

# Gandhian Economic Order—Building An Alternate To Globalization

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Globalization is not a new concept rather it has a long history of political, social, economical and cultural reality. It is a process of profound change in which geographical, social, economical, political and cultural barriers are reduced. The first stage of globalization started when early Egyptian, Babylonian, Greek and Roman empires united the world of their time. The second stage was traced to the later part of 1400s when European explorers voyaged out of Europe to “discover” new lands. The trade activities expanded between Europe and the new world. Gradually, the process of colonization started. The third stage of globalization started in the nineteenth century along with the expansion of colonial empire and trade. The process of globalization intensified with the advent of industrial revolution in Europe. The industrial revolution had transformed the domestic economy into industrial economy and consequently, a new social class named as ‘capitalist’ emerged. The globalization of the present world is the manifestation of industrial revolution of 19<sup>th</sup> century. Globalization has its origin in the rise of capitalism in Europe and America. The period of 1<sup>st</sup> and 2<sup>nd</sup> world war has marked the deterioration in the global economic relations. After the Second World War, the war victorious countries especially Britain and America started to plan for New International Economic Order (NIEO). To establish the new world order, a conference was held at Bretonwood. This conference recommended establishing three international organizations i.e. World Bank, International Monetary Fund and International Trade Organization.

The first two organizations were set up in 1945 but there were serious reservations about the third. Consequently, the interim organization for trade named as General Agreement on Tariffs and Trade (GATT), was set up in 1947. The developed countries made constant efforts to globalize the international trade through GATT. The disintegration of Soviet Union and its satellites into so many republics, collapse of Eastern European Block, end of cold war, rise of the South Asian Economies and the development in the area of information technology (IT) made the way of globalization easy. Furthermore, the Uruguay round of multilateral trade negotiation was concluded successfully in Geneva on December 15, 1993 which made possible the way to establish the long awaited World Trade Organization on 1<sup>st</sup> Jan. 1995. With this, the new era of globalization commenced in the history of international relations.

## NEED FOR THE STUDY

The world experienced the great economic depression in the year 1929. Today, in the year 2008, the world is again passing through the stage of a big economic recession, which has its originating roots in the developed world. During the period of the great depression, the world trade declined by 60 percent whereas during the current economic recession, the trade and economic activities suffered substantially. The fundamental difference in the great depression and in the present economic recession is that, the former had taken place in the era of imperialism whereas the later has occurred in the globalized era. The present economic crisis has been deeply affected by the economies of the world but the Indian economy has been able to minimize the negative impacts of the current crisis due to its strong agricultural base. Globalization has brought many social, cultural, economic and political evils with it. In turn, it requires a viable model to address all these problems. In this paper, an attempt has been made to study the Gandhian Economic Order as an alternative to globalization.

Keeping in view the significance of Gandhian economic thoughts in the current globalized era, the following objectives have been spelled out:

- To study the conceptual framework of the term globalization.
- To highlight the dimensions of globalization with special reference to its impact on the Indian economy.
- To study the relevance of Gandhian economic thought in the present globalised scenario.

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## GLOBALIZATION AS A CONCEPT

*“Globalization means free movement of capital, goods, technology, ideas and people. Any globalization that omits the last one is impartial and not sustainable” – Branko Milanovic (Economist at the Carnegie Endowment for International Peace)*

The term globalization has been defined differently in different contexts. In the broader sense, it includes two things – integration of the world and interdependence of the sovereign nation-states. The term is all encompassing which is defined and understood in both economic and non-economic contexts that broadly include socio-cultural, historical and political contexts.

## ECONOMIC CONTEXTS

Economic globalization constitutes the process of integration of national economies into international economy through trade, foreign direct investments, short term capital flows, international flow of workers and technology. Globalization is the process of integrating various economies of the world without creating hindrances in the free flow of goods, services, technology, capital and human resource. Hence, the term globalization has four parameters; however the developed states limit the same to three i.e. unrestricted trade flows, capital flows and technology flows. They insist the developing nations accept their definition of globalization. However, majority economists believe that if the world has to become a global village, then the fourth component-unrestricted movement of labour cannot be ignored at all.

