Mahatma Gandhi as People's Economist: A Tribute

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The adoption of October 2- the birthday of Mahatma Gandhi - by the United Nations as the "International Nonviolence Day" for the entire world is the greatest tribute to the Father of the Nation which has certainly justified the relevance of his economic thoughts in all times to come for internationalization of Indianization. Mahatma Gandhi is the greatest people's economist as observed by Dr. E.F. Schumacher in his book 'Small is Beautiful.' He was not a professional economist and had not developed a formal model of economic growth. Gandhi was a practical man, a fighter and reformer, and saw intuitively and instinctively. Engaged in the freedom struggle of India, he had no time or inclination to engage in the elaboration of utopian lines of thought. All the same, in an endless stream of articles and speeches, all designed to deal with actual problems and situations he did produce arguments in the language of the people.

With "Lokasangraha" (spiritualize society for the well-being of everybody) of the Bhagavad-Gita – a major focus of the Mahatma's teachings – as its "Guiding Light," we are convinced that everybody from India should turn the "International Nonviolence Day" into a grand celebration of Gandhi Jayanti all over the world. However, it is also the time to recognize that India has apparently moved away too far from the teachings of Mahatma Gandhi. By forsaking the principle of "Trusteeship" in Gandhian economics, greed has been accepted as the driving force in Indian economics today. Mahatma Gandhi's emphasis on simple but free life, symbolized by Khadi and Charkha, is now-a-days openly ridiculed by top intellectuals like Nobel Laureate Dr. Amartya Sen. To justify his anti-Gandhi propaganda, Dr. Amartya Sen smears the Mahatma in his 2005-book "The Argumentative Indian" (page 7) with terms like "not entirely with propriety or elegance" which are more piercing than Nathuram's bullets.

Young people who want to follow the "The Path to Peace" are very much confused by Dr. Amartya Sen's anti-Gandhi propaganda. In fact, the Internet today is full of anti-Gandhi propaganda based on lies and illogical analysis. No amount of dance-drama will persuade people to understand the Mahatma unless the anti-Gandhi lies and illogical analysis is refuted.

The basic principles of the Gandhian economic programme include avoidance of mechanization and encouragement of cottage industries, especially spinning and weaving. Improvement of rural small scale agriculture. Making the village community as much self-sufficient and self-reliant as practicable. Decentralization of the administrative and economic structure. Reducing income in equalities by raising the income level among the poor and by changing the attitude and motivation of the rich. Ensuring that the capitalists and big businessmen serve as 'trustees' for the whole community.

Smallness, simplicity and nonviolence are the three remedies for the maladies of the modern society.

In the language of contemporary social science (economics) Gandhi was a pioneer analyst of the phenomenon of growth with increasing poverty. Gandhi correctly diagnosed the phenomenon as the result of an inappropriate technological mix of investments in a situation of quasi- insufficient investible resources. The Gandhian solution (which involves the maximum feasible stress on the traditional labour-intensive techniques and efforts to improve the technology and organization of the traditional sector 'the kernel of Gandhian economic thought') being explained here in detail and interpreted in the context of modern planning theory. We need to note that how Gandhian frame work can be filled into a theory of investment allocations in a framework of development planning. The Gandhian logic of investment planning compares very favourably with conventional (capitalist and socialist) formulations of the problem. Gandhi poses the planning choice as between more employment and more accumulation in the current period. This avoids the unrealistic attempts of conventional development economics to pose the problem as a choice between present and future levels of per capita consumption (capitalist subjective value version) or a choice between present output and future output (socialist version). Such attempts are unrealistic because we can never know with certainty what conventional economics treats as already known.

The analytical superiority of Gandhian thought is that the problem of making adequate provision for the future is posed on an objective basis; in the form of the condition that the rate of capital accumulation must exceed or equal the rate of growth of the labour force. This clarifies that the concept of 'adequate provision for the future' is one of a lower-limit constraint, and not a matter of time preference either of the planner or of the consumers and savers. This develops the correct context for discussing the problem and puts an end to the interminable wrangling about what constitutes the 'proper' rate of time preference -a question to which there can in principle be no answer.

By posing the employment target both concretely and objectively as a certain minimum increase to be attained in the current period; it brings employment planning to a relevant and practical level. Employment policy is something which needs to achieve a determinable result, now, in terms of helping the poor. It is not something that relates to a vague goal of full employment (with an unspecified technology) in the unspecified future.

By posing the planner's decision problem as an exercise in satisfying choice, it rejects the conventional superstition that the planner has the duty of determining a social intertemporal optimum. The framework of satisfying choice indicates a feasible and reasonable task for the planner: to ensure that society does not bias its decisions too for in the direction of neglecting either the future or the present. Further, objective criteria against both types of errors are provided.

