Gandhian Sarvodaya: An Economy Where Each One Matters

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1. Introduction

Unchecked capitalism and unprecedented consumerism have been responsible for excessive overproduction and consumption. Excessive production and consumption envisage competition and subjugation. Vested interests and greed manifest subjugation has resulted in inequality and exploitation of the earth's resources. As a result of which the majority of the poor would be adversely affected. It is at this juncture we must realize that we have exploited the earth enough and work towards attaining equality, social justice, and sustainable development.

The sole aim of the development process must be to converge and reduce the inequality levels prevailing in the economies. However, an extensive literature on growth theories explicitly reveals that the rich are becoming more affluent, and the poor are becoming poorer, which is increasing inequalities.[1] In all the development debates "regional inequality" has been ignored. The existence of high-income inequality challenges the basic argument of Solow's growth theory, which advocates that competitive forces and inter-regional migration will allow regional inequality to disappear through gradual factor prices equalization.[2] Solow's argument has further been challenged by new growth theorists like Romer, Lucas, Krugman, Venables and Fujita. According to Lucas, uneven distribution of human capital and

according to Romer, it is the differences in research and development causes regional inequality.[3]

Sala-i-Martin pointed out that regional inequality has been ignored in the development debates.[4] Kharas and Kohli referred to it as "Middle-Income trap", suggested movement away from centralized to decentralized management or governance. The Indian economy has grown over the last two decades. However, the growth has been unequal substantially when compared to other nations. China has shown a substantial increase in the development of the top 1 per cent of the population, followed by India. This gap has reduced in the Russian Federation and Brazil (World-inequality Database).

The modern capitalist system is in a state of engrained despair and despondency with frequent episodes of fragility, uncertainty, instability, and crisis. Incorporating altruistic elements into capitalism could be a step towards rectifying some of the disorders in this system. Gandhian thoughts on society, economy, and environment offer some such elements, albeit they may be too ideal and hence have not been found to be viable. Nevertheless, it is important to study the most ideal system so that it provides a benchmark that serves as a comparison with other systems even though it is based on completely unrealistic assumptions such as the premise that all human beings will morally elevate themselves and follow truth and non-violence.

The consequences of modernization are the social and political unrest, wider inequalities, instability, and over-exploitation of resources. Against this backdrop, the notion of *Sarvodaya* originates from self-realization and consciousness that brings forth the perspective of our universal existence, an existence that connects human life to the whole universe and signifies our universal existence and implications. Thus, resolving all the socio-economic and political

challenges of contemporary times.

The notion of *Sarvodaya* originates from self-realization and consciousness that brings forth the perspective of our universal existence, an existence that connects human life to the whole universe and signifies our universal existence and implications. This key notion of Gandhian thoughts is sufficient enough to unfold all the associated challenges and failures of the present social, economic and political systems. The paper incorporates social, economic, and political connotations of *Sarvodaya* and attempts to examine the present development model to see the challenges being unfolded and addressed using the Gandhian concept of *Sarvodaya*.

In particular, the Constructive Program designed by Gandhi was a comprehensive plan not just to uplift the condition of untouchables and women but to work towards reducing inequality, unemployment, and illiteracy apart from manifesting communal harmony and unity. But, unfortunately, Gandhi's philosophy of *Sarvodaya*, which basically implies the upliftment of all members of the society has not been given a suitable and satisfactory place in the development economics literature that needs to be explored with a special focus on socioeconomic and political developments in the contemporary times. The paper incorporates social, economic, and political connotations of *Sarvodaya* and attempts to examine the present development model to see the challenges being unfolded and addressed using the Gandhian concept of *Sarvodaya*.