## NON- ECONOMIC CONTEXT

In the non-economic context, the term globalization refers to the process of social, cultural and political changes which are taking place in the globalised era. Globalization is aimed at connecting people, places, cultures and values. Therefore, globalization is not only a process of economic integration but it is a process of social, cultural, political and technological integration. Its purpose is to enhance connectivity, closeness, togetherness, and interdependency. It is a phenomenon of unification and integration of the globe with single order. Globalization has three distinctive features i.e. shrinking space, shrinking time and disappearing national boundaries. It helps not only in free flow of trade, capital, technology and labor but also free flow of ideas; norms, cultures and values. People all around the globe are linked more deeply, intensively and quickly than ever before. Globalization has two important aspects - integration and interdependence. The process of economic integration and interdependence has accelerated since 1990s mainly due to the development in the field of information technology (IT) and breaking down of various economic and non-economic barriers. Consequently, today global integration is taking place at a very fast speed due to increased flow of trade, capital, money, technology, people, information and ideas across national boundaries. Similarly, interdependence has increased primarily due to increase in volume of trade. The two fold process of globalization has many aspects i.e. it is a political, social and cultural process on one side and economic on the other side. It is foremost an economic process. Hence, globalization is the process of “critical transformation” that is bringing about an end of geographical distances and limits of boundaries. The process of globalization has transformed the entire globe into “global village” and people into “global citizen”.

The role of multinational corporations cannot be underestimated in the pursuit of globalization. Since 1970, the global economic power broadly concentrated in three centers of the world – the USA, European Union and Japan. This triad had 37000 multinational corporations that controlled over 200000 affiliates throughout the world. These multinational corporations needed market for their products and globalization of the economies was their prime requirement. The US, Japan and European Union had a remote control over the economic, political and technological changes taking place all over the world. The major policies of IMF, WB and WTO are to a great extent guided by these states. The triad superpowers are exerting their influence on the triadic international economic institutions such as IMF, WB and WTO for accelerating the pace of globalization, liberalization and privatization. Consequently the benefits of the liberalization of economies are siphoned away by these powerful conglomerates. The concept of globalization can also be examined in terms of triad of techniques, institutions and states.

## IMPLICATIONS OF GLOBALIZATION

*“Our primary concerns are that globalization should benefit all countries and should raise the welfare of all people throughout the world. This implies that it should raise the rate of economic growth in poor*

*countries and reduce world poverty, and that it should not increase inequalities or undermine socio-economic security within countries” – World commission on the social dimension of globalization (2004).*

Globalization is an economic process of social change attempting to merge the national economies with mega international economies. The opening up of economy unleashed a new economic regime where markets and private players were recognized as significant constituents of globalization. This mega process of integration have larger economic, political, socio-cultural and environmental implications. The academia is divided on the implication of globalization. Those who are in favor of globalization, talk about its inevitability and economic opportunities, whereas critics talk about its skewness and distribution. According to critics, globalization is nothing but a new form of western domination and imperialism or in other words we can say that globalization is old wine in a new bottle. In the present era, the concept of globalization has become a panacea to solve all human problems. It is believed that the success of globalization will make the people happy, prosperous and contented and there would be no conflict, no poverty, no inequality, no unemployment, no tension, no violation of human rights, no malnutrition, no illiteracy and no disease etc. The integration of global economy would open many opportunities for millions of people around the world. The increased trade, new technologies, foreign investments, expanding media and internet connections are fuelling economic growth and human development. All these instruments offer enormous potential to eradicate poverty in the twenty first century. So we have more wealth and technology and more commitment to a global community than ever before. But the reality is totally different as there has been increasing illusion in the minds of the policy makers also. The role of multinational corporations is one of the dominating factors in the pursuit of globalization. Generally, these multinational corporations manage the global trade; therefore, it is a corporate managed trade instead of free trade. The trade liberalization has failed badly. The poor are being marginalized due to discriminatory international economic order. The globalization leaves the poorer countries behind the global competition, as the clear objective of capital mobility is attaining profit, prestige, and power. The capitalists have exploited the people and natural resources in the process of amassing wealth. Furthermore, it left behind pollution, poverty, inequality, injustice, crime, corruption and general degradation of environment, which still remained an unattended question.

