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## **Gandhi – An Economist’s Eye View**

Viswanatha, Sankara Rama Subramaniam

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## GANDHI – AN ECONOMIST’S EYE VIEW

BY : Dr.VSR.Subramaniam. MBA.,Ph.D (<http://www.drvsrs.com>)

“What are the economic lessons from Mahanthma Gandhi’s independence leadership in India” was a question directed to me in the “All Expert’s” Economic Forum. This question was unique and leads to the integration of a social achievement in the foreground, with its economic implications in the background. This question and my answer should be an eye opener to all under developed and developing nations.

### A) PREFACE

Mohandas Karamchand Gandhi or Mahathma Gandhi (referred here as Gandhi) was born on October 2, 1869 in Porbandar, India. He became one of the most respected spiritual and political leaders of the 1900's. Gandhi helped to free the Indian people from British rule through nonviolent resistance, and is honored by Indians, as the father of the Nation. He died on January 30, 1948.

His historical social march started from Gandhi as a leading lawyer with the prestigious “Bar at Law” degree from England. He was a practicing lawyer from 1893 to 1914 in the British controlled South Africa. He was abused by the British in the Bar, his profession and in his life. He made every attempted to claim his rights as a British subject with human values. Soon he saw that all Indians suffered similar treatment both in South Africa as well as in India. Gandhi stayed in South Africa for 21 years working to secure the rights for expatriate Indian people. But his attempt to pool the will and support of the Indians in South Africa failed, because no expatriate Indian was ready to antagonise the British rulers, and lived/worked to satisfy the basic needs (Food, Clothing & shelter).

This became a direct personal challenge and an indirect enmity against the British rules, who were attempting to control the total world, under the theme “Sun never sets in the British territory”.

**LESSON 01** – The foundation for the independence approach of Gandhi were more based on Social and Personal freedom than Economic independency and prosperity of the people concerned.

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## B) INDIAN INDEPENDENCE – THE BACKGROUND

In 1905, Lord Curzon, the Viceroy and Governor-General of India (1899-1905), ordered the partition of the province of Bengal for improvements in administrative efficiency, in that huge and populous region. The partition created two provinces: Eastern Bengal & Assam, with its capital at Dhaka (now in Bangla Desh), and West Bengal with its capital at Calcutta (which also served as the capital of British India, to rule the western and eastern nations on the shores of the Bay of Bengal).

It was an ill-conceived and hastily implemented action. This division outraged all the Indian population, because not only the government failed to consult Indian public opinion, but the action also appeared to reflect the British approach to "divide and rule."

**LESSON 02** – British rulers in South Africa and India strategically used the social wedges as a tool to utilise the occupied territory and people, for the economic gains of Britain and their people. Any Psycho-social management action on the public can over power the management decision of any ruler, however powerful they may be.

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Gandhi, who failed to consolidate the will and power of the people in South Africa, came to India to complete his mission to free the Indians from the British rule. For this, he created the Indian National Congress as a setup to fight and go forward. Widespread agitation resulted in the streets and in the press. The Congress advocated boycotting British products under the banner of Swadeshi. This movement, part of the Indian independence, was a successful economic strategy to remove the British Empire from power and improve economic conditions in India through the principles of self-sufficiency and domestic efforts. Strategies of the Swadeshi movement involved boycotting British products and the revival of domestic-made products and production techniques. But the concepts of Management and Productivity relating to the organisation of domestic supply sources, were completely absent.

**LESSON 03** - A social freedom movement develops attractive domestic economic concepts. But, without any thought, methodology or any plan to create the resources, infrastructure and input to achieve the same.

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### C) CONCEPTS OF SWADESHI

Mahathma Gandhi, the founder leader of the Indian Independence, described Swadeshi as a strategy with a key focus on the soul of Swaraj or Self Rule. He said "The true India is to be found not in its few cities, but in its seven hundred thousand villages, spread around this vast continent. If the villages perish, then the India will perish too". He gave a call to the consumer to be aware of the hideous economic destruction to India, by supporting British industries, that pump out the Indian wealth to Britain, resulting in creating poverty, harm to workers, humans and other creatures in India.