Our human life or existence yields all sorts of imbalances on socio-economic and political fronts. However, the fundamentals of *Sarvodaya* can break through all the prevailing limitations. The paper attempts to deploy the philosophy of *Sarvodaya* to resolve all Socio-economic and political challenges of contemporary times. The twin

concepts of the trusteeship model and decentralized system of governance which constitute a critical aspect of *Sarvodaya* are the remarkable principles that offer the pathways for achieving a more egalitarian, equitable, peaceful, and inclusive state. The paper adopts a quantitative analysis to present the economic implications of *Sarvodaya* and its imperatives on inequality. The study presents a systematic review of the literature related to Gandhian thoughts on *Sarvodaya* to demonstrate the socio-political connotations of *Gandhian Sarvodaya* which is based on self-transformation.

The study is organized as follows. Apart from the first section which introduces the current challenges and presents a strong case for the adoption of the Gandhian notion of *Sarvodaya*. Section 2 discusses the challenge of inequality prevailing in India and the widening gap between the rich and the poor. Section 3 presents a detailed account of *Sarvodaya*, its implications, and attributes that lead to a welfare-oriented development model based on non-possession and upliftment of all. Section 4 describes the Gandhian Trusteeship model that originates from the concept of *Sarvodaya*. Section 5 is devoted to presenting the consensus-decision-making process and decentralization models Section 6 compiles the significant conclusions of the study, followed by the policy recommendations.

2. Economic Development: A conundrum of inequality

The modern globalized capitalist system has enabled unlimited increase in production and growth but not without excessive consumerism, flaring inequality, stagnation in growth, demoralization, rampant corruption, oligarchy, unsustainable debts and environmental degradation (in place of austerity, ethics, financial and macro-economic stability, democracy, decentralization and sustainable development). The phenomenon of heightened inequality and

consequent segregation and non-inclusion in the benefits of growth has been amply discussed resulting in enormous literature on inclusiveness in development economics. But unfortunately, none of these suitably present an alternative inclusive and sustainable development model.

The rising concentration of wealth and consequently power in few privileged hands, summed in the term oligarchy, has been one of the most concerning characteristics of capitalism. Piketty describes oligarchic type of divergence as "*a process in which the rich countries would come to be owned by their own billionaires or, more generally, in which all countries, including China and the petroleum exporters, would come to be owned more and more by the planet's billionaires and multimillionaires.*".[5] The problem here is that the differences in wealth have become so large that it has resulted in "*fusion of economic and political power.*" As a result of which the majority of poor would be adversely affected. It is at this juncture we must realize that we had exploited the earth enough and work towards attaining equality, social justice and sustainable development.

To add to this, the rich consider it their right to enjoy their wealth irrespective of the hardships of the majority of the society. "*In India, as elsewhere, the privileged tend to nurture the illusion that they "deserve" what they have ... other bases of privilege have little to do with personal merit: our aptitudes, health, inheritance, social connections, and other assets derive from contingencies (such as the accident of birth) over which we have no control*"[6]

On the contrary, Gandhi believed in the concept of *aparigraha* (non-possession) that leaves little room for inherited wealth and hence the inequality concern does not arise in his model. But, with virtually non-existent adoption of Gandhian ideas, the concentration of wealth has grown phenomenally and inequality has become a worrisome

concern. A number of recent studies (most notably)[7], in his path-breaking work has successfully brought inequality to the center of the academic discourse and policy discussion. "*The planet boasted barely 5 billionaires per 100 million adults in 1987 and 30 in 2013. Billonaires owned just 0.4 percent of global private wealth in 1987 but more than 1.5 percent in 2013, which is above the previous record attained in 2008, on the eve of the global financial crisis and the bankruptcy of Lehman Brothers" (when it was close to 1.8%).*"[8]

Additionally, the Gandhian notion of *bread labour* also gives emphasis to labour income but not to capital income, such as profits, dividends, interest and rents, all of which are growing much rapidly than the former globally. In fact, as per calculations of Piketty, with perfect equality in distribution of global output, the per capita monthly income for the year 2012 comes to 760 euros per month. This is tantamount to saying that each individual alive in this world should receive 760 euros per month. But, considering the regional inequality in its distribution reveals considerable heterogeneity among these regions.