The globalization has seriously threatened the political, economic, social and cultural sovereignty of nation-states. The de-territorialisation of nation-states has questioned their existence. The economic decisions and the policies of states are not taken by their national governments rather by the international financial and economic institutions such as International Monetary Fund, World Bank and World Trade Organization under the influence of powerful nations. The role of states have been squeezed further in the decision making process.

The globalization with its objective of profit maximization has also harmed the ecological balance. The environmental problems are a serious concern than the economic problems. The rich countries advocate that they can better afford to protect the unspoiled area and can maintain ecological balance in the nation states. Whereas the environmentalists blame that the globalization has further accelerated the process of environmental degradation. The economic and environmental colonialism should give way to ecological modernization. For this, a green philosophy of development, green policies, green technology, green products, green markets, green benches in courts and after all green education can contribute a lot in protecting the environment while promoting economic development. Therefore, the process of globalization should be accompanied by the concerns for the environment also. The employment situation in India has worsened in the post-globalization era. The rate of growth of employment has declined significantly during the era of globalization. The organized sector which was considered as the engine of growth has failed to generate enough employment. The employment growth in the organized sector is merely negligible. The growth of employment in the public sector is also very low. The enlargement of private sector employment failed effectively to offset the deceleration in the public sector. The problem of unemployment, casualisation, lower wages, part time jobs and less or no security in jobs have further increased to a large extent. Furthermore, it is significant that poverty has declined in the post liberalized era. However, the decline in poverty in scheduled castes and scheduled tribes has been considerably low than in other categories. It is observed that the growth of gross domestic product has been 9 to 10 percent during the year 2007-08 whereas, the rate of poverty reduction is low. This shows the unequal distribution of income and wealth between the rich and poor.

The globalization has exposed the hypocrisy of the western world. In the name of globalization, the developed countries have forced the developing nations to reduce their trade barriers. On the other hand; surprisingly, they kept up their own barriers to prevent developing countries from exporting their agricultural products. They imposed various types of protectionist measures such as social clause, child labor clause, anti-dumping

duties, environmental issues and subsidies of various kinds to protect their domestic industry. The double standards adopted by these rich countries restricted the sale of their agriculture produce at a reasonable price, thereby restricting these farmers from competition. Consequently, these discriminatory parameters forced millions of farmers to commit suicide in the developing nations like India. The W.T.O. agreement on agriculture stipulates that developed countries would reduce their subsidies by 20 percent in six years and developing countries by 13 percent in ten years. But as per the fact, developed countries tried to circumvent their agreement by providing green box and blue box subsidies support to agriculture.

The cheap imports from developed countries lead to the closure of a large number of small-scale enterprises. The small scale industries have to compete not only with large units within the country but also with the multinational corporations and their cheap products. Consequently, the small scale industries are losing their market and are becoming sick or have to close down. The small scale sector in India contributes 40 percent of manufacturing output, 50 percent of employment and 33 percent of exports. Hence, in the name of globalization, the small scale industries will eventually be eliminated from the market.

## **RELEVANCE OF GANDHIAN ECONOMIC THOUGHT IN THE GLOBALIZED ERA**

The Gandhian economic thought is relevant at all times and for all the countries of the world. Though Gandhi was not economist like Adam Smith, Ricardo and Keynes etc., yet his economic thought is more significant in many dimensions. Morality, spiritualism and non-violence were the soul of Gandhian economic thought. The fundamentals of his thought were minimum needs, respect and love for humanity, truth, non-violence, simple living, trusteeship and decentralization of both political and economic powers. The basic objective of Gandhian economic model was spiritual as well as the welfare of masses. He rejects every economic law that is based upon the narrow idea of profit earning instead of welfare of society. Sarvodaya, Swadeshi, development of small-scale industries, cottage and Khadi Udyog were essential aspects of his economic thought.