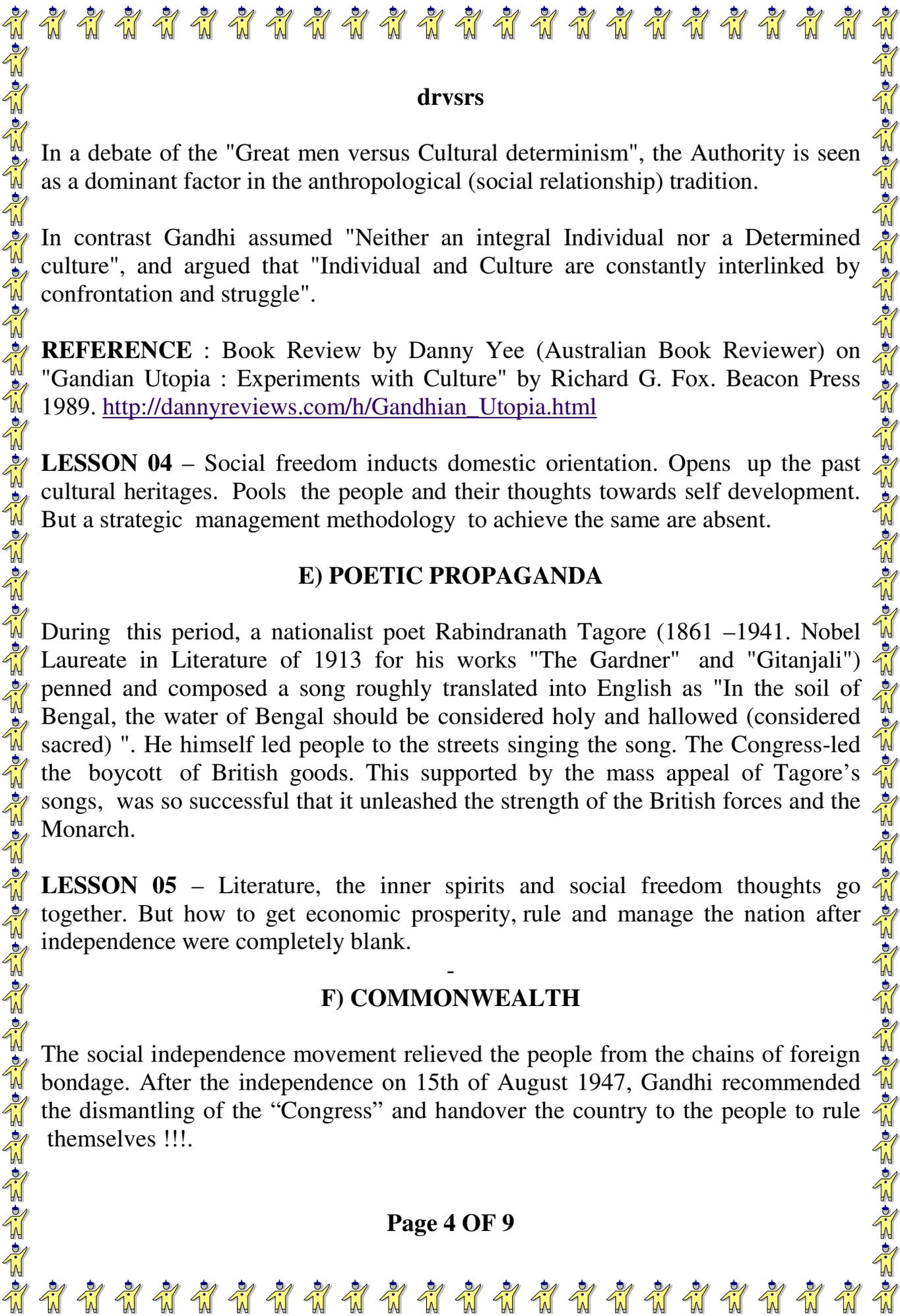
It is interesting to find that the "Gandhian Ideal" of Swadeshi movement concept is an exact replica of the author's concepts of Socio-Economic Development in a Geometric Model. The Swadeshi essentially portrays the bi-circular concept of - Domestic source for Domestic investment and Domestic Technology to be manned by the Domestic Labour force..

