1919). Gandhi emphasised the development of this industry mainly to supplement the agricultural occupation. Cottage industries, while encouraging spinning and weaving, would highly contribute to the national wealth and also the economic and moral regeneration of India. Reminding that spinning was a cottage industry that had a wider reach, Gandhi sought to reintroduce this in order to provide specific means of income to all, as the 'central idea behind hand-spinning is to put money in the pockets of millions by finding an easy uniform cottage industry' (Young India, 31-7-1924). His strong belief was that the spinning-wheel would greatly contribute to reviving the national cottage industry, which, in turn, would bring about the natural and equitable distribution of wealth. This would do away with the enforced idleness of the masses and also rid India of its perennial poverty. He was bewildered at the thought of having too many industries rather than one universal industry, that is represented by spinning. At the same time, he was not dismissive of other industries that bring about some remuneration to the village labour. He opined that 'the national resources must be concentrated upon one industry of hand spinning which all can take up' (Young India, 30-9-1926). To elaborate further, 'it is not enough to say that hand-spinning is one of the industries to be revived. It is necessary to insist that it is the central industry that must engage our attention if we are to re-establish the village home'.

Small and cottage industries can also avoid the evils of industrialism. The heart of social reform is to make the world acknowledge the central place in it of everyman's work (JN Sharma, p.156). If we are to follow a decentralised pattern in the economic development, it is necessary to encourage the craftsmanship of the villagers. This pattern of development also makes it possible for the smaller communities to retain the ownership and control of the available resources, which in a way, avoids the concentration of wealth in the hands of a few. This profession can be carried on by the humblest of villagers, both men and women, and cater mainly to the local markets.

Time and again, Gandhi stressed on the need to revive the cottage industries by reminding the Congress leaders and the countrymen about the efficacy of these industries. Without their revival, he warned, the village and its habitants are bound to undergo immense suffering. He cautioned that one 'must realise that it is not cities that make India, but the villages and that you cannot reconstruct them unless you revive the village life with their defunct-handicrafts. Industrialisation cannot bring life to moribund villages. The peasant in his cottage home can be revived only when he gets back his craft and depends for his necessities on the village and not on the cities as he is compelled today' (JS Mathur, *Industrial Civilization and Gandhian Economics*, p.135).

## **11.6 SPINNING-WHEEL (HANDLOOMS AND WEAVING)**

The spinning-wheel or Charkha has become an eternal symbol of Swadeshi in the Gandhian economic vision. Gandhi was convinced of its efficacy and prominently backed its revival. 'I claim for the Charkha the honour of being able to solve the problem of economic distress in a most natural, simple, unexpensive and businesslike manner. The Charkha, therefore, is not only not useless, but it is a useful and indispensable article for every home. It is the symbol of nation's prosperity and therefore, freedom. It is a symbol not of commercial war but of commercial peace' (Young India, 8-12-1921).

Further, Gandhi gives the following reasons as to his insistence on spinning:

1. It supplies the readiest occupation to those who have leisure and are in want of a few coppers

2. It is known to the thousands
3. It is easily learnt
4. It requires practically no outlay of capital
5. The wheel can be easily and cheaply made. Most of us do not yet know that spinning can be done even with a piece of tile and splinter
6. The people have no repugnance to it
7. It affords immediate relief in times of famine and scarcity
8. It alone can stop the drain of wealth which goes outside India in the purchase of foreign cloth.
9. It automatically distributes the millions thus saved among the deserving poor
10. Even the smallest success means so much immediate gain to the people
11. It is the most potent instrument of securing cooperation among the people.

He likened the spinning-wheel to the life-giving Sun for in it he saw the life giving occupation to the millions of unemployed. He wanted the Charkha to symbolise not only the handicrafts but also the spirit of swadeshi. He wanted that the masses should take to spinning and handlooms in order to achieve economic independence. He believed that the spinning-wheel, in this context, is a force in national regeneration. He even advocated spinning to be made a compulsory subject for it is the 'Secret of Swaraj'. He strongly pleaded for the revival of the home-spinning to attain economic independence and to banish pauperism. To put it in his words, 'I hold the spinning wheel to be as much a necessity in every household as the hearth. No other scheme that can be devised will ever solve the problem of the deepening poverty of the people' (Young India, 2-2-1921).

Spinning was also seen as a subsidiary industry by Gandhi. He remarked that 'it is intended to restore spinning to its ancient position as a universal industry auxiliary to agriculture and resorted to by the agriculturists during those months of the year when agricultural operations are suspended as a matter of course and cultivations have otherwise little to do. The spinning wheel is capable of being applied as a complete insurance against famines and droughts' (Young India, 4-8-1921). Gandhi was thoroughly convinced of the invincibility of spinning wheel, without which the poverty of India cannot be solved. He advocated spinning for all the households and making it a universal occupation so that the complications attached with machinery are fully avoided. As millions of weavers and lakhs of carders revert to this occupation, it would ensure the economic growth of India. It is interesting to note his unflinching belief in this occupation wherein he pledges that it 'defies the pranks of monsoons and acts as an insurance against many risks. It gives the country an incentive to industrial effort and renders cooperation on a national scale absolutely necessary for success' (Young India, 12-1-1922).