Gandhi was misunderstood by many as he was primarily against industrialization and mechanization. As per his opinion, if industrialization is able to solve the problems of poverty, starvation, unemployment, exploitation and economic inequality, then it is a welcome step. But on the contrary, Gandhi believed that instead of solving these economic problems, capitalism not only aggravates the intensity of these problems but also violates the fundamental principle of non-violence and exploitation. The primary aim of Gandhian economics was to attain maximum self-sufficiency at the village or community level. He laid emphasis on the idea of 'Village Swaraj' in which the village is a complete and independent republic.

The study of globalization and its impacts makes it clear that instead of solving the problems like poverty, starvation, economic inequality, unemployment and exploitation, it has further enhanced the gravity of these problems. Globalization primarily seems to be an imperialist camouflage of developed world and imperialism has no place in the scheme of Gandhian economics.

Gandhi was not against globalization or internationalism; rather he said that the structure of any kind of world federation should be based on the principle of non-violence, cooperation, and truth. Exploitation and violence should be abdicated in world affairs. The imperialist principles are inconsistent with the principle of cooperation, non-violence, truth, and partnership. The present form of globalization is imperialist designed globalization based on exploitation of masses and natural resources of third world states. This form of globalization is inconsistent with nature and man both as it violates the basic fundamental of non-violence. Those who are advocating the thesis of globalization are the champions of exploitation and oppression, and the root cause of global terrorism. Consistent with the concept of globalisation, an attempt has been made to study the main aspect of Gandhian economic thought and its relevance in the present context.

## **ECONOMICS AND ETHICS**

Gandhian thought makes no distinction between economics and ethics. Economics that hurt the moral well-being of an individual or a nation is immoral and hence, sinful. The economics which disregards the moral values is untrue. The extension of law of non-violence in the domain of economics means the introduction of moral values as a factor to be considered in regulating international commerce. An economics that inculcates mammon worship and enables the strong to amass wealth at the expense of weak is a false and dismal science. The true economics, on the other hand, stands for social justice and it promotes the good of all equally including the weakest section of the society, and hence it is indispensable for a decent life. If the present ethical

standards are to be compared in the light of the present era of globalization, then we will find that this form of globalization is highly immoral as it takes into consideration only market, profits, prestige and power. Gandhian philosophy rejects such economic thoughts as it lacks “human element”. As stated by Gandhi, Capital and Labour should supplement and help each other. They should be a great family living in Unity and Harmony. Today, Capital is afraid of the labour and Labour scowls at capital. Gandhi was of firm conviction that such bitter relationships should be replaced by mutual trust and respect.

### **FULL EMPLOYMENT – SUPREMACY OF MAN**

Gandhi advocates the concept of full employment as human being is of a supreme consideration in his economic order. He endorsed the idea of Khadi, cottage and small-scale industries at the village level to attain full employment. He was against all those economic plans which exploit the raw materials of a country and also neglect the manpower. He advocated that the economic constitution of India and of the world should ensure food, clothing and work to every one. He was of the opinion that the means of production of basic necessities of life should remain in the control of the masses and any effort to monopolize these means of production by any country, nation, or a group of persons would be unjust. America is an advanced country in the world and yet it could not banish poverty and inequality. This is because of the reason that it neglects the manpower and concentrates power in the hands of the few who amass wealth at the cost of the poor. Furthermore, the advocates of globalization make high promises to create ample employment opportunities, yet in reality, the situation is entirely reverse. The process of globalization has reduced the employment opportunities.

### **DIGNITY OF LABOUR**

Gandhian economic philosophy accords all respect to the dignity of labour as he says, “who eat without work are thieves”. Bodily sustenance should come from bodily labour and intellectual labour is necessary for the culture of mind. He was in favour of division of labour, but the division of labour should not be in such a manner as the intellectual labour is confined to one class and bodily labour to another class. If everyone lives by the sweat of the brow, then this earth would become a utopia. Though the intellectual labour is superior to bodily labour, but it can never be a substitute for bodily labour. Gandhi was strictly against the tendencies of begging and advocates the rule “no labour, no meal”. He analyzed that people living in village are semi-starved as they lack willing obedience to labour, whereas, the compulsory obedience of labour breeds poverty disease and discontentment.<sup>16</sup>