Thus, the approach directs attention to the importance of 'balance' in investment allocations and develops it into a trenchant critique of the ideology of rapid growth via investment imbalance. At the same time it provides a corrective to the danger of encouraging labour intensive industries and activities to non-viable extremes.

These important gains in analytical clarity about the logic of investment planning also result in developing a total rather than partial approach to the problem of encouraging labour-intensive activities.

Gandhi's version of the basic good strategy includes capital-intensive methods of consumption goods production will be discouraged (and to the extent possible eliminated). The labour-intensive sector entrusted with producing the consumption goods needed by workers. Modern (capital-intensive) industry should be limited to the production of intermediates and capital goods needed by the growing sector of labour-intensive industries.

Finally, the pattern of 'balanced' allocations was expected to be solved in the following way: Rural industry and rural agriculture was to be balanced within groups of small communities involving the maximum mutual balance between (a) local 'needs' and local 'resources' and (b) local 'output' and local 'consumption'. The balancing between rural industry/rural agriculture and urban industry was to be achieved in terms of the basic goods strategy: Through the modus of state ownership/planning of most large scale plants, a minority of privately-owned large scale units being subjected to a Gandhian form of social control known as 'trusteeship'.

Thus, around the 'kernel idea' is organized the structure of Gandhian theory of elimination of mass poverty in the backward nations.

The root cause of the chaos that is facing us today is the current economic growth of a handful of successful investors in complete disregard of millions of common people represented by the 500,000 villages. The successful investors are developing a terrible mental attitude that common people just create overpopulation, that the common people are incompetent, foolish and ordinary. To my mind, we need to debate and discuss today "What is the value of their soul? Do they have any money? What is the value of their self-respect? What is the value of their skill? Do they have any money? What is the value of their pride?"

It is the need of the day to draw lessons from the wise words of wisdom (www) with working without worries (www) the real world wide web of lifelong learning from Gandhian thoughts in general and Khadi in particular. Gandhi talked of Khadi for more than clothing -a way of life in swadashi strategy of survival, subsistence and self-sufficiency (an objective of a closed economy where there is no international trade) best suited to the needs of that time. But if Gandhi would have survived and seen the present times of post reform era he would have certainly talked of Khadi for self-reliance, the present objective of Indian economy with international trade and of course, Khadi. In my well-considered opinion, India can fit into the frame work of World Trade Organization (WTO) by converting Khadi and Village Industries Commission (KVIC) in to a Multi-National Corporation (MNC) and possess the potential of solving the twin problems poverty and unemployment. Indian economy including Khadi have to be internationalized at all costs for fetching the fortunes under mantra of Globalization. This certainly calls for extrication of purest thread of Khadi as perceived by Ms. Tara Gandhi the granddaughter of the father of the nation.

In view of its increasing ideological, philosophical and environmental appeal, Khadi can be internationalized as a triumph of human beings over oil-guzzling machinery. What was a "freedom struggle against the British Rule" for Mahatma Gandhi will expand to a "freedom struggle of human beings against super-mechanization" all over the world. The "charkha" once again will become the symbol of "nonviolent weapon" to fight against the slavery of blind economic growth of endless greed that is crushing the downtrodden all over the world.

Endless greed is the real menace facing the world today. Lowlife entertainers are exploiting the situation by creating "Who will become a Millionaire" shows in the TV in the western world. Indian TV mercenaries have shamelessly copied these exploits as "Kaun Banega Crorepati" to eulogize greed as an acceptable behaviour. Bhagavadgita identifies greed as one of the three doors to hell (verse 21, chapter 16) leading to the ruin of the soul.

It is unfortunate that leading economists of the world promote greed as the basis of economic growth, turning it into a "greedonomics". Economics should be based on need, not on greed. It should be a "needonomics", and not a "greedonomics". In the Kaun Benega Crorepati (KBC) programme telecasted in India by the Star Plus TV, the host talks the language of money devoid of any moral responsibility which will cause terrible behavioural pollution in the mind of the viewers. Such a language will convince the population that money is the greatest reality of life. The KBC Programme may engender terrible crimes of multidimensional nature.

The charisma of the great personality of Mahatma Gandhi who not only stood for non-violence and secularism but real ethics in economics. To me, true Gandhism symbolizes simplicity, equanimity and love for the suffering humanity for which Mahatma toiled in his lifetime.

Gandhi will continue to stay on for its mass appeal since it is the ultimate saviour of the suffering humanity. The maladies of the modern society can be cured with the Mahatma's principle of smallness, simplicity, nonviolence and production by the masses. "The earth can produce enough to satisfy everyone's need, but not everyone's greed "is the immortal sermon of Gandhiji for economists of all generations to come.

My only submission to our countrymen is, let's follow the great Mahatma's ideals in our life.

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