

Draft Paper

Gandhian Economic Thought and Sustainable Development

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"I do not draw a sharp line or make any distinction between economics and ethics ..."

- M.K. Gandhi, 'Young India', 13th October 1921.

"True economics never militates against the highest ethical standard, just as all true ethics, to be worth its name, must at the same time be also good economics... True economics stands for social justice; it promotes the good of all equally, including the weakest, and is indispensable for decent life ..."

- M.K. Gandhi, 'Harijan', 9th October 1937.

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By Way of Introduction: Contextualizing Sustainable Development

The Earth System

A system is a collection of component parts that interact with one another within a defined boundary. The Earth System is a complex social-environmental system, including the vast collection of interacting physical, chemical, biological and social components and processes that determine the state and evolution of the planet and life on it. The bio-physical components of the Earth System are often referred to as spheres: atmosphere, biosphere, hydrosphere and geosphere. They provide environmental processes that regulate the functioning of the Earth, such as the climate system, the ecological services generated by the living biosphere including food production, and natural resources like fossil fuels and minerals. Humans are an integral part of the Earth System.

Some experts suggest that the Earth has entered a new geological epoch, the Anthropocene (Zalasiewicz *et. al.* 2011, 2010). The word was coined by Nobel Laureate Paul Crutzen to capture the idea that humans are now overwhelming the forces of nature. An implication of entering the Anthropocene would be the leaving of the Holocene, the interglacial period that has provided humanity over the past 10,000 years with extraordinarily good living conditions, enabling the development of modern societies and a world with 7 billion people (Folke *et. al.* 2011).

Crutzen (2002) suggests that the Industrial Revolution 250 years ago saw the beginning of the Anthropocene. The unprecedented rise in human population since the early 19th century, from less than a billion to 7 billion at present, is inherent to the Anthropocene as it unfolds

(Zalasiewicz *et. al.* 2010). Many societal changes have accompanied this proliferation of the human population, such as increased consumption of natural resources and an enormous dependence on fossil fuels.

The State of the Planet at the Dawn of the New Millennium

At the beginning of the 21st century, one could observe the following (Koel, 2007):

- The human population had increased from 3.7 billion to 6 billion (62%).
- Oil consumption had increased from 46 million barrels a day to 73 million.
- Natural gas extraction had increased from 34 trillion cubic feet per year to 95 trillion.
- Coal extraction had gone from 2.2 billion metric tonnes to 3.8 billion.
- The global motor vehicle population had almost tripled, from 246 million to 730 million.
- Air traffic had increased by a factor of six.
- The rate at which trees are consumed to make paper had doubled, to 200 million metric tons per year.
- Human carbon emissions had increased from 3.9 million metric tons annually to an estimated 6.4 million.
- Average global temperature increased by 1 degree Fahrenheit – a disarmingly small number that, being unevenly distributed, translates into chaotic weather events, and an unpredictable and uncontrollable cascade of ecological trauma – including now the melting of the North Pole during the summer of 2000, for the first time in 50 million years, and signs of the disappearance of the “snows of Kilimanjaro” the year following; since then, this melting has become a fixture.
- Species were vanishing at a rate that has not occurred in 65 million years.
- Fish were being taken at twice the rate as in 1970.
- Forty percent of agricultural soils had been degraded.
- Half of the forests had disappeared.
- Half of the wetlands had been filled or drained.
- Despite concerted effort to bring to bay the emissions of ozone-depleting substances, the Antarctic ozone hole was the largest ever in 2000, some three times the size of the continental United States; meanwhile, 2,000 tons of such substances as cause it, continue to be emitted every day.

Each of the above observations has had its specific causes, but there must also be a larger issue to account for the rapid acceleration of the set of all such perturbations. There is some greater force at work, setting the numberless manifestations of the crisis into motion and whirling them about like broken twigs in the winds of a hurricane (Koel, 2007).

Capitalism as the Culprit

The “giant force field” is a metaphor for capital, that ubiquitous, all-powerful dynamo that drives our societies. The established view sees capital as a rational factor of investment, a way of using money to fruitfully bring together the various features of economic activity. For Karl Marx, capital was a “werewolf” and a “vampire”, ravenously consuming labour and mutilating the labourer. Both notions are true; and the second one, applied to nature as well as labour, accounts for the ecological crisis in all its essential features (Koel, 2007).

