Perhaps the most important and controversial issue of economic philosophy is the right to private property. The laissez-faire economists believe in the absolute right to private property given to the individual. In their view, under capitalism, the forces of demand and supply by its automatic adjustment through price mechanism attain equilibrium. The individual is thus given complete hand of freedom to industry and business to promote general good. There is felt no need of state intervention in this.

The communists condemned this model on the ground that it would lead to the concentration of wealth only in the few hands epitomizing in the growth of monopolies and imperialism. So, they held the view that under capitalism perpetual exploitation of working class needed revolutionary overthrow of the entire capitalist rule. Hence, socialist remedy to the capitalistic ills is consisted in the abolition of private property, socialization of all means of production and total elimination of bourgeoisie through the dictatorship of the proletariat.

Gandhi was aware of the dilemma that if production remains in private hands, it would lead to a concentration of
wealth and power only in few hands, resulting rich become richer and the poor poorer. Similarly, if it remains in the hands of the State, it would give birth to the dictatorship based on violence and tyranny. Rejecting both, the Marxist as well as the Capitalist model of economic development, Gandhi's effort was an alternative to both; a grand ideology visualised on decentralization of economic order, with the smaller units in private hands and the larger under the ownership and management of co-operative committees.

In the realisation of his ideal society, the question of economic relations assumes a great significance where these relations would have to be organized on voluntary basis consistent with Non-violence, Freedom and Equality. To attain a state of equilibrium through trusteeship, he seeks to harmonize the economic relations between capital and labour. In the words of Professor M.L. Dantwala, "The institution of trusteeship is regarded by Gandhi as a compromise between private enterprise and state controlled enterprise".\(^1\)

In his own words, Gandhi writes in Harijan,

"The rich man will be left in the possession of his wealth; of which he will use what he reasonably requires for his personal needs and will act as a trustee for the remainder to be used for the society".\(^2\)

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1. Dantwala, M.L.; Gandhism Reconsidered (Bombay; Padma Publications Ltd.), p. 130.
In this way, he wanted to do away with the evils resulted by private and state enterprises. Through institution of trusteeship he wanted to eliminate all kinds of class conflict between labour and capital. According to him, "What is needed is not the extinction of landlords and capitalists, but a transformation of the existing relationship between them and the masses into something healthier and purer".\textsuperscript{3}

Trusteeship is "a philosophy of life and organisation, a method of management, a method to bring about inter-personal relationship where status symbolised by richer or heredity merges itself with the common man. It envisages a new structure and a system of organisation based on non-violence, the welfare of all, the sharing of responsibilities, fruits of production as well as decision-making".\textsuperscript{4}

Gandhi observed that neither Capitalism nor Communism have been able to deliver the goods. The problem of poverty and glaring economic inequality i.e. wide gulf between the palaces of the rich and the huts of the toiling masses was at the root which also inspired him to propose the idea of trusteeship.


The trusteeship concept that Gandhi visualised is concerned with the nature of individual to establish a new social and economic order. In the literal sense it appears more judicious to accept the doctrine that 'All men are born free and equal' but on practical sphere all do not possess same talents and hence are unequal. It is same as no two leaves on a tree are exactly alike. The inherent inequality in talents advances this idea to accept the fact that few are gifted with unique talents for business and have the ability to earn more than others. Comprehending this natural disparity in the talents and aptitudes, Gandhi never liked to remove inequalities by 'lopping off the tall popples'.

To him, to make men equal by coercion or by forcible expropriation of their possessions would be unnatural and against the freedom. This, however, cannot make the peasant equal to the prince, was his belief.

Accordingly, he did not want to prevent those who were endowed with superior talents and could earn more. He advised the rich peoples to utilise their talents and riches not for themselves but as a trust for the good of society. In his own words,

"All have not the same capacity. It is, in the nature of things, impossible. For instance, all cannot have the same

height, or colour or degree of intelligence etc.; some will have ability to earn more and others less. People with talents will have more, and they will utilise their talents for this purpose. If they utilise their talents kindly, they will be performing the work of the State (i.e. community). Such people exist as trustees, on no other terms. I would allow a man of intellect to earn more, I would not cramp his talent. But the bulk of his greater earnings must be used for the good of the State, just as the income of all earning sons of the father goes to the common family fund.  