SEE – "SED by DRVSRS" at <http://drvsrs.com/store/page1.html#9>

### D) SIGNIFICANCE OF SWADESHI

"Gandhian utopia" was a dream of a future India, perfected on the basis of its ancient culture, supported by a historical set of cultural meanings, and rooted in the ideal of an "Essential India". Critical elements of Gandhi's vision included - Sarvodaya - Spiritual well-being for all and individual discipline (Especially in matters like consumption as vegetarianism, self discipline, truthfulness etc..) as the needs for underpinning of national strength. Swadeshi inducted Self reliance. Satyagraha – A Non-violent resistance. Tolerance or non passive resistance or pacifism, but a principled rejection of violence supported by the moral strength; Trusteeship - The rich are trustees of their wealth and it is expected to do good for all. Bread labour - Opposition to de-humanising or automated technology. Panchayat Raj - The village as central institution, with government by consensus of rural leaders, with a minimum minimum of 5..

The major theoretical issue tackled in Gandhian Utopia is the relationship between individuals, culture and history. It emphasized the role of individuals in a cultural change. Associated with this, are contingencies of Authorship and Authority.



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In a debate of the "Great men versus Cultural determinism", the Authority is seen as a dominant factor in the anthropological (social relationship) tradition.

In contrast Gandhi assumed "Neither an integral Individual nor a Determined culture", and argued that "Individual and Culture are constantly interlinked by confrontation and struggle".

**REFERENCE** : Book Review by Danny Yee (Australian Book Reviewer) on "Gandian Utopia : Experiments with Culture" by Richard G. Fox. Beacon Press 1989. [http://dannyreviews.com/h/Gandhian\\_Utopia.html](http://dannyreviews.com/h/Gandhian_Utopia.html)

**LESSON 04** – Social freedom inducts domestic orientation. Opens up the past cultural heritages. Pools the people and their thoughts towards self development. But a strategic management methodology to achieve the same are absent.

