IJARSCT

International Journal of Advanced Research in Science, Communication and Technology

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

ISSN: 2581-9429

Volume 6, Issue 7, June 2026

Impact Factor: 8.2

Indian Knowledge System and Mahatma Gandhi's Economic Approach: A Pathway to Sustainable and Inclusive Development

Dr. Manohar Appasaheb Kore

Head, Department of Economics

Willingdon College, Sangli

Affiliated to Shivaji University, Kolhapur, India

Abstract: *The Indian Knowledge System (IKS) represents one of the world's oldest intellectual traditions, encompassing philosophy, economics, governance, ethics, and sustainable living practices. Rooted in texts such as the Vedas, Upanishads, Arthashastra, and Dharmashastras, Indian knowledge traditions emphasize harmony between economic activity, ethical values, social justice, and environmental sustainability. Mahatma Gandhi's economic philosophy draws significantly from these traditional knowledge systems and presents an alternative to modern capitalist and socialist economic models. Gandhi's concepts such as trusteeship, Swadeshi, Gram Swaraj, Sarvodaya, and bread labour reflect the ethical and decentralized economic principles found in Indian tradition.*

This paper examines the philosophical foundations of the Indian Knowledge System and analyzes how Gandhian economic thought represents a modern reinterpretation of these ancient ideas. The study further explores the relevance of Gandhian economics in addressing contemporary global challenges such as inequality, environmental degradation, unemployment, and unsustainable consumption. By connecting traditional Indian economic wisdom with Gandhian principles, this paper highlights the potential of value-based economics for achieving inclusive and sustainable development.

The study is conceptual and analytical in nature and is based on secondary data sources including books, research articles, policy documents, and Gandhian literature. The findings suggest that Gandhian economic philosophy remains highly relevant in the 21st century, particularly in the context of sustainable development goals, ethical business practices, and human-centered development models.

Keywords: Indian Knowledge System, Gandhian Economics, Trusteeship, Swadeshi, Gram Swaraj, Sustainable Development, Sarvodaya

I. INTRODUCTION

India possesses a rich intellectual heritage that has contributed significantly to global knowledge in areas such as philosophy, mathematics, governance, medicine, and economics. The Indian Knowledge System (IKS) is not merely a body of theoretical knowledge but a practical guide for ethical and sustainable living. Economic ideas embedded in Indian tradition emphasize moral conduct, social responsibility, self-reliance, and ecological balance.

Unlike modern economic systems that often prioritize profit maximization and consumption, traditional Indian economic thought focuses on the welfare of all (Sarve Bhavantu Sukhinah), equitable distribution of wealth, and the ethical use of resources. Ancient Indian texts such as Kautilya's Arthashastra demonstrate a sophisticated understanding of taxation, public finance, welfare economics, and state responsibility.

DOI: 10.48175/IJARSCT-36816

Mahatma Gandhi, one of the greatest thinkers and leaders of modern India, reinterpreted these traditional economic values in the context of colonial exploitation and industrial capitalism. Gandhi did not consider economics as a separate discipline but as an integral part of moral philosophy. According to him, "Economics that hurts the moral well-being of an individual or a nation is immoral."

Gandhi's economic ideas emerged as a critique of industrial capitalism, materialism, and centralized production systems. He advocated decentralized production, village-based economies, ethical consumption, and social justice. His economic philosophy was deeply influenced by Indian traditions of simplicity, non-violence, self-discipline, and social welfare.

This paper attempts to explore the relationship between the Indian Knowledge System and Gandhian economic thought and examine their relevance in contemporary economic discourse.

II. OBJECTIVES OF THE STUDY

The present study is based on the following objectives:

1. To understand the economic ideas embedded in the Indian Knowledge System.
2. To examine the major features of Mahatma Gandhi's economic philosophy.
3. To analyze the relationship between Indian traditional economic thought and Gandhian economics.
4. To evaluate the contemporary relevance of Gandhian economic principles.
5. To explore the role of Indian knowledge traditions in promoting sustainable development.