Gandhi did not propagate the idea that rich should renounce his millions or give up business. To do business, he did not consider immoral but what naturally is best suitable to his talent. By giving up his business he would deprive off the society for the loss of his God-given talent. In his view, it was a part of Swadharma, to realize the highest duty in a spirit of service.

The trusteeship concept is an indigenous model and is only an application in practice of the ethical core of all religions. All classical religions of the world condemns the acquisitive tendency of man which creates an artificial wall between man and society. Also this tendency corrupts man, imprisons him into his selfish 'ego' separating him far away from communion with the cosmic soul. Gandhi's emphasis on the

6. Young India; November 26, 1931, p. 368.
acceptance of spiritual objective for human life (i.e. supreme purpose of human life is the realisation of Truth or God) virtually helps the man to develop his consciousness alongwith the attainment of social welfare.

Recognising the divinity in man which stemmed from his intense feeling of spirituality, he derived his ethico-economic theory of trusteeship. So, he said, "Everything belonged to God and was from God. Therefore, it was for His people as a whole, not for a particular individual. When an individual has more than his proportionate portion he becomes trustee of that portion for God's people". It was for this reason he stressed for the equal distribution of wealth in the society. He tolerated the institution of property not for the reason that he loved it or considered it significant for the progress of society, but, because he wished to abolish it through the application of Truth and Non-violence. In his opinion, ownership of property vested neither in individual nor in state but in God. According to him, "property must serve the cause of human happiness and should also uplift the persons who manage it". He further said, "All land belongs to Gopal (सुभ गोपाल) where there is the boundary line?", what is true of land is also true of all other forms of property.

All forms of property, hence belong not to the individual but to society and therefore should be used for the good of all. Every person should look upon his mental or physical talents, material wealth or gifts of nature as a trust for society and use them for social welfare.

Right from the beginning, he saw the conflicting interests between the peasants and the landlords, the workers and the millowners and the states of people and the Indian Princes. The doctrine of trusteeship was developed as an alternative to class-war and violent or legal expropriation of the means of production. On the occasion of the opening ceremony of the Benaras Hindu University on February 6, 1916, Gandhi used the term 'trusteeship for the first time when during the course of his speech he warned the princes,

"I compare with the richly bedecked noblemen the millions of the poor. And I feel like saying to these noblemen: There is no salvation for India unless, you strip yourselves of this jewellery and hold it in trust for your countrymen in India".9

As a national leader, Gandhi was well in touch with the conflicting interests of terrible poverty of the overwhelming majority of Indian peasants, artisans and workers in the midst of the dazzling display of wealth by the millowners, merchants, landlords and the princes. Comprehending this contrasting situation he, in fact, propounded a radical theory which called

for voluntary sacrifices from the 'haves' in the interest of 'have-nots'. This theory might seem a rationalization of the privileged position of the princes, landlords, and business magnates. But a model landlord of Gandhi's conception, "would at once reduce much of the burden the ryot is now bearing. He will reduce himself to poverty in order that the ryot may have the necessaries of the life. He will study the economic conditions of the ryots under his care, establish schools in which he will educate his children side by side with those of the ryots. He will purify the village well and the village tank. He will teach the ryot to sweep his roads and clean his latrines by himself doing this necessary labour. He will throw open without reserve his own gardens for the unrestricted use of the ryot. He will use as hospital, school or the like, most of the unnecessary buildings which he keeps for his pleasure."\(^\text{10}\)