Most importantly, Gandhi viewed the charkha as an eternal symbol of Hindu-Muslim unity and also all-India unity. Those who believe in the unity would resort to spinning daily and nothing can possibly unify and revivify India as the acceptance by all India of the spinning wheel as a daily sacrament and the Khaddar wear as privilege and duty (Young India, 16-3-1922). Gandhi saw charkha as a uniting force between communities thus bringing them together to achieve common economic goals. Further, spinning is also advocated as a symbol of identification

with the poorest masses of India. It would rid them of the state of blank despair, painful starvation and insane life of beggary. By providing them the spinning-wheel, we would be rendering greatest service to them by restoring to them a dignified life and easy labour. Spinning, as Gandhi often viewed it, is a cooperative effort that makes us realise our formidable strengths.

### 11.6.1 Khadi/Khaddar Economics

What does khaddar stand for in Gandhi's scheme of economic regeneration of India? To understand the rationale behind it, it is important to note what he said with regard to it. Firstly, Khaddar stands for simplicity and not shoddiness and does not go against the machinery but its weedy growth. The wheel, in itself, is an exquisite piece of machinery. Secondly, it helps in bridging the gulf between the rich and the poor and creates a moral and spiritual bond between them. It bestows hope in the millions of helpless poor by becoming the centre of all the village industries. It offers an honourable employment, utilises the idle hours, elevates the living standards in the villages, and acts as a great organising power along the peaceful lines. Most importantly he found it as a viable occupation for the poorest, including the untouchables, who are the most helpless among the poorest. It is necessary to observe what Bharatan Kumarappa said with regard to the reasons for Gandhi's insistence on Khaddar. It is summed up in the following paragraph:

'Gandhi wanted people to shake off the inertia and a feeling of helplessness, to learn to rely on themselves. Mill production of cloth could employ only a small fraction of the people and also the employee could not be self-reliant as he was dependent on the employer for wages, raw materials and machinery. It was khadi alone which could teach our village population to depend on their own efforts to improve their lot, and thus to learn their first lesson in real independence. It was meant to put new life in to the individual and to make him resourceful and self-dependent. It contained the seeds of true swaraj or self rule or democracy in the real sense of the term. Gandhi wanted to teach the importance of the dignity of hand-labour and not to shun it or degrade it. Gandhi expected it to lay the foundations of a non-violent economic and social order which would bring peace and happiness to the mankind. This was the far-reaching and permanent objective which underlay his efforts for reviving Khadi' (Khadi, Why and How, Navajivan, Ahmedabad, 1955, pp.iii-iv).

Writing in Harijan (10-12-1938), Gandhi reiterated that 'Khadi has a big mission. Khadi provides dignified labour to the millions who are otherwise idle for nearly four months in the year. Even apart from the remuneration the work brings, it is its own reward. For, if millions live in compulsory idleness, they must die spiritually, mentally and physically. The spinning wheel automatically raises the status of millions of poor women. Even though, therefore, mill cloth were to be given gratis to the people, their true welfare demands that they should refuse to have it in preference to Khadi, the product of their labours'. By advocating this self-sufficient and contented approach, Gandhi sought to uplift the spirit of millions of masses. His firm conviction was that by reviving the khadi and other village industries, we would not be dragged into the imperialism, wherein exploitation of the weaker races and pursuit of materialistic life reign as supreme goals, making the concept of peaceful living almost impossibility. He felt that in order to withstand the onslaught of the Western machinery, India should adopt self-supporting techniques and the spinning-wheel represented the best alternative. Gandhi's advocacy of khadi was unequivocal and successfully countered numerous criticisms against it. One such defence deserves to be quoted in full. Answering the criticism that khadi is economically not feasible, Gandhi reiterated,

'Khadi is the only true economic proposition in terms of the millions of villagers until such time,

if ever, when a better system of supplying work and adequate wages for every able-bodied person above the age of sixteen, male or female, is found for his field, cottage or even factory in every one of the villages in India; or till sufficient cities are built up to displace the villages so as to give the villagers the necessary comforts and amenities that a well-regulated life demands and is entitled to. I have only to state the proposition thus fully to show that khadi must hold the field for any length of time that we can think of' (Harijan, 20-6-1936).

Gandhi was aware of the limitations khadi poses. He identified the factors such as settled prejudices among the villagers, the unscrupulous competition, absence of state protection, reluctance and opposition to khadi by the experts from economics field, and the demands for a cheaper khadi among its users. The problem, he felt, lies in the lack of awareness among both the city-dwellers as well as villagers regarding its utility. At the same time, he points out to its benefits such as being the largest industry that employs largest number of people and huge sums that go into the wage distribution and lastly as the most practical economic proposition without a rival.

