

# Overview of Gandhi's Ideal Economy

<sup>1</sup>Sunil Kumar, <sup>2</sup>Pinki

<sup>1</sup>Assistant Professor, Department of Business Economics, University of Delhi, Delhi, India  
<sup>2</sup>Assistant Professor, Department of Political Science, Hindu Girls College, Jagadhri, Haryana, India

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**Abstract:** This paper talks about Mahatma Gandhi ideas about his ideal economy. Discussing about the various concepts given in Gandhian Economy, it has been pointed out that if an economy wants to be sustainable and come out of the evil of capitalism then each individual in an economy should follow these concepts cum habits. Especial focus on Indian economy this paper discuss about Gandhi ji's views on Self Sufficiency, Self Reliance, Trusteeship, Industrialisation, Women Empowerment, Population Control, Employment & Labour.

**Keywords:** Gandhian Economy, Trusteeship, Self Sufficient, Self Reliance.

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## I. INTRODUCTION

Mahatma Gandhi was not an economist nor did he have any formal education in economics. All the ideas about an ideal economy he had perceived from the situations which he observed in South Africa and India at that period of time. Fundamentally saying Gandhi's ideal economy did not have a strong base of economic understanding, thus this kind of economy can be viewed as a normative economy, which means that how the economy out to be. Normative economy is only based on the judgements of the thinkers, how they perceive the economy should be and how the economic variables should behave. We should keep in mind that ideal or normative economy can be totally different from the positive or actual economy. Where there is no place for the judgmental thinking, it talks about true scenarios. Gandhian economy is totally based on spiritual, moral and ethical values. This kind of economy does not differentiate between economics and ethics. According to Gandhi ji economics without moral and ethical values is useless. In reality the progress of any country should be closely related to its moral and ethical progress. A selfish capitalist will always care about his own profit and market share. That is why Mahatma Gandhi wanted that the society should change from capitalist to an egalitarian where the sole motive is equality. With happy & healthy society his main objective was to have overall socio-economic development for his people and society.

Mahatma Gandhi in his speeches and writings has discussed about the ways to achieve his ideal economy. According to him these ways or habits should be followed by the whole society to achieve an independent economy. *Self-sufficiency* is an important path which Gandhi ji wanted that every citizen of India should follow. It means that we should not depend on others for our survival. To cater the needs of the society, economy should use its own resources rather than to depend on others. According to him, self sufficient economy always remains out of the evil of capitalism. In order to revitalize the rural India again, Gandhi encouraged people to become self-sufficient and start producing their own food and clothing's. As a symbol of patriotism, Charka along with Khadi was promoted to boycott *swadeshi* (foreign) goods. The main aim of introducing Charka and Khadi at that period of time was to eradicate the rural poverty and unemployment. Khadi industries were considered as the rising sun for the village system and slogan "Khadi for Nation" was used to endorse Khadi amongst Indians. Realising the importance of these industries our Honourable Prime Minister Mr. Narendra Modi has given a new dimension to Khadi by saying "Khadi for Nation and Khadi for Fashion". It is important to note that Mahatma Gandhi did not oppose all kind of foreign goods he was only against the trade of those foreign goods which were close substitutes of our domestic goods. He supported those goods which does not cause any threat to Indian markets. The local production of these kinds of goods according to him will cost more and it can lead to a complete waste of our domestic resources. We know that price plays an important role in the consumption of goods, but Mahatma Gandhi wanted that consumption should not be based only on prices and quality, everyone should look beyond it. As per Gandhi ji every consumer in an economy should also think about the indirect benefits which are associate with the consumption

of such products. These benefits help those vulnerable societies which are behind the production of these kinds of goods. Gandhi ji also pointed out that to maintain a link between production and consumption; production should be directly linked with the needs of the consumers. There should be a balance between what is needed and what is being produced in a society.

Mahatma Gandhi said “everyone should care about their need’s not greed’s”. He wanted that everyone should *self-restrain* their needs. Self restraint can be seen as a key to achieve the goal of self sufficient economy. Everyone can control their greed over their need by differentiating between standard of living and standard of life. If we possess more than what is needed for a good standard of life then that simply means that we are cheating our own society by stealing the wealth of the others. According to Gandhi ji if we all inculcate this habit into our day to day life then certainly we can attain an economy which is independent and non discriminating.

