CHAPTER IV
APPLICATION OF THE PRINCIPLES OF GANDHIJI'S ECONOMICS - I

In economics we study human activities performed in society for fulfilment of daily needs of our life. This reflects two major parts of economics viz. production (related to human activity) and consumption (related to his need). Various human activities rendered to create utility in goods and services are termed as production in economic science. Such activities are performed by man taking the help of his own labour and intellect. There are the primary source of production. But human labour and intellect can not become the only ground for production. Nature and circumstances compel man to take the help of other factors to complete the task of production. They are natural resources viz. land, produces of land on its surface, minerals found under surface and animals. Under the scheme of production man has to plan how best he can create utility in the things available in nature.

The most important necessity of man is food. He has land, seeds, iron ore, timber, bullocks etc. around him provided by nature. Man has to utilise these factors of production to procure food for his basic need for which nature wants him to put his labour and skill or intellect and make an honest effort for it. His intellect helps him to utilise those different resources and helps nature to produce food for his requirement. Man does not manufacture foodgrains; he simply shares his hands to fulfil necessary
conditions by which nature produces the foodgrains for him. His work is not yet over. He has still to process the raw foodgrain to make it eatable. This fulfills his basic needs and he satisfies his hunger.

Nature demands human labour and skill at every stage of production. Even cooking is nature's job; man simply creates condition whereby 'agni' (nature's energy) cooks food for man. Production is in fact the work of nature. Man creates necessary condition for nature so that nature may complete the job of production for him. But man appropriates this task to himself and takes the entire credit for himself. In fact man is a necessary intermediary between nature's function of production (of food in our example) and human consumption.

Satisfying his hunger or fulfilling his needs or utilising the produce is termed as consumption in economics.

Articles or services that a man requires to fulfil his needs i.e., his consumption can be classified in three different groups:

1. Basic needs: (a) Produced by individual's own effort viz. food, cloth, house.
   (b) Provided by a few experts, viz. education, medical aid.
2. Subsidiary needs:
   (a) Social needs: cloth, furniture, training in different art and music.
   (b) need of society: roads, canals, administrative and judiciary services.
   (c) atmospheric needs: woolens, umbrella.

3. Created needs (desires): tea, cigarette, wine, ice.

Basic necessities have direct link with economic order of the society. Social needs provide a ground for mutual relationship in the society. They also provide base for sacrificial consumption and proper use of individual talent. Need of the society is to upkeep a well social order. It is collective need that society provides to its members. Atmospheric necessities are occasional needs. Created necessities are simply desires that have been enforced by man on himself through his own weakness of mind. The more realistic is the approach of a man, the less he requires created needs.

Gandhiji's thought reveals a fact that the trend of consumption and production are the decisive factor of economic order of society.

Gandhiji's economic thought stands for a well ordered society. The test for a well ordered society is that the earning of man's livelihood is not the problem there. There are ample avenues of employment for every able bodied person. In a well ordered society different occupations
do not result in wide disparities of income and opportunities for the development of human personality. An egalitarian society is so formed where chances of one group advancing at the cost of the other are eliminated.

Here an individual must find a purpose for his life and at no stage in his life, demoralisation or frustration should set in. In such a society there will not only be full employment and equal opportunities, but equitable distribution of material benefits leading to peaceful order.

Economics provides the criteria to judge individual's progress. Progress of men is not judged by money income or per capita income. Progress depends on how best a man is able to utilise his own labour and his skill and the degree of satisfaction he has acquired. No monetary consideration can lead a man towards greater satisfaction. The more the money he gets greater becomes his hankering after money and his peace of mind recedes. Thus Gandhiji's economics upholds varied and more skilful labour for each member of the society. It stands for voluntary distaste for created needs and limiting his subsidiary needs so that he may provide more employment (give chance) for his neighbour to fulfil their basic needs, and create a feeling of helping others, spreading love around him and lead a more satisfied and happy life.

Gandhiji realised that modern industrialism cannot
create such an order by itself. It leads to an unnatural order where competition, rivalry and unbalanced personalities are common features.

According to prevailing economics, industrialism is a must for economic development. This trend has differently affected production and consumption and the economic order as a whole. It is accepted that production with the help of advanced technology is always beneficial. Now we are eagerly looking forward to a state where automation will be introduced in many fields of production (including the production of agriculture and textile). It is very natural that under such changes in economics, agriculture by plough and bullocks or plying of Charkha in each home is despised and treated as backward economic thought. There is purposeful limitation of using machines in the field of production specially of one’s basic needs.

According to the orthodox economic thought, our ‘wants are supplied not by the produce of the present labour but of the past...’. We ‘consume what has been produced not what is about to be produced.’^{1} A few entrepreneurs take initiate in large scale production and distribution with the primary motive of amassing wealth for the self and majority to their own business to filling the basic necessities.

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1 J.S. Mill, Principles of Pol. Economy, Book I, Ch.V, Sec.I.
of Gandhiji's thinking. This trend permeates the whole of the economic world. Labour which helps in production actively has practically no voice in its economy. The main reasons are, (a) technology supplants direct human labour in production thus reducing the importance of human being and (b) promoters of production are a different body; they not only govern production but indirectly control future consumption. They purchase labour, purchase capital including technology; this weakens individual ingenuity. They try to hold their power over the natural elements like land. It is the age of specialisation and division of labour; it may be a boon to large scale production but it weakens the labour. The present system of production creates regimented labour with little freedom and liberty to individual thinking and judgement. Major task of production is carried out by capital i.e. machines. In most of the cases labour is employed for handling the machines. His actions are planned by a central authority of the concern. Labourers learn how to carry out orders. Such trend makes ground for an invisible dictatorship.