Table 1: Equivalent Per capita monthly income for different regions of World

Region	Equivalent Per capita monthly income (Euros 2012)
World	760
Europe	1800
America	1620
Africa	200
Asia	520

China	580
India	240
Japan	2250
other	570

Source: *Modification based on Piketty.*[9] *Also available at piety.pse.ens.fr/capital21c.*

As can be read from Table 1, China is closer to the world average and doing much better than India, Japan is doing as good as the richest nations of Europe. The lowest standards are observed in Sub Saharan Africa at meagre 150 euros per month. In contrast to these, (almost 10 times of this) is enjoyed by Russia and much higher in Western Europe, North America, Japan. (a part of table is reproduced here to conserve space). With unfavourable distribution in India, it would be of merit to pause and reflect on the trend on inequality in India, particularly the deep-rooted caste-based inequality which has gone down with time but continues to exist in certain places.

Table 2: Overall and Caste based Inequality in India, 1987-2012[10]

Year	Gini Coefficient-Inequality	Gini Coefficient-Overall Between caste Inequality
1987	0.352	0.065
1994	0.35	0.058
2004	0.352	0.065
2007	0.36	0.063
2010	0.396	0.067
2012	0.375	0.07

Two insights are of direct relevance here. First, is the need to

limit wants, adopt minimalism or *less is better* rather than the propelling idea today, *more is better*. "*The actual consumption of both rural and urban poor falls far short of the limits to wants that Gandhi set. On the other hand, the affluent, and even many of those not to affluent, are often engaged in a frantic display of luxury consumption in a way that Gandhi had supposed to be peculiarly 'Western'. In this perspective the limitation of one's wants can be seen as a means of reducing rather than condoning inequality*." [11]

And, second is the need to give power to bottom section of the society, "*A restructuring of Indian planning, away from luxury goods and in favour of mass consumption goods, is called for ... For this to happen, leadership has to percolate to the masses ... the direction of economic activity must emanate from people at the base - from workers in fields and factories*." [12]

Thus, the top-down hierarchical flow of relations resulting in exploitation and domination must give way to a holistic, bottom-top, democratic, egalitarian, moralist, non-violent, and sustainable approach. But, having said that, it is difficult to clinch whether more has been written on Gandhi's antediluvian articulations or his irreplaceable relevance and role in present times. From a vast expanse of such prevailing views, *"For a growing number of Congressmen, many of Gandhi's ideas seemed increasingly unpractical and irrelevant, particularly his theoretical hostility to big industry."*[13]

And, a more balanced perspective, "*My introductory Gandhi-informed formulations ... may have conveyed the impression that not only selectively and creatively reformulated Gandhian responses are extremely relevant and significant today, but also that Gandhi has the exclusive blueprint sufficient for solving our contemporary crisis. That would be a false impression... Some of what he proposes is backward,*

uninformed, reactionary, and irrelevant today ... Other proposals are insightful but need to be radically reinterpreted, re-evaluated, reformulated, and reapplied in ways that are contextually relevant today."[14]

Gandhi's life has been devoted fighting against injustice and inequality whether it was discrimination based on race in South Africa, or oppression of women or exploitation of villagers by urban dwellers, labourers by capitalists, peasants by *zamindars*, and most significant being exploitation of Indians by Britishers. In addition, he fought for improving the lot of untouchables who were at the bottom rung of the society[15] and were mostly landless as prevailing customs prohibited them from owning land. Thus, they were trapped in the Gunnar Myrdal classic vicious circle. They were poor because they had no land and they had no land because they were poor.

Additionally, they also faced social ostracism in various forms such as found it difficult to carry on their economic activities such as selling produce, gaining employment, were barred entry in restaurants, schools, temples, and many areas where Brahmins were settled. Thus, abolition of untouchability would not only discourage a wrong custom but also increase the productive potential of economy: supply of physical labour as well as contribution in terms of 'soft labour' mental output will enhance.

