# **Economic Thought of Swami Vivekananda and Its Relevance**

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### Abstract

Economic ideas have been there since time immemorial. It traces the story of trials and tribulations of human beings in entailing the effort to fulfill their satisfaction. All these stories are succinctly presented in the history of economic thought which provides the historical survey of the origin and development of economic ideas. Thoughts of every age in the context of their surroundings have governed individual actions and policies and are, therefore, important for us. Swami Vivekananda remains one of the most influential personalities of India and the modern world. He is a great visionary, with a rare clarity on diverse aspects of human life. His intimate knowledge of the Indian situation, wide experience across different countries, deep understanding of the civilizational backgrounds and keen intellect gave him a unique opportunity to develop new insights on different subjects, including economics. Swami Vivekananda's vision of economics was concerned with the wholesome development of all categories of people in the country. He strongly advocated what the economists in the recent periods call as 'inclusive economics.' His priority was the removal of poverty and uplifting the poorer and downtrodden sections of the society. He wanted all sections of the country to progress. His emphasis was on the weaker sections and women. He underlined that education and basic facilities be provided to all. His economic views lays emphasis on developed methods of agriculture, village industries, adoption of science and technology and material prosperity with spirituality which seems to be very relevant even today.

Key words: Economic Thought, Swami Vivekananda, Industrialization, Agriculture and Spirituality

It was swami Vivekananda, the beloved disciple of Sri Ramkrishna Paramhansa and the valiant monk who proclaimed in America the greatness of Hinduism and of Indian culture at a time when the West regarded India as a land of barbarians. He was the living embodiment of sacrifice and dedicated his life to the country and yearned for the progress of the poor, the helpless and the downtrodden. He was the great thinker and mighty man of action whose ringing words galvanized the slumbering Indians. For ages to come he will be a source of inspiration.

During his travels all over India, Swami Vivekananda was deeply moved to see the appalling poverty and backwardness of the masses. He was the first religious leader in India to understand and openly declare that the real cause of India's downfall was the neglect of the masses.

Immediate need was to provide food and other bare necessities of life to the hungry millions. He saw India with his own eyes, and very deeply felt in his heart her agonize, her sufferings and weakness. The condition of the poor, the ignorant, and the oppressed made him restless and sleepless. And to find a way out for them he reached the shores of America in 1893. We hear that he went there to speak on religion at the Parliament of Religions. But that was not his objective, which he explained in a lecture in Madras: 'I did not go to America, as most of you know, for the Parliament of Religions, but this demon of a feeling was in me and within my soul. I travelled twelve years all over India, finding no way to work for my countrymen, and that is why I went to America. Most of my own flesh and blood sinking every day, and who care for them? This was my first step

(The Complete Works of Swami Vivekananda, Vol. 3, p.226).

It is well known that the Swami was eager to solve the bread-problem of his countrymen. He said again and again that one cannot practice religion with an empty stomach. There must be food, nourishing food. The wants of the body must be fulfilled. Then only we can devote our mind to higher things. Even before the Parliament of Religions, an American newspaper reported on 29 August, 1893 about a talk given by Swamiji: 'He said the missionaries had fine theories there and started in with good ideas, but had done nothing for the industrial condition of the people. He said Americans, instead of sending out missionaries to train them in religion, would better send someone out to give them industrial education... The speaker explained his mission in his country to be to organize monks for industrial purpose, that they give the people the benefit of this industrial education and thus elevate them and improve their condition' (The Complete Works of Swami Vivekananada, Vol. 3, p.466). Another talk of Swamiji reported by the newspaper on 5 September 1893, in which Swamiji said: 'The great need of India today, which is not the India of fifty years ago, is, he said, missionaries to educate people industrially and socially and not religiously' (The Complete Works of Swami Vivekananda, Vol.3, p.469). Swamiji deeply feel the pain of the countrymen and understand the worthlessness of the missionaries. On September he said in one of his lectures at the Parliament of Religions: 'You erect churches all through India, but the crying evil in the East is not religion- they have religion enough- but it is bread that the suffering millions of burning India cry out for with parched throats. They ask us for bread, but we give them stones. It is an insult to a starving people to offer them religion; it is an insult to a starving man to teach him metaphysics' (The Complete Works of Swami Vivekananada, Vol. 1, p.20).