III. RESEARCH METHODOLOGY

The present study is conceptual and analytical in nature. It is based on secondary data collected from various sources such as:

- Books on Indian economic thought and Gandhian philosophy
- Research journals and academic publications
- Government policy documents
- Reports on sustainable development
- Gandhian literature including Hind Swaraj

The study adopts a qualitative analytical approach to examine the philosophical connections between Indian knowledge traditions and Gandhian economics.

IV. INDIAN KNOWLEDGE SYSTEM AND ECONOMIC THOUGHT

The Indian Knowledge System is based on the idea that economic activities must be guided by ethical values. Unlike Western economic models that developed largely after the Industrial Revolution, Indian economic thought evolved within a moral and spiritual framework.

Dharma and Economics

The concept of Dharma plays a central role in Indian economic thought. Dharma refers to righteous conduct and moral duty. Economic activities were expected to follow ethical principles and contribute to social welfare.

The Purushartha framework of Indian philosophy includes four goals of life:

1. Dharma (Righteousness)
2. Artha (Wealth)
3. Kama (Desire)
4. Moksha (Liberation)

Importantly, Artha (wealth creation) was always expected to be guided by Dharma. This indicates that economic activities must be ethical and socially responsible.

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 7, June 2026
Impact Factor: 8.2

Arthashastra and Economic Administration

Kautilya's Arthashastra is one of the earliest works on economics and public administration. It discusses: Taxation systems, Trade regulations, Labour management, Welfare policies, Agricultural development, Public finance Kautilya emphasized that the king's duty was the welfare of the people: "In the happiness of his subjects lies the king's happiness." This idea resembles modern welfare economics and Gandhian Sarvodaya philosophy.

Concept of Trusteeship in Ancient India

Indian tradition emphasized that wealth should be used for social good. The concept that individuals are custodians rather than absolute owners of wealth is reflected in ancient Indian philosophy. This idea later influenced Gandhi's concept of trusteeship.

Sustainability in Indian Tradition

Indian traditions promote sustainable living through principles such as:

- Limited consumption
- Respect for nature
- Conservation of resources
- Balance between human needs and environmental protection

The Atharva Veda considers Earth as a mother (Mata Bhumih Putroham Prithivyah), suggesting ecological responsibility.

Mahatma Gandhi's Economic Philosophy

Gandhi's economic philosophy was human-centered rather than market-centered. His ideas were based on justice, equality, simplicity, and sustainability.

1) Concept of Sarvodaya

Sarvodaya means "welfare of all." Gandhi believed that economic development should benefit all sections of society, especially the weakest.

Sarvodaya reflects:

- Inclusive growth
- Social justice
- Reduction of inequality
- Human dignity

This concept aligns with modern inclusive development policies.

2) Trusteeship Theory

Gandhi proposed the theory of trusteeship as an alternative to both capitalism and socialism. According to this theory:

- Wealthy individuals should consider themselves trustees of society's wealth.
- Wealth should be used for social welfare.
- Economic inequality should be reduced voluntarily.

Trusteeship promotes ethical capitalism and corporate social responsibility.

3) Swadeshi Principle

Swadeshi emphasizes the use of locally produced goods to promote self-reliance and local employment.

Key features include:

- Promotion of local industries
- Reduction of dependence on imports
- Encouragement of small-scale industries

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 7, June 2026
Impact Factor: 8.2

- Economic nationalism

Today, this idea is reflected in initiatives such as Make in India and Vocal for Local.

4) Gram Swaraj

Gandhi believed that India lives in its villages. He proposed the idea of Gram Swaraj or village self-governance.
Features of Gram Swaraj include:

- Decentralized governance
- Local production systems
- Self-sufficient villages
- Participatory democracy

This idea is relevant to modern decentralized development models.

5) Bread Labour

Gandhi emphasized the dignity of labour. According to the concept of bread labour:

- Every individual must engage in physical labour.
- Labour promotes equality.
- It prevents exploitation.

This reflects modern ideas of labour dignity and social equality.

6) Opposition to Industrialization

Gandhi was critical of large-scale industrialization because he believed it:

- Increased inequality
- Promoted exploitation
- Caused unemployment
- Encouraged excessive consumption

However, Gandhi was not against technology. He supported technology that benefited all rather than a few.