3. Notion of Sarvodaya

Sarvodaya is a term meaning 'Universal Uplift' or 'Progress of All'. The term was first coined by Mohandas Gandhi as the title of his 1908 translation of John Ruskin's tract on political economy, "Unto This Last", and Gandhi came to use the term for the ideal of his own political philosophy.[16] Later Gandhian, like the Indian nonviolence activist Vinoba Bhave, embraced the term as a name for the social

movement in post-independence India which strove to ensure that self-determination and equality reached all strata of Indian society.

According to Kumarappa, Sarvodaya represents the ideal social order according to Gandhiji. Its basis is all-embracing love. J. P. Chandra opines that by bringing about a countrywide decentralization of both political and economic powers, *Sarvodaya* provides an opportunity for the all-round development of the individual and society. *Sarvodaya* seeks the happiness of each and all. Hence it is superior to the utilitarian concept of' greatest happiness of the greatest number.' There are several unique features of *Sarvodaya* society. The *Sarvodaya* society is based on equality and liberty. There is exists no room in it for unwholesome competition, exploitation, and class hatred. Further, *Sarvodaya* stands for the progress of the all. All individuals should do individual labor and follow the ideal of non-possession. Then it will be possible to realize the goal of each according to his work and to each according to his needs.

Under the notion of *Sarvodaya*, there will be no private property, the instrument of exploitation and the source of social distinctions and hatred. Similarly, the profit motive will disappear, and rent and interest will go. The *Sarvodaya* Movement is based on Truth, nonviolence, and Self-denial. The *Sarvodaya* Movement makes a sincere and bold attempt to create the necessary atmosphere to bring together such individuals with an unwavering faith in the Welfare of All. There is no centralized authority, and there is a political and economic atmosphere in the villages. Politics will not be an instrument of power but an agency of service.

All people will be imbued with the spirit of love, fraternity, truth, non-violence, and self-sacrifices. Society will function on the basis on the non-violence. There will be no party system and majority

rule and society will be free from the evil of the tyranny of the majority. The *Sarvodaya* society is socialist in the true sense of the term. All calling will be the same moral, social and economic values. The individual personality has the fullest scope for development.

The concept of *Sarvodaya* was promoted by Vinobha Bhave, Dada Dharnadhikari, Dhirendra Mazumdaar, Shanarrao Deo, K.G. Mashruwala during 1950s and 1960s. One of the most remarkable *Sarvodaya* movements is Bhoodan and Gramdan movements. It was considered a land gift movement, initiated by Gandhian Vinoba Bhave in Pochampally village, Pochampally. The wealthy landowners were persuaded to voluntarily give a proportion of their land to landless people. This movement not only ensured economic freedom for all, and inclusivity but also embodies the attribute of non-possession among the individuals in the society.

4. Gandhian Trusteeship model: Imperative of Sarvodaya

That *Sarvodaya* is an agency of Service for Common Welfare *Sarvodaya* sets its face squarely against the politics of power and exploitation. It lays great emphasis on moral and spiritual values. It seeks to create new social and economic values. The concept of possession yields places to the concept of trusteeship. People will work for the good of all and family feeling will animate the entire community. There will be the fullest scope for freedom, fellowship, and equality.

The state is to be an agency of power. *Gramrajya* is a base of non-violence. *Sarvodaya* stands for the good of all and not for the good of any particular individual or class. *Bhoodan* at the early stage, *Gramdan* at a later stage, and *Sampattidan* will bring about a change of heart. The rich and poor will give up their ideas of attachment to private property and will strive to work for the good of all.

The Trusteeship principle is based on reading and practice of spiritual philosophy from *Bhagvad Gita*. *"Gandhi's belief in trusteeship came from a pearl of wisdom in the first verse of the Isha Upanishad, which states: 'Everything animate or inanimate that is within the universe is controlled and owned by the Lord. One should therefore accept only those things necessary for oneself, which are set aside as one's quota, and must not accept other things, knowing well to Whom they belong'".*[17] "*Upholding one of his key concepts of aparigraha (nonpossession), Gandhi claims that if I take something I do not need for my immediate use and I keep it, then I am a thief committing economic violence.*"[18]