Manifestations of anti-ecological tendencies inherent to capital, are three-fold:

1. Capital tends to degrade the conditions of its own production.
2. Capital must expand without end, in order to exist.
3. Capital leads to a chaotic world-system increasingly polarized between rich and poor, which cannot adequately address the ecological crisis.

The combination makes an ever-growing ecological crisis an iron necessity so long as capital rules, no matter what measures are taken to 'greenwash' the manifestations.

Capital's responsibility for the ecological crisis can be shown empirically, by tracking down ecosystem breakdowns to the actions of both private and public entities. Capital originates with the exploitation of labour, and takes shape as this is subjected to the peculiar forces of money. Its nucleus is the abstraction of human transformative power into labour power for sale on the market. The nascent capitalist economy was fostered by the Feudal State, then took over that State, centering it about capital accumulation. With this, the Capitalist mode of production was installed as such – after which capital began to convert society into its image and created the conditions for the ecological crisis (Koel, 2007).

Capitalism has captured the world because of its ability to produce wealth – and to constantly appeal to the wealth-producing dimension of human nature. The result is the most powerful form of human organization ever devised – and also the most destructive! The advocates of capital claim that its destructivity can be contained and that capital, as it matures, will peacefully overcome the rapacity already described. However, the other school of thought holds that with the production of capitalist wealth, poverty, eternal strife, insecurity and eco-destruction are also produced. These concomitants may be externalized and exported, as long as production is local and restricted. But as capital becomes global, the escape routes are sealed and its cancerous character is revealed – penetrating all spheres of human existence, destabilizing the ecologies of time and space, and subjecting the Earth to "ecocide".

Capitalism cannot undo the ecological crisis because its essential existence, manifested in the "grow or die" syndrome, is to produce such a crisis. As Koel points out, it regards the ecological crisis through the distorting lens of the effect on accumulation; by seeking to remedy the latter, it necessarily worsens the former.

And finally, capital's iron tendency to produce poverty along with wealth and to increase the gap between rich and poor, means that capitalist society must remain authoritarian at the core and incapable of developing the cooperative space for rationally addressing the ecological crisis.

At the end of the above discussion, the major problems with Capitalism and the Capitalist Model of Development, may be summarized as follows:

- Development is understood in a limited perspective, primarily in terms of increased domination of Nature, and the use of its resources solely for the benefit of humankind.

- It prioritizes economic development, at the expense of social, cultural and human development.
- The Capitalist model assumes that consumption is the most important contributor to development.
- It ignores the fact that social stability requires the preservation of natural resources.
- It refuses to recognize that deterioration of the natural environment causes social disruption and impairs human health.
- The Capitalist Model of Development is blind to the reality that it is simply not possible to achieve a global replication of the resource-intensive, affluent lifestyle of the high-consumption economies of the North.
- The Capitalist Model refuses to acknowledge that there are clear limits to economic growth; and that
- Limits to growth are imposed by the 'Carrying Capacity' of the planet, especially the ability of the biosphere to absorb the effects of human activities.

A Case for Transcendence through the Gandhian Vision of Sustainable Development

The critical task before those approaching Gandhian economics is to define Gandhi's understanding of economics, as distinct from the mainstream economic tradition of Adam Smith. While it is true that Gandhi was not a professional economist, his economics is rich in its comprehension of the dynamics of economic processes, and imaginative and thought-provoking in its enunciation of creative alternatives.

To Gandhi, economic activities cannot be separated from other activities. Economics is part of the way of life, which is related to collective values and it cannot be separated from human life. Gandhi wanted to ensure distributive justice by ensuring that production and distribution were not separated.

Gandhi's vision of sustainable development challenges the basic assumptions that the Capitalist model of development makes about the use of Nature and natural resources, the meaning of growth, progress and development, the ways in which society is governed, and the formulation and implementation of public policy.

