CHAPTER – VI

RELEVANCE OF
GANDHIJI’S ECONOMIC
IDEAS IN THE
CONTEXT OF
GLOBALIZATION
Relevance of Gandhian Thought:

Gandhiji's approach to various problems was very scientific, national and political; it was not dogmatic and utopian as is often imagined by the so-called intellectuals in India and abroad. Gandhiji did adhere to certain eternal truths firmly and without compromise. For example, he was of the definite view that noble objectives could be achieved only through pure and truthful to find realistic solutions of different problems facing the country in the light of his rich and varied experience. He had, therefore, no matter of doubt that Gandhian thought is basically sound and relevant to our times.

It is significant that the International Seminar on 'Gandhian Thought' held in New Delhi from January 30 to February 5, 1970 generally agreed that Gandhian thought has significant relevance for the modern world and that many things which have happened since he passed away have not diminished but heightened its relevance. The message, issued by the seminar at the end of its deliberations, added:

The crisis that Gandhiji faced is obviously not over but has been depending, and the solutions that he proposed have not become outdated... Gandhiji is still a living challenge to the economic thinking,
planning and action not only in his own country but in all the countries of
the world.

It is often thought that Mahatma Gandhiji was essentially a religious
ascetic and, consequently, oversee to the fruits of modern science and
technology. This is, surely, based on an unfortunate misconception.
Gandhiji had repeatedly emphasized that he was not against machinery as
such; he was only opposed to the craze for labour-saving devices which
plunged millions of people into the abyss of enforced idleness.

Discussing his problem with the members of the Planning
Commission at the time of the formulation of the First Five Year Plan,
Acharya Vinoba went a step further:

If the Government can find other avenues of employment for all
those who ask for work, I shall have no hesitation in burning my wooden
charkha to one day's meal, without shedding single tear.

No modern thinker could quarrel with this clear enunciation of
Gandhian views regarding industrialization in the developing countries of
Asia and Africa.

In his important publication entitled 'The Asian Drama', An inquiry
into the poverty of Nations', Professor Gunnar Myrdal has broadly
supported Gandhiji's emphasis on village and cottage industries because
South Asian countries now run the risk of creating petty islands of highly
organized western-type industries that will remain surrounded by a sea of stagnation. He further observes:

The development of industries in direct competition with existing cottage industries would take work and bread away from million with no immediate alternative source of employment or income.

This would not be rational from a planning point of view.... As for the workers in South-Asian cottage industry, there is no prospect of any large-scale adjustment for decades to come, particularly as the labour force will increase rapidly until the end of the century.

While giving a final shape to the Third Five Year Plan, the Planning Commission tried its very best to provide productive employment to least all those persons who would be added to the labour force. During the plan period, without daring to liquidate the backlog of unemployed numbers during the previous plans. Ambitious programmes were formulated for the nation-wide rural works including minor irrigation, social reclamation and conservation, afforestation, village feeder roads etc. Rural housing was also allotted a fairly high priority. Even these over five million persons would still remain without gainful jobs. Members of the Planning Commission, several of whom did not see eye to eye with Gandhiji, were therefore, obliged to concede that there was no alternative but to go in for a bold national programme of village and cottage industries in the countryside. The Khadi and Village Industries Commission was given the
assurance that whatever was organizationally feasible would be made financially possible. Such a categorical assurance had not been extended by the Planning Commission to any other sector or project. It had to be recognized that the Mahatma's ideas instead of being outworn and impractical were very much relevant to the challenges of modern times. Even while the draft was being finalized for the Fifth Five Year Plan, the spectre of unemployment and under employment continued. It is indisputable that even at this stage a project can be made on this problem only through spreading a network of village, cottage and small industries throughout the country and, especially, in the rural areas.

It is significant that during a Gullup poll in the United States of America, 70 percent of the people opted for a policy of providing guaranteed work, while only a minority of 29 percent favoured a guaranteed annual income for the poor. This is mainly because the Americans are now becoming increasingly conscious of the dehumanising aspects of a technological society. They look forward to the growth of a sense of community as a worthwhile goal for the American nation. Progressive economic thinking in the United Kingdom is also feeling worried about the highly centralized society where instead of more equitable distribution through the soaking of the rich, there are visible signs of soaking the poor through expensive technological advances under higher rates of indirect taxation which always hurt the poor sections much more disproportionately.¹
**Giant Corporations:**

Professor Galbraith has raised his voice against the birth of a world which tend to reduce the state to a subservient position and bind the establishment to a techno structure consisting of specialists, remarks the Professor, were concerned not with consumer's well-being but their own – their security, growth, convenience, prestige, technological virtuosity and profits. In order to avoid the perils of such an industrial system, Galbraith recommends the strong assertion of other goals so that the new Industrial state would become responsive to the larger purposes of the society. These goals would, doubtless, be essentially more and human in accord with Gandhian ideas and programmes.  