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## 11.7 OTHER VILLAGE INDUSTRIES

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### 11.7.1 Cooperative Farming

Gandhi conceived the idea of cooperative farming to banish poverty and engage the idle masses in productive occupation. As for the objectives of this programme, apart from creating employment, it would help in forging cooperation among people to work collectively for their common good and help in the development of the villages. Since most of the people are dependent on agricultural occupation, the cooperative farming would bring about common benefits to all equally. 'The land would be held in cooperation and this would cause a saving of labour, capital, tools, animals, seeds, etc in cooperation. Cooperative farming of this kind change the face of the land and banish poverty and idleness from their midst. All this was only possible if people became friends of one another and as one family' (Mathur AS and Mathur, JS, p.335).

### 11.7.2 Tanning Industry

Gandhi believed that tanning industry is especially important for generating income considering its worth and demand from many quarters of the world. This is especially useful for the upliftment of the untouchables who are deprived of the basic necessities. They may be taught this skill and thus help in 'taking the art, education, cleanliness, prosperity and dignity to them'. Gandhi supported the application of chemical talent that helps in improving methods of tanning. He did not favour slaughtering animals for this purpose but suggested taking the hide from the dead cattle. Lasting and cost effective footwear could be manufactured from this. It would also help in bringing the intelligentsia who teach the techniques in contact with the villagers through dissemination of knowledge.

### 11.7.3 Dairying

Gandhi wanted India to set the finest example in the dairying experiments, by setting up the dairying centres/*goshalas* as model units. They should not be confined to a mere two acre land but around fifty to hundred acres, where a modern dairy unit would be operating. The ideal *goshalas* would supply milk to the villages and cities and thus, 'there would be no profits and no dividends to be paid and there would be no loss incurred'. These could be eventually developed into model dairy farms and profitable national institutions (Village Industries, pp.29-30).

### 11.7.4 Gur and Khandsari

Sugar industry is the most viable village industry and considering its fast multiplication, Gandhi felt, there is a large scope for research and substantial help. He favoured the State's help and favourable legislation for this industry, whose profits are next only to the textile industry. Jaggery, palm jaggery could be used to produce refined sugar or may be retained as they are for nutritious value. The tadi and nira made from fresh khajuri juice also carry health benefits.

### 11.7.5 Miscellaneous Industries

Gandhi suggested and supported the setting up of compost manure units, organic in nature that would help in enriching the soil and increasing the yield of the grains and pulses. It would also rid the villages of unnecessary waste and filth and make them much cleaner. Hand-made paper is also a viable industrial unit that can produce handicrafts. Another option is to prevent the decline of ghani oil industry. Gandhi suggested an active role of the state to revive these units and also make the oil seeds available to the oilman at reasonable rates. Cooperative societies and panchayats could help in supervising the aid disbursement. Bee-keeping also held immense opportunities to produce quality honey and sugar that have rich medicinal value. Hand-pounding of rice can help millions of housewives and artisans to earn their income; the use of machinery may be avoided that deprives income to people.

Gandhi felt that the village exhibitions are best platforms to display the products manufactured by the villagers. They have an educative value apart from monetary value. They also help in bringing into limelight new methods and techniques that help in improving the production output. Villages can thus create their own opportunities and provide for themselves the amenities like Nai Talim, village medicine, maternity homes and health-care centres, better sanitation, art sections and animal rearing. All these go a long way in the upliftment of the masses, which is proclaimed in the economic aspect of sarvodaya.

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## 11.8 SUMMARY

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Gandhi's ideal of village development was simple and straight. He did not set the high ambitions of machine-induced development, which the large numbers of illiterate masses are unaware of. He recommended much simple alternatives like dairying and cooperative farming for the village development. He ruled out any role for machinery in the process that would render this large population to unemployment and despair. Gandhi envisioned self-sufficiency and rejected dependence on machinery and industries for livelihood opportunities. The cottage and khadi industries fit his scheme of development that would ensure in grooming the village art and skills. Unfortunately these industries have been relegated to background in the planning schemes and have been replaced by ambitious development plans as prescribed by the state and international financial organisations. Villages in India continue to suffer from gross underdevelopment and perennial neglect. National reconstruction via cottage and village industries provides a viable alternative and deserves much attention from our policy makers and functionaries.

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## 11.9 TERMINAL QUESTIONS

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1. Explain the rationale behind Gandhian scheme of village development via village industries.
2. Write a short note on the importance of cottage industries.

3. Spinning-wheel is an important instrument of economic development. Do you agree with this? Explain.
4. What do you understand by Khadi economics? Explain briefly.