On the consumption side we observe that one who is producer, need not be the consumer of his own products. His participation in production function is totally one-sided which has little connection with his needs. The money economy provides him sufficient remuneration to meet his common needs. The general tendency is to fulfil
one's gradually increasing needs with his least labour. Less hours of work and more pay has become the dogma. It is possible if we advance more and more towards centralised production. His varied needs are now produced mostly by machines. Under the present economic trend ready made articles are easily available which are mostly prepared with the help of machines that supplant labour. One bears very little knowledge of the articles which has been produced through his own (mechanised) labour. The consumer has not to worry about labour for the articles he consumes. He simply has to worry for money income. The more he earns (money income), with greater ease can he satisfy his needs, which are easily procured from the market. Man is taught that happiness is connected with fulfilling varying desires and acquiring more and more money.

Another feature of the present day economics is that it has evolved its own culture in the society. More of material welfare means that a family is more cultured. We take it for granted that accepting the culture and civilization of the present industrialised society is advantageous for the self and also for the development of the society. We seldom realize that to fill up the hollowness of the present culture and civilization, voluptuousness has been very conveniently allowed to develop, which again forms a part and parcel of this culture and civilization. It becomes easy to ignore the invisible
entity of the human being - the spirit, but it is impossible to do away the unhappiness that goes hand in hand with the advanced civilisation and culture of the present type. Our material advancement which is the end of the prevailing economic system develops taste for sensual objects only. Material advancement needs cultivation of the mind first in that direction. Therefore in such a society there is importance of promoters and importance of different advertising media which not only advocates the required articles but simultaneously channelises the mind in that direction. The success of present production depends on future consumption, which in turn depends on the proper trend of the mind. The whole society lives in the future. It produces for the future and consumes for the fleeting happiness that is elusive. Promoters of different products control the economic system. Man loses the virtue of becoming an independent unit fully developed, leading a graceful life. He becomes more and more dependent on money. Thus he runs the race of his life more towards money - a power of materialism - than towards virtue. This is the main reason that such society develops imbalance or disequilibrium. Such is the state of affairs of present day industrial economic system from Gandhiji's angle, as I could understand him.

As per Gandhiji's economic thought certain basic principles govern each activity of human being. Production and consumption under a well ordered society upholds certain
principles. These principles put limit to the use of higher technology and value the small tools and decentralised way of production. These basic principles help in finding purpose for life, avoiding frustration—(a common disease of the advanced nation).

Law of Varnashrama:

Gandhiji has invoked the law of Varnashrama as a means of restricting the society and as a method of resolving the socioeconomic problems which we face. It provides the means through which varied chances of employment are reserved for the masses for their livelihood. The chances of exploitation in society are reduced to the minimum. Labour of different sorts are treated on equal footing. It helps in bringing equal distribution of income in society to a great extent. It preserves the right of knowledge, initiative and perseverance and also the fruits thereof. This law is specifically suited in a decentralised economic order. India that consists of mostly villages provides a perfect ground for its adoption. The law of varna brings about a perfect division of labour in society. It provides great chances for mutual cooperation in society. Cut-throat competition, glut and bloom of market have little chance in the order of its economics. This law has the quality to shape democratic socialism. It solves the problem of population alongwith removing poverty. Its adoption reduces other social evils like hoarding, and profiteering.

For detailed description refer Chapter 11, p- 43 & 44.
Law of Bread-labour

Bread-labour theory is primarily based on economic justification. The severe-most problem of disguised unemployment finds its veritable solution in bread-labour. It provides direct productive employment.

The derived principle of bread-labour is 'bodily sustenance should come from bodily labour and intellectual labour is necessary for the culture of mind.' It helps in wiping out inferiority and superiority in different types of labour. It tells us that labour added with human skill is definitely superior than the knowledge of handling machines. It brings capital and entrepreneur on equal footing with labour. Under Gandhiji's economic order in most of the fields of production labour acts as capital and entrepreneur.

The value of that wealth of a nation is far greater which has been produced by the help of bread-labour than the value of wealth prepared with mechanised labour and highly developed machines that supplant millions of manual labour.

Our body is a living machine far superior than any machine that have developed so far or may be invented in future. It must be given more and more chances for developing. Bread-labour works in this direction.

This theory calls for drastic changes in the measure of national wealth, national income and standard of living.

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2. For detailed description refer Chapter II, p - 31-37.
It also presents a helpful ground for curbing the population problem.

By adopting bread-labour we naturally solve non-economic problems of life like, frustration, drudgery and gradual decay of health. Bread-labour itself provides recreation. It indirectly reduces economic burden of society which is needed more and more in industrialised society e.g., expenditure on hospitals, clubs, and other recreational centres and social reform measures. It even reduces social crimes. It generates right approach of thinking towards life.

Just needs and just means:

Consumption and production are the two pillars on which the whole economic structure is based. Consumption is the direct fulfillment of our needs and production is the indirect way of fulfilling our needs. The foundation of Gandhiji's economics of consumption and production consists of 'just needs and just means.' 'Just needs' means natural wants and 'just means' denotes natural way of providing the natural needs.

Just needs and just means are natural, hence, they do not create any problem of a serious nature in society like over production, under production, unemployment etc. If there arises any problem, it means that something unnatural has crept in it. In between the just needs and just means, stands nature-- the distributor--that provides different resources of production and in fact the real producer. Nature therefore properly cared for.
Disturbance of natural order (in production) must create its own problems. It is any time safer to avoid exploiting nature for self-profit, than ignorantly disturbing the natural sequence. To quote a few examples: excessive cutting of forest without proper planning, destroying the living creatures, and too much exploitation of minerals. Natural way of living neither demands things in excess nor permits excessive use of things.

As far as individual action is concerned, one aspect of disturbance of nature (in consumption) is imbalance of the needs of humanity. It is through the senses of the body that we feel the needs. The imbalance is created by predominance of any one or all the sense organs in preference to the requirement of the body. For example food is a natural requirement but the indulgence there-in, created by the mind disturbs body. This has its effect on the just means. The other aspect of disturbance of nature on individual basis is imbalance of 'just means'. Imbalance of means signifies not performing the human action as per the callings of nature. Shirking from labour in connection with the calling of the need of the body is the example of disturbance of nature.