Mahatma Gandhiji stood for a simple and, more or less, self-sufficient living in the rural surroundings, mainly because he could foresee that a highly sophisticated and centralized life in the cities would inescapably lead to the organization of inhuman violence and aggressive nationalism resulting in international tensions. He, therefore, advocated the establishment of ideal villages in India where the people could issue the ideal plain living and high thinking. While Bapuji admired modern science, he wanted it to be reclothed and refashioned aright.

**Decentralisation of power:**

Decentralisation of economic and political power is a national corollary to non-violence. To Gandhiji, economic exploitation was the
essence of violence in society and wars in future could be eschewed only by following a bold policy of decentralization through the organization of largely self-sufficient village communities. Self-sufficiency, stated Gandhiji, does not mean narrowness. Man is as much self-dependent as inter-dependent, when dependence becomes necessary in order to keep society in good order, it is no longer dependence, but becomes cooperation where each is equal to the other.\textsuperscript{3}

It was for such a cooperative commonwealth of nations that Gandhiji worked ceaselessly throughout his life. He did not believe in the efficacy of the atom bomb; instead, he pleaded for the evolution of the Atomic or soul force and regarded the world was his own family, irrespective of any distinctions of race, language or religion. As pointed out by Dr. Harold Toymbee, the Mahatma taught mankind a moral lesson in the field of politics, and this on the eve of the opening of the Atomic Age.\textsuperscript{4}

**Ideal of Trusteeship:**

It is sometimes alleged that under the guise of ‘trusteeship’ Gandhiji was inclined to give a new lease of life to the capitalist system. This again is an entirely erroneous notion. Gandhiji had made it abundantly clear times without number that he only wanted to give no more chance to the capitalists to reform themselves through voluntary effort. In case they failed to do so, it was always open to a democratic state to enact the necessary legislation for restricting their profits, and regulating the wages
and prices of goods. The final draft which was approved by Gandhiji during his detention at the Aga Khan palace in 1942 states in explicit terms that the doctrine of Trusteeship does not recognize any right of private ownership of property except so far as it may be permitted by society for its own welfare. It does not exclude legislative regulation of the ownership and the use of wealth. It is also explained without ambiguity that under the Gandhian economic order, the character of production will be determined by social necessity and not by personal whim or greed.\textsuperscript{5}

Gandhiji's concept of Trusteeship instead of being vague and reactionary, was more radical than the current theories of socialism. Some attempts have been made in India and elsewhere to give a concrete shape to Gandhiji's views on Trusteeship in modern business and industry. There is little doubt that Bapuji's ideas, if translated into action, would not only provide to the world a better type of socialism but also avoid considerable recrimination and blood-shed.

**Concept of Socialism:**

Gandhiji wanted every individual to begin socialism with himself and not resort to forcible possession of other's property. The first step in the practice of socialism, declared he, is to learn to use your hands and feet, to fold our bedding on getting up in the morning, wash your own clothes, help your mothers and sisters in cleaning the utensils and spin daily to provide yourself with the cloth you need. He added: if they practice
socialism in this way, instead of talking or preaching to others, they would create a socialist society in their immediate neighbourhood, with themselves as the first converts.\(^6\)

Mahatma Gandhiji was stoutly opposed to the communist methods of violence and class-wars. Communism of the Russian type, said he, would be repugnant to India. If communism came without any violence, it would be welcome. Gandhiji was once asked: But Indian Communists want in India communism of the Stalin type and want to use your name for their purpose. He firmly replied: They won't succeed.\(^7\) In India today socialism is being confused with communism and all kinds of motives are being attributed to each other by the national leaders, it would, therefore, be worth while recapitulating Gandhiji's clear cut ideas on the subject and avoid the obvious pit-falls. India must pursue the path of socialism only through non-violent and democratic methods. Recourse to class-war and mutual hatred would prove to be suicidal.

**Pollution of Air and Water:**

Further, as a result of the mad race after industrialization, and urbanization, the world is faced today with the serious menace of the pollution of air and water. President Nixon had waged a relentless war against this grave danger and launched a campaign for 'clean air, clean water and open spaces. He said: "we no longer can afford to consider air and water common property, free to be abused by anyone without regard
to the consequences.... The argument is increasingly heard that a fundamental contradiction has arisen between economic growth and the quality of life, so that to have one we must forsake the other. The answer is not to abandon growth, but to redirect it.\textsuperscript{8}

Economists state that companies must grow to survive. We take pride in a gross national product growing at between four and five percent year, and we try to ignore the fact that our per capita production of trash is growing at about the same rate. We are told that our electrical generating capacity must increase by ten percent per year, but we forget that all of that energy must eventually be imposed on the environment as heat.... If the bills for pollution were handled back to the sources of pollution, we might see some surprising improvements in the quality of our air. But such a system of social accounting, I hasten to point out, involves political and ethical decisions rather than purely technological ones.\textsuperscript{9}