There are four key concepts in the Gandhian vision of Sustainable Development, namely *Swaraj*, *Swadeshi*, Trusteeship and *Aparigraha*. The contours of each one of them are briefly explained below:

1. Swaraj

Mainstream economics makes the common man completely helpless in the matter of production and distribution of resources. Gandhi visualized an alternative through the system of *swaraj*. *Swaraj* is necessary for the liberation of weaker economies from the commanding position of neoliberal capitalism. There is need for a new conceptual framework in which each country attains economic *swaraj*. According to Gandhi, every country should stand on its own strength.

The components of *swaraj* are based on two independent variables, psychology and ethics. Since resources are scarce, production cannot be increased indefinitely. The psychology of affluence is an irrational phenomenon. The basic principles of economic activity are based on needs and not on affluence. Affluence breeds inequality, as it is based on economic distortion. Greed grows out of the desire to be affluent. Here, psychology can play a crucial role. Values which condition the mind can change human behaviour. The goal of *swaraj* brings limits to human wants, according to Gandhi.

What are the ingredients of economic independence or *swaraj*? First, Gandhi gave adequate importance to the traditional sector. Highest priority is given to agriculture and agro-centric industries. The balance between primary, secondary and tertiary sectors should be skilfully maintained, on the basis of available human resources.

Secondly, villages must get more importance than cities. Gandhi observed: "*You cannot build non-violence on a factory civilization, but it can be built on self-contained villages... You have therefore to be rural-minded, and to be rural-minded, you have to have faith in the spinning wheel.*"

2. Swadeshi

Gandhi was a champion of *swadeshi* or home economy. People outside India know of Gandhi's campaigns to end British colonialism, but this was only a small part of his struggle. The greater part of his work was to renew India's vitality and regenerate its culture. For Gandhi, the soul and spirit of India rested in its village communities. He said: "*The true India is to be found not in its few cities but in its seven hundred thousand villages. If the villages perish, India will perish too.*"

According to the principle of *swadeshi*, whatever is made or produced in the village must be used, first and foremost, by the members of the village. Trading among villages, and between villages and towns, must be minimal. Goods and services that cannot be generated from within the community, can be bought from elsewhere. *Swadeshi* avoids economic dependence on external market forces that could make the village community vulnerable. It also avoids unnecessary, unhealthy, wasteful and environmentally destructive transportation. The village must build a strong economic base to satisfy most of its needs, and all members of the village community should give priority to local goods and services.

Mass production forces people to leave their villages, their land, their crafts and their homesteads, and to seek work in the factories. Instead of being dignified human beings and members of self-respecting village communities, villagers become cogs in the wheel. In *swadeshi*, the machine would be subordinated to the worker. In countries practising *swadeshi*, economics would have a place, but would not dominate society.

Economics should not be separated from the deep spiritual foundations of life. This can be best achieved, according to Gandhi, when every individual is an integral part of the community; when the production of goods is on a small scale; when the economy is local; and when homemade handicrafts are given preference. In this integral design, there is no conflict between the spiritual and the material.

For Gandhi, a machine civilization is no civilization. A society in which workers had to labour at a conveyor belt, in which animals were treated cruelly in factory farms, and in which economic activity necessarily led to ecological devastation, could not be conceived as a civilization. Its citizens would only end up as neurotics; the natural world would inevitably be transformed into a desert, and its cities into concrete jungles. In other words, global industrial society, as opposed to a society made up of largely autonomous communities committed to the principle of *swadeshi*, is unsustainable.

Swadeshi has sometimes been (mis)interpreted as an insistence on complete economic self-sufficiency for a community or nation. Gandhi had anticipated such criticism when he stated:

"Even swadeshi, like any other good thing, can be ridden to death, if it is to be made a fetish ... To reject foreign manufacture merely because they are foreign, and to go on wasting national time and money in the promotion of one's country of manufacture for which it is not suited, would be a criminal folly and a negation of the swadeshi spirit."

From the above it becomes clear that Gandhi does not reject trade with other nations, but he is opposed to an international order based solely on considerations of comparative advantage or a system that celebrates global free trade but not fair trade.

