

Gandhian Economics: A Roadmap for Rural Distress

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ABSTRACT: “The village is the cell of the national body and the cell-life must be healthy and developed for the national body to be healthy and developed.” Gandhiji stated that “Real India is to be found in villages and not in towns and cities.” The lopsided development models of economic planning in India after Independence have resulted into mass poverty and unemployment in rural areas and poor quality of rural life leading to large scale migration. As per Census-2011, 68.8 percent of country’s population and 72.4 percent of workforce live in rural areas. Rural economy constitutes 46 percent of national income but still there is no development in rural areas. However, NITI Aayog in its report entitled “Changing Structure of Rural Economy of India- Implications for Employment and Growth” suggests that inspite of the rise in urbanization more than half of India’s population is projected to be rural in nature by 2050. India’s rural distress just went from bad to worst, in the post-liberalisation period. With marginal farming proving uneconomic and almost 72 percent of Indian farmers being small or marginal in nature, rural distress remains a subject of immense policy interest. Increasing rate of farmer suicides is adding fuel to agrarian distress. Gandhiji advocated a decentralized model of economic development and sustainable agriculture which has great relevance in solving the problems of rural agrarian distress. Gandhian Economics laid stress on the development of rural industries with emphasis on village and cottage industries for better utilisation of rural labour and resources. He envisaged villages as self- sufficient republics, independent of its neighbors in so far as its vital wants were concerned. Village Swaraj was his ideal. In this context, he propounded the Law of Bread Labour which emphasises on manual labour for the people to be self-sufficient. The Gandhian Path of Development seems to be the most suitable and sustainable alternative to solve the problems of rural economy for a country like India, which is predominantly rural in character. The main objective of the present research paper is to find out the relevance of Gandhian Economics for solving the problems of rural and agrarian distress.

KEYWORDS: Rural distress, cottage industries, village, rural unemployment

I. INTRODUCTION

The Rural Economy in India is wholly agriculture based and it is of tremendous importance due to its vital supply and demand links with other Indian industries. Agriculture is the main stay of the Indian economy, as it constitutes the backbone of rural India which constitutes more than 70% of total Indian population. Indian agriculture is confronted with high price volatility, climate risks, and indebtedness. Since the majority of farmers almost 86 percent of small and marginal farmers with declining and fragmented landholdings, these uncertainties make them even more vulnerable and risk-prone.

The Hindu newspaper report entitled ‘Rethinking India's Battles against Chronic Agrarian Distress’ stated that Indian agriculture has been passing through a period of severe crisis since long and the overall scenario in this sector is that of stagnation, under-performance and lack of dynamism which is ultimately leading to RURAL AGRARIAN DISTRESS. During the Tenth Five Year Plan (2002-07) while the industry and service sector grew at a little more than 9 per cent per annum, that of the agricultural sector was a minuscule 2.3 per cent per annum. The Eleventh Plan (2007-12) was equally discouraging as agriculture could not achieve its target growth rate of 4 per cent per annum. Finally, the recent Twelfth Plan ended in 2017 with a growth rate for agriculture of 3.2 per cent against an overall growth rate for the economy at 7 per cent per annum. These figures make it amply clear that Indian agriculture is ailing and becoming an un-remunerative economic activity.

Rural agrarian distress is a permanent phenomenon in India. It involves drought, unpredictable monsoon, lack of financial support, failure of crops, farmer’s suicide, unsustainable agriculture etc. India’s agrarian community still remains under siege even after a century ago when Mahatma Gandhi fought against the exploitation of farmers. A report given by National Sample Survey Organization (NSSO) of India stated that - the income of the farmers is so low that they can’t even ensure their daily survival. Due to this agricultural laborers are leaving agriculture sector and moving to urban areas in search of jobs. This is resulting into high rate of rural-urban migration which in turn is leading to many other problems. Also, for the past one decade, many farmers in India committed suicides due to crop failures and high indebtedness. Hence, the problem of rural agrarian distress is getting from bad to worst in the post liberalization period.

Mahatma Gandhi as a visionary of India, had a very clear perception of Indian villages and made an emphatic assertion that "India lives in her seven and half lakhs of villages". He further believed that India will have to live in villages, not in towns, in huts not in palaces. He held this conviction by saying that "If village perishes, India will perish too". He found that the progress of the country lies in the development of its villages, rural economy, industry and rural skills. Gandhian economics is relevant for economic progress and development in twenty first century. Gandhian economic ideas of decentralization of industries, cottage & village industries, trusteeship, Sarvodaya plan, Law of Bread Labour etc. have great relevance in present scenario and can play an important role in solving the problems of rural distress in our country.

II. OBJECTIVES

The main objective of the present research paper is to find out the relevance of Gandhian economics for solving the problems of rural and agrarian distress.

III. RESEARCH METHODOLOGY

The study is purely based on secondary sources. The information for this study is collected from internet sources, books and journals.