In the United Kingdom as well, the Government appointed a Standing Commission for preventing the pollution of air and water by all possible means, including the regulation of the discharge of effluents and the foul vapours generated by automobiles. A British bi-monthly has written extensively on The politics of pollution in one of its issues and has mentioned ironically that modern science and technology which was supposed to contain satisfactory answers to all the problems has landed society in a very difficult and awkward situation.
It is sometimes thought that the situation might be better in Russia. But this is a delusion, says the London Economist: Because the Soviet Union is not a capitalist it is often thought that there must be less pollution there. Pollution in the west is usually blamed on an economic system which takes no account of the cost of pollution to society in general. Yet it seems that the Soviet Union is as bad as we are.\textsuperscript{10}

**RELEVANCE OF GANDHIAN IDEAS IN INDIAN PLANNING**

Gandhi has adopted a different approach towards the concept of planning. While Gandhi considers planning both as means and ends, generally planning is regarded as an instrument for achieving some economic objective like anticipated growth rate, price stabilization and employment etc. By end he means self-actualization for self-actualisation in the economy, priority has to be given to the removal of poverty and unemployment. Other objectives of planning depend upon the achievement of the above two objectives. The main cause is that any measure of self-actualisation proves useless in the conditions of poverty and unemployment. In Gandhian economic programmes, right to work is a fundamental right. So state has the responsibility to provide work at the same time. Rights and duties are two inseparable things. Problems like unemployment and poverty are structural problems. That is why they need labour intensive activities. According to Gandhi, full employment does not depend only on capital intensity but also on the appropriate techniques.
In Gandhian planning, the most important unit of planning is village. But this village differs from other villages. In order words, this type of village is developed village, which consists of self-ordained community of educated, fully employed, artistic, socially conscious and spiritually developed people. The size of village is determined by political and economic principles. So far as the political principle is concerned, the village community is the basic unit for participatory democracy. It is different from participate directly in all decision-making process including decisions on planning from economic point of view the village is fully organized on co-operative basis. This co-operative basis provides most of the basic needs of the people of the village. The sectoral behavior and equilibrium in the society is based on the principle of self actualization of self sufficiency.

The essential principle of village planning is that everybody does work not only with the help of mantal labour but also with the help of manual labour. It means that Bread Labour is a fundamental idea of Gandhiji or Gandhiji has given the idea of Bread Labour which is lacking in Indian planning. As people know that everybody participates in decision-making. They are also engaged in self-defincing and self-actualisation service to others will be one necessary link between people.

Gandhiji has always argued for decentralized planning. Decentralized planning means reducing the gap between the decision-makers and the society or men. The dynamics of Gandhian planning is
that only few decisions should be left for the top. In other words decisions should be taken at the low level. In Gandhian planning decisions or planning are made at all levels in which demands and objectives are assessed at the lowest level and then transmitted upward. So self-sufficiency would be available in all the spheres of economy. But at the present time while decisions are taken at the top level, the implementation is to be done at the bottom level. So planning should be done at the bottom and little should be left for the top.

India find the imprint of Gandhian spirit of planning in Twenty-point programme and Mahatma Gandhi National Rural Employment Generation Programme. Government has implemented Twenty-point programmes for the upliftment of rural and urban poor under this programme downtrodden who are below the poverty line are selected and provided with capital. Thus they may engage themselves in productive works in that particular area. Their involvement in productive works in that particular area. Their involvement in productive activities generate not only output but also generate income for their families for the first time in the history of Indian planning. Planning is done for rural and urban development at the lower state of the society. But this programme is in initial stage.

Hence it may be concluded that Gandhian ideas have much importance in Indian planning. Gandhiji believes that no development can take place without the planning being done at the lower level.11
Relevance of Gandhian Thought to Economic Growth

Gandhiji has been apotheosized by many, admired by all and traduced by a few, but never properly conceptualized. His views on religion, non-violence, society and state have almost universal acceptance though his economic philosophy has a mixed reception.

Gandhiji was not a professional economist. He was not a theorist but a realist. As a realist, he was a realistic idealist. He was a common man who lived, moved and had his being among common men; ipso facto, he was sensitive to the suffering of the teeming million in the country. Although his ideas revealed a pragmatic and rational approach to various economic problems confronting developing countries. His approach however, has been subjected to virulent attacks, mostly due to lack of proper perception on the part of the cities.

W. Arthur Lewis in his magnum opus, ‘The Theory of Economic Growth remarks’ Some, like Gandhiji, have reached against ‘Westernism’, and desire on the contrary, to return to old ways. But to say that Gandhiji is antigrowth is a gross misrepresentation for, it was he who declared, to the poor God only appear as bread and butter. Evidently, he is more than sufficiently materialistic in outlook.