Initially Swamiji hoped to raise funds for education and industry in India. But in a short time he gave up such hope as impracticable in those days of financial difficulties in America. Moreover, Swamiji realized that India must help herself, if she was to rise again. He wrote to an Indian disciple: 'But you must not depend on any foreign help. Nations, like individuals, must help themselves. This is real patriotism. If a nation cannot do that, its time has not yet come. It must wait' (The Complete Works of Swami Vivekananda, Vol.5, p.109).

In 1897 he came back to India. And he moved from the South to the North, from Colombo to Almora, and gave call his countrymen: 'Arise, awake, sleep no more; within each of you there is the power to remove all wants and all miseries. Believe this, and that power will be manifested.' And he said: 'Let us all work hard, my brethren; this is no time for sleep. On our work depends the coming of the India of the future. She is there ready waiting. She is only sleeping. Arise and awake and see her seated here on her eternal throne, rejuvenated, more glorious that she ever was — this motherland of ours (The Complete Works of Swami Vivekananda, Vol. 3, p.154).

He considered that much of our present degradation, not merely material, was due to our physical weakness. He realized that owing to centuries of oppression, the downtrodden masses had lost faith in their capacity to improve their lot. It was first of all necessary to infuse into their minds faith in them. For this they needed a lifegiving, inspiring message. Swamiji found this message in the principle of the Atman, the doctrine of the potential divinity of the soul, taught in Vedanta, the ancient system of religious philosophy of India. He saw that, in spite of poverty, the masses clung to religion, but they had never been taught the life-giving, ennobling principles of Vedanta and how to apply them in practical life. Thus the masses needed two kinds of knowledge: secular knowledge to improve their

economic condition and spiritual knowledge to infuse in them faith in themselves and strengthen their moral sense.

It became very clear that realizing the basic needs and problems of the people Swamiji raised the basic issues of the common man and try to make the country solve their problems rising on her own feet for the economic and all round development of the country and countrymen as well.

#### **Economic Views of Swami Vivekananda**

Swami Vivekananda was a great global spiritual leader but it is equally true that he had a great concern for the economic well being of the countrymen and therefore he stressed a lot and longed for the economic prosperity of India. He sincerely tried to build a bridge between age old Indian moral and ethical approaches to life and modern economic needs of India.

He was concerned about agriculture and its improvement and wanted to educate the farmers as well as to modernize it by using technology. He talks of industrialization of the country at the same time he pleads for the continuance of small scale and cottage industry. It was Swami Vivekananda who first called attention to establishing the linkage between age old Indian ethical and moral approaches to life and modern economic needs. He repeatedly said, '... the ethical consideration should play an important role during economic decision making' (The Complete Works of Swami Vivekananda, Vol. 4, p.368)

The Indian economy was at its worst period during the times of Swamiji. Dadabhai Naoroji calculated that the national income of India during 1867-68 was 3.4 billion rupees for a population of 170 million, with a per capita income of just 20 rupees<sup>1</sup>. Comparison of per capita incomes of different countries revealed that India's income was very low; 'even the most oppressed and mis-governed Russia' was much

better and it was believed that India was 'the poorest country in the civilized world.<sup>2</sup>

The European domination had made India, the nation with a long history of prosperity and superior achievements, a poor country. The agricultural, industrial and business sectors were destroyed. The replacement of the native education with the Macaulay system resulted in changing the entire course of education, apart from denying it to the larger sections of the society. The value based systems that governed the functioning of the society and economy since the ancient times suffered severe damages.

On India's economic condition during the British rule Swamiji said, "A nation that cannot provide for its simple food and clothing, which always depends on others for its subsistence -what is there for it to vaunt about? Throw your religious observances overboard for the present and be first prepared for the single for existence. People of foreign countries are turning out such golden results from the raw materials produced in your country, and you, like asses of burden, are only carrying their load. The people of foreign countries import Indian raw goods, manufacture various commodities by bringing their intelligence to bear upon them, and became great; whereas you have locked up your intelligence, thrown away your inherited wealth to others, and roam about crying piteously for food" (The Complete Works of Swami Vivekananda, Vol. 7, p.145).