In the present world, where nature is being supplanted by unnatural mode of living, the problem before economics is to study and find out just needs and just means. They govern the economic activity of our society and in turn determine the natural order in society.

Just Needs: Just needs are the starting point of economic activities on the lines of Gandhiji's economic thought. Human
beings possess body, mind and spirit. All these three require their due share. They are not independent units but inter-dependent and inseparable from the point of having their effect on one another. There cannot be independent treatment of the needs of the body alone.

A similar treatment of just needs has been undertaken by the economists under the head wants. Economists have tried to make an independent study of human wants without taking cognisance of their repercussion on mind and spirit. This is the reason that they still remain confined to the mental plane which reflects through senses, ignoring the higher plane.

Wants are taken to be the source of satisfaction and happiness whereas, as per Gandhiji's thinking purposive restriction of the same is the ground for happiness. Natural wants should have little feeling attached to them. Purposive restriction means sticking to our natural needs.

Economists have failed miserably in the interpretation of human wants and their impact on higher self and social relations of the human being. Wrong interpretation has changed the civilisation and culture of the society. It has created a mirage of economic development and a cob-web of its own nature. It has resulted in great inequality prevailing in society today.

We are taught the negative aspect of the wants i.e., wants constantly continue to multiply, they recur again with greater intensity and provide the basis for wider economic activity. The present economic laws are flourishing on the basis of these negative aspects of wants. Gandhiji refuting such notions,
remarked, "I do not believe that multiplication of wants and machinery contrived to supply them is taking the world a single step nearer its goal."1

Multiplication of wants not only disturbs the just needs but also disturbs the just means. It has given birth to inhuman machines. Our goal, 'good of the country and the humanity,' recedes. The more man is civilized and cultured, the more is he able to satisfy his wants through the help of modern discoveries and inventions in the field of science. Ingenuity of machines and technology has advanced but not so the human ingenuity i.e., the worth of human hand. The latent quality is still obscured. It has helped increase indulgence of the palate, in fashion, and sensual objects. It is from the indulgence of the individual or his slipping away from just needs that the great civilisations of the world met their ruin.

Gandhiji says, "Our civilisation, our culture, our swaraj depend not upon multiplying our wants self-indulgence, but upon restricting our wants - self-denial."2 In the present circumstances, self-denial is despised as a stale thought which is against the theory of development.

Self denial should not be taken as completely getting rid of human wants. We cannot think of wiping out our needs completely. The problem of just needs is to keep a balance between our needs of the body, mind and the spirit."3

1. Mathur, Economic Thought, p. 80
2. Ibid., p. 537.
3. Ibid., p. 616.
Just Means: Just needs are primarily concerned with the thinking process whereas just means relate to application of such thought current. Just needs determine the just means.

Just means are the ways that the individual performs, in his pursuit of providing his just needs. The first lesson that just means reveal is of labour with the help of one's own body and intellect. By performing the action as per just means, one gets all his just needs fulfilled.

Nature produces all the needs of all her creatures including human beings regularly. Nature functions as per its own ecology. All creatures help nature in its production function. The production work of nature is a matter of greatest co-operation (ecology). For example, snakes provide such service to our cultivable field which could hardly be performed by the tractor or the fertilizer plants. Snakes are a saviour of life. Through their powerful lungs they suck in poisonous gases from miles distance and thus cleans the atmosphere for our safe breathing. It is our fear and ignorance that we kill them taking them to be our enemy. So is the case with all the insects, birds and animals. Just means call for the highest form of co-operation of nature and its inhabitants with scientific intelligence added to our performance.

If there are needs, there are means also. In the order of nature, there cannot be dis-equilibrium between the two.
It provides a ground for a well ordered society where there is no under employment or unemployment. The wide disparity is due to disequilibrium of the two: 'just needs and just means'.

A mouth (direct consumer) always accompanies two hands and a head (the direct producer). Equilibrium of body depends upon the degree of co-operation between the mouth, the hands and the head. Hands cannot work of their own accord. Hands need mind (the mental make-up) and also take help of the intellect for their efficiency. Even the mouth operates through mind and intellect for fulfilling its function properly. If we suffer the hands to be inactive or do not make their proper use, mouth must suffer, and vice-versa. They also make the mind and the intellect to suffer. Ultimately they make the spirit suffer. Happiness which is the reflection of the spirit within recedes. Therefore equilibrium (harmony) and happiness is the outcome of just needs and just means.

Consumption and production are, in the initial stage, just needs and just means, or demand and supply. The equilibrium in society rests on the degree of justice we do with our needs (consumption or demand) and means (production or supply).

Before our consumption starts, we have to be prepared for it. Preparation means putting our due share of efforts that our consumption demands from us. If most of us begin to think only of the present, we shall hardly need to think of keeping a huge buffer stock of any of the goods we consume. He, who believes in God, should believe in action. And he who follows action, or
performs his duty before he consumes has little fear of any shortage of his necessities. Therefore he will not care for the morrow. He will then follow 'aparigraha' (non-stocking). The reverse will be the case with persons who live on others' labour or have predatory tendency. They will have fear for the morrow and this will demand from them to keep a deposit of stock. It shall mean hindrance in the natural distribution (Aparigraha or non-stocking does not mean not caring for the rainy day or not keeping the stock of articles which nature produces at certain intervals only. Nature teaches us to keep stock for the common benefit).

Natural Resources: We may divide the natural resources into three categories:

1. Resources having life: 1. Human
   2. Animal

2. Recurring material resources: like food articles, cotton, timber; Prof. J.C. Kumarappa names it 'Current Economy'.

3. Non-recurring Material resources: like minerals, petroleum. Prof. Kumarappa calls it 'Reservoir Economy'.

Under Gandhi Ji's economic thought there is real saving of the non-recurring material resources in the larger interest of posterity and the proper and perfect investment of human and animal resources and recurring material resources in nature.