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### **SUGGESTED READINGS**

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## UNIT 12 GANDHIAN ECONOMISTS

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### Structure

- 12.1 Introduction
  - Aims and Objectives
- 12.2 Principles of Gandhian Economics
- 12.3 J.C.Kumarappa
- 12.4 E F Schumacher
- 12.5 J K Mehta
- 12.6 Shriman Narayan
- 12.7 Summary
- 12.8 Terminal Questions
  - Suggested Readings

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### 12.1 INTRODUCTION

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During the course of our freedom struggle, Gandhi inspired many a distinguished persons to take up the mantle of India's regeneration plans. While some of the dedicated members actively and directly involved themselves in the political struggle, many of them worked towards the regeneration programme. They engaged themselves in mapping the agenda of social and economic programme according to the Gandhian principles of truth and non-violence; yet some others were thoroughly influenced by the Gandhian principles in an indirect manner and their works reflected this influence. Gandhi's prescription of an economic model was simple and straight. It consisted not of heavy industrialisation or mechanisation but development of cottage and village industries, khadi and village handicrafts. Among the distinguished Gandhian economists and planners, special mention may be made of JC Kumarappa, Shriman Narayan and JK Mehta. Gandhi's ideas had also thorough influence on many economists and experts outside India and EF Schumacher holds eminence among them. This Unit deals with the thoughts and ideologies of these eminent men and how they charted the development agenda with humanistic approach.

#### Aims and Objectives

After reading this Unit, you would be able to understand:

- The principles of Gandhian economics
- The contribution of distinguished Gandhian followers towards social and economic regeneration of India
- The relevance of Gandhian economic model in the contemporary globalised era.

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### 12.2 PRINCIPLES OF GANDHIAN ECONOMICS

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From the preceding Units, we have become familiar with the basic concepts of what Gandhi envisioned for economic development and the means to realise these. Choudhuri summarises

them as follows: ‘the goals that Gandhi set for a restructured economy were the end of exploitation, economic equality and a world order free from war. The principles according to which the restructuring was to take place were cooperation and sharing, universal participation in physical labour, voluntary limitation of wants, decentralisation of economic activities, a new technology in consonance with the new goals, Swadeshi, and the transformation of private ownership of means of production to trusteeships’ (Manmohan Choudhuri, pp.191-192). Gandhi believed in economic equality for non-violence to prevail upon in society. Gandhi’s Constructive Programme was a step forward in this direction. He advocated productive physical labour as one of the fundamental principles for a new economic order. He also advocated spinning as the prime occupation, which would help in alleviating mass unemployment among the villagers. He was against that development which would injudiciously use the natural resources, thus aggravating the fragile ecological concerns. Voluntary reduction of wants, he reiterated, reduces the massive consumption levels and makes resources available to all in equal measure. Khadi became an eternal symbol of Gandhian model of development. Gandhi’s approach to economics was humane and ethically progressive, and his devoted followers made great efforts to convene economic models on these lines. As his close follower, Shriman Narayan observed, ‘Gandhiji was not very familiar with modern economic terminology, but his ideas revealed a pragmatic and rational approach to various economic problems confronting developing countries’ (Gandhi- the man and his thought, p. 38). A common element of genuine concern for the deprived sections is reflected in the works of his associates and Gandhi’s non-violent means of achieving equality is clearly reflected in their approach.

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### 12.3 J.C.KUMARAPPA (1892-1960)

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Joseph Chelladurai Cornelius Kumarappa, a philosopher of striking originality, was the principal preceptor of Gandhian Economics (Govindu and Malghan, p. 2, see URL). His thoughts and ideas constitute new dimension in the human economic development and his writings reflected close proximity of economic development and environmental concerns. He was one of the earliest to voice this concern. Kumarappa’s tryst with the Indian economic scenario had its origins during his study years in America, when he sought answers as to the reasons for India’s extremely impoverished condition, with which he was unfamiliar with till then. His Master’s thesis on ‘Public Finance and India’s Poverty’ focussed on the British colonial financial policy and exposed him to the reasons for India’s economic condition. Upon his return to India, he came in close contact with Gandhi, who later commissioned him to undertake the economic survey in the Matar taluka of Kaira (Kheda) district. This not only familiarised Kumarappa with the rural Indian economy but also made him think on further regeneration of India with a human approach. He also contributed immensely to the working of All India Village Industries Association (AIVIA), which he took charge of and was later assigned the responsibility of editing the Weekly, *Young India*, during Gandhi’s imprisonment.

Kumarappa was undoubtedly a man of action and took upon the onerous task of charting the socio-economic regeneration of India on Gandhian precepts. He developed an internally consistent teleological framework that delved into such fundamental questions of economic theory and philosophy as the nature of the individual, value theory, nature of work, division of labour, role of the state, right to property and money as a medium of exchange (Govindu and Malghan, p.3). He also brought out pioneering works like ‘Why the Village Movement? A Plea for a Village Centred Economic Order’, ‘Practice and Precepts of Jesus’, ‘An overall plan for Rural Development’, ‘Gandhian Economy and other essays’ and ‘Economy of Permanence: A Quest for a Social Order based on Non-violence’. The last one is considered as his magnificent work that strikes right chords between economy and environment, making

him one of the earliest pioneers on 'green thought' in India. He advocated protection of raw materials and resources which are necessary to meet the basic requirements of livelihood in a society. He envisioned an economy of permanence and peace that would involve not only individual, moral and spiritual development but also ensure the ultimate Gandhian aim of sarvodaya order of society (see Dashrath Singh, p. 130). Like his mentor Gandhi, Kumarappa also viewed individual autonomy as key to society's economic freedom and peace. He viewed a close connection between the economic structure and organisation and the political structure, for example, large-scale industrialisation is an anti-thesis to democracy in politics.