To him, growth is a means and not an end in itself, the means to lift up the poor. Economists used to suggest a percolation theory of growth. They aver that ultimately the fruits of growth will percolate to the undergo dogs through a process of diffusion. The bonafides of this theory have now
been questioned, with the rich becoming richer and the poor, poorer as a consequence of development. Dr. Schumacher who makes a strong plea for the introduction of intermediate technology in underdeveloped countries in order to ensure fuller employment of the human resources, reiterates that the way to success is not mass production but production by the masses. He continues; It is claimed that mass production, if it does find a market, is the most effective instrument for the rapid surplus wils then percolate to the unemployed masses. Yet, it is a fact of universal experience that no such percolation takes place; a dual economy emerges in India in which the rich get richer while the poor stagnates or gets poorer.¹⁴ Hence the shifted emphasis on Growth with justice/ Growth and justice. Gandhiji goes one step further and advocates Growth for justice – growth not for the sake of growth but for the attainment of justice.

Progressive economic thinkers are now worried about the dehumanizing aspects of a technological society, a highly centralized one. Professor Galbraith who has raised his voices against the growth of giant business houses, concerned not with the consumers’ well being but their own, recommends the strong assertion of other goals so that the new industrial state would become responsive to the larger purposes of the society.¹⁵ These goals would, doubtless, be essentially moral and human in line with Gandhian ideas and programme.

Such an assertion means many things. First, the process of growth should be such as to eliminate gross inequalities of all firms. Secondly, the
pattern of growth should also be such as to cater to the requirements of the have-nots. Actually, the Gandhian model of growth has such built-in features of growth for justice village self-sufficiency, bread labour, self-employment, production by the masses, land reforms, expansion of social overhead, trusteeship and others.

Those who are obsessed with the other sophisticated models used to say that the Gandhian model is inherently slow-moving. Emphasis on justice is likely to affect efficiency and drive for it encourages only consumption and welfare and in no way production or consumption of wealth. This is also not correct. Communist China bears testimony to this. Mao's China with its village orientation, local technology and small units of production, has achieved relatively higher rates of growth. Further, here is the dictum, 'slow and steady wins the race'.

Some of the positive contributions of Gandhian values to economic growth are enumerated below:-

(i) Capital formation has always been considered as a premium mobile of growth. In this context, Gandhiji's emphasis on prodent, frugal and unostentatious life is highly relevant.

(ii) Similarly, his emphasis on swadeshi helps to check the demonstration effect which is another important constraint on development.

(iii) His emphasis on cottage Industries has great relevance. Prof. G.D.H. Cole says Gandhiji's campaign for the development of the home-made cloth industry – khaddar – is a practical attempt to relieve the poverty and
uplift the standard of the Indian villagers.\textsuperscript{16} Prof. Gunnar Myrdal in his 'Asian Drama' has advocated decentralized industry as best suited for India and has fully supported Gandhiji's programmes for the protection and promotion of cottage industries in the villages. He observes. The development of industries in direct competitions with existing cottage industries would take work and bread away from millions with no immediate alternative source of employment or income; this would not be rational from a planning point of view.\textsuperscript{17} Gandhiji stands for a 'technology with a human face'. According to him, planning must aim at full employment plus maximum mechanical and economic efficiency.

(iv) That unbridled growth leads to stagnation and decay is now fully brought out by theses like 'Limits to Growth'. So what is needed is not maximization but optimization of resources utilization. Here again, Gandhiji was the pole. Star for it was he who developed the principles of the Economics of permanence. He was a fervent advocate of conservation of resources, a movement which has great relevance to the west now.

(v) Another pre-requisite of growth is the enthusiasm it evokes and the cooperation it enlists from among the people. Gandhian programme which emerge from and cater to the bottom are significant in this context. People's participation in development programmes is assured when they are self-sufficient and hence contented.

(vi) Self-relevance is the watch word of Gandhiji. It has two dimensions in his vocabulary – personal and territorial. The latter, specially, helps
mobilization and territorial. The latter, specially, helps mobilization and utilization of local resources to the full.

(vii) Most other growth models lack any in-built arrangement to achieve the distributional goals of development which result in grave economic, social and political frustrations hampering ultimately the very process of growth. Here again Gandhiji has much to contribute. His suggestions, being man centered link the production and distribution aspects so organically that they do not give rise to such problems. Production by masses means distribution to the masses.

Instead of depending on doles to solve the problem of distribution, the Gandhian model ensures productive employment to everyone and this itself is a virtue, for it steers clear of the social and psychological repercussions accompanying unemployment.

(viii) Gandhiji has democratized the whole process of development with his emphasis on decentralization.

(ix) The west in best with the problems of modern technology, Gandhiji was conscious of this. He therefore did not want to ape the west. He wanted to build a new India in terms of the village swaraj.