Gandhi was confident that rich people would act as trustees and he sincerely believed in the possibility of their conversion or change of heart by appeal to the basic principles of reason and love. According to him, "they should realize the evils and dangers of accumulation of wealth and also should see that it is in their larger interest to use wealth for the welfare of the people rather their personal comforts. Capitalists would then exist only as trustees. When that happy day dawned, there would be no difference between capital and labour. Their

\(^{10}\) Young India; December 5, 1929, p. 396.
labour will have ample food, good and sanitary dwellings, all the necessary education for their children, ample leisure for self-education and proper medical assistance." ¹¹

Through the device of trusteeship, the Capitalists and the privileged classes were given an opportunity by Gandhi to reform themselves. As a pragmatist, he realized that in spite of all persuasions, there may be many hard nuts that may not be easily cracked. Many moneyed men, capitalists, industrialists, commercial interests and landlords may not easily respond to such a moral appeal. Hence when he found that many propertied people were not voluntarily converting themselves into trustees by shedding their greed and acquisitiveness, although he was not accustomed to practice any physical or mental coercion and blackmail did not desist from administering a dose of warning to the possessing class. On the eve of salt-Satyagraha he wrote, "All these (moneyed men, landlords, factory owners etc.) do not always realize that they are living on the blood of the masses, and when they do, they become as callous as the British principals whose tools and agents they are. If like the Japanese Samurai they could but realize that they must give up their blood-stained gains, the battle is won for non-violence. It must not be difficult for them to see that the holding of million is a crime when millions of their own kith and kin are starving and that, therefore, they must give up their agency." ¹²

¹². Young India; February 6, 1930, p. 44.
Accordingly while advising the Zamindars and Talukdars to imbibe the spirit of Japanese nobels, read the sign of time, revise their notions, and hold their wealth as trustees for the good of the people and the ryots, he warned them:

"There is no other choice than between voluntary surrender on the part of the capitalist of the superfluities and consequent acquisition of the real happiness of all on the one hand, and on the other the impending chaos into which, if the capitalist does not wake up betimes, awakened but ignorant, famishing millions will plunge the country and which not even the armed force that a powerful government can bring into play can avert".  

Though Gandhi was firmly dedicated to the application of non-violent technique of persuasion and conversion and non-violent non-cooperation for the attainment of any objective. But in this case he specifically warned while writing in the Constructive Programme: "A violent and bloody revolution is a certainty one day unless there is a voluntary abdication of riches and the power that riches give and sharing them for the common good". He repeatedly pointed out to the Capitalists that "their wealth was the cause of their worries and anxiety, unhappiness and insecurity. They who employ mercenaries to guard their wealth may find those very guardians turning on them".

13. Ibid; December 5, 1929, p. 396.
15. Harijan; February 1, 1942, p. 20.
Writing in Harijan he further warned the wealthy sections of the society, "As for the present owners of wealth, they would have to make choice between class-war and voluntarily converting themselves into trustees of their wealth".  

Under trusteeship, a trustee will be permitted to retain only a small portion of his earning for his personal use based on his necessity. The rest belongs to the state. In this way, the trustee has no right to use or misuse his wealth according to his will as Capitalist owner does under capitalism. Even the maximum wealth necessary for his existence will be determined not by himself but by the state. Under Gandhian scheme the trustee is self-appointed manager. So, he advised them (zamindars and capitalists) many times to submit themselves to the discipline and restraints of trusteeship. Giving them the chance to reform, he also thinks that he can bring about transformation in labour-capital relations. So he advanced the idea of 'joint trusteeship' of capitalists and labourers over the wealth of society. In his own words, "I have always told millowners that they are not exclusive owners of mills and workmen are equal sharer in ownership". But, fundamental to the theory of trusteeship is the principle of non-expropriation of the owners. So, legal ownership vest in the trustee till his voluntary conversion to the joint ownership of capital and labour. Gandhi considers moral conversion more effective and

responsive to the value of non-violence rather legislative measures. In his view, moral appeal includes awakening of workers and peasants and realization of their own moral strength, keeping option of non-violent non-cooperation open against exploitation and injustice. According to Gandhi, this mutual realization of the strength of the conflicting interests, obviously leads to the establishment of moral equality between them.\textsuperscript{18}