### **SIMPLE LIVING, HIGH THINKING**

Simple living occupies a special place in Gandhian economic thought. He suggested that we should stop our unlimited wants, if we want to live a happy and contented life. Gandhi believes in the philosophy that the less we possess, the less we want, and the better we are. In the world, there is no slavery equal to that of desires. Those who are discontented, however, much they possess become the slaves of their desires. To lead a contented and self-sufficient life lies in our own hands. In the present global scenario, we are becoming the prey of consumerism which is dangerous not only for the village economy, but also for the nation. Gandhi was of the opinion that high thinking is inconsistent with the complicated material life. Today, the Western thoughts are groaning under the heel of the monster god of globalization. The shadows of materialism have also polluted the thinking process of our country. Gandhi felt that it is not necessary to return to old absolute simplicity. But it will have to be a reorganization in which village life will dominate, and in which brute and material forces will be subordinated to the spiritual forces. This all may be possible only by way of knowing the art of living nobly and humbly.

### **SWADESHI**

The purpose of the Swadeshi doctrine in Gandhian economic thoughts is to make village economy strong, self-supporting and self-reliant. He suggested exchanging only such necessary commodities with other villages which are not locally producible. Gandhi defined Swadeshi as a spiritual discipline and a Swadeshi should learn to live without hundreds of things which today he considers necessary. The ruinous departure from Swadeshi is responsible for deep rooted cause of poverty in the developing nations. Whereas, the doctrine of Swadeshi is consistent with the law of humanity and love; to reject the foreign manufacturers merely because they are foreigner would be a negation of the Swadeshi spirit. It is not a cult of hatred and exploitation; rather it is a doctrine of selfless service that has its roots in the purest Ahimsa i.e. love. Unfortunately, the basic spirit of

globalization is against the doctrine of Swadeshi. It is believed that the mass production by mega multinational corporations and free trade will destroy the fabric of Swadeshi. It will be making the village economy dependent on foreign goods. Gandhi was also in favour of globalization if every village is self-sufficient and no one will exploit the resources and market of other country.

### **ECONOMIC EQUALITY**

Gandhi believed that every one should have equal opportunities to grow and develop. He never believed in the dead uniformity as it is not nature's law that all men born are equal and free. All men are not born with equal intellect. Economic equality in Gandhi's conception does not mean that everyone would literally have the same amount of goods. This simply means that everybody must have enough for his needs. The economic equality means "to each according to his needs", which includes, balanced diet, decent house, better educational facilities and adequate medical facilities to everyone. The process of globalization has created glaring inequalities and it can only be countered with the Gandhian way. Therefore, it should be removed by way of nonviolent means only.

### **DECENTRALIZATION**

Gandhi laid emphasis on decentralization. It leads to achieve human happiness both mental and material. Centralization as a system is inconsistent with a non-violent structure of the society. Gandhi advocated decentralization not only at the economic front but also at the political level. He was of the opinion that the real spirit of democracy can only be attained by way of democratic decentralization i.e. through the Panchayati Raj System. He emphasized that the villages should be independent republics and the role of government should be limited to those spheres of activities, which cannot be held by village panchayats. He affirmed that individual liberty and spiritual growth is possible only with absolute decentralization. Gandhi does not accept only the decentralization of political power, rather he pleads for decentralization of both economic and political power. The success of political decentralization depends upon economic decentralization. His views on economic decentralization stem from his concept of Swadeshi, economic equality, self-contained village economy, and non-violence. In the industrial civilization, the objective of economic decentralization can be achieved only in self-sufficient village economy. The exploitation is the cause of violence and only the rural economy can eschew exploitation altogether. The effective political and economic decentralization may only be helpful to counter the evil effect of globalization as to protect sovereignty of the nations.

### **VILLAGE COMMUNITIES**

Gandhi was convinced that to attain true freedom, people will have to live in villages, not in towns; in huts and not in palaces. In his economic thought, the village Swaraj means a complete village republic and independence of its neighbour for its vital wants. He said that the village community is such a society in which the role of state becomes undesirable and every individual has to be self-disciplined in such a way that he is never a problem to his neighbours. The ideal village should contain intelligent human beings living in clean conditions and environment. There is a full freedom and no disease. The voluntary co-operation is an essential condition for dignified and peaceful existence. He advocated a society, free from exploitation, inequality, class domination, class conflict, communal disturbance, strike and any kind of violence. He suggested essentials of village republic such as self regulation, self reliance, and self republic. Therefore, it can be inferred that if our village republics are strong enough from economic and political point of view, then no external force including the western dominated globalisation can make us weak and enslave us.