IV. RURAL AGRARIAN DISTRESS --- REASONS AND CONSEQUENCES

There are many reasons leading to rural agrarian distress, some of them are as follows:-

- 1. Rising Prices of Agricultural Inputs**– Due to costly agricultural inputs, they are not under the reach of small and marginal farmers. As more inputs are required to produce the same output; farmers experience higher cost of cultivation.
- 2. Monsoon Failure** – The Economic Survey of India 2017 pointed out that agriculture in India continue to be vulnerable to the vagaries of weather because close to 52% (or 73.2 million hectares area out of 141.4 million hectares net sown area) farm field is still unirrigated and dependent on monsoon.
- 3. Declining Size of Landholdings** - As per the study conducted by the National Council of Applied Economic Research (NCAER), average farm holding size is declining, at 1.6 hectares in 2010-11 compared to 1.23 ha in 2005-06 and 2.26 ha in 1970-71. The total number of farm holdings has almost doubled from 71 million in 1970-71 to 137.8 million in 2010-11.
- 4. Low Level of Income** - According to the NITI Aayog, farmers do not realise remunerative prices due to limited reach of the minimum support prices (MSP) and an agricultural marketing system that delivers only a small fraction of the final price to the actual farmers. As per NSSO 2012-13, less than 10 per cent of the country's farmers sold their produce at MSPs.
- 5. High Debt Burden** -Malcolm Darling in 1925 said that "The Indian peasant is born in debt, lives in debt and dies in debt." As per NABARD's Financial Inclusion Survey (NAFIS), between July 2015- June 2016, about 30.3 per cent of Indian agri- households took loans from institutions and rest took loans from non- institutional sources. When crop fails farmers become unable to pay back loans. This results in high debt burden and debt trap.

The consequences of rural agrarian distress are as follows:-

- 1. Farmer Suicides**- Rural agrarian distress is leading to farmer suicides. More than three lakh farmers, including both cultivators and agricultural laborers, have committed suicide in India between 1995 and 2014. The problem of farmer suicides is much concentrated in few states namely, Maharashtra (45.5%), Telangana (15.9%), Madhya Pradesh (14.6%), Chhattisgarh (7.8%), and Karnataka (5.7%) during 2014. It is a harsh reality that Maharashtra which is one of the highly developed states in India, ranking first in terms of GSDP in 2014-15 and Madhya Pradesh, a recipient of prestigious 'Krishi Karman' Award for the last three consecutive years for its outstanding performance in agriculture sector stood first and third respectively in case of farmer suicides during 2014. Calculation of average number of deaths during the decade reveals that over 45 farmers are committing suicide every day.
- 2. High Rural Urban Migration**- The Center for Study of Developing Society (CSDS) study report, "State of Indian Farmers" says that 76 per cent farmers would prefer to do some work other than farming. Sixty-one percent of these farmers would prefer to be employed in cities because of better education, health and employment avenues there.

3. Unemployment and Poverty -According to a report by Centre for Monitoring Indian Economy (CMIE), nearly 83% of job losses were seen in the rural region — which accounts for two-third of India's population.

V. RELEVANCE OF GANDHIAN ECONOMICS IN SOLVING THE PROBLEMS OF RURAL AGRARIAN DISTRESS

Thomas Weber says that Gandhi was deeply influenced by John Ruskin's book 'Unto This Last' and another writer who deeply influenced Gandhi was Leo Tolstoy. Tolstoy's work 'The Kingdom Of God Is Within You' left an indelible impression on Gandhiji. Pointing out towards the importance of agriculture and rural economy he once said "A nation cannot be independent unless it develops self-sufficiency in its primary needs—food, clothing and shelter. Our Agrarian Economy is one which helps us to stand on our own legs, ours has always been an agricultural country and all such industries as existed have been concentrated around agriculture".

In the last five years, the agriculture sector has been driven into deep crisis. Adequate MSP was denied for 4 years; the procurement machinery was non-existent or weak; debt of farmers mounted; prices of inputs increased steadily; credit was inadequate; demonetization devastated the cash-based agricultural economy; co-operative credit societies and apex co-operative banks were denied the right to convert their deposits, thereby choking co-operative credit to the farmer; the terms of trade moved decisively against agriculture; the crop insurance scheme robbed the farmer and enriched the insurance companies; and with little or no support from the government, farmers and farm laborers were left to fend for themselves.