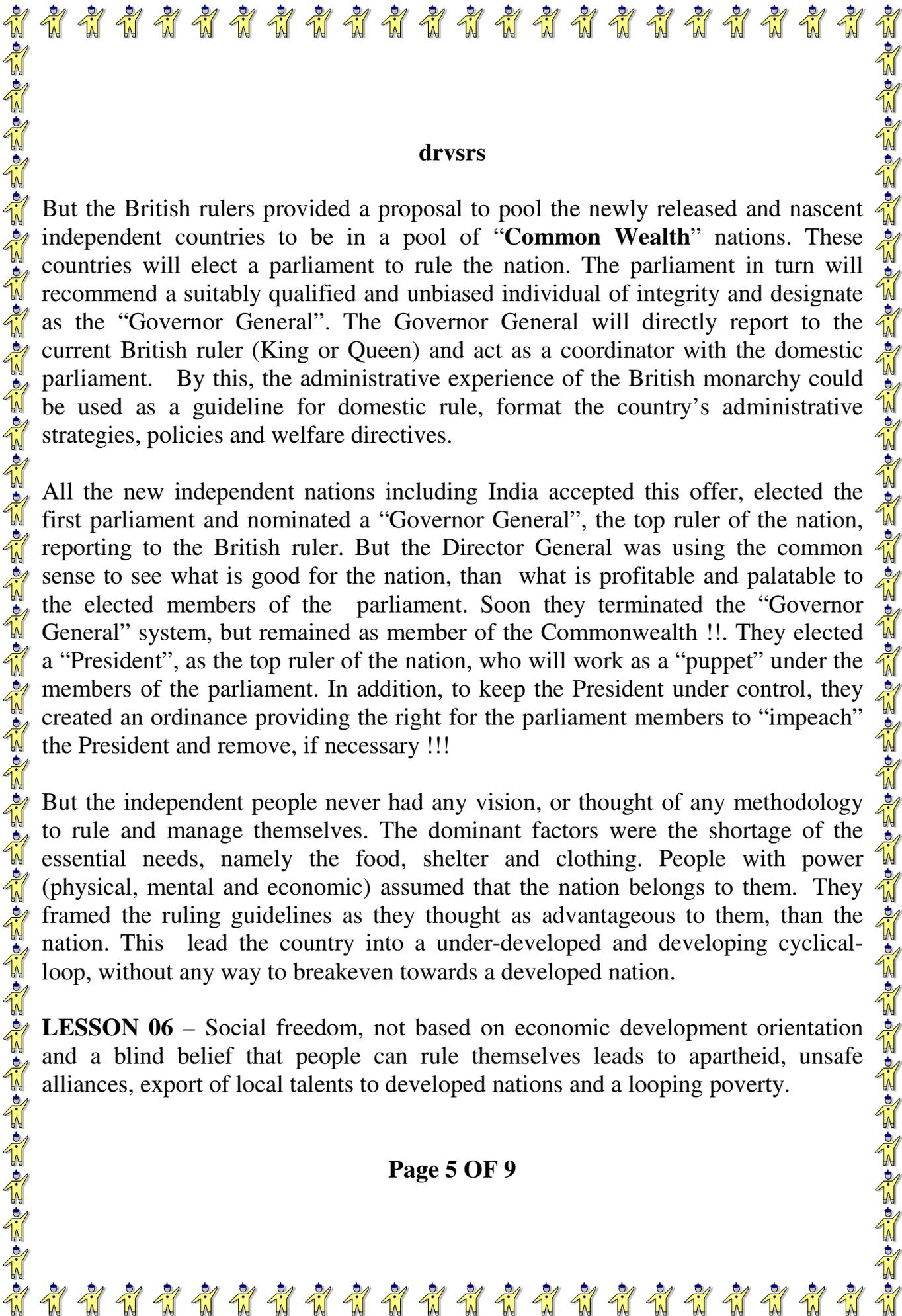
### E) POETIC PROPAGANDA

During this period, a nationalist poet Rabindranath Tagore (1861 –1941. Nobel Laureate in Literature of 1913 for his works "The Gardner" and "Gitanjali") penned and composed a song roughly translated into English as "In the soil of Bengal, the water of Bengal should be considered holy and hallowed (considered sacred) ". He himself led people to the streets singing the song. The Congress-led the boycott of British goods. This supported by the mass appeal of Tagore's songs, was so successful that it unleashed the strength of the British forces and the Monarch.

**LESSON 05** – Literature, the inner spirits and social freedom thoughts go together. But how to get economic prosperity, rule and manage the nation after independence were completely blank.

### F) COMMONWEALTH

The social independence movement relieved the people from the chains of foreign bondage. After the independence on 15th of August 1947, Gandhi recommended the dismantling of the "Congress" and handover the country to the people to rule themselves !!!.