2. Ibid. , p.24
Prof. Kumarappa remarks, "Strange as it may seem the mud huts of India belong to the economy of permanence while the steel and concrete sky scrapers of New York are symbols of the economy of Transcience."¹

He who thinks of acquiring the present natural products for future goods, exploits nature. We can exploit nature, but there is a limit to it. Exploiting nature means taking loan from nature. We should take only as much loan as we can repay. The produce must be consumed during a reasonable period of gap. Then there are certain things that we can extract from nature (like iron, coal, minerals etc.), but in the natural order of the society those things also are needed in a limited quantity. They should be extracted for actual use for our needs. There should not be any tendency of exploitation of natural treasure for selfish gains. Care should be taken that such natural materials are kept in reserve. Society will be benefitted immensely if fear and exploiting tendencies are minimised. The production-consumption function will become more smooth.

Psychology of Wants to Consumption: Wants are more or less affected by mind. As we make up our mind so we feel the necessity of an article. Psychological factors affect the mind. Gandhiji remarks, "Lord Curzon set the fashion of tea-drinking. And that pernicious drug now bids fair to overwhelm the nation. It has already undermined the digestive apparatus of hundreds of thousands of men and women and constitutes an additional tax upon their slender purses. Lord Hardinge can set the fashion"¹

¹. Kumarappa, J.C. 'Why the Village Movement, p.28
for Swadeshi, and almost the whole of India will forswear foreign goods."¹ This is how Gandhiji analysed the mass psychology of human choice of want.

Swerving away with the mind leads us to our destruction and control of mind mixed with the attitude of helping others provides us with tremendous power and happiness. Economic revolution starts with the mind (thought). Gandhiji wanted to revolutionise the mind of each individual and bring about a new society which shall have a fresh thinking on the right direction. Gandhiji opined, "Under the new outlook multiplicity of material wants will not be the aim of life; the aim will be rather their restriction consistently with comfort. We shall cease to think of getting what we can but we shall decline to receive what all cannot get."² Multiplication of wants means unconsciously making thieves of ourselves. It is one of the cause of poverty.

Not only wants should be lessened but we should care to see the source of its supply too. Gandhiji remarks, "...we are departing from one of the sacred laws of our being when we leave our neighbour and go out somewhere else in order to satisfy our wants."³

Consumption ;

Man should learn the art of creative thinking, and voluntarily abdicate an excess of material wants. We need proper education in the way of thinking. Consumption is a matter of thinking in its initial stage. Our conditions, our

¹ Mathur, Economic Thought, p. 525
² Mathur, Essays p. 58-59
³ Mathur, Economic Thought, p. 519.
surroundings have a great bearing on our thinking. Therefore
says Gandhiji, "The buying public has to be instructed to know
the abject condition of the people. If we are to do justice
to the toiling millions we must render to them their due; we
must pay them a wage that will sustain them, we must not take
advantage of their helplessness and pay a wage that would
hardly give them one full meal."¹ In the innermost heart of
Gandhiji was the motto, 'serve thy neighbour' specially the
downtrodden. This out-lays the principle of consumption. We
have to keep our consumption to the minimum. Primary need of
life is food. We have to judge carefully, what underlies in
keeping our consumption to the minimum. Food (the primary need)
should be taken not to please the palate but for the upkeep
of the body. More eating or eating for palate alone is a waste.
In no case waste should be allowed. It affects not only our
body, it also adversely affects the consumption level of the
poor neighbour. Maximum utility of consumption depends on how
do we avoid waste, satiate, and minimise sufferings. Here is a
remark from Gandhiji about our food, "one should eat not in
order to please the palate, but just to keep the body going.
Then each organ of sense subserves the body and through the
body the soul, its special relish disappears and then alone
does it begin to function in the way nature intended it to do."²

Gandhiji thus propounds a natural way of consumption. Yet
our science is not so developed as to tell how our eating (and
the choice of food, way of its preparation) affect the natural
growth.

². Chander, Teachings, p-186.
All the organs of the body provide different types of food to the body through their different functions and all are correlated and inter-dependent. If any one consciously adopts the natural sequence by proper training of his mind, he comes nearer the invisible force latent in him, which provides him happiness and makes him aglow with truth. Food plays an important role in this direction. The most important organ to be kept under control is the tongue which craves for palatable things and then decontrols the mind which in turn adversely affects the other organs. Therefore, Gandhiji was even against taking tasty food. He says, "food should be eaten like medicine which if taken below or above its proper dose, does not benefit." 1

About clothing, the second in order of our prime necessities, Gandhiji was of the opinion that hand spun and hand woven clothes should be worn. 2 It should suit the atmosphere and the nature of our job. Looking to our climatic conditions, culture, employment structure etc., Gandhiji feels that dhoti is far superior than trousers and sari is the most sober of all the ladies' wear. Superfluous clothing must be avoided. Gandhiji discarded his Kathiawadi Turban, took to using only one foot length of cloth for his cap. This was also left by him afterwards. One incidence changed his whole clothing habit. While going through the villages he came across a woman who was having one rag of cloth to cover her modesty having no other substitute even to take it out and wash it. Gandhiji immediately then realised the pitiable state

1. Mangal Prabhat P. 17 to 21
2. Ibid.
of his fellow countrymen and adopted loin cloth up to his knees, which he thought would be sufficient for his purpose. This indicates the need for leadership laying down consumption standards.

Each family should possess a house, well ventilated, provided with a perfect drainage system. Gandhiji was against possessing luxurious living accommodation. It not only hinders one’s own progress of mind, but hinders the life of others and affects society and nature.

Natural diet is necessary for maintaining health. But with it hygiene and sanitation are equally essential.'Prevention is better than cure'.