### **SELF-SUFFICIENCY**

Gandhi was of the opinion that the unit of society should be a village or a manageable small group of people. This small group of people should be self-sufficient. This self-sufficiency should be based on mutual cooperation and interdependence. The village must be self-reliant with regards to food, cloth and other basic necessities of life. The concept of self-sufficiency does not mean that we should not get from outside the village; rather we should produce more what we can, in order to obtain in exchange what we are unable to produce. Hence, self-sufficiency is a kind of service to society. He said that if all villages will be self-sufficient, then no one will be in any trouble including the nation. National economy is the reflection of the village economy. A strong village economy means

the strong national economy. He strongly advocated that the evil effects of globalization can only be countered by a nation if its village economy is strong and sufficient.

### **KHADI AND VILLAGE INDUSTRY**

In the Gandhian economic thoughts, villages are considered to be the nerve centre. He emphasized that India should not be known by her cities like Bombay and Calcutta but by millions of people inhabiting the seven lakh villages. Gandhi made it very clear that Khadi is the only tool that will make our village economy strong and self-sufficient. He considered Khadi as the sun of the solar system and the planets are various cottage and small-scale industries. Khadi is not only the beginning of economic freedom and equality but also the symbol of unity of humanity, simplicity and domesticity. Khadi can be defined as Swadeshi mentality which includes the decentralization of the necessities of the life. The revival of village industries with the help of Khadi will help to make every village of India industrious. He stressed that in this way, the Khadi will provide employment opportunities to the masses on one side and help to remove the poverty on other side.

### **THE PLACE OF MACHINERY**

Gandhi believes that mechanization is good when the hands are too few whereas it is an evil when there are more hands than required for the accomplishment of work. Gandhi was not absolutely against the installation of big industries but he wants that the big industries should be either nationalized or be under the state control. Simultaneously, he was in the favour of improvement in the small scale and cottage industry. According to him, any act that displaces the hand labour is a criminal act, if it fails to provide the alternative employment opportunities to the masses. In his economic thought, the supreme consideration is man. Basically, Gandhi was not against the industrialization, but he was totally opposed to its craze and indiscriminate multiplication because industrial civilization is unable to solve the problems of poverty and unemployment. Therefore, Gandhi was in favour of natural economy in which villages are self-sufficient. He did not want to industrialize only some pockets of the country, rather he was in favour of such a system of industrialization in which every village is industrialized. In his view, the strong nation is inhabited by the strong village economy.

### **THE EVIL OF INDUSTRIALIZATION**

Gandhi was well aware about the evil effects of industrialization. He believes that the industrialization on a mass scale will necessarily lead to passive and active exploitation of villages, labour, consumer and resources. He addressed well, the problems of competition and marketing, inherent in industrial civilization. Gandhi was more concerned with the insufferable plight of his countrymen. Therefore, he stressed that the pauperism must go and industrialization is not a remedy for it. Gandhi was against the exploitation of one state by the other. He was totally convinced that the industrialization depends entirely on the exploitation of market, labour and resources. The Gandhian economic order aimed at developing agriculture and industry side by side and to integrate both of them for the development of the society. He favored the production by masses rather the mass production. He was against the large-scale industries producing consumer goods. It is evident that the giant multinational corporations are entering in consumer goods, in agricultural sector and forcing the national governments to liberalize and privatize the public sector. Furthermore, the multinational corporations are not investing in key and basic industries but are investing only in profitable and consumer projects. Therefore, instead of reducing the evil effect of industrialization in globalized era, these evil effects have further been increased. The Gandhian economic order rejects all types of such theories and offers a paradigm alternative for the solution of world economic crisis.

