



Gandhian Views on Rural Entrepreneurship in India

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ABSTRACT: Rural development is one of the most important input in economic development of the country in india majority of the population lives in villages. The village is the back bone of the country. Nearly 70% of the people are living in the villages. Gandhian approach to rural development strives to construct the village republic which would be non violent, self governed and self sufficient so far as the basic necessities of ruralites are concerned. Here in this paper an attempt is made to Analyze Gandhian views on rural entrepreneurship and also the importance of rural entrepreneurship and problems of the entrepreneurs. In mahatma s openion the village has to produce the food crops and cotton in order to meet its requirements, and also the village has to import certain things which it cannot produce in the village. So the rural development can be made possible through the growth of rural entrepreneurs which further would contribute in reducing levels of poverty, unemployment etc...

Introduction

The generic constraints that are faced by rural enterprises have been listed out. The paper also emphasizes the importance of rural enterprise development of developing the economy. The paper discusses entrepreneurship activities in rural India and identifies the challenges and provide some policy implication. The conclusion is that to accelerate economics development in rural areas, it is necessary to promote entrepreneurship.

Provision of certain basic amenities like drinking water, electricity, especially for the productive purpose, link roads connecting villages to market centres and facilities for health and education etc. figure prominently in the scheme of rural development.

Theoretically, Gandhian approach to rural development may be labelled as 'idealist'. It attaches supreme importance to moral values and gives primacy to

moral values over material conditions. The Gandhians believe that the source of moral values in general lies in religion and Hindu scriptures like the Upanishads and the Gita, in particular.

Objectives

1. To analyze the gandhian views on rural entrepreneur ship.
2. To appraise the role and importance of rural entrepreneurship.
3. To find out the problems faced by the rural entrepreneurs in India.
4. To analyze the principles of gandhiji towards economic development of the country India.

Role and importance of rural entrepreneurs in India

The development of rural entrepreneurs is a complex problem which can be tackled by the social, political and economic institutions.



The sooner they are established the better it would be for the entrepreneurial development in the rural sector and the economic growth of the country.

1. Provide employment opportunities:

Rural entrepreneurship is labor intensive and provide a clear solution to the growing problem of unemployment. Development of industrial units in rural areas through rural entrepreneurship has high potential for employment generation and income creation.

2. Check on migration of rural population:

Rural entrepreneurship can fill the big gap and disparities in income rural and urban people. Rural entrepreneurship will bring in or develop infrastructural facilities like power, roads, bridges etc. It can help to check the migration of people from rural to urban areas in search of jobs.

3. Balanced regional growth:

Rural entrepreneurship can dispel the concentration of industrial units in urban areas and promote regional development in a balanced way.

4. Promotion of artistic activities:

The age-old rich heritage of rural India is preserved by protecting and promoting art and handicrafts through rural entrepreneurship.

5. Check on social evils:

The growth of rural entrepreneurship can reduce the social evils like poverty, growth of slums, pollution in cities etc.

5. Awaken the rural youth:

6. Rural entrepreneurship can awaken the rural youth and expose them to various avenues to

adopt entrepreneurship and promote it as a career.

7. Improved standard of living:

Rural entrepreneurship will also increase the literacy rate of rural population. Their education and self-employment will prosper the community, thus increasing their standard.

Problems faced by Rural Entrepreneurship in India

Most of the rural entrepreneurs face peculiar problems like illiteracy, fear of risk, lack of training and experience, limited purchasing power and competition from urban entrepreneurs. Some of the major problems faced by rural entrepreneurs are as under.

1. Paucity of funds:

Most of the rural entrepreneurs fail to get external funds due to absence of tangible security and credit in the market. The procedure to avail the loan facility is too time-consuming that its delay often disappoints the rural entrepreneurs.

2. Competition:

Rural entrepreneurs face severe competition from large sized organizations and urban entrepreneurs. They incur high cost of production due to high input cost.

3. Middlemen:

Middlemen exploit rural entrepreneurs. The rural entrepreneurs are heavily dependent on middlemen for marketing of their products who pocket large amount of profit.

4. Legal formalities:

Rural entrepreneurs find it extremely difficult in complying with various legal



formalities in obtaining licenses due to illiteracy and ignorance.