Kumarappa was dissatisfied with then prevailing economic policy where peacelessness was the main characteristic. He viewed both the capitalist and communist models as inducing materialistic values and enhancement of pleasure. He studied their negative impact on the health of an individual and the vices that eventually cause stress and anxiety. Wars are also immanent under these systems as there is a severe competition to control natural resources. Further, money economy and price mechanisms also lead to inequalities in wealth.

Kumarappa's solutions to these ills are manifold. Firstly, he advocates satisfying the natural needs without creating an artificial demand and without breaking the cycles of nature. He was keen to restore nature to its pristine element. Secondly, economy should be based on communitarian type, with social control, decentralisation and social regulatory mechanisms. This economy promotes cooperative and complimentary behaviour, a much needed element in social altruism. Thirdly, the economic planning itself must be on the lines of durable peace wherein the local resources and problems are tackled effectively. The national planning should start from the village level (Dashrath Singh, pp.141-2). The plans need to incorporate the issues of agriculture, village industries, sanitation, health, housing, education, village organisation and culture.

Mark Lindley credits Kumarappa of doing pioneering work in the field of what is now called 'ecological economics'. There have been others who had noted these concerns before Kumarappa but the latter's contribution stands out among all the works related to the field. Lindley regards the Economy of Permanence as inventing the concept of sustainable economy. He says: 'Kumarappa's vision of promoting the 'cooperation and coordination of Nature's units' will prove an essential complement to the hands-off concept' (hands-off ideology of humanity's relation to nature to prevent the occurrence of environmental degradation, Lindley, p.153). Further, Kumarappa cautioned the Indian government about scant attention that is being paid to the renewal of soil fertility, careful use of artificial fertilizers, proper functioning of irrigation tanks, and 'the dangerous imbalance in the government's anxiety about the revenue production of forests rather than their being a conserving ground for water' (Ibid.,).

Further, Kumarappa never lost sight of the moral approach in his economic model. He advocates against procuring things, which do not appeal to us morally and spiritually. Our values should play a prominent role in this despite the product's materialistic allurements. Lastly, he advocates service of fellow human-beings as the ultimate way to economy of permanence. As he said, 'the principles of economics tend to be permanent in the measure in which we recognise the transcendence of life and formulate our laws in perspective of eternity. Such an attitude alone will lead to the progress and prosperity of the human race and to a life of peace and goodwill based on culture and refinement' (Why The Village Movement?, p.29). His vision was to emphasise distribution rather than production, on duty rather than right. Only this would ensure an economy of peace and permanence with highest regard to humanity and highest returns of moral and spiritual contentment.

## 12.4 E.F.SCHUMACHER (1911-1977)

A reader of Ernst Friedrich 'Fritz' Schumacher's works would undoubtedly find the influence of Gandhi on this distinguished economist from the West. He too produced pioneering work on the use of resources in a well thought-out manner in the process of development. His seminal work 'Small is Beautiful' has been a telling influence on the scholars and experts of his contemporary time and beyond. His advocacy of Buddhist Economics also gives an account of how economics can be peaceful as well as non-violent. He often cited Gandhi in his works, a proof of the widespread influence of Gandhi around the world.

Schumacher's concern for the nature and its significance is well reflected in the following words: 'Modern man does not experience himself as a part of nature but as an outside force destined to dominate and conquer it. He even talks of a battle with nature, forgetting that, if he won the battle, he would find himself on the losing side' (Small is Beautiful, p.1). He lamented at the widespread belief that the problem of production is solved by exhausting the 'natural capital' and was highly concerned at the alarming rate with which nature is being depleted. He was similarly aghast at quantum leap in industrialisation across the world. His farsighted thinking is reflected in his reservations about the safety devices to be developed by the scientists and technologists in 'using, transporting, processing and storing of radio-active materials in ever increasing quantities' (ibid, p.7). Like Gandhi, he advocated simple life as a means of peaceful life. He reiterated that, 'we must thoroughly understand the problem and begin to see the possibility of evolving a new lifestyle-a lifestyle designed for permanence'. These include building up soil fertility; producing health, beauty and permanence; evolving small scale, non-violent technology, with a human face; evolving new forms of partnership between management and men, and forms of common ownership. Thus one can find a striking similarity to what Gandhi and his devoted follower Kumarappa have campaigned for. He once questioned thus: 'instead of Gandhi, are we not inclined to listen to one of the most influential economists of our century, Lord Keynes?'

Schumacher forewarned about the consumption of fuel levels at alarming proportions 'that would produce environmental hazards of an unprecedented kind'. He cautioned about nuclear energy and its use wherein 'it is hard to imagine a greater biological threat, not to mention the political danger that someone might use a tiny bit of this terrible substance for purposes not altogether peaceful'. These prophetic words seem to be close to execution with proliferation of nuclear weapons and its (likely) misuse by some of the nations.