Relevance of Gandhian Economics in Modern Times

Gandhian economic philosophy has gained renewed importance in the context of global challenges.

Sustainable Development

Modern development models have caused environmental crises. Gandhi's principle of limited consumption provides a solution.
His famous statement remains relevant:
"The Earth provides enough to satisfy every man's need but not every man's greed."

Inclusive Growth

Rising inequality is a global concern. Gandhian Sarvodaya promotes inclusive growth.

Corporate Social Responsibility

Trusteeship theory is reflected in modern CSR practices where companies are expected to contribute to society.

Decentralization

Decentralized development is now considered essential for balanced growth. Gandhi's Gram Swaraj supports this approach.

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 7, June 2026
Impact Factor: 8.2

Ethical Consumption

Modern movements like minimalism and sustainable consumption reflect Gandhian ideas.

Gandhian Economics and Sustainable Development Goals (SDGs)

Gandhian ideas align closely with the United Nations Sustainable Development Goals:

SDG	Gandhian Principle
No Poverty	Sarvodaya
Decent Work	Bread Labour
Reduced Inequality	Trusteeship
Sustainable Communities	Gram Swaraj
Responsible Consumption	Simple Living

This shows Gandhi's global relevance.

Policy Implications

Gandhian economic philosophy can guide policy making in the following areas:

1. Promotion of rural industries
2. Strengthening cooperative movements
3. Encouraging social enterprises
4. Supporting sustainable agriculture
5. Promoting ethical business practices

Criticism of Gandhian Economics

Despite its strengths, Gandhian economics has faced criticism:

- Considered idealistic by some economists
- Seen as impractical in a globalized economy
- Criticized for opposing industrialization

However, modern sustainability concerns have revived interest in Gandhian ideas.

Findings of the Study

The study reveals the following:

1. Indian Knowledge System promotes ethical and welfare-oriented economics.
2. Gandhian economics is deeply influenced by Indian philosophical traditions.
3. Gandhian principles remain relevant in addressing inequality and environmental challenges.
4. Value-based economics is essential for sustainable development.
5. Gandhian ideas offer an alternative development paradigm.

V. CONCLUSION

The Indian Knowledge System provides a moral foundation for economic life by integrating ethics, sustainability, and social welfare. Mahatma Gandhi successfully translated these ancient principles into a practical economic philosophy suitable for modern society.

In an era marked by environmental crises, inequality, and consumerism, Gandhian economics offers a human-centered alternative. His emphasis on simplicity, decentralization, sustainability, and social justice provides important lessons for policymakers and economists.

The integration of Indian knowledge traditions with Gandhian economic philosophy can contribute to building a more just, sustainable, and inclusive global economy. Gandhi's vision reminds us that true development must focus not only on economic growth but also on human well-being and moral progress.

Thus, Gandhian economics is not merely a historical concept but a relevant framework for achieving sustainable and ethical development in the 21st century.

REFERENCES

1. Bhatt, K. (2019). Gandhian Economic Thought. New Delhi: Rawat Publications.
2. Gandhi, M. K. (1938). Hind Swaraj. Ahmedabad: Navajivan Publishing House.
3. Iyer, R. N. (2000). The Moral and Political Thought of Mahatma Gandhi. Oxford University Press.
4. Jha, L. K. (2007). Gandhian Economic Philosophy. Delhi: Concept Publishing.
5. Kautilya. (2012). Arthashastra (R. Shamasastry, Trans.). Bangalore: Government Press.
6. Kumarappa, J. C. (1951). Economy of Permanence. Varanasi: Sarva Seva Sangh.
7. Mehta, U. (2018). Gandhian approach to sustainable development. Journal of Indian Economic Thought, 12(2), 45–60.
8. Nanda, B. R. (1995). Mahatma Gandhi: A Biography. Oxford University Press.
9. Sen, A. (1999). Development as Freedom. Oxford University Press.
10. Sharma, S. (2020). Indian Knowledge System and sustainable development. International Journal of Research in Social Sciences, 10(4), 112–120.