Swamiji saw the old system of Indian economy was shattered, while a new one was not even in anybody's contemplation. Only a few mills and factories came up in India in the second half of the nineteenth century. So, Swimiji was interested that industry and scientific agriculture should come to India, in order to rebuild her economy and create gainful employment for the masses. He encouraged scientific learning and research for the development of the people. He wanted to make India modern and self-sufficient.

He felt that once the minds of the poor were liberated they would be able to resist the tyranny of foreign powers which was responsible for their poverty. Economic exploitation and mental slavery are the twin pillars on which poverty thrives. A mentally agile people are more likely to rise and resist economic exploitation and stop the country's wealth being indiscriminately exported. Swamiji recognizes the fact of India's wealth being exported: 'India is restless with the thought of how to face this spectre of hunger. The draining of the best resources of the country by the foreigners, the unrestricted exports merchandise, and above all the abominable jealousy natural to slave are eating into the vitals of India. First of all, you must remove this evil of hunger and starvation, this constant anxiety for the bare existence...' (The Complete Works of Swami Vivekananda, Vol.5. p.380). Swamiji recognizes that economic exploitation by the British was the root cause of India's poverty. But, at the same time, he puts greater importance on the self-deprecation of the common man of India. Swami Vivekananda acquired deen understanding of the Indian economy due to his first-hand knowledge of the issues as an itinerant monk covering different parts of the country. His experiences and interactions in the foreign countries provided him an opportunity to understand and compare the economic and social systems of different parts of the world.

He advised Indians to be men, full of energy and sympathy for the downtrodden, and to learn science, technology, organization, etc. from the West. For that he planned to spread education throughout the land and called upon the youth to take up the task. Technical training formed an important part of his thoughts on education. That was the starting point, for he knew it would have a multiplier effect and would become the growth engine. He said: 'What we need, you know, is to study, independent of foreign control, different branches of the knowledge that is our own, and

with it the English language and Western science; we need technical education and all else that may develop industries so that men, instead of seeking for service, may earn enough to provide for themselves, and save something against a rainy day' (The Complete Works of Swami Vivekananda, Vol.5 p.368-369).

Swami Vivekananda emphasized the role of the state in ensuring a good quality of life for the common people. His concept for the masses came from his approach towards moral values and concern for their well being. He used to say, '... My idea is to show that the highest ideal of morality and unselfishness goes hand in hand with the highest metaphysical conception, and that you need not lower your conception to get ethics and morality, but, on the other hand, to reach a real basis of morality and ethics you must have the highest philosophical and scientific conceptions. Human knowledge is not antagonistic to human well-being. On the contrary, it is knowledge alone that will save us in every department of life.. The more we know the better for us.' (The Complete Works of Swami Vivekananda, Vol.2, p.355).

## His emphasis on Agriculture

Basically India is an agricultural country. As a true visionary, Swami Vivekananda was fully aware of the importance of agriculture and noted that "Indians must not shy off from their unique characteristic of being an agrarian economy" <sup>3</sup>. He wanted India to adopt modern scientific practices to improve agriculture. He was particular that the small farmers need to be encouraged.

His emphasis on agriculture remains true even in the present context, as about 60 per cent of the population still depends on agriculture and rural activities. We are witnessing as to how the neglect of agriculture after independence is resulting in suicides and the younger generations leaving farming activities. This is not good for the future of the country. India has inherent strengths in agriculture, which the other countries lack.

Besides, there is no other nation in the world that is capable of feeding our population, which is one sixth of humanity.<sup>4</sup>

# His views on Business ethics, Technical Education and Industrialization

Swami Vivekananda talked about two basic pillars of business: Transparency and accountability towards fund and unfailing energy to perform work as worship. He said: '... All combined efforts in India sink under the weight of one inequity -we have not yet developed strict business principles. Business is business, in the highest sense, and no friendship -or as the Hindu proverb says, 'eye shame' -should be there. One should keep the clearest account of everything in one's charge -and never, never, apply the funds intended for one thing to any other use whatsoever -even if one starves the next moment. This is business integrity. Next, energy unfailing. Whatever you do let that be your worship for the time...' (The Complete Works of Swami Vivekananda, Vol. 5, p.114).