Papers, pins and other articles should be used to last long and put to their maximum use. Even for decoration purposes one should take the help of nature and art of hand and mind instead of artificial things like machine made toys or statues etc.

One of the basic principles governing minimum consumption uses that we should try to avoid use of such articles which millions of our neighbours fail to acquire with the same effort. Gandhiji says, "If we are to be non-violent, we must then not wish for anything on this earth which the meanest or the lowest of human beings cannot have."¹ It is violent to lead an aristocratic life or use luxuries when we have people around us who are unable to make both ends meet Gandhiji says, "The religion

¹. Gupta, Economic Philosophy., p-60.
of Ahimsa consists in allowing others the maximum of convenience at maximum of inconvenience to us, even at the risk of life.\(^1\) Our consumption pattern teaches us sacrifice. It is a kind of voluntary suffering in the interest of the self and the society. Sacrificial consumption starts from those who are better privileged in the society but ultimately all the members have to adopt this in their own capacity.

The basic rule for consumption is that every pie of ours should be used with the utmost care and due consideration of our attitude of help to neighbours. This can be possible only when we inculcate love for others and do away with the complex of superiority or inferiority. The supreme law of communism of Gandhiji is 'to use every pie of ours with utmost care and in the non-violent way to the possible extent', a law which is not yet realized even by any of the Communist state. Herein lies the way to automatic adjustment of production and smooth functioning of equal distribution. Consumption pattern determines the welfare of a nation as well as the welfare of the individuals. It is a blasphemy to say that more and varied consumption (as in the present economic set up of industrialism) means more wealth for the society and more happiness to the individual. It is the degree of the desire to consume articles prepared by our own labour and our immediate neighbours that determines the wealth of the nation and welfare of the people. It determines the production, distribution and exchange and ultimately establishes harmony in society.

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In no case should our consumption be governed by the fashion of the day. 'Dalda', cosmetics, drinks and beverages, sensuous cinemas etc., are examples that show the fashion of the day. As per the approach of Gandhiji, they are unscientific fashions. Our demands should be less affected by fashions and false advertisements, and pomp and show. They should be the outcome of our real need for the upkeep of our body, developing our inner faculties of mind and intellect. Our rightful demand should govern the production and not the production creating its own demand as is the case in the present world. Polished rice, 'maida', white sugar etc., are examples of unscientific production that create their own fashionable demands at the cost of their nutritive values; we are unable to realise this in the present rapidly advancing stage of science. Our preference to ready-made articles show our growing weakness and apathy towards understanding the value of labour for our own needs. The sloth of mind and our wrong notion to be more scientific has given rise to mass production, thereby inducing false demand of the articles produced on large scale.

Consumer's Sovereignty: Let us take the example of 'consumer's sovereignty'. On the upper surface, Gandhiji's views and classical economic views coincide. But there is no similarity in their approach to the subject. Gandhiji had uppermost consideration of human mind, its weakness and its repercussions while dealing with consumption pattern, whereas classical approach takes no note of 'mind' in its approach. In practice, producers take advantage of the weaknesses of the human mind and deal with the mental make-up psychologically for their own
selfish ends. They argue that 'consumer is the king' and they struggle to take advantage of the weaknesses of human senses and play upon them from behind the curtain. Gandhiji know well that if the consumer becomes the king in the real sense the whole economics will change. Consumer's sovereignty will be far superior if he could be made to judge his own actions and his own worth. Gandhiji worked for cultivating the right thinking of each man. Consumption should be 'need based' and not according to the stream of mass mentality or fetish views. Then alone could the consumer's sovereignty be established. How can he be a master of producer or a king when he has fallen a prey to the producer and has little control over his own mind and action, or when his actions are guided by external forces? The present economic order clearly shows that it aims at higher technological advancement for higher and quicker production. It makes a fetish of man, more dependent on external forces. This dependency curbs his courage and makes him more actionless. Man becomes a machine of thought currents and loses the equilibrium of life. He loses his initiative and forgets totally that he himself is the super machine, which can do wonders if it is properly handled through his own mind and spirit. It is only by leading a purposeful, simple and noble life that human machine can work wonders.

Production:

Production implies increasing or creating utility but it must be a combined effort of human body and skill along with the help of other resources i.e., animal power, machines and tools, etc.
Having a separate entity, each man is required to put in his individual efforts to fulfill his needs. The primary needs or the natural requirements of a man demands from him to put his own effort in converting the natural goods into the final product which he consumes. Electricity works only when its circuit is complete. This is a well known law of nature and is universally true and equally applies in all fields of human activity. Produce from the soil gets a specific energy from the mother earth. This deficiency has to be supplied back to the earth so that it may be available for the next crop produce from the earth. This well-known cycle of life works only when the circle is complete and what is taken out of the earth is re-supplied to the earth in the form of manure and other organic matter. Thus the law of 'give and take' should be observed in order to get perennial results.

The basic law as emanates from Gandhiji's ideas is that one who consumes necessaries of life must work for their production. The production work must supplement his needs primarily.

In the natural order of society there are varied fields of work to engage oneself in production. The order is disturbed where man explores ways to shirk labour under the wrong notion of saving time and labour for his leisure and intellectual pursuits. It is forgotten that there are some articles that need their own time to retain their natural sequence. Some kind of bread-labour is essential for the
proper upkeep of balanced development of mind and spirit. What a man should avoid is drudgery. We have to be very scientific to judge the benefits of two different modes of production viz., production of articles by the labour of our hands and producing articles with machines. We have to make a proper choice between the two as to what articles should be made by machine and what should be produced with the help of our hands. For example grinding the flour done by hand labour certainly preserves the natural quality of the grain whereas machines destroy it. At the same time it gives employment to hands and strength to the body. Same is the difference between dehusking of rice by hand-labour and milling.