Schumacher in his insightful work, *Small is Beautiful*, presents the case of Scott Bader Commonwealth[19] started by Earnest in 1920. In 1950, it had grown and expanded well. But he worked on this enterprise with certain higher objectives and noble goals considering human needs by providing freedom, happiness and human dignity without compromising on profits and general standards of operation of other firms. "*He never forgot that his success and prosperity were the achievements not of himself alone but of all his collaborators and decidedly also of the society within which he was privileged to operate*."[20]

As is more often the case, the doomsayers by then had already predicted a firm based on "*collectivized ownership and self-imposed restrictions*"[21] to be a sure-shot failure. Despite several setbacks in its growth path, the firm did well between 1951 and 1971 proving the successful working of the principle of trusteeship. This organization demonstrates that along with profit maximization other goals such as employee satisfaction, community development, and environmental protection can be attained. However, "*... Scott Bader - and a few others*

- remain as small islands of sanity in a large society ruled by greed and envy."[22] yet they are sufficient to prove the success of the trusteeship principle.

To sum up, the fundamentals of trusteeship propagate the spirit of collective ownership of all-natural resources, emphasizing that humans are simply the trustees of natural assets and are devoid of any idea of ownership. Thus, the principle of trusteeship revolutionizes the inner-self of humans, transforming themself, embarking its freedom from all types of selfish and vested interests in society. Consequently, the trusteeship model becomes the epitome of the most egalitarian welfare model that is driven by the self-evolved inner core.

5. A decentralized system based on consensus-decision-making

A centralized system demands large-scale investment; therefore, it is feasible to visualize decentralized system in most of the necessary public goods. The centralized system bestows power in the hands of a few people or sections of the society. A decentralized system that is based on individual decisions empowers every member of the community by extending equal power or freedom to decide and suggest policies driven from the grassroots level. On one side centralized system leads to self-interest, vested interest, greed, mass production, and subjugation.

On the other hand, a decentralized system is based on the attributes of *Sarvodaya*, the principles on welfare of all and non-possession. Kumarappa considered large scale production to be immoral.[23] According to him, the closer we move towards decentralization the higher we move on the humanistic, moral, spiritual and cultural scale. As a matter of fact, in order to develop grassroots parliamentary democracy and participation of people in the political

and development process, greater decentralization and devolution of power in the federal character to the lowest level of government such as the *zila* district *parishads* and village *panchayat*s has been a chief constituent of the constitutional framework of India.[24] But, regrettably, "*The 'Gandhian' element within the Constituent Assembly committee, which drafted the Constitution, had demanded a decentralized political structure but failed to get its way.*"

Finally, a decentralized system of functioning is the most democratic framework that empowers each individual to state their choices and renders most efficient consensus-based decision-making. It reinforces the participatory system of functioning. A society that respects and regards the choices and wants of every individual is essentially more peaceful and devoid of unrest and conflicts. It is substantially more self-sustaining and independent in every aspect.

Conclusion

The paper made an attempt to examine the present development model and finds the challenges being unfolded and addressed using the Gandhian concept of *Sarvodaya*. Presently, the world is trapped under the vicious cycle of inequality, poverty, and injustice. Excessive production and consumerism have resulted in a huge divide in human life from ethics. The present disorder is likely to end in a complete crisis unless the people of this world adopt simple and frugal living methods that are not incompatible with the nature and environment. Writing this and even contemplating this seems impossible to accomplish given the present-day consumerism and mass production, social tensions, and new technology that is based on economic and social violence.

It is demonstrated that the trusteeship model and notion of decentralization that constitute the fundamental of the concept of

Sarvodaya can substantially rectify the impaired development process. The trusteeship model propagates non-possession and embodies the notion of collective ownership. Thus, endorsing and fortifying the most egalitarian welfare state that yields the most equitable and just social order. Similarly, the notion of a decentralization system of governance empowers each individual and his wants. Such a system is a self-sufficient self-reliant, independent state that respects every human being by giving power through an autocratic system to achieve freedom of rights and wants. A welfare state, that is participatory, decentralized, and consensus- decision-making has been recommended by the committee.

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