Gandhi had made this proposal that under trusteeship capitalists and labourers would be regarded co-partners of industry. Keeping this in view he had fully supported Jayaprakash Narayan's scheme for worker's management of industry. Emphasising on the inter-dependence of capital and labour Gandhi said, Labour is superior to capital, because it is less dependent on capital than the latter is on labour. If all the labourers could combine in the true non-violent spirit, capital would inevitably come under their control. Capitalists would then exist only as trustees. Labour would have sufficient food, good and sanitary housing, proper education for their children, adequate medical assistance and ample leisure for self-education.\textsuperscript{19}

Gandhi considered state control as superior to unrestricted private enterprise if his trusteeship failed. So he said,

\begin{enumerate}
\item \textsuperscript{18} \textit{Ibid.}; pp. 97-98.
\item \textsuperscript{19} \textit{Harijan}; September 7, 1947, p. 311.
\end{enumerate}
"I would be very happy if the people concerned behaved as trustees, but if they fail, I believe we shall have to deprive them of their possessions through the state with the minimum exercise of violence. That is why I said at the Round Table Conference that every vested interest must be subject to scrutiny and confiscation ordered where necessary —— with or without compensation as the case demanded".20

Thus Gandhi envisaged a moral solution to the moral problem through moral appeals of the exploited classes to the conscience of the landlords and industrialists. On its failure they would resort non-violent non-cooperation against the owners. If this also failed, the confiscation of property by the state would be the last measure.

The final draft of trusteeship is as follows:

(1) Trusteeship provides a means of transforming the present capitalist order of society into an egalitarian one. It gives no quarter to capitalism but a chance of reforming itself. It is based on the faith that human nature is never beyond redemption.

(2) It does not recognise any right of private ownership of property except in as much as it may be permitted by society for its own welfare.

(3) It does not exclude legislative regulations of the ownership and use of wealth.

20. Young India; November 26, 1934.
Thus under state-regulated trusteeship, an individual will not be free to hold or use his wealth for selfish satisfaction or in disregard of the interest of society.

Just as it is proposed to fix a decent minimum living wage, even so a limit should be fixed for the maximum income that could be allowed to any person in society. The difference between such a minimum and maximum income should be reasonable and equitable and variable from time to time so much so that the tendency would be towards obliteration of the difference.

Under the Gandhian economic order the character of production will be determined by social necessity and not by personal whim or greed.21

From the theoretical point of view, the trusteeship concept seems to be a higher strategy for the establishment of non-violent egalitarian society. As it has been designed to the extinction of capital and property. In his endeavour, Gandhi has provided a more radical formula than the communism. He combines Lincoln's love of liberty with Lenin's urge for equality without resorting to the barrel of gun. Truely, this appears to be a grand ideology taking into consideration the values of human life. He believed that real economic and social change could only take place through the change of character and consciousness of men. Hence, his effort through trusteeship aimed at ushering in an ideal society which embrace both liberty

and equality. He was optimistic that through the success of trusteeship, India would be able to save the world from nuclear predicament and help the humanity by the discovery of higher truths which is the ultimate purpose of human existence.

But critics from all corners were vehement upon Gandhi for advocating the theory of trusteeship. From the leftist point of view, in his concept of trusteeship, he appears to be "loaded heavily with spiritualism and idealism", saying that, "It should become a gift from India to the whole world". He said, "Everything belonged to God and was from God. So it was not for particular individual or community if he had more than his proportionate portion but for people as a whole. He becomes a trustee of that portion for God's people. If this truth was imbied by the people generally it would become a legalised institution". Despite his great reverence and appreciation for Gandhi and his moral values Hiren Mukherjee wrote, "He was ready to be gentle even with flagrantly self-seeking and fundamentally anti-social vested interests, and in his pre-occupation with the right kind of means for social change he would make compromises and concessions, to the status-quo which were often inexplicable, and in their implications as in the idea of the rich being trustees of the poor proved pernicious". According to K.G. Mashruwala, "Gandhiji had obiled the princes, the Zamindars, the capitalists and holders