Schumacher spoke against unlimited economic growth where everyone is saturated with wealth as an unhealthy indicator of human progress. It not only makes the availability of basic resources scarce but also endangers nature and 'the capacity of environment to cope with the degree of interference implied'. The cultivation and expansion of needs, he finds, is the anti-thesis of freedom and peace. This increases the dependence of the humankind on nature that would face existential fear. As he says, 'only by a reduction of needs, can one promote a genuine reduction in those tensions which are the ultimate causes of strife and war'. Gandhi's concept of voluntary reduction of wants too echoes this. Schumacher believes that non-violence and relationship of man to nature are the only factors that guarantee peace and permanence. According to him, 'economics deals with a virtually limitless variety of goods and services, produced and consumed by an equally limitless variety of people'. He is completely in agreement with Gandhi regarding the means and ends. Modern economics, he feels, 'destroys man's freedom and power to choose the ends he really favours and the development of means dictates the choice of ends'.

Schumacher's significant contribution to economics is his concept of 'Buddhist Economics'. The influence of Burmese economics is quite evident which sees no conflict between religious values and economic progress. He thus explains the concept and meaning of Buddhist Economics:

'While the materialist is mainly interested in goods, the Buddhist is mainly interested in liberation. Buddhism is 'The Middle Way' and in no way antagonistic to physical well-being. It is not the wealth that stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the craving for them. The keynote of Buddhist economics is simplicity and non-violence. It is the utter rationality of its pattern- amazingly small means leading to extraordinarily satisfactory results. The ownership and the consumption of goods is a means to an end, and Buddhist Economics is the systematic study of how to attain ends with the minimum means'.

Therefore, from Buddhist Economics dimension, production from local resources is a rational way of economic life. Further the reverence to nature determines the level of consumption to minimum. This has two major advantages: (1) prevention of felling of trees and (2) genuine economic development without foreign aid (as the resources are sufficient and there is no scope for export/import). These ensure a measure of peace and permanence.

Schumacher wondered at the futility of the modern economics that does not help the poor man to improve his standard of life. He too advocated production by the masses instead of gigantism and automation in production processes. He forewarned the danger of atomic energy which is meant for so-called peaceful use and views nuclear reactors as massive wastes, where even a minor accident can cause catastrophe that affects several generations.

Schumacher raises some genuine concerns about the use of modern technology. It is bound to lead towards suffocating and debilitating effects, or even a partial breakdown of living environment. The limitless and expansive materialistic life ensures in the least the real purpose of human development. Modern technology, as a massive replacement to human energy, leads to unhealthy trends in human beings like overeating and sleeping, and renders them unproductive and gives them greater amounts of leisure. He finds that hands and brains involved in productive work are excellent tools and offer a therapeutic and educational value of real work apart from promoting creativity, work-enjoyment, and much less illness. He named it intermediate technology, vastly superior to the primitive technology or super technology, wherein 'the technology of production by the masses, making use of the best modern knowledge and experience, is conducive to decentralisation, compatible with the laws of ecology, gentle in its use of scarce resources, and designed to serve the human person instead of making him the servant of machines'. In final, he says that technology should address the real needs of man. Man's needs too are small as 'Man is small and small is beautiful. To go for gigantism is to go for self-destruction'. Thus, one can find a close semblance of thought between Schumacher and Gandhi, speaking for the welfare of humanity with a human touch.

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## 12.5 J.K.MEHTA (1901-1980)

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Prof. Jamshed Khaikusroo Mehta, a renowned economist, through his seminal work 'A Philosophical Interpretation of Economics' interpreted the subject in a most humanistic and spiritualistic mode. Mehta views economics as a subject of 'everybody's concern' and the economist as someone searching 'for the one in many'. Mehta places greater responsibility on the role of economist, who can bring about a positive change in the realm of human welfare. Precisely, the economist, like his counterparts in other subjects, 'studies man, and sees the

universe through man'. In this search, the economist makes several generalised observations that gives us a rational, temporal and holistic perspective. Mehta observes that 'if the economist regards bringing together of all men as his primary duty, he must begin to theorise and to philosophise. He should give up his fruitless quest of social welfare among the developments of the material world that surrounds him'. Such quest is bound to end in failure; therefore an economist has to philosophise and make the philosophy of economics as the ultimate end. As Mehta interprets, 'wantlessness' is the ultimate end, which brings with it peaceful solutions. In spiritual analysis, man is the seeker of truth which is straight and axiomatic. This truth ensures his reaching the spiritual goal. In the material world, man loses sight of his spirituality and perceives the world through his sense organs; as Mehta says, this state is a complex picture, ugly to some extent, which makes man look for happiness in material gains and the multiplication of wealth and wants. This happiness cannot be lasting. The state of happiness is reached when one becomes free from all wants and attains a state of 'wantlessness'. An atmosphere of material development, as Mehta observes, breeds jealousy and ill-will among human beings and prevents them from living a harmonious life. The solution lies in looking at the 'inner depths of our mind and consciousness' for forging better relations, the task which an economist can successfully undertake.