Looking to the vastness of the country, her background and from employment, health, equality of status and income points of view we can very confidently say that necessaries of life have to be made with the help of hand labour in preference to machines. This means that decentralised production should be adopted for supplying the primary needs of human being. Gandhiji says, "The economics of Khadi require that from cultivation of cotton to the manufacture of Khadi and its disposal all the process should, as far as possible, be gone through in the same village or centre." This is possible when decentralised way of production is adopted. It will localise the production of articles. It

1 Mathur, Economic Thought, p.203.
is the natural way, a non-violent way which can utilise all the human faculties of the area in the best possible manner. We can hardly utilise all the human faculties of all the members of the society that adopts large scale or centralised production. It is not due to evil in distribution that promotes a few millionaires to grow in the economic world like excesscence of a society; evil primarily lies in the system of production itself and its demand. Gandhiji says, "When production and consumption both become localised, the temptation to speed up production, indefinitely and at any price, disappears. All the endless difficulties and problems that our present day economic system presents, too, would then come to an end."\(^1\)

Again to quote Gandhiji, "Distribution can be equalised when production is localised; in other words, when the distribution is simultaneous with production. Distribution will never be equal so long as you want to tap other markets of the world to dispose of your goods. That does not mean that the world has to use for the marvellous advances in science and organisation that the Western nations have made."\(^2\)

Gandhiji's statements need minute and scrupulous analysis. There is a line of demarcation in his opposition

\(^{1}\) Mathur, Economic Thought, p.491.

\(^{2}\) Ibid., p.492.
to large scale production. We should not treat his opposition to industrialism as a point in favour of opposing all the scientific achievements and scientific way of production and organisation. Scientific production differs from article to article and according to the circumstances of the area of its consumption. For example, Gandhiji often repeated that hand spun and hand woven cloth is a must for our villages so long as the majority of the population continue to live in villages and until there is a substitute found out to replace hand-spining and hand-weaving to provide subsidiary employment to the cultivators who otherwise will have to remain idle at least four months in a year.

If we have faith and if we are true to ourselves, Gandhiji feels, then, "We shall be able to decentralise our capital of Rs. 30 lakhs in villages to create national wealth amounting to Rs.300 crores. To do that main thing, what is necessary is to make the village self-sufficient and self-reliant."¹ The present way of utilising huge capital on centralised production enables a few to amass wealth, a big portion of which is wasted on unproductive luxuries and that result in increasing poverty in the nation.

In no way exploiting tendency could be taken as progress which is hidden in incentive motive of capitalist

¹ Bose, 'Selection from Gandhi'.
order of production and class hatred in communist approach of the same. Both have the only way of production i.e., industrialism. It is the scientific progress of thought of Gandhiji that provides us a measure to judge, how scientific is a particular way of production. The measuring rod is, how much benefit the particular science (of production) imparts to each member of society. We have also to know, how much knowledge the progress in science develops in common man. How can that knowledge be called beneficial which are clogged in certain minds only and make many others around them solely devoted to it mechanically? It can only hinder one's progress of intellect.

An American had a talk with Mr. Ford and then came to Gandhiji to know his ideas. He asked Gandhi "Do you feel ... that mass production will raise the standard of living of the people." Gandhiji's reply was "I do not believe in that all, there is a tremendous fallacy behind Mr. Ford's reasoning. Without simultaneous distribution on an equally mass scale, the production can result only in a great world tragedy. Take Mr. Ford's cars. The saturation point is bound to be reached soon or late. Beyond that point the production of cars cannot be pushed. What will happen then? "Mass production takes no note of the real requirement of the consumer. If mass-production were itself a virtue, it should be capable of indefinite multiplication. But it can be definitely shown that mass-production carries within it its own limitation. If all
countries adopted the system of mass-production, there would not be a big enough market for their products. Mass-production must then come to stop. The very simple but apt criticism of mass production by Gandhiji is that a time will certainly arrive when most of the countries would adopt centralised production. Then there would certainly be the problem of marketing. This problem of market, he believed, was the basis or ground for temptation and war.

The American friend then explained Ford's plan to decentralize production in villages with the help of electricity. Gandhiji then commented, "My objection won't be met by that, because while it is true that you will be producing things in innumerable areas, the power will come from one selected centre. That, in the end, I think, would be found to be disastrous. It would place such a limitless power in one human agency that I dread to think of it. The consequence, for instance, of such a control of power would be that I would be dependent on the power for light, water, even air and so on." Concentration is a necessary outcome of industrialisation. It brings the disease of infectious nature in society and then finds its cure, which again creates a new disease of more evil nature and then it finds a cure of higher potency and ad infinitum.

1 Mathur, Economic Thought, p.490
2 Ibid., p.491.
Non-violent economy calls for decentralisation. Gandhiji says, "I suggest that if India is to evolve along non-violent lines, it will have to decentralise many things. Centralisation cannot be sustained and defended without adequate force. Simple homes from which there is nothing to take away require no policing, the palaces of the rich must have strong guards to protect them against decay. So must huge factories. Rurally organised India will run less risk of foreign invasion than urbanised India, well equipped with military, naval and air forces." We know that capitalism and socialism is defended on gun points. More the centralisation, more hideous will be the atmosphere. Men and nations will attempt for well organised and cultured but invisible robbery and that too under some apparent pious pretext. Its circumference will ever widen.

Centralisation is capital-intensive and it lessens the use of labour. Under such economy even a small number of unemployed will pose the toughest problem of tackling them as it will demand huge capital and superior technical skill to start a new factory which again will counter affect the earlier economy. Decentralisation and its concomitant the labour-intensive measures had been the very nerve of our own culture and economy in the glorious past.

Hand spinning is an instance of mass production.

But there is structural difference in the mass production of the mills and the mass production of the decentralised pattern where charkha is plied in every home and where majority is employed in the task. Gandhiji emphasises, "It is mass production, but mass production in people's own homes. If you multiply individual production to millions of times, would it not give mass production on a tremendous scale."