“*Trusteeship*” is a term which was coined by Mahatma Gandhi. This term gives more importance to humans rather than to their wealth. The idea to introduce this term was that every person in an economy should consider its extra wealth as a part of a trust and himself as the trustee not an owner. There should be some limit on holding of wealth, if the wealth of a person exceed what is needed then the extra should be used for the benefit of the society by means of redistribution. This will not only put the extra wealth on use, it will also bring equality in the economy. From the capitalist point of view, every capitalist should think himself as the custodian of the industries and labour as its wealth. Gandhi ji believed that evil capitalism can be put to end by adopting Trusteeship concept without affecting the capitalists. According to him, the idea of Trusteeship can be implemented by ceiling the wealth of the capitalists and establishing minimum wage laws for the labours. He gave advised to periodically revise these limits according to the societal needs. The concept of Trusteeship can be relate to some lessons in Bhagavad Gita and the concept of welfare economics. In Bhagavad Gita there is a term know as “Aparigraha” which basically means that if yogi feels that his possessions are coming between him and his yog then he should sacrifice all its possession. “Sambhaav” is another term which is taken from Bhagavad Gita it means equality for all, as everyone has souls which are wearing different bodies and soul does not have any shape. It is only the karma which decides whether the person is good or bad. Gandhi’s main objective of life was to bring equality in the economy and according to him trusteeship can play a big role to achieve the same. According to welfare economic theories if the gainer compensates to the loser for his loss in a society and still gains, then the welfare of the society will definitely increase. Gandhi had a believe that if every Indian citizen starts practicing non-possession, then the gap between rich’s and poor’s can be reduced.

As per Mahatma Gandhi if these concepts cum habits (self-sufficiency, self-reliance, and trusteeship) are not followed sincerely then we will again fall in the trap of global capitalism which is both morally and ethically incorrect. Some believe that Mahatma was dead against mechanisation, but this is not the complete truth. Gandhi ji was not against industrialisation but its view on industrialisation was quite different from others. According to him those machines which can eat up the jobs of the labours should not be promoted at all. Machines should work like servants not like masters, if they start working like masters then markets will be dehumanized and there will be a huge problem of unemployment. In an economy like India where unemployment is a serious problem use of these modern machines can add more to this problem. Gandhi ji in his speeches and writings has mentioned that a country like India needs “production by the masses not mass production”. He supported those technologies which were labour absorbing rather than labour replacing. He always favoured those investments which were into labour intensive sectors. According to Gandhi ji there should be a balance between man and the use of machines in order to achieve the real growth rather than jobless growth. Another important reason why Gandhi ji did not supported industrialisation was environmental degradation. He was concerned about the growing pollution caused by heavy industries in India that is why he supported non polluting cottage industries and SME’s (Small and Medium scale industries). Cottage and small scale industries are considered as the backbone of our country. These industries are considered as the major sources of labour absorption mainly in rural India where majority of the population works in the agriculture sector or in these industries. Because of predominance of poverty and unemployment in rural India most of the rural population migrate to urban areas. Building of an efficient base for cottage and small scale industries in rural area can curb the rural urban migration. Priority should be given to this sector as Gandhi ji believed that rural India is the real India and we should think for the revival of rural India. To increase the productivity of these industries Mahatma Gandhi purposed decentralisation of productive activities within these industries.

Gandhi Ji gave more importance to socio-economic development instead of simple economic development. India's growing population has always been a big problem. Mahatma was concerned about this problem, so he purposed the method of "Bharmcharya". This concept is somehow related to self restraint. Gandhi ji was against the use of sterilisation of women's, his vision was that women's in the society should be given special status and empowerment of women's must be the main agenda of any ideal economy. To cater the unemployment problem in India Gandhi ji purposed self employment. This will not only give employment to the entrepreneurs but it will also generate employment for others. He also said that employment programmes must be financed by the state. Mahatma had a great concern about the labours and there miserable working conditions in there working areas. He desired that wages of the labours should be fixed and their working conditions should be improved. He said that trade unions are not anti capitalist and the disputes between the two parties should be solved through collective bargaining (Non-Violence) not by strikes. As strikes leads to reduction in both production as well as income of the labours. Thus, strikes should be thought as the option of last resort. Gandhi ji believed that capitalist should think labours as their wealth and there should be a healthy relation among the capitalist and labourers.

## II. CONCLUDING REMARKS

Though Gandhian Economy does not have any economic base still its concepts are relevant in today modern era. The main cause of all the problems in an economy is the human greed. If all of us are able to control our greed through self restraint we can easily achieve a self sufficient economy with complete equality. Gandhi's other ideas like empowering women's in the Indian society, self employment as a key for India's unemployment problem, development of the small scale and cottage industries to create more job opportunities especially for rural population are still very relevant. These economic ideas should be given due importance in India's upcoming development plans.

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