5. Procurement of raw materials:

Procurement of raw materials is really a tough task for rural entrepreneur. They may end up with poor quality raw materials, may also face the problem of storage and warehousing.

6. Risk element:

Rural entrepreneurs have less risk bearing capacity due to lack of financial resources and external support.

7. Lack of technical knowledge:

Rural entrepreneurs suffer a severe problem of lack of technical knowledge. Lack of training facilities and extension services create a hurdle for the development of rural entrepreneurship.

8. Lack of infrastructural facilities:

The growth of rural entrepreneurs is not very healthy in spite of efforts made by government due to lack of proper and adequate infrastructural facilities.

9. Poor quality of products:

Another important problem is growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and equipment and poor quality of raw materials.

10. Negative attitude:

The environment in the family, society and support system is not conducive to encourage rural people to take up entrepreneurship as a career. It may be due to lack of awareness and knowledge of entrepreneurial opportunities.

Gandhian views on economic development

Gandhi firmly believes that village republics can be built only through decentralisation of social and political power. In such a system decision-making power will be vested in the Village Panchayat rather than in the State and the national capital. The representatives would be elected by all adults for a fixed period of five years. The elected representatives would constitute a council, called the Panchayat.

Self-sufficiency:

Such a decentralised polity implies a decentralised economy. It can be attained only through self-sufficiency at the village level. The village should be self-sufficient as far as its basic needs – food, clothing, and other necessities – are concerned. The village has to import certain things which it cannot produce in the village. “We shall have to produce more of what we can, in order thereby to obtain in exchange, what we are unable to produce.

The village should produce food-crops and cotton in order to meet its requirements. Some lands should also be earmarked for cattle and for a playground for adults and children. If some land is still available, it should be used for growing useful cash crops like tobacco, opium, etc. to enable the village to get in exchange things which it does not produce.

Village economy should be planned with a view to providing full employment to all the adults of the village. Each man should be guaranteed employment to enable him to meet his basic needs in the village itself so that he is not forced to migrate to towns. In the ultimate analysis full employment should be linked with equality.



Industrialization:

Gandhiji maintained that industrialization would help only a few and will lead to concentration of economic power. Industrialization leads to passive or active exploitation of the villages. It encourages competition. Large scale production requires marketing. Marketing means profit-seeking through an exploitative mechanism.

Moreover, industrialization replaces manpower and hence it adds to unemployment. In a country like India, where millions of labourers in the villages do not get work for even six months in a year, industrialization will not only increase unemployment but force labourers to migrate to urban areas. This will ruin villages.

In order to avoid such a catastrophe, village and cottage industries should be revived. They provide employment to meet the needs of the villagers and facilitate village self-sufficiency. Gandhians are not against machine per se if it meets two aims: self-sufficiency and full employment. According to Gandhi, there would be no objection to villagers using even the modern machines and tools that they could make and could afford to use. Only they should not be used as a means of exploitation of others.

Trusteeship:

Gandhiji was not against the institution of private property. But he wanted to restrict the right of private property to what was necessary to yield an honourable livelihood. For the excess he prescribed the principle of trusteeship. Gandhiji emphasized the principle of trusteeship in social and economic affairs. He firmly believed that all social property

should be held in trust. The capitalists would take care not only of themselves but also of others. Some of their surplus wealth would be used for the rest of the society.

The poor workers, under trusteeship, would consider the capitalists as their benefactors; and would repose faith in their noble intentions. Gandhiji felt that if such a trusteeship were established, the welfare of the workers would increase and the clash between the workers and employers would be avoided. Trusteeship would help considerably "in realising a state of equality on earth."

Gandhiji firmly believed that land should not be owned by any individual. Land belongs to God. Hence, individual ownership of land should be shunned. For that a landowner should be persuaded to become a trustee of his land. He should be convinced that the land he owns does not belong to him. Land belongs to the community and must be used for the welfare of the community. They are merely trustees. By persuasion the heart of landowners should be changed and they should be induced to donate their land voluntarily.

If the land owners do not oblige and continue to exploit the poor workers, the latter should organise non-violent, non-cooperation, civil disobedience struggles against them. Gandhiji rightly held the view that "no person can amass wealth without the cooperation, willing or forced, of the people concerned".