Comparative cost: The present theory of comparative cost is also an argument in favour of mass production. But its fruits are all imaginary as the seed of this economics is profit making and not mutual help. No sooner we ingrain in us the principle of mutual help, i.e., a feeling of serving others, our eyes goes to the very near and dear sufferers and comparative cost theory is embraced on individual basis instead of society wise. In the village economy where production correlates the need, speculation is annihilated and mass production specially of essential needs is averted. Sphere of comparative cost theory is then limited.

The more we depend on distant supply of our essential needs, the poorer do we make our neighbours and recede from the natural order. There is no genuine spirit behind comparative cost theory and if it is applied to necessities of life, it must produce its own harm. We cannot give

1 Mathur, Economic Thought, p.
preference to the cost instead of giving preference to maintain a natural balance. This is impossible in large scale production of necessaries of life.

Our demand for cheap and superior quality goods prepared outside our country not only affects our economy but it greatly affects the ethics and morality too, when there are raw materials and labour available in our own country. For example we have skill and man power available here. If we prefer foreign shoe on the pretext of its cheapness and superiority, it shall mean that we allow our wealth to go waste (labour, skill & raw materials) and besides, we put burden on our exchequer which drains out from our country. Thus we increase the demand for foreign exchange bill which in the long run will adversely affect the cost of articles we import. With this we will be devoid of the knowledge to prepare that article and lose the incentive by developing a lazy taste. Our chief factor of production - the labour - will become animal-like by parting away with our individuality. This shall affect the society, as a whole, adversely. Society will be divided into different ranks.

We cannot stop foreign trade completely. Neither it is desirable nor possible. But we certainly need certain basis on which we should plan our foreign demand. For example, in no circumstances should we allow import of foreign cloth, the second in order of our prime necessaries irrespective
of the country from which the import is intended. Gandhiji says, "This is an economic necessity which will not be removed even when India acquires the most complete independence. Among the very first acts of a popular government would certainly be complete prohibition of foreign cloth."¹

"And foreign cloth will be replaced not by indigenous mill cloth but by Khadder spun and woven in 7,00,000 villages² of India."³

The spinning is the central sun and other village crafts are constellations in the solar system of Gandhiji's economics. "The former gives light and warmth to the latter and sustains them."⁴ That means Khadi is invincible but other industries should also be opened. With the rising sun of Khadi, other village crafts will also flourish. But they will not evolve of themselves. The miniature mill, can be owned by each family but not the mill. Mill controls the supply of basic need of cloth, but ends the individual liberty. This miniature mill provides the golden bridge to engulf disparity between the rich and the poor.

Our cottage industries will have to avoid foreign raw materials and foreign goods to the utmost. The boycott should be followed by proper reasoning and the basic

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2. As per 1961 census the number of villages is 5,50,000.
principle of 'love of thy neighbour'.

Actual planning of village production should be on the basis of need plus an extra production on the basis of their own requirements of other goods for which they have to depend on cities. Gandhiji says, "Every village to produce and use all its necessities and in addition, produce a certain percentage as its contribution to the requirements of the cities."¹

Heavy industries like iron and steel, petroleum etc., have their own value in the economy of any nation, whatever may be the form of economic system. They have their value in Gandhiji's economic plan too. But their importance is less in degree when compared to the classical economic systems. Gandhiji says, "Heavy industries will necessarily be centralised and nationalised. But they will occupy the least part of the vast national activity in the villages."²

We should not copy the West. It is true that the more we shift towards Western economics, the harder must it become to change to Khadi economics. Looking to this fact we can say that we shall have to tap from different angles. But we must make the beginning and that too consciously. Gandhiji says, "India has got to develop her own economics, her own policy, her own method of

¹ Khor, op.cit.,IfLiv.
² Methur, Economic Thought,p.212.
dealing with her industries and everything else. 1

We cannot solve our economic problems with the borrowed principles. They cannot fit in our Indian norms.

Destructive & Constructive Energy

Gandhiji has made two distinctions in employment. He called the employment through mills as destructive energy and employment through labour of human energy or human hands and skill as constructive energy. The former is destructive in the sense that it unemploys thousands, while the latter provides employment to thousands on small units where unemployment is inevitable in the absence of decentralised way of production. Constructive energy really performs the productive work directly. It is saturated with human touch and also the touch of humanity and human spirit. The former way of production lacks all these and is merely mechanical. For example, an oil mill unemploys thousand of oilmen, otherwise engaged in villages in productive work. Gandhiji says, "I call this a destructive energy, whereas production by the labour of millions of hands is constructive and conducive to the common good. Mass production through power-driven machinery even when state-owned, will be of no avail." 2

In the production scheme of Gandhiji, all the factors of production must have their connection with the labour

1 Mathur, Economic Thought, p. 440.
2 Ibid., p. 502.
of the self. Entrepreneur, capitalist and landlord must do some kind of physical labour. This alone can abolish the rank differences. In such a state useless or unnecessary consumption will decrease and production will increase vastly. The problem of scarcity, over-population, glut disease, over production etc. will not pose any serious threat.

Balanced growth of economy is possible only when production and consumption are done primarily through decentralised basis and when we learn how and what articles to boycott. The following views on boycott of foreign cloth of Gandhiji is the guideline. He says, "...the secret of the success of boycott through Khadi lies in the recognition of the fact that we have to be manufacturers as we are consumers. It is the capacity for automatic production and distribution that makes Khadi invincible the moment we recognise the fact. If therefore where hawking of Khadi is undertaken without at the same time the same agencies working for production, soon there will be no Khadi to hawk."1

One has not to wait for the opportunity to come or wait for any command from any source for starting what is needful action. Gandhiji says, "Let no one belittle his or her own individual effort. Complete boycott means an aggregate of individual effort. Every yard of foreign cloth

1 Nathur, Economic Thought, p.124-25.
given up brings the boycott nearer, every yard of Khadi bought relieves some distress. Even as constant dropping wears away stones so will constant and continuing boycott of foreign cloth stop the greatest drain from India and bring about all the inevitable implications of such boycott... It is the individual efforts that will have precipitated the national response whenever it comes. Production function affects employment potentials. Gandhiji says, "He who eats two grains must produce four. Unless the law is accepted as universal, no amount of reduction in population would serve to solve the problem. If the law is accepted and observed, we have room enough to accommodate millions more to come." The problem of population and employment have been very thoughtfully dealt with by Gandhiji. It is the individual effort that counts in the production scheme of Gandhiji. There in lies the solution of not only population problem but also the food problem and problem of other articles of daily need.