The ‘size’ is the key to permanence of the existence of human values, and living in harmony with nature and its environment in ecological balance, Gandhiji’s great insistence on village as the unit of production and distribution, Bread labour as the centre of economy, culture and
spiritual life, echoed in Schumacher’s ‘Small is Beautiful’ makes Gandhiji relevant to the world.18

Dr. Gunnar Myrdal said in one of his speeches that Indian planning has not shown any great improvement mainly because it has lost sight of the fundamentals of the teachings of Gandhiji. To cite a few, India witness massive spending on non-productive ostentatious item like conferences (NAM and others) with callous indifference to the lot of the common man, exaggerated emphasis on industrialization, too much centralization of powers – economic and political, lack of national consciousness and ethos, the erosion of moral values and the eraze to become quick-rich by any means. As an economist, Dr. Myrdal ascribes the responsibility for the failure of our nation as a clear-headed economist who always stressed in human factor in economic development. A rationalistic planner, he aimed at development of every part of the country and emphasized on sanitation, health and agriculture and basic education, the replacement of literacy and economic education by basic education and a redistribution of wealth for greater equality were his main concern. What some economists now suggest as integrated planning is nothing but the unified approach which Gandhiji had preached all his life. In fact, Gandhiji was far ahead of the narrow-minded materialistic economists of not only Western and Asian but also of communist countries.

It is often said that Karl Marx has half the world; Adam Smith, the other half; old Gandhiji has nothing at all. But Louis Fischer asserts; if man
is to survive, if civilization is to survive and flower in freedom, truth and
decency, the reminder of the twentieth century and what lies beyond must
belong not to Lenin or Trotsky, not to Marx or Mao or Ho or Che but to
Mahatma Gandhiji.¹⁹

Gandhian Approach To Rural Industrialization

Gandhiji had, through his far-reaching constructive programme
drawn the attention of the nation on the sad plight of rural-folk. As such,
since independence, much stress is being given on the development of
rural areas of this country. So far, the programme of rural transformation
was based on the Keynesian doctrine of monetary and fiscal regulations. It
was thought that the general economic development of the country could
be so expansive as to include rural transformation within its scope. By
assuming that rural industrialization would be a resultant phenomenon of
the percolation effect of metropolitan industrialization. Indian planners
ignored the need for evolving any special approach to the problem. But the
strategy adopted for rural development has failed to satisfy the aspirations
of the village people. These plans have not yielded much benefit to the
rural folk inhabiting our hundreds of millions of villages. The economic
benefits of progress and development have not reached the remote
villages and the weaker sections of our society. Our villagers still face the
difficulties even in obtaining the basic necessities of life, like drinking water
facilities for all, education, medical and health services and
communication. The crisis in the Indian villages, simmering for the last 60
years, has now attained a perilous dimension. In order to improve the situation, a radically different approach to rural development is needed.

In India where there are different type of practices in regard to social, political and economic orders as against those found in the western countries, the Gandhian approach to rural development and rural industrialization has more relevance in the present context than the modern economic thought.

Since majority of the people in the country lives in villages, the unit of development in Gandhian technique was the village itself. Identifying himself with India’s poor, he turned the thoughts of the nation to the needs for rural millions for whom life was an eternal compulsory fast, who live because they can not die at will, Hence he visualized that, “the development of the country lies in the development of the rural masses and rural areas. This is because; they are the backbone of the country.”

Gandhian strategy for rural development includes the development of the village and small scale industries, village handicrafts, development of agriculture, improvement of rural health, education and sanitation, betterment of the backward communities, specially Harijan’s democratic decentralization of rural development, even distribution of income, wealth and co-operation at all levels accordingly.

Gandhian ideas of rural industrialization are even ahead of the times, economic and political compulsion would inevitably force people to revert to them for resolving the menacing problem of rural unemployment
and poverty. Since times immemorial, villages provided the base for the economic structure of the country while towns produced more sophisticated articles. The industrial structure was thus well diversified and dispersed. It was the British who destroyed not only glorious trade but also rural industries in self-interest. The industrial revolution of England thrived at the cost of India, while the artisans of the country were wiped out from the industrial scene. The basic contradiction of modern industrial civilization was very well diagnosed by Mahatma Gandhiji. The goal of rural-urban integration under which land management is better organized to support industrialization for bridging the productivity gap between rural and urban workers might be an ideal where the cultural fusion between the two societies is complete. Under existing Indian conditions, according to Gandhiji, we shall have to find out whether the villager who produces an article or foodstuff rests content with exporting it and with using a cheap substitute imported from outside. We shall have to see that the villagers become first of all self-contained and then cater for the needs of the city dwellers. Till Gandhiji enunciated his view, villages were looked upon as appendages to the towns. Gandhiji wanted to reverse the process.

According to Gandhiji, a healthy economic relationship between town and country implies the fulfillment of the following interrelated conditions' (i) that in the rural economy of his conception cities must find their natural place in the economy, (ii) that they must primarily be 'clearing houses' for the village products, (iii) that the primacy of agriculture, and of
industries allied to agriculture, in the rural areas, should be recognized as the foundation of economic development; and (iv) that the economic relation between town and country must be reciprocally beneficial not exploitative.

What India has now to change, therefore, is the faulty economic thinking which made the big industrial plants the focus of development and the elitist attitude to the problem of the masses. It is here that, more than any other figure in our history, Gandhian concept is of relevance today, and suggest that Gandhiji's solution to Indian poverty are to be accepted merely because it came from him. But it will be suicidal to overlook Gandhiji in the face of the fact that India would progress only if its villages are made self-contained and self-sufficient, and that our planning has not helped to achieve that objective.