If this knowledge were to penetrate and spread amongst the poor, they would become strong and learn how to free themselves from the crushing inequalities which have pushed them to the verge of starvation. But the oppressed should not take recourse to violent methods. In the Gandhian scheme of things, the principle of cooperation, love and service is most



important and violence has no place in it. Violence is against "moral values" and civilized society is inconceivable in the absence of moral values.

Gandhiji's concept of development is oriented to the uplift of the common man. He preferred village habitats to megalopolises and Swadeshi craft to imported technology for the economic well being of the common man. He stressed the need for cottage industries in place of gigantic industries and advocated for a decentralised economy instead of a centralised one.

He realised the need for integrated rural development and believed that education, health and vocation should be properly integrated. He emphasised the need for education and training which he called 'Naitalim' (New training) for rural reconstruction.

In fine, Gandhian approach to rural development strives to reconstruct village republics which would be non-violent, self-governed and self-sufficient so far as the basic necessities of ruralites are concerned. Apart from creating a new socio-economic order, it Endeavour's to transform man; otherwise the changes in the socio-economic order will be short-lived

Gandhi was a self-described philosophical anarchist and his vision of India meant an India without an underlying government. He once said that "the ideally nonviolent state would be an ordered anarchy."¹ While political systems are largely hierarchical, with each layer of authority from the individual to the central government have increasing levels of authority over the layer below, Gandhi believed that society should be the exact opposite, where nothing is done without the consent of anyone, down to the individual. His idea was that true self-

rule in a country means that every person rules his or herself and that there is no state which enforces laws upon the people

The first basic principle of Gandhi's economic thought is a special emphasis on 'plain living' which helps in cutting down your wants and being self-reliant. Accordingly, increasing consumer appetite is likened to animal appetite which goes the end of earth in search of their satisfaction. Thus a distinction is to be made between 'Standard of Living' and 'Standard of Life', where the former merely states the material and physical standard of food, cloth and housing. A higher standard of life, on the other hand could be attained only if, along with material advancement, there was a serious attempt to imbibe cultural and spiritual values and qualities.

The second principle of Gandhian economic thought is small scale and locally oriented production, using local resources and meeting local needs, so that employment opportunities are made available everywhere, promoting the ideal of Sarvodaya– the welfare of all, in contrast with the welfare of a few. This goes with a technology which is labour-using rather than labour-saving. Gandhian economy increases employment opportunities; it should not be labour displacing. Gandhi had no absolute opposition to machinery; he welcomed it where it avoids drudgery and reduces tedium. He used to cite the example of Singer sewing machine as an instance of desirable technology. He also emphasised dignity of labour, and criticised the society's contemptuous attitude to manual labour. He insisted on everybody doing some 'bread labour'.

The third principle of Gandhian economic thought, known as trusteeship principle, is that while an individual or group of individuals is free not only to



make a decent living through an economic enterprise but also to accumulate, their surplus wealth above what is necessary to meet basic needs and investment, should be held as a trust for the welfare of all, particularly of the poorest and most deprived. The three principles mentioned above, when followed, are expected to minimise economic and social inequality, and achieve Sarvodaya.

In contrast, a locally based economy enhances community spirit, community relationships, and community well-being. Such an economy encourages mutual aid. Members of the village take care of themselves, their families, their neighbours, their animals, lands, forestry, and all the natural resources for the benefit of present and future generations.

Mass production leads people to leave their villages, their land, their crafts, and their homesteads and go to work in the factories. Instead of dignified human beings and members of a self-respecting village community, people become cogs in the machine, standing at the conveyor belt, living in shanty towns, and depending of the mercy of the bosses. Then fewer and fewer people are needed to work, because the industrialists want greater productivity. The masters of the money economy want more and more efficient machines working faster and faster, and the result would be that men and women would be thrown on the scrap heap of unemployment. Such a society generates rootless and jobless millions living as dependants of the state or begging in the streets. In swadeshi, the machine would be subordinated to the worker; it would not be allowed to become the master, dictating the pace of human activity. Similarly, market forces

would serve the community rather than forcing people to fit the market.

Decentralisation:

Cottage

Industries:

Gandhi was not in favour of large scale industrialisation, as it was responsible for many socioeconomic evils. He believed that large scale use of machinery led to drudgery and monotony. He was in favour of decentralised economy.