3. Trusteeship

Gandhi's efforts towards "spiritualizing economics" are reflected in his concept of Trusteeship. He based the concept on the first *sloka* of the *Isopanishad*, according to which one is asked to dedicate everything to God, and then use it only to the required extent. In other words, in the first instance, everything must be surrendered to God, and then out of it, one may use only that which is necessary, according to one's strict needs. The spirit behind this concept is detachment and service.

Gandhi's idea of Trusteeship arose from his faith in the law of non-possession. It was founded on his religious belief that everything belonged to God, a higher power or Nature. Therefore the bounties of the world were for His people as a whole, and not for any particular individual. When an individual had more than his respective portion, he became a trustee of that portion. If this principle could be imbibed by people in general, Trusteeship would become a legalized institution. Gandhi wished it to become a gift from India to the world.

Basically, Gandhi suggested this concept as an answer to the economic inequalities of ownership and income, a kind of non-violent way of resolving all social and economic conflicts in the world. Therefore, man's dignity and not his material prosperity, is the centre of Gandhian economics.

According to Gandhi, Trusteeship is the only ground on which one can work out an ideal combination of economics and morality. In concrete form, the Trusteeship formula reads as follows:

- Trusteeship does not recognize any right of private ownership of property, except so far as it may be permitted by society for its own welfare.
- It does not exclude legislation of the ownership and use of wealth.
- Under State-regulated Trusteeship, an individual will not be free to hold or use his wealth for selfish satisfaction, in disregard of the interests of society.
- Just as in the case of a decent minimum living wage, a limit should be fixed for the maximum income that would be allowed to any person in society. The difference between such minimum and maximum incomes should be reasonable and equitable, and variable from time to time, so much so that the tendency should be towards the obliteration of the difference.
- Under such an economic order, the character of production will be determined by social necessity and not by personal greed.
- Trusteeship provides a means of transforming the present capitalist order into an egalitarian and sustainable one.

As man advances from a narrow sphere of personal satisfaction to the nobler concept of the welfare of all, he marches closer towards self-realization. The whole idea of possessing wealth only to guard it from being misused and to distribute it equitably, aims at protecting human dignity. If it is possessed for any other objective, it is objectionable on moral grounds. Gandhi enjoins this moral obligation on the part of the trustees, as he is fully aware of the ills of capitalism, which only widens the gap between the rich and the poor.

The Gandhian concept of Trusteeship departs significantly from Marxian economic philosophy too. If Marxism is the child of the Industrial Revolution, Gandhian theory can be understood only in the context of certain basic spiritual values of the Indian tradition. Marxian socialism aims at the destruction of the capitalist class, whereas the Gandhian approach is not to destroy the institution but to reform it. Gandhian socialism, being ethical, is different from Marxian socialism. Man, to Gandhi, is an ethical being first, and a social being later.

The most significant difference between Marxian socialism and Gandhian socialism lies in the method recommended to achieve an egalitarian society. Whereas Marxian socialism harps on violence, Gandhian socialism aims at a change of heart on the part of the rich. There is no place for violence, but only trust. The common man trusts his trustee and the latter plays the role of a custodian.

Though this kind of socialism is difficult to achieve, Gandhi advocated it as he believed in the basic strength of the goodness of man and the value of morals. All other "isms" address the problem superficially, whereas Trusteeship strikes it at the root. What must not be forgotten is that at the centre of the concept lies the need to protect human dignity, while promoting egalitarianism and sustainable development.

4. Aparigraha

Since 1987 when the World Commission on Environment and Development (WCED) of the United Nations, chaired by Mrs. Gro Harlem Brundtland, submitted its report '*Our Common Future*', the idea of Sustainable Development has become a buzzword in the discourse on international development. According to the Brundtland Commission Report, "*Sustainable*

Development is development that meets the needs of the present, without compromising the ability of future generations to meet their own needs." This definition, of course, begs the question of what constitutes the *needs* of today. According to one scholar, the answer has remained blurred, out of focus and even usefully ambiguous: everyone has become adept at talking about sustainability, without having to wade into the treacherous waters of consumption, or to be more precise in today's context, over-consumption! (Basole, 2005)