The new movement under various guises of appropriate technology is in fact a revival of the Gandhian approach to ideal rural organization based on the integration of its natural consumption pattern and the schedule of its production possibility. And it is only in this Gandhian approach that the panacea of rural crisis lies.

In a developing country like India with its large population and rather restricted amount of capital at its disposal it is in all reality and Herculean task to provide full employment to its citizens, without undertaking industrial decentralization on a very wide scale throughout the country side. This can be possible, as Gandhiji said only through the
establishment of small scale, cottage and village industries. Gandhiji's thought identifies economic development with the preservation of the small producer and its participation in a diversified pattern of productive activity. For Gandhiji the small producer is both the subject as well as the object of economic development. Gandhiji seems to suggest that Industrialization of the Western type will achieve these objectives in India. It is not likely to lift up the small producer from the state of pauperism nor is likely to draw him into the fold of expanding productive activity. In fact, Western type of development is bound to result in vast social tension and political turmoil as it would hit the small producers which constitute the most numerous sections in Indian society. The identification of the small producer as the key element of the Indian society and the definition of the Indian development in terms of the welfare of this vast mass of working humanity constitute Gandhiji's signal contributions to thinking on India development. Dr. Ropke after referring to the doubtful standard of material prosperity of masses as an object in under-developed countries to be attained

There are a number of villages and cottage industries which can be developed with advantages. Among the number of village industries mention may be made of processing of cereals and pulses, Gandhiji oil, village leather, cottage match, manufacturer of cane gur and khandsari, palm gur making and other palm products, non-edible oils and soaps, hand made paper, beekeeping, village pottery fibre, carpentry and black smithy,
lime manufacturing, gobar gas, collection of forest plants and fruits for medicinal purposes, shellac, manufacturing of gums and resins, manufacture of khatha, food processing and food preservation, bamboo and cane work, manufacture of household aluminum utensils and khadi. These industries enable the villagers to develop local initiative, cooperation and a spirit of self-reliance. They also help utilization of the available manpower for processing the locally available raw materials by adoption of simple techniques. These industries have capacity to correct the regional imbalances by initiating industrial activities on dispersed basis in the most neglected, backward and in accessible areas, where perhaps large scale sector is unable to penetrate. Another striking feature is that, as compared to the organized sector, there is no element of exploitation or profiteering, the wage content of the prices at which these products are sold is relatively higher compared to that of similar products manufactured in organized sector. In short such rural industry could provide employment, increase slow down migration to cities and increase the supply of goods and services to farmers at lower cost and generally stimulate rural and regional development. Looking from all points of view, the development of village industries can be an effective solution to many of the problems that confront today.

Gandhiji was always laying great stress on Khadi and Village industries. In fact, he gave a place of honour to spinning. As Gandhiji said. Khadi is the sum of village solar system. The planets are the various
industries which can support Khadi in return for the heat and the substance they derive from it. He was happy that the ‘charkha’ was a simple machine which would bring solace to the poverty-stricken people. He felt that without the spinning wheel there was no Swaraj.

While he stressed the multiplier effect on employment of concurrent development of a wide range of village industries, Gandhiji did not forget to emphasize the importance of quality, and cost-consciousness and efficiency of production. As regards quality, Gandhiji was right when he referred to the degradation of taste brought about by the cheap and tardy imported products of foreign manufacture. While admiring works of Indian folk-art in an exhibition in 1936, Gandhiji said. ‘Our tastes have been so debased that the miracles happening before our own eyes appear like so much dust or clay and trifles from abroad became exquisite pieces of art, water from a spring in far off Europe with the witchery of an unintelligible name becomes invested with a miraculous quality. Thus it was not always rational consumers’ preference that queered the pitch for the Indian handicrafts. Their products, though aesthetically superior, had lost their traditional attractiveness for the consumer. But through long neglect workmanship had also deteriorated in quality.

One feels confident that a comprehensive and well – integrated programme of rural electrification, development and extension credit and marketing facilities, technical research and assistance, supply of improved machinery and equipment, extension of training facilities, etc., would
surely assist the industrialization of rural areas and provide gainful opportunities for employment in the rural areas. At the same time such development will also provide solution to other socio-economic problems, such as halting the exodus of rural population to urban centres, diversification of occupations and raising incomes and, thus standard of living in rural communities.

The need to maximize employment opportunities and the potentialities of these industries to generate employment called for an increasing allocation of resources for the development of these industries in the successive plans. But the financial allocation does not reflect this emphasis.