### **TRUSTEESHIP**

Gandhi was absolutely convinced that the dead uniformity is not possible in any society. The present society is divided into two classes i.e. landlord and proletariat, capitalist and labour and ruler and ruled etc. Thus, there is bitterness between these two classes, which may further lead to class war. He was not in favour of accumulation of wealth with few people. Gandhi was of the opinion the violence and exploitation is a root cause for the accumulation of wealth. He offered the unique non-violent tool of trusteeship. This emphasizes the transformation of capitalist order of society into egalitarian one. He advocated that any kind of transformation of society, based on non-violent means may fail to develop non-violent culture in the society. He was in favour of the

concept of trusteeship instead of class war as recommended by Karl Marx. The philosophy of trusteeship is based on the principle of 'Aparigrah' (non-possession) and 'Sambhava' (equability), referred to in the holy book of Hindus, The Gita. These principles can help in the change of heart and attitude of the ruling class. The philosophy of trusteeship does not mean forced transformation, rather it means transformation by choice. But if the capitalists fail to follow the principle of trusteeship, then the weapon of non-violence and non-cooperation should be used. In this direction, the establishment of a strong Panchayati Raj System will help to form strong public opinion in the favor of trusteeship, when the people will understand its implications. As the trustee has no heir except the society. Therefore, under the Gandhian economic order, the character of production is determined by social necessity not by personal greed, whereas in the era of globalization, there is a fierce competition among the few multinational corporations to capture the market of foreign land. This will create the perpetual economic crisis, unemployment and discontentment among the human beings across the globe.

## CONCLUSION AND SUGGESTIONS

Gandhi was of the opinion that there should be a mutual relationship of Trust between labour, capital, management, investors, consumers, farmers and other stakeholders. World is a pool of resources and these resources must be utilized for the welfare of the society. The basic fundamentals of Gandhian Economic thoughts revolves around the development of strong Village economy, Khadi and Small scale Industry. But in the present economic scenario our policymakers are unable to establish balance between agriculture and industrial sector. Agricultural sector is not given fair treatment and protection in India. This is evident from the present economic crisis in rural economy that lakhs of farmers have committed suicide in our country. Our Prime Minister has repeatedly emphasized on the fact that if we want to achieve the growth rate of 10 percent of GDP, then the contribution of agriculture sector should be impressive. It has been observed that though, our growth rate has declined badly but, the growth in agriculture sector has been contributing significantly to the tune of 4 percent. The government is providing huge tax concession, interest free loans and other infrastructural facilities to the industrialists in the name of industrial development. Even biggest scams have taken place in the name of Special Economic Zones (SEZs). It is evident that most of SEZs are coming up to attain tax concessions and to grab agricultural land. As per an estimate, a revenue loss of Rs.175000 crores will occur by 2011 from the loss of income tax, excise and custom duty. Recently, a referendum has taken place in Mumbai Reliance SEZ, in which, majority of the farmers have opposed the concept of SEZs. Recently, Gujarat government has provided a huge economic package of Rs. 9570 crores loan at a meager 0.1 percent interest which will be repayable after 21 years by Tata Motors. In addition to it, the government has provided tax concessions in the form of VAT which will be 15 percent over 20 years that will amount to the 375 crores per year. Thus it can be concluded that globalization is not a panacea for the world economic crisis, rather globalization has deepened the economic crisis. Globalization is not only a threat to the economic sovereignty of a country, but is also a challenge to the political, social, economical and cultural sovereignty. The agenda of globalization is designed by the shrewd multinational corporations of United States, Europe and Japan, which is implemented through World Bank, International Monetary Fund and World Trade Organization. The entire process of globalization is based on exploitation and violence which is against the basic principle of Gandhian economic order. The remedy lies in the deglobalisation of the trade, investment, information technology and aid schemes. The globalization is pushing the world into a dangerous direction which breeds the violence, exploitation, poverty, inequality, corruption, unemployment, injustice, crime and discontentment in the society. Hence, the Gandhian economic model is the only worthwhile alternative for a man's peaceful, purposeful, successful and happy existence. In fact, we want culture of peace, love, happiness and harmony; therefore, we must have the technology of peaceful co-existence. The rehumanisation of science, technology and industry is the ardent requirement of twenty first century. The globalization has widened the gap between individual and society, rich and poor, city and village, local and global whereas the only solution to bridge this gap lies in the Gandhian Economic order.

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