Over-consumption is the level or quality of consumption that undermines a species' own life-support system and for which individuals and societies have choices in their consumption patterns. The concept of an 'ecological footprint' tries to quantify the ecological impact of an individual or society by measuring aspects of its lifestyle. The level of consumption of material goods largely determines the size of the ecological footprint, and developed nations like the US and UK have per capita footprints many times the size of developing countries like India and Bangla Desh. The consumptive habits of the world's elite have long been a matter of concern in economic thought, as evidenced by Veblen's concept of "conspicuous consumption". (Veblen, 1994)

However, the era of global free trade, with its unprecedented opportunities of consumption, as more and more people all over the world adopt consumerist lifestyles, has made the issue more complex and acute. Once again, the seeds are to be found in the core assumptions of the economics that shapes our societies and our lives. A standard textbook on modern economics defines one key assumption as, "*society's material wants are virtually unlimited and insatiable*". The economics built on this foundation is a wants-based one, in which agents are 'maximizers' (as opposed to 'satisfiers', in Herbert Simon's language), engaged in the eternal quest for material progress. Such consumption cannot but be environmentally destructive. With the developing world embarking on the road to consumer-driven economies, the critical question before us is: Can this planet sustain seven billion individuals with capitalist lifestyles?

Gandhi denounced Britain's industrialized lifestyle as essentially unsustainable and stated:

"God forbid that India should ever take to industrialism after the manner of the west. The economic imperialism of a single tiny island kingdom (England) is today keeping the world in chains. If an entire nation of 300 millions took to similar economic exploitation, it would strip the world bare like locusts."

In Gandhi's view, non-possession or minimization of wants is a natural consequence of ethical considerations. Gandhi summarizes the motivation for *aparigraha* thus in *Hind Swaraj*:

"We notice that the mind is a restless bird; the more it gets, the more it wants, and still remains unsatisfied. The more we indulge our passions, the more unbridled they become."

And again:

"The Moral Law also requires that the strong men of a community or nation should regard it as their paramount duty to protect the weak and the oppressed. If all men realized the obligation of service, they would regard it as a sin to amass wealth; and then there would be no inequalities of wealth, and consequently, no famine or starvation."

It needs to be emphasized in this context that Gandhi did not glorify poverty. Gandhi labelled poverty a sin, and his system of political economy was intended to eradicate India's poverty and bring about parity of means. As one scholar points out, "doctrines calling for limitation of wants can easily be construed as an attempt at ideological justification of the status quo." However, even a preliminary reading of Gandhi should make it clear that he was anything but status quoist. His doctrine is "not intended as a glorification of austerity but rather as an exercise in the optimization of overall individual welfare". (Dasgupta, A.K., 1996)

It must be noted that Gandhi, while emphasizing the interests of the poor and dispossessed, was simultaneously appealing to the consumptive middle and upper classes to embark on a lifestyle of voluntary simplicity. The 'Tolstoy Farm' in South Africa is one of Gandhi's early experiments in creating a voluntarily simple community. Today, the Voluntary Simplicity Movement (VSM), with its motto of simple living, restriction of wants and minimization of the size of our ecological footprint, is slowly gaining ground. At least one scholar is convinced that Gandhian thought can, once again, provide the philosophical justification that can take the VSM beyond a yearning for simple living and make it the only viable option for peaceful coexistence and Sustainable Development. (Basole, 2005)

Concluding Observations

At the end of this discussion, the following points may be emphasized:

- Gandhi challenges the Fact-Value/Positive-Normative/Descriptive-Prescriptive dichotomy in modern economics, and argues for a system in which economic decisions of individuals, societies and nations are always taken, keeping in mind the values of Truth and *Ahimsa*.
- Economies and societies organized along Gandhian lines are unlikely to suffer from the malady of over-consumption, and its accompanying consequences like global warming, climate change and ecological degradation.
- With the Post-Modern age lies the responsibility of taking modernity to task for its evils, including the construction and continuation of an economic system that is leading the planet to ecological disaster.
- The need of the hour, in the present context of ecological catastrophism waiting to happen, is to acknowledge the contemporary relevance of Mahatma Gandhi and his ecological wisdom, and to strive to incorporate it into our policies and practices.

Are we ready to be the change?!

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