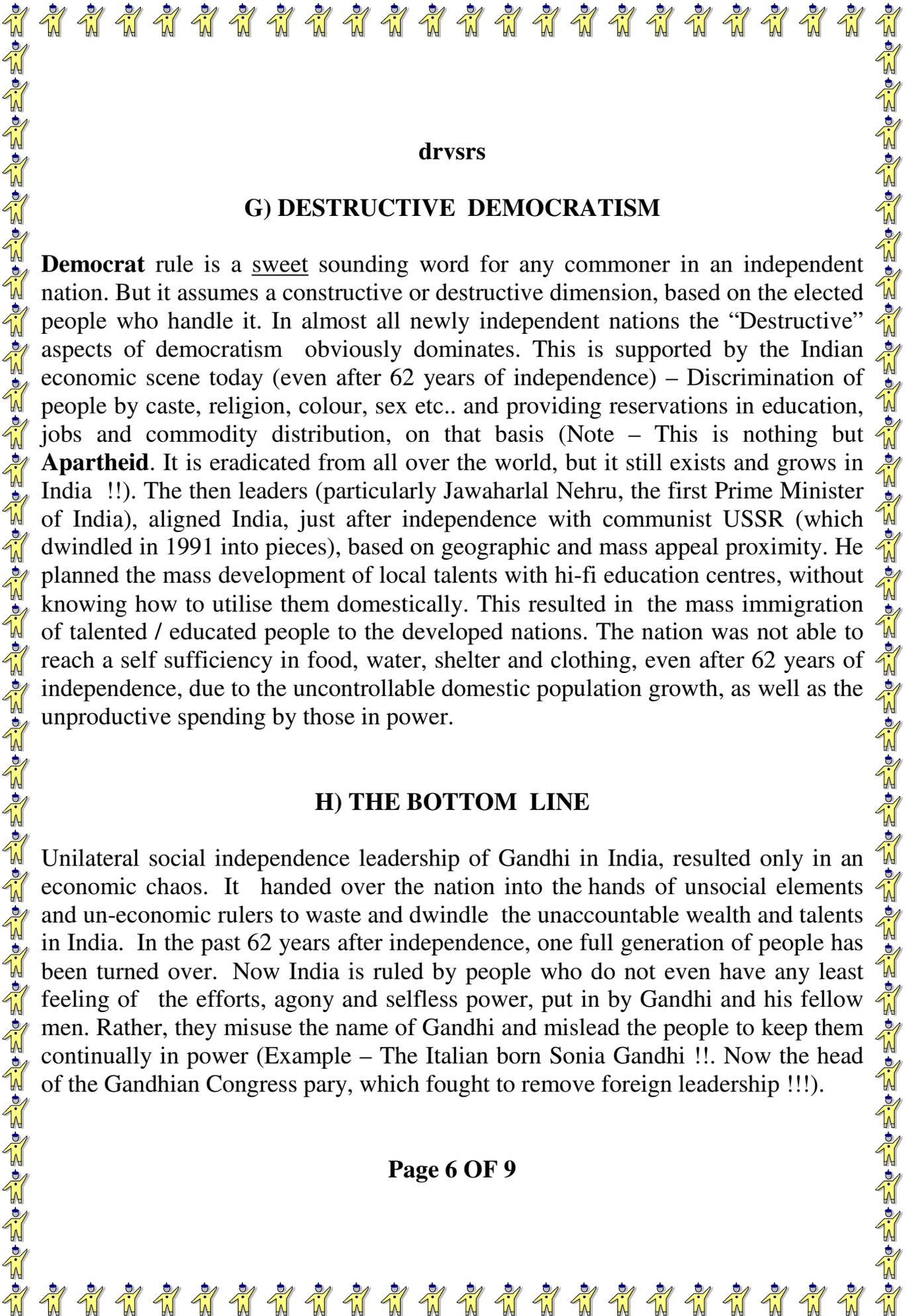
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But the British rulers provided a proposal to pool the newly released and nascent independent countries to be in a pool of “**Common Wealth**” nations. These countries will elect a parliament to rule the nation. The parliament in turn will recommend a suitably qualified and unbiased individual of integrity and designate as the “Governor General”. The Governor General will directly report to the current British ruler (King or Queen) and act as a coordinator with the domestic parliament. By this, the administrative experience of the British monarchy could be used as a guideline for domestic rule, format the country’s administrative strategies, policies and welfare directives.

All the new independent nations including India accepted this offer, elected the first parliament and nominated a “Governor General”, the top ruler of the nation, reporting to the British ruler. But the Director General was using the common sense to see what is good for the nation, than what is profitable and palatable to the elected members of the parliament. Soon they terminated the “Governor General” system, but remained as member of the Commonwealth !!. They elected a “President”, as the top ruler of the nation, who will work as a “puppet” under the members of the parliament. In addition, to keep the President under control, they created an ordinance providing the right for the parliament members to “impeach” the President and remove, if necessary !!!

But the independent people never had any vision, or thought of any methodology to rule and manage themselves. The dominant factors were the shortage of the essential needs, namely the food, shelter and clothing. People with power (physical, mental and economic) assumed that the nation belongs to them. They framed the ruling guidelines as they thought as advantageous to them, than the nation. This lead the country into a under-developed and developing cyclical-loop, without any way to breakeven towards a developed nation.

**LESSON 06** – Social freedom, not based on economic development orientation and a blind belief that people can rule themselves leads to apartheid, unsafe alliances, export of local talents to developed nations and a looping poverty.