The principal task in rural industrialization is the organization of rural industries. The task of organization includes disseminating advanced know-how to the rural artisans, supply of raw materials and collection of finished products for marketing. The mass literacy in India has seriously hampered the development of co-operative mode of organization. The illiterate villagers are quite ignorant of the principle of management of a co-operative organization. Thus, for a long time the rural artisans will need to be spoon-fed in the field of organization by Government and other public institutions. Perhaps the biggest snag in rural industrialization is that agro-based industries are not sustained by an effective marketing organization. The immediate task, therefore, is to strengthen the organizational effort in the rural areas and to make the managers and
accountants of the registered institutions and the co-operative societies much more socially accountable than many of them would like to be or they have been so far, the point is often missed that the programme for village industries has to be implemented in the context of the existing national situation and not in a void.\textsuperscript{22}

The development of village industries would not only solve the problem of rural unemployment but also enable us to balance occupational pattern. Revitalization of rural areas in every way is the only answer to change favourably occupations structure. Government has to provide not only primary amenities such as good water, clean roads, electricity, education and health centres but also fuller gainful employment to the working population in the diversified rural economy, besides agriculture. Against the backdrop of this reality the development of village industries, therefore, assume significance. The aim of the Government policy, should, therefore be as Gandhiji observed nearly half a century ago to return to the villagers the industries that have been cruelly and thoughtlessly snatched away from them by the city dwellers.

It should be reiterated that Gandhiji's concept of economic decentralization for economic growth in the form of small and home industries does not in any way oppose the use of science and technology which could develop the village and cottage industries. What Gandhiji wanted to achieve through the revival of village and cottage industries was to utilise the enormous capacity of the nation which was going waste.
Once it was accomplished he would have been only too glad to adopt all the modern methods of supplementary knowledge and technique for increasing production. Gandhiji maintained that there should be ample scope for decentralization of industry, and economic and social power, under the non-violent pattern of economic planning. Gandhiji desired that the fullest initiative must lie in the hands of the rural communities that they experiences a glow of freedom through self-help and self-reliance. This was the reason why he was so keen on developing the Indian village panchayat system as an integral part of the future economic and political organization of the country. I do not think any modern economist could find fault with this clear enunciation of Gandhian views regarding the policy of mechanization in developing countries in India. Prof. Myrdal observed, “The development of industries in direct competition with existing cottage industries would take work and bread away from millions with no immediate alternative source of employment or income”. This would not be rational from a planning point of view....... As there is no prospect of any large scale adjustment for decades to come, particularly as the labour force will increase rapidly until the end of the century.23

The dynamic balance between Man and Machine which Gandhiji had intuitively sensed as necessary is now accepted by most thinkers as the only possible approach for a really productive efforts. Japan had demonstrated in the last 100 years that it is the optimum man-machine mix that can significantly raise productivity which in turn has been responsible
for its phenomenal growth, often termed a 'miracle'. In India, too, it is being realized that what is needed in the rural sector for quick results is an appropriate technology that would match the skills and resources available in the area and that this would have to be tailored to meet the actual situation instead of indiscriminate import from the West.

Gandhi was in favour of developing a technology which did not create agriculture value system for the society but could harmonise with the existing culture. In order to bring this orientation, India has to boost the way of developing programmes in laboratories which must have relevance and interaction with the people and their dire needs have to work at the lines of technology with raw materials, social needs, people's skills etc.

India must think in terms of reviving old technology or adopt a current one or inventing a new one or improving the traditional indigenous technology. It would be better to switch over to intermediate technology a technology somewhere between the advanced and the backward'. In India, to quote Prof. Gadgil the backward may be identified with the technology of traditional Indian industry and the advanced, with the technology of the industrially advanced countries. Schumacher observes, Intermediate technology would be vastly superior in productivity to their traditional technology while at the same time being vastly cheaper and simpler than the highly sophisticated and enormously capital intensive technology of the West. He concedes that there are certain sectors and localities in every developing country which are irrevocably committed to
the western technology but, for the rest of the economy he suggested a technology that would fulfill four requirements (i) the workplaces have to be created in areas where the people are living now; (ii) these workplaces must be, on the average, cheap enough so that they can be created in large numbers without making undue demands on savings and imports, (iii) the production methods employed must be relatively simple so that the demands of high skills are minimized, not only in the production process itself but also in the matters of organization, raw material supply, financing, marketing, and so forth, and (iv) production should be largely for local use.25

It follows from foregoing discussions that the right course for India, as Gandhiji argued, was to concentrate on generation of employment in the country side through capital-saving handicrafts and capital-saving agricultural techniques, so that by a multiplier processes increasing output and employment could generate what Myrdal has called the spread-effects of economic development, as contrasted with its backwash effects, the entire process depending, as far as possible, on what Karl Marx described as the intimate connection or identity between local sales and purchases, with the rate of exploitation having been reduced to the minimu.26

It has to be admitted that technology cannot be taken to village at one stroke. It is a two way process, rural areas have to prepare themselves to receive it as much as the means and ways have to be found to take modern ideas and techniques to the villages. While approaching
the villager, one must always remember that although many be illiterate in the formal sense, has wisdom and knowledge derived from long experience and from toiling in the sun and rain. He is close to nature and therefore understands it best. Those who undertake this programme should keep this in mind and go to the villages as seekers of knowledge and as workers in development.