Mehta rightly estimates the economic problems confronting the modern India. The low output of produced goods, distribution of national resources and wealth, the dependence on foreign countries not only for machinery, manufactured goods but also food depict the backwardness of our nation. He also effectively points out to the causes and consequences of rising prices, unemployment problem, small-savings, planned economics, and problems related to the redistribution of national wealth. He advocates a thorough revision of these policies; further, he laid emphasis on revising policies on agriculture and recommended great investments into this sector. The fulfillment of basic needs like food, clothing and shelter should be prioritised in planning. Mehta considers utilisation of resources in a careful manner and laid emphasis on planning. Planning, he felt, should be done taking into account our own merits and demerits rather than importing the ideas from other countries. As he observes, 'we are blindly following the pattern of life and growth of other countries, where the index number of a satisfied and contented existence has been falling. That is a sad commentary on the manner in which we manage our affairs' (Economic Problems, p.151). The ultimate aim of planning is to ensure a just redistribution of wealth and resources and also equality. The role of state is significant in this context in that it needs to think and plan with an eye on the ultimate end. Mehta laments that no state has done this job rationally; rather the states have concentrated more on procuring armaments and spending huge amounts on defence equipment. He disapproved the concept of the welfare and happiness of the people judged in terms of consumption of material goods.

That Mehta was influenced by Gandhi's views on economics is evident in his appreciation of Gandhian scheme of economic planning and development centred on villages. Gandhi's spiritual approach greatly influenced Mehta; the latter also agreed on the concept of self-realisation as the ultimate happiness. It is apt to quote his words here: 'it must be recognised that in the matter of planning almost all the countries of the world have taken the narrower point of view and have assumed that the end of happiness can be approached through the satisfaction of a large number of wants. Poverty is exalted in all the religions of the world and a life of comfort and luxury is regarded as an obstacle to the attainment of the ultimate end. But we appear to believe that for purposes of economic planning, there should be a different conception of happiness- poverty should be shunned and a life of ease and comfort planned for' (Ibid, p.172).

Mehta also believed in the economics of non-violence. He considers the basis of our economic life as violent in nature that failed to address the issue of human unhappiness. To quote him, 'non-violence is the right principle in economics. The science of economics is not only light-bearing, it is also fruit-bearing. The fruit we want it to bear is welfare or happiness of mankind. Happiness is that state in which there is no pain. We have got all wants. When we have a want, it causes some pain. That is why we want to get rid of our want. A want can be got rid of by satisfaction.....the science of economics aims at freeing us from wants. It teaches us how to eliminate our wants. We should be wantless so that we may be free from pain and, therefore, happy' (p.199). Non-violent economics implies that economics in which we yield to our environment and free ourselves from wants. Instead of conquering nature, we should adapt ourselves humbly to its forces. It enables us to envision the right economic policy to be formulated by the state. When an individual, firm or state abides by this principle, non-violence in economics prevails. Mehta's thoughts resonate the current thinking on eco-friendly economics that insists on judicious resource use. As he said, 'if we only knew what non-violence really meant we would realise that our happiness consists not in marching on the road to industrial development but in living a simple life' (p.201).

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## 12.6 SHRIMAN NARAYAN (1912-1973)

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Shriman Narayan was a renowned interpreter of Gandhian economic thought and the philosophy of Sarvodaya, who worked closely with Mahatma Gandhi during India's freedom struggle. His distinguished work on 'Gandhian Plan of Economic Development for India' and 'Gandhian Constitution for Free India' drew a great amount of appreciation from Gandhi, who acknowledged the former's works as illustrious pieces. He was also associated with many Gandhian institutions and organisations apart from serving as a distinguished parliamentarian, educationalist, social reformer, member of Planning Commission of India, Ambassador and also held prominent Constitutional posts like Governor.

It is evident from the writings of Narayan that he was much impressed with Gandhi's holistic approach towards the human welfare and his refusal to compartmentalise it. In the same vein, he maintained that 'true economics could never be divorced from the ethical and spiritual and values of life' (Narayan, 1970, p.229). Narayan's decisive work on Gandhian Plan of Economic Development highlighted the need to adopt Gandhian approach if India has to achieve real economic progress. Like Gandhi, Narayan believed in the following constituents of planning: (1) planning should be based on indigenous culture and civilisation; (2) planning should not divest people from their legitimate liberty in social, economic and political life; (3) planning should necessitate the least amount of state control and coercion; and (4) planning should preserve, promote and enrich democracy. Narayan also viewed an individual's right to earn his/her livelihood as absolute. The human aspect cannot be neglected in favour of increased productivity through labour saving machines as 'man is much more valuable and important than machines or material goods' (Narayan, 1944, p.6).