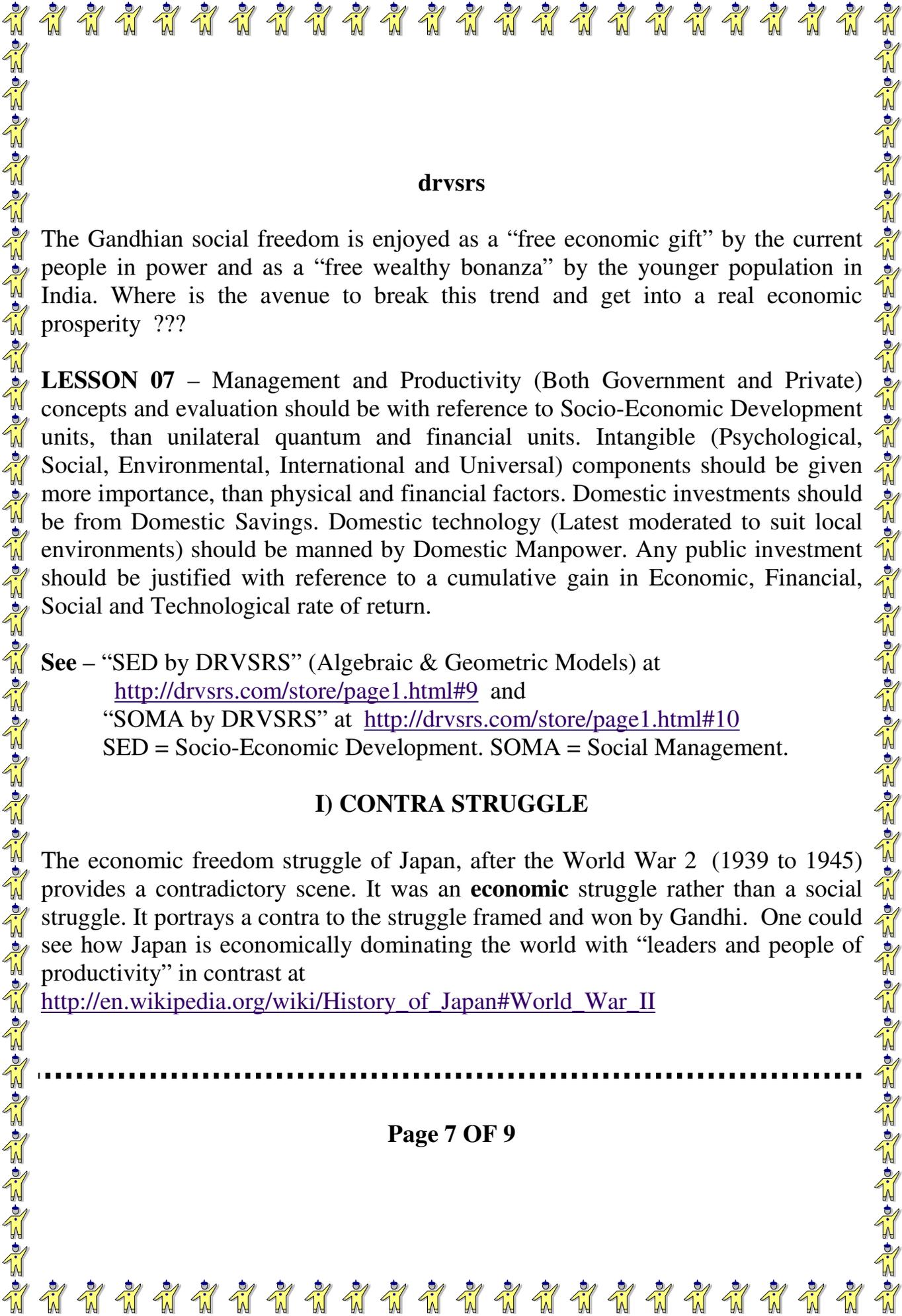
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### G) DESTRUCTIVE DEMOCRATISM