To conclude one can assert that Gandhian philosophies of rural industrialization are not the outmoded concepts of an idealist thinker but are essentially scientific and rational concepts and in tune with modern economic themes regarding the economic growth of developing countries. Thus if the Gandhian ideas are linked up with the broad functioning of economic planning and the present socio-economic structure is changed on Gandhian lines, people are sure to achieve all round progress and prosperity.

**Globalisation:**

Industrial revolutions have generally been triggered by changes in technology and the methods of production. First industrial revolution transformed manual into mechanical and the second revolution transferred mechanical into automatic processes of production. Technology of the post industrial society, associated with the third industrial revolution, is marked by the shift from automation to information and knowledge based transformation of production process, and led and guided by computer programming techniques and microchips. The
process of globalization is the consequence of the third industrial revolution and the logical needs of the post industrial society associated with this revolution.

Globalisation may be said as the twin processes of integration and unification of the national economics into the world economic system operating mainly through the market forces and dominated by western technology, capital, goods, product designs and management techniques. These unifying and integrating market operations are embodied in an international economic order that manifesto itself through the process of international investment. Naturally, the process of globalization of national economies involves the homogenization and unification of commodity, factor and financial markets into an integrated and interdependent transnational transactions system. The process of globalization revolves mainly around the incorporation of the erstwhile socialist and developing economies into the western neo-capitalism that seeks the building of bridges between the non-capitalist and capitalist economies, having different operational environments. Western capitalism of the colonial era sought and exploited the freedom of international movements of their goods and manpower, whereas the neo-capitalism seeks the freedom of international movements of goods, technology and financial capital without conceding full freedom of movements of industrial goods and human capital from the third world into the western economies. This will inevitably accenture the perpetually terms of trade against the third world is sought
to erected on the ruins of statism to establish the supremacy of the army markets, having oligopolistic and monopolistic structures.

The objective of globalization is to induce and introduce market friendly components into policy instruments of the economics characterized by stringent controls and regulations under planning regimes. This may partly be accounted by the ideology of free enterprise and mainly by the desire and derive to acquire penetration into the products, capital and technology markets of the formerly socialist and developing economies for the western developed capitalist economies which periodically suffer from the pangs of unemployment and pains of unsold stocks of goods due to recession.

Globalization symbolizes the system under which the processes of unification and homogenization tend to be so powerful, pervasive and extensive as squeeze the space within to induce convergence between the capitalist and socialist and the planned and non-planned economies of the world, irrespective of globalization, as manifested by the uniformisation and homogenization of the socialist and planned economies of the world into the liberal market structures both at national and international levels, have now proceeded currently much beyond what had been envisioned by Marcuse long ago. Marcuse has perceived the pervasiveness and enlarging dominance of technology to lead to the emergence of the technologically totalitarian past industrial society. At about the same time,
John Kenneth Galbraith also perceived the emerging 'super techno-economic structure' on international horizon which carried within itself the interlinked powerful forces of unification and homogenization of the world economy into an integrated whole. Galbraith observed that historically power belonged to the factor of production hardest to obtain. In the initial phase of modern economic growth, land was such scarce factor which endowed Ricardo's rentier class with enormous economic power. Then, the gradual maturing of the first industrial revolution, based on the capital intensive technology induced substitution of the manual by the mechanical processes of production, led to the emergence of capital as the decisive factor of growth. The second industrial revolution revolved round the substitution of the mechanical with the automatic processes of production, raising the operational scales massively that necessitated multifold increase in the levels of investment and accentuation of the balance further in favour of the owners of capital. But the third industrial revolution has been evolved around the micro-chips based computer, telecommunications and production processes, processing information and knowledge. Computerization of the production process in general, accompanied by revolutionary changes in the communication networking have led to the emergence of knowledge and information as the decisive factors of production. This has also led to the emergence of technocrats and Research and Development leading lights of the society. Besides, the world has emerged as one unified village due to communication and
information revolutions. Instant contact and global discrimination of
information is the reality of life due to shrinkage in both time and space as
barriers to movements of information. Along with information, money also
flows surreptitiously through the networking of banking, facilitating
penetration into national financial markets, transgressing and crossing
over the most intricate, complex, extensive, rigid and the best barriers of
controls and regulatory mechanisms. In modern age, technical
complexity, planning and associated massive scales of operations have
moved the power and influence away from the capitalists as well as socio-
economic controllers and political regulators to the professionals,
managers, entrepreneurs, consultants, technocrats and intellectuals who
explore, fathom and father new ideas, innovations management
techniques and manage operationally research and development and their
commercial explorations.27
References:


6. Ibid.

7. Ibid.

8. Ibid.


15. Ibid, P.103.


20. All quotations of Mahatma Gandhiji which are given in this paper are from *Economic Thoughts of Mahatma Gandhiji*, Edited by Mathur and Mathur.

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22. V.C. Sinha: *Dynamics of India's population Growth*, P.421.


25. E.F. Schumacher: *Small is beautiful*, P.140.