In such an economy, exploitation of labour would be nil. His belief was strong in the context of the Indian economy. India has plenty of human resources but capital supply was poor, therefore labour intensive technology should be followed. Gandhiji advocated a decentralised economy.

Production should be organised in a large number of places on a small scale. As Gandhiji was for the development of cottage and rural industries, he suggested delocalization of industries. Gandhiji believed that decentralisation was essential for the survival of democracy and for the establishment of a non-violent state.

Gandhi preferred the decentralisation of small units of production to the concentration of large scale units in few places. He wanted to carry the production units to the homes of the masses, particularly in villages. Cottage and village industries help increasing employment. Commodities can be produced cheaply as there is no need for a separate establishment; very few tools are needed. There is no problem of storage. Transport cost is negligible.

There is no overproduction and wastes of competition. All these factors make the production by the small units economical and thus, provide logic to the Gandhian scheme of decentralisation of village and cottage industries, Integration of cottage



industries with agriculture provides work to the farmer in their spare time and thus harnesses "all the energies that at present run to waste".

In fact, these industries are best suited to the rhythm of rural life. These industries increase the income of the villages and satisfy their basic requirements. They not only remove poverty and unemployment from the villages but also make them self-sufficient economic units.

Exchange Economy:

Gandhian idea on exchange economy is based on the swadeshi spirit. Every Indian village should be a self-supporting and self-contained unit exchanging only necessary commodities with other villages where they are not locally producible.

The person who has accepted the discipline of swadeshi would not mind physical discomfort or inconvenience caused by the non-availability of certain things which he has been using. He would gradually learn to do without those things which up to this time he has been regarding as necessary for his life.

Mahatma Gandhi asked people not to worry about the non-availability of such things as pin and needle, because these were not manufactured in India. He was prepared to buy from other countries those commodities (like watches from Switzerland, surgical instruments from England, etc.) which were needed for his growth; but he was not prepared to buy an inch of cotton of the finest variety from England or Japan or any other country of the world because the importation of cloth had caused the ruin of the home industry – it had harmed the interests of the millions of inhabitants of this country.

The guiding principle that he laid down in respect of all foreign goods was that those things should not be imported which were likely to prove harmful to the interests of the indigenous industry.

Implications

- 1) The nature of the enterprise encouraged to locate in rural areas must be appropriate to those areas in economic, social and environmental terms, e.g., location of overly large enterprises in rural areas should properly be avoided;
- 2) Enterprise policies must be flexible to facilitate local circumstances rather than being rigid national ones;
- 3) Policy towards enterprise must involve features which go beyond the bounds of traditional enterprise policy, eg, in relation to social infrastructure to attract and retain the necessary workforce;
- 4) Policies in relation to enterprise in rural areas and in smaller towns should be seen as an integrated package. There must also be flexibility in relation to how smaller towns' enterprise functions are perceived. These vary depending on the nature of the area;
- 5) Policy towards rural enterprise should encompass all rural enterprise and not just traditionally grant-aidable manufacturing, i.e., in a rural context any rural enterprise is in principle equally desirable;

Conclusion:

The basis of Gandhiji's economic philosophy was individual dignity and the welfare of the poorest of the poor. He felt that a man earns his dignity by working



and earning his bread and livelihood. Therefore the economic system should be organised to provide employment for every- one. "According to me, the economic constitution of India, and for that matter of the world, should be such that no one under it should suffer from want of food and clothing. In other words, everybody should be able to get sufficient work to enable him to make two ends meet. And this ideal can be universally realised only if the means of production of the elementary necessities of life remain in control of the masses."³ He was against mass production and industrialisation which destroyed local industry, impoverished villages and reduced man to a cog in the machine. "What I object to is the craze for machinery, not machinery as such. Men go on saving labour till thousands are without work and thrown on the open streets to die of starvation."⁴ Gandhiji did not oppose all machinery, he praised the invention of Singer Sewing Machine which ended the drudgery of the housewife. His opposition to machine was particularly in the context of India as it has a huge population and unemployment. "Mechanisation is good when the hands are too few for the work intended to be accomplished. It is an evil when there are more hands than required for work as in the case of India." So according to Gandhiji rural entrepreneurship is the basic concept in the process of economic development of India.

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