Narayan discussed in detail the prominent features of the Fascist Plan, American Plan, British Planning and the Soviet Plan in his work on Gandhian Planning. He asserts that Gandhian Plan is the most viable alternative in the context of these as it focuses on simplicity, decentralisation and cottage industrialism. He cites Prof.Cole's statement wherein he appreciated the Gandhian plan as 'a practical attempt to relieve the poverty and uplift the standard of the Indian villager' (cited from GDH Cole's 'A Guide to Modern Politics', p.290).Further, the Gandhian Plan presents 'to the perplexed and war-torn world an economic system based on peace, democracy and human values' (Narayan, 1944, p. 15).

The fundamental principles of Gandhian Economics which Narayan identified are simplicity, non-violence, sanctity of labour, denial of lure of leisure and promotion of human values. Narayan's objective of planning is to 'raise the material as well as the cultural level of the Indian masses to a basic standard of life'. He envisioned the implementation to be taken up and reach the goal within a short span of time. His plan attached paramount importance to 'the welfare of the rural areas, scientific development of agriculture and the subsidiary cottage industries' (p.54). The prominent features of his Plan have been highlighted as follows:

1. The Basic Standard: Ensure a balanced and health giving food, clothing, housing, free and compulsory education, medical facilities, public utility services, and recreational facilities
2. Per Capita Income: to meet basic necessities of well balanced diet, per capita consumption of cloth, expenditure incurred on housing maintenance, and assess annual income of the total.
3. Village Communities: establish autonomous, self-sufficient units that connect with the taluka, district and higher councils and that which adopt economic decentralisation.
4. Agriculture: to develop scientific methods to increase self-sufficiency, promote wholesale national economy, discourage commercial farming and encourage community farming, and set up model/experimental farms to tackle food shortage, ensure reasonable land tenure and rent, envisage nationalisation of land, reduce rural economic indebtedness and tackle the cases through special tribunals, tackle the problem of soil erosion, promote irrigation facilities, increase agricultural efficiency via improvement of cattle, cow protection, better seeds and implements, and agricultural insurance.
5. Allied Industries to Agriculture: Promote animal husbandry, dairy farming, adopt mixed farming (cultivation of food and fodder crops by scientific system), tanning and leather work, promote fruit culture, vegetable gardening and adequate development of forest industries.
6. Cottage Industries: Khadi (spinning and weaving), paper making, oil extraction, paddy-husking, miscellaneous industries like bee-keeping, flour grinding, carpentry, cutlery, toy-making, bamboo and cane work, brick-making, and glassware. State should provide aid to promote these industries by imparting technical skills and collective purchases of the products via cooperative societies.
7. Basic Industries: defence industries, thermal and hydro power, mining, metallurgy, engineering and chemicals that are necessary for the development of the country.
8. Public Utilities: The National Government should ensure public utilities like transport and communications, public health and sanitation, basic and higher education and banking and insurance; provide better roads, coastal shipping, civil aviation, post and telegraph; maternity and child welfare, and promoting sports facilities.
9. Trade and Distribution: including internal trade, distribution of resources to cities, towns and villages, international trade.
10. Labour Welfare programmes, tackling population problems, efficient management of public finance, taxation and currency, ensure administrative efficiency, formulate budgets that include all the above mentioned areas, and finance disbursement to villages for the village upliftment programmes.

Narayan also envisioned the implementation aspects of Planning that would include cooperation and coordination between the national government and local bodies. It also requires a committed contingent of individuals and youth who repose their firm faith in the Gandhian ideology of simple living and high thinking. Without this, he observed, 'all Planning will be an expensive show and a mirage', which needs to be realised by the present generation and policy makers.

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## 12.7 SUMMARY

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From the above discussion on eminent economic thinkers, we can draw certain commonalities. Kumarappa, Schumacher, Mehta and Narayan, renowned for innovative and feasible economic thinking, insisted profoundly on the wise use of economic planning for social welfare, individual development and a careful use of natural resources. Their thoughts were very much in consonance with that of Gandhi's economic thoughts and ideas. The inherent spiritual inquiry and approach is evident when we study their economic ideas in depth. In this market-oriented economic system era, it would be wise to revise some of their thoughts for implementation at the individual and societal level. The liberal economic policies have brought about agonising results with the collapse of different corporations and the ensuing recession and its after-effects on the global economic system. The so-called austerity drives and cut down on economic privileges and benefits are being implemented to undo the damage. Further the current economic system, with its expansionist agenda, has drastically reduced the availability of natural resources and also widened the gap between the rich and the poor, while the benefits of globalisation are yet to trickle down. What we need today is the revision of our economic policies- policies that centre on human welfare, societal values and planning that simultaneously ensure the conservation of our nature. A careful study and analysis of the works of these thinkers provide many a viable solution to our impending economic crisis. It is in our interest to adopt some of these principles and put them into practice for the benefit of all.

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## 12.8 TERMINAL QUESTIONS

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1. Discuss the economic philosophy and ideas of J.C.Kumarappa.
2. Examine at length the thoughts and ideas of E.F.Schumacher.
3. Critically assess J.K.Mehta's philosophical approach to economics.
4. Evaluate Shriman Narayan's concept of planning. Discuss its relevance in the contemporary economic system.

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