**Democrat** rule is a sweet sounding word for any commoner in an independent nation. But it assumes a constructive or destructive dimension, based on the elected people who handle it. In almost all newly independent nations the “Destructive” aspects of democratism obviously dominates. This is supported by the Indian economic scene today (even after 62 years of independence) – Discrimination of people by caste, religion, colour, sex etc.. and providing reservations in education, jobs and commodity distribution, on that basis (Note – This is nothing but **Apartheid**. It is eradicated from all over the world, but it still exists and grows in India !!). The then leaders (particularly Jawaharlal Nehru, the first Prime Minister of India), aligned India, just after independence with communist USSR (which dwindled in 1991 into pieces), based on geographic and mass appeal proximity. He planned the mass development of local talents with hi-fi education centres, without knowing how to utilise them domestically. This resulted in the mass immigration of talented / educated people to the developed nations. The nation was not able to reach a self sufficiency in food, water, shelter and clothing, even after 62 years of independence, due to the uncontrollable domestic population growth, as well as the unproductive spending by those in power.

### H) THE BOTTOM LINE

Unilateral social independence leadership of Gandhi in India, resulted only in an economic chaos. It handed over the nation into the hands of unsocial elements and un-economic rulers to waste and dwindle the unaccountable wealth and talents in India. In the past 62 years after independence, one full generation of people has been turned over. Now India is ruled by people who do not even have any least feeling of the efforts, agony and selfless power, put in by Gandhi and his fellow men. Rather, they misuse the name of Gandhi and mislead the people to keep them continually in power (Example – The Italian born Sonia Gandhi !!. Now the head of the Gandhian Congress party, which fought to remove foreign leadership !!!).



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The Gandhian social freedom is enjoyed as a “free economic gift” by the current people in power and as a “free wealthy bonanza” by the younger population in India. Where is the avenue to break this trend and get into a real economic prosperity ???

**LESSON 07** – Management and Productivity (Both Government and Private) concepts and evaluation should be with reference to Socio-Economic Development units, than unilateral quantum and financial units. Intangible (Psychological, Social, Environmental, International and Universal) components should be given more importance, than physical and financial factors. Domestic investments should be from Domestic Savings. Domestic technology (Latest moderated to suit local environments) should be manned by Domestic Manpower. Any public investment should be justified with reference to a cumulative gain in Economic, Financial, Social and Technological rate of return.

**See** – “SED by DRVSRS” (Algebraic & Geometric Models) at <http://drvsrs.com/store/page1.html#9> and “SOMA by DRVSRS” at <http://drvsrs.com/store/page1.html#10>  
SED = Socio-Economic Development. SOMA = Social Management.

**I) CONTRA STRUGGLE**

The economic freedom struggle of Japan, after the World War 2 (1939 to 1945) provides a contradictory scene. It was an **economic** struggle rather than a social struggle. It portrays a contra to the struggle framed and won by Gandhi. One could see how Japan is economically dominating the world with “leaders and people of productivity” in contrast at [http://en.wikipedia.org/wiki/History\\_of\\_Japan#World\\_War\\_II](http://en.wikipedia.org/wiki/History_of_Japan#World_War_II)