The law of Ashram combined with bread-labour put a check to over-population.

The production consumption scheme of Gandhiji presents its own theory of investment and saving. The whole scheme of Gandhiji reveals that he wanted to save the pie of the down-trodden and to invest the single minute in production

1 Mathur, Economic Thought, p.110.
2 Ibid., p.291.
and purposeful and direct labour continuously through out his life. Wealth thus produced by each individual may be drop in the ocean, but collectively they take the form of ocean. Such mighty production would be through individual labour with the little problem of over production or under production or unequal distribution of wealth, or the jugglery of exchange economy.

In such production function it is the idle hour or the time spent in unproductive work and the idle resources or the resources which are uneconomically used, that are utilised for the common interest of the society. This trend in production forms the basis for great saving and investment. No time is wasted in preparing heavy machineries which ultimately supplant the human labour and also such resources of nature which are in limited quantity.

Gandhiji's economics stands for raising standard of living on a wider scale along with simplification of life.

As the time is moving, the enlightened world is witnessing a higher standard of living. We feel that modern comforts of life and the way of living are the aims of life where-in there are some special charms and attraction.

There are ever changing materials of comforts with the advancement of society and each individual needs ever growing income to fulfil his aims. The luxurious life is reaching to such an extreme that it can not be acquired by an average middle class family through his whole hearted genuine efforts. The charm of luxuriant living demands from him sudden rise
in income. This has given way to hankering after money and speculative trend remains the only alternative left to such people. In America, as reported by the delegation of 'The All India Manufacturers' Organisation, "the standard of living has been growing consistently with the growth of industries. The luxuries of one decade become the necessaries of the next."

This trend is also fortified by the need of more leisure for luxurious living. Therefore a policy of less period of work and more income is becoming the need of the day. This necessity is again calling for higher technology, more of division of labour and specialisation. Again it all stands on industrialism and exploitation of resources, and markets and also exploiting tendency.

Economics of the present stands on such belief. It aims at progressive increase of human wants and declining need of human labour. This very idea is so much engraved in the present economic set-up of society that it has become next to skin of the civilized body, impossible to be weaned out of the civilization.

The base being more of self-gain, this economics teaches us economic slavery and not the economic freedom. It promotes class conflicts. We have now a class of 'economic untouchables' ever flourishing in its backwardness under the heel of monstrous economic gods.

This economy claims for a perfect exchange economy, increase of trade, industry and commerce, better employment, increase in national income, and per-capita income. No doubt the Western nations could achieve these ends but the price they are paying for such glitterings is also evident, though one may not be able to realise it. The glamour and fanaticism is quite likely to make him blind. Human values and individual freedom are got lost. It is voluptuous and makes a case of 'mess of pottage' - a violent economic order. The more a country advances, more difficult it becomes to her to find a market for her large scale production. We hardly realise why such a nation which is quite prosperous, very often stick to wrong path openly in the world. To speak in plain words, she has to adopt wrong path in the world politics just to subsidise the industrialism. She comes forward to help an under-developed nation with the primary motive of upholding her own industrialist economy. Gandhiji says that "every one in this world should be able to maintain as high a standard of life as possible with the least possible output of labour is just as fantastic as to expect a camel to pass through the eye of a needle."\(^1\) This statement makes it clear that Gandhiji was of the opinion that with the advancement of technology which will oust the human labour to a great extent we shall not be able to maintain a high standard of life for all the members of our society. If we want a high standard of life on equality basis, we can attain it provided every one in the world gets opportunity to labour to the utmost. Because there is limit to human

\(^1\) Mathur, Economic Thought, p. 616
labour, so there is limit to high standard of living based on equality.

There is a fallacy in aiming for luxuriant way of living. "And when there is no limit to luxury where shall we stop." Human frailty is the underlying cause of such thinking. These thoughts are antagonist of 'plain living and high thinking.'

'Plain living and high thinking' is possible when a man is able to control his mind and restrains from swaying away in the mad race of standard of living. It is possible only when people start realizing that there is another existence in him which is different from his physical appearance and which witness and it affected by his actions. Gandhiji says, "If plain living is worth living then the attempt is worth making even if only an individual or a group makes the effort." Further he says, "High thinking is inconsistent with complicated material life, based on high speed imposed on us by mammon worship. All the graces of life are possible only when we learn the art of living nobly."^2

It is quite likely that we may take such ideals as against the technology and scientific developments. Gandhiji was against industrialism and not scientific progress. Science and technology has their own place in human development. Can we deny the use of dams, electricity, transports, wireless etc? The point that Gandhiji wanted to emphasise is that

1. Mathur, Economic Thoughts, p. 616
2. Ibid., p. 517
to know and make use of human ingenuity i.e., his own latent skill in his hands is far superior than to have the knowledge of technology and other scientific achievements. The former should not be cramped under the uphold of latter.

We often compare ourselves with the persons who are better privileged and we suffer because we feel degraded. It is better to compare our own conditions with millions of less privileged people, then we shall feel satisfaction and feeling of pity and service will crop up. Our sorrow and satisfaction are thus the creation of our own imagination. Why do not we learn the art of satisfaction and contentment and purposely dedicate our life to the service of our own less privileged neighbours? This is what Gandhiji's economics teaches us.