22. Mukherjee, Hiren; Gandhiji: A Study. op. cit.; p. 204.
of power by subtly furnishing them with one more weapon to cling to their respective positions of advantage.\textsuperscript{23} Another Marxist thinker also showed his disapproval of Gandhi's trusteeship idea and recorded, "His theory of trusteeship, his insistence on certain moral values as the guiding lines for any political activity... proved in actual practice to be of enormous help to the bourgeoisie."\textsuperscript{24} When Nehru was attracted towards Marxism, he also criticised the trusteeship idea being opposed to common sense and historical experience. In his words, "Gandhiji is always laying stress on the idea of the trusteeship of the feudal prince, of the big landlord, of the big capitalist. He follows a long succession of men of religion. The Pope has declared that rich must consider themselves the servants of the Almighty as well as the guardians and the distributors of his wealth, to whom Jesus Christ Himself entrusted the fate of the poor. Popular Hinduism and Islam repeat this idea and are always calling upon the rich to be charitable, and they respond by building temples or mosques or dharmshalas, or giving, out of their abundance, coppers or silver to the poor and feeling very virtuous in consequence.\textsuperscript{25} Gandhi's most bitter critic and leader of depressed classes B.R. Ambedkar observed that, "Mr. Gandhi does not wish to hurt the propertied class. He is even

\textsuperscript{23} Mashruwala, K.G.; Gandhi and Marx. op. cit.; p. 77.
\textsuperscript{24} Namboodripad, E.M.S.; Mahatma and the Ism. op. cit.; p. 115.
\textsuperscript{25} Nehru on Gandhi by The John Day Company, p. 96.
opposed to a campaign against them. He has no passion for economic equality". 26

Congress Socialist Party also put forceful criticism on the theory of trusteeship. According to Jayaprakash Narayan, "such appeals as of trusteeship for the rich is a dangerous doctrine ... because it hushes up the real issues and sets out to remove the evils of society by pious wishes. It thus deceives the masses and encourages the upper classes to continue their domination". 27 Like Communist Party leaders, the Congress Socialists, too, considered the trusteeship as reformist which maintained status-quo and opposed to their revolutionary creed. Congress Socialists believed that through the application of trusteeship Gandhi sought to improve the conduct of the landlords and capitalists towards the lower classes but Jayaprakash Narayan argued, "Gandhi does not question the accumulation of capital. By not questioning the right of prince, landlord and capitalist to continue their functions, Gandhiji had signified his tacit approval of this large-scale organised theft and violence". 28 The socialists leaders doubted in the efficacy of the trusteeship concept if change of heart or conversion in the rich people as a class could take place voluntarily as visualised by Gandhi. According to them, the rich people welcomed the idea of trusteeship simply because it suited them

and enabled them to retain their riches. But on acceptance of this concept by the rich, Jayaprakash Narayan remarked, "the acceptance of this philosophy cost them nothing except perhaps an occasional donation to a public cause, the movement of which they soon recover either by virtue of the publicity gained or by a business manoeuvre". Dissatisfied with the trusteeship theory, they held it 'vague and inadequate' and felt that even Gandhi's best trustees were trustees in a limited sense. On its practicability Jayaprakash Narayan doubted more seriously when he remarked, "If during his life-time, Gandhi has not succeeded in reaching the hearts of the upper classes, how does he expect that this will be done after he is removed from the arena of the world?" Even Marxist appraisal of the trusteeship doctrine finds, "no change in the objective sphere of the production process as they will remain same as they were in capitalism, the change is purely in the subjective sphere. The class division between the property-owners and the property-less workers like capitalism is sought to be retained in Gandhism also. The little difference in Gandhism is that the property-owning class will consider itself trustee on behalf of the proletariat".