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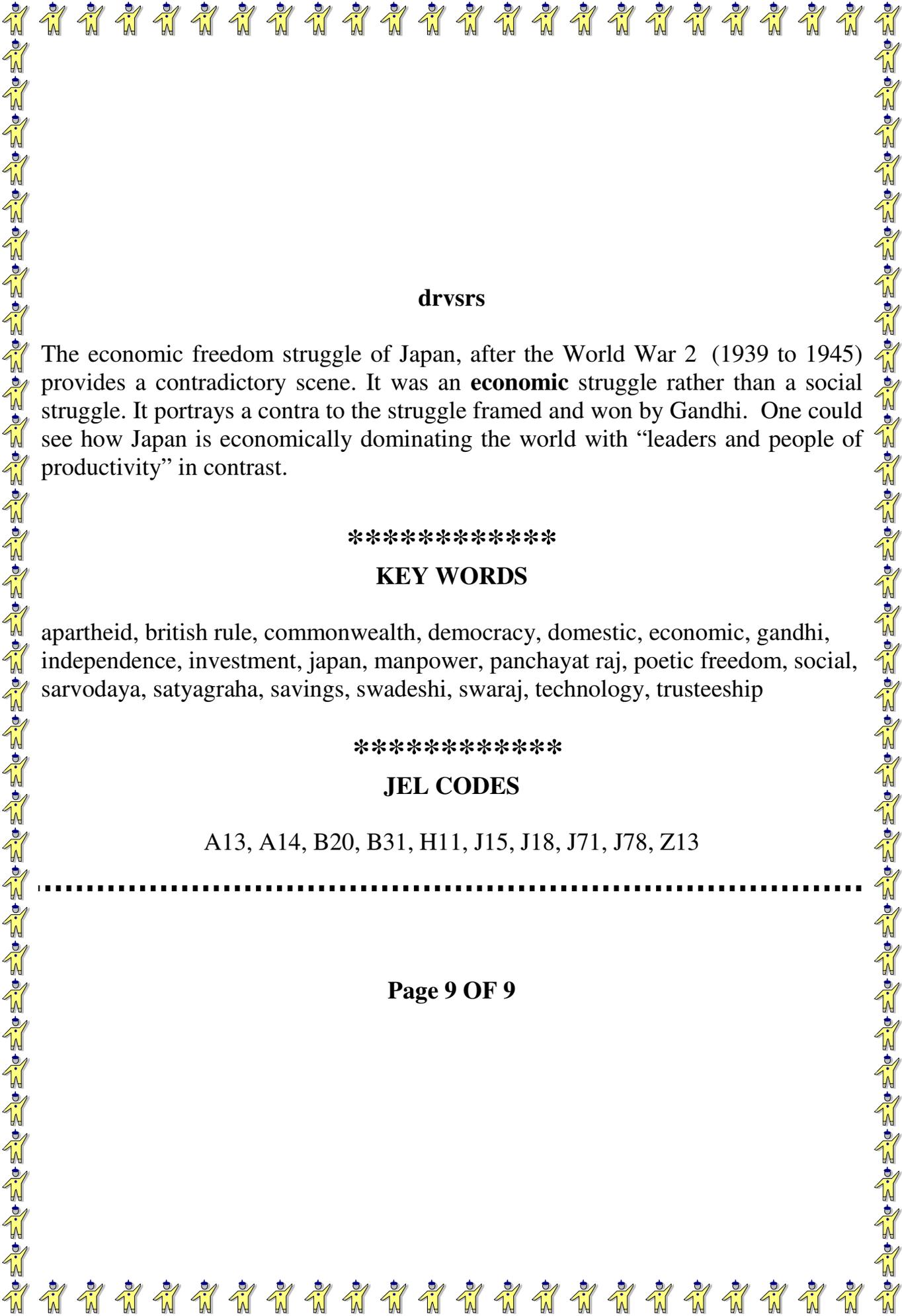
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**SUMMARY**

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The foundation for the independence approach of Gandhi were more based on Social and Personal freedom than Economic independency and prosperity of the people concerned. British rulers in South Africa and India strategically used the social wedges as a tool to utilise the occupied territory and people, for the economic gains of Britain and their people. Any Psycho-social management action on the public can over power the management decision of any ruler, however powerful they may be. A social freedom movement develops attractive domestic economic concepts. But without any thought, methodology or any plan to create the resources, infrastructure and input to achieve the same. Social freedom inducts domestic orientation. Opens up the past cultural heritages. Pools the people and their thoughts towards self development. But a strategic management methodology to achieve the same are absent. Literature, the inner spirits and social freedom thoughts go together. But how to get economic prosperity, rule and manage the nation after independence were completely blank. Social freedom, not based on economic development orientation and a blind belief that people can rule themselves leads to apartheid, unsafe alliances, export of local talents to developed nations and a looping poverty. Management and Productivity (Both Government and Private) concepts and evaluation should be with reference to Socio-Economic Development units, than unilateral quantum and financial units. Intangible (Psychological, Social, Environmental, International and Universal) components should be given more importance, than physical and financial factors. Domestic investments should be from Domestic Savings. Domestic technology (Latest moderated to suit local environments) should be manned by Domestic Manpower.



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**KEY WORDS**

apartheid, british rule, commonwealth, democracy, domestic, economic, gandhi, independence, investment, japan, manpower, panchayat raj, poetic freedom, social, sarvodaya, satyagraha, savings, swadeshi, swaraj, technology, trusteeship

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**JEL CODES**

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