In such circumstances Gandhian economic ideas listed below have great relevance in solving these issues of rural distress:-

● **Decentralization of Industries : Cottage & Village Industries**

Gandhiji advocated Decentralization of Industries to provide employment to rural masses. According to Gandhiji "The village industries give employment to millions of people and provide an outlet for the creative skill and resourcefulness of the people". The village industries leads to distribution of national income among the millions of people in thousands of villages. Under Village Industries Scheme, the individuals are to engage themselves in home industries in their homes and cottages. While the production is to be carried out individually, the sharing of raw materials and marketing of finished goods are to be carried out collectively on a corporate basis. This decentralization of industries can help in solving rural distress as if farmers will engage themselves in the production of goods then they can earn some extra income other than income from agriculture to sustain their living. Village industries such as jaggery making, handicrafts, rope making, oil pressing, soap making, flour making, match box making, paper making, leather making, toy making, mat making and honey extraction be promoted. These industries will provide gainful employment to the villages and the surplus can be sold to the cities. These industries need only rudimentary capital and basic skills which can be easily arranged and cultivated or imparted. Gandhiji also promoted khadi and said that "Khadi is the sun of the village solar system. The planets are the various industries which can support Khadi in return for the heat and substance they derive from it. Without it, the other industries cannot grow and also without the revival of the other industries, khadi could not make further progress. For villagers to be able to occupy their spare time profitably, the village life must be touched at all points." According to Gandhiji, Khadi alone can solve a number of economic and other problems of India. Khadi is the only industry which can absorb largest number of people and can provide employment to the unemployed at any time of the year without much difficulty. Spinning is easy to learn and requires no outlay of capital. The farmers can easily learn and operate the spinning wheel and can spin during their leisure hours to supplement their meagre resources. Hence, it can provide income support to the farmers in case of crop failure and if all the rural people will get employment in rural areas then the rural- urban migration rate can be declined. Rural distress can be solved to some extent in this way.

● **Concept of Trusteeship**

According to Gandhi, trusteeship is a way of life rather than just a method to achieve a particular end. According to his holistic approach, "everything on this earth belongs to God and is from God. Therefore, it was for his people as a whole not for a particular individual. Everybody on this earth has a natural right to at least the basic necessities of life, just like the birds and the beasts have. If somehow, an individual had more than his proportionate share, he was a trustee of that portion for God's people".

According to Gandhi's theory of trusteeship, the rich will be free to possess their wealth but will use only that part of their wealth which is required to satisfy their needs and hold the rest in trust for the use of the society. Gandhi wanted capitalism to be replaced by trusteeship where in no person will accumulate wealth beyond his needs and part the balance of his wealth to the trust and production will not be guided by desire but by need. Mr. Jammalal Bajaj was greatly inspired by the Gandhian economic idea of trusteeship and went on to set up the Jammalal Seva Trust at Wardha in Maharashtra. Through trusteeship rural distress can be solved because this idea can encourage rich and wealthy people of our society to share their resources and money for the welfare of the farmers who work day and night so that our country can survive.

- **Sarvodaya Plan**

Sarvodaya means the rising of all in the society. In the economic context, it means the economic welfare of all. Gandhi believed that the followers of non-violence will not stop at the utilitarian principle 'greatest good of the greatest number' but move ahead and achieve the greatest good of all. The Sarvodaya program as charted out by Gandhi stated that farmers and workers will be at the center of a Sarvodaya State. There will be no exploitation of the farmers and the workers. To this end, the farmers and the workers should organize themselves.

Hence for this, government is implementing many policies in agriculture sector for lowering down the prices of agriculture inputs, providing loans at low interest rates to the farmers, providing subsidy etc. Hence if we adopt the concept of sarvodaya, rural distress can be solved.

- **Law of Bread Labour**

Influenced by Ruskin and Tolstoy, Gandhi developed his idea of Bread Labour. According to him, each man must do physical labour to earn his bread. He called this as Bread Labour and said, "God has given everyone the capacity to work and earn more than his daily bread and whosoever is ready to use that capacity is sure to find work". Where there is recognition to the theory of Bread Labour, there is no scope for unemployment. It guarantees sufficient food, clothing and shelter to everyone. Further, there would be no diseases in the society because the physical labour will keep men healthy and fit. The people will eat to live rather than live to eat. The food would be simple, nutritious and tasty when one eat one's food after sweating. Thus, the dignity of labour will form the economic basis of the new society. This can give a hope for living to the farmers and result in reducing farmer suicides.

- **Constructive Programme**

In 1935, Gandhi started his rural reconstruction activities in village Sevagram to implement his idea of Constructive Programme which included items such as the use of Khadi, promotion of village industries, basic and adult education, rural sanitation, upliftment of the backward classes and the welfare of women. The Constructive Programme is a comprehensive and not a fragmented approach. It is an attempt to develop society at the grassroots level with the resources that are available locally. The same concept can be applied to make farmers self sufficient and can bring gram swaraj again in the present era.

VI. CONCLUSION

Gandhiji was very keen to bring maximum regional self-sufficiency in regard to food, clothing and shelter in rural areas. To solve rural distress, he emphasized not only agriculture but also on cottage and small scale industries. He focused his attention on non-agricultural aspect of the rural economy also. He wanted diversified economic activities in the villages and thus stood for all round development of rural India. Hence we can say that Gandhian economic ideas have great relevance in present scenario. In this context, we can remember what Shriman Narayan emphasized: "Gandhiji's sublime vision gives us a rare insight into the future of mankind! Gandhiji belongs to the future and not the past. He is not dead; his message is eternal and shall live as long as sun shines in the vast open skies".

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