Despite being very close to the capitalists, Gandhi never propagated the capitalistic ideals. From the very beginning,

29. Ibid.; p. 43.
30. Ibid.; pp. 94-95.
he condemned capitalism and found it responsible for exploitation and colonial subjugation. As a system, he found it full of imperfections. Throughout his life, he cherished the goal of establishing a new social order based on equality and justice. He firmly stood for an egalitarian society free from exploitation. Rejecting both, capitalism and socialism, he offered Trusteeship as an alternative model which, in his view, was in consonance with the Indian conditions. With the help of socialists friends, he prepared the doctrine of Trusteeship and sent to the Indian capitalist class through G.D. Birla for acceptance. The real colour of the capitalist class came in open as there was no response to it. The doubts of the critics about the role of the capitalist class in the reconstruction of Indian society came out to be true. Despite all his efforts, Gandhi could neither change the mind of capitalists towards his trusteeship concept nor businessmen justified the hopes he had placed in them.

The adoption of Gandhi's ideas by Bajaj and Birla, his moral and spiritual influence in routine dealings of these capitalist friends, necessarily influenced and confirmed Gandhi's attitude towards capitalists. His metaphysical presupposition of looking goodness in human beings became firm, and on that basis he wanted to generalize his metaphysical presuppositions to the practical realities.

The unconditional support in the form of money by these capitalists furthered Gandhi's idea of Trusteeship. Generally,
in practical life, charity or renunciation of money is the most difficult and sometimes impractical job. The characteristic demonstration by these capitalist friends furthered Gandhi's faith in goodness of man and his belief that he could change the hearts of the capitalists rooted in the idea of his trusteeship theory. As he wrote, "The critics do not know of the changes they (the Birlas) have imperceptibly made in their life; nor need they or public in general know these. Such changes are never made for show. At the same time, it is perfectly true there are wide differences between them and me in outlook. There is no cause for sorrow and wonder." 31

It is religio-philosophic impact on Jamnalal Bajaj and Ghanshyamdas Birla that they gave away large sums of money, on master's call. Since both were convinced of Gandhi's strict code of personal and public conduct and hence gave enormous and spontaneous charities for the nation's cause.

The trusteeship concept, Gandhi considered as the most original to eliminate both capitalism and bureaucratic statism which Western socialists implied. Like other Gandhian concepts, it is relative in space and time and to the needs of society rather than absolute. Gandhi had full faith in it and in his capitalist friends. But disillusionment came only when other capitalists would not become the trustees of his imagination. When Gandhi observed it, he had started advocating strong measures.

Gandhi's concept of trusteeship as a means of bringing about material advancement of the poor or economic equality, was undoubtedly a grand ideology which was practically demonstrated by Seth Jamnalal Bajaj, his friend and disciple to whom the Indian National Congress was considerably indebted for his liberal financial assistance. Gandhi himself acknowledged this fact as has already been discussed in the previous chapter saying that Bajaj was one of the capitalists who came near to his trusteeship concept. For complete identification with Gandhi and his ideals, Jamnalal was designated as 'Gandhian Capitalist'. But the fact remains that "Jamnalal Bajaj was an exception rather than the rule" and that most other rich men did not follow his example illustrate the difficulties which stand in the way of the more widespread adoption of this concept.

Gandhi himself did not have enough time to demonstrate the practicability of trusteeship on a wider scale. But this does not reduce the significance and meaning which trusteeship philosophy carries. Moreover, the fact is very clear that those, who tried to experiment with trusteeship could not come successful largely because of lack of spirit behind it. Gandhi stood firm about it and said, "My theory of 'trusteeship' is no make-shift, certainly no camouflage. I am confident it will survive all other theories".32

32. Harijan; December 16, 1939, p. 376.
But the main problem with this doctrine is its practicability. It denounces both Capitalism as well as Communism but does not provide a ready-made solution. The modern economic system is a complex one and replacing it with trusteeship is nothing but oversimplification of the problem.