He advised Indians to be men, full of energy and sympathy for the downtrodden, and to learn science, technology, organization, etc. from the West. For that he planned to spread education throughout the land and called upon the youth to take up the task. Technical training formed an important part of his thoughts on education. That was the starting point, for he knew it would have a multiplier effect and would become the growth engine. He said: 'What we need, you know, is to study, independent of foreign control, different branches of the knowledge that is our own, and with it the English language and Western science; we need technical education and all else that may develop industries so that men, instead of seeking for service, may earn enough to provide for themselves, and save something against a rainy day' (The Complete Works of Swami Vivekananda, Vol.5, p.368-369).

The next point to determine is about the means of attaining material prosperity. Two ways are before us: the ancient way of small-scale industry; and the modern method of large-scale production. What has Swamiji to say about these means? Does he favor small-scale industrial method? Or the modern industrial method? One thing is very significant. We know that even in the days of the Swami, modern industrialism was in full swing. Small-scale method had been long supplanted by modern industrialism. And the evils of the modern system were also quite apparent, in fact more apparent in his days than now. In those days the labor movement was in an embryonic state. Labor legislations to ameliorate the conditions of workers had just begun. Now workers are much better treated in every country than in his days. Surely the Swami was not slow to observe them. If he had wanted that India should not have anything to do with modern industrialism, he would definitely have warned us against it and definitely asked us to adhere to our ancient methods.

He analyzed Western civilization carefully. He made many pronouncements on it on various occasions. Surely his silence on this point must be explained differently. But, no, he was not completely silent on the evils of Western industrialism. He wrote on one occasion: "Machinery in a small proportion is good, but too much of it kills man's initiative and makes a lifeless machine of him. The men in factories are doing the same monotonous work, day after day, night after night, year after year, each batch of men doing one special bit of work - such as fashioning the heads of pins, or uniting the ends of threads, or moving backwards and forwards with the loom for a whole life. And the result is, that the loss of that special job means death to them – they find no other means of living and starve (The Complete Works of Swami Vivekananda, Vol. 7, p. 317). Doing routine work like a machine, one becomes a lifeless machine.

His whole soul was focused on the improvement of the downtrodden. He did not fail to see through dangers of big business usurping small ones, of profiteering, of exploitation, that come along with industrialization. He unmasked the real essence of capitalism, which has now become mightier than ever before, in a lecture delivered in London, the birthplace industrialization: 'Machines are making things cheap, making for progress and evolution, but millions are crushed, that one may became rich; while one becomes rich, thousand at the same time become poorer and poorer, and whole masses of human being are made slaves. That way it is going on' (The Complete Works of Swami Vivekananda, Vol.2, p.96). He also said: 'Machines do not solve the poverty question; they simply make men struggle the more Competition gets keener' (The Complete Works of Swami Vivekananda, Vol.5, p. 308).

He wanted all development on national lines, instead of imitation, so as to suit the Indian situation and benefit the common masses. Sister Nivedita Wrote: 'Like others, he had accepted without doubt the assumption that machinery would be a boon to agriculture, but he could now see that while the American farmer, with his several square miles to farm, might be the better for machines, they are like to do little but harm on the tiny farmlands of the Indian peasantry... In everything including the problem of distribution, he listened with suspicion to all arguments that would work for the elimination of small interests... 'Of the big business conglomerates, he wondered: 'What beauty of combination was there, amongst a pack of wolves? (Nivedita, 1910, p.227-228).

## **Domestic Production and Export**

Swami Vivekananda advocated the development of the industrial sector for economic progress. He gave much importance to the promotion of a vibrant industrial sector. He was clear about the nature of industrialization also. He wanted Indians

to take steps to make the required items without depending on foreign countries. His discussions with Jamshedji Tata during his voyage to Chicago in 1893 reveal his vision for the development of the industrial sector. Swamiji's emphasis on domestic production instead of imports has become very important for India now, as the country has been facing the heat at several fronts due increased imports in different sectors during recent periods. On his way to Chicago from Japan, Sir Jamshedji Tata was his co-passenger. According to Mahendranath Dutta, Swamiji asked him, by way of suggestion, 'why do you import matchbox from Japan and allow them to take away the major share of the money? By that you can earn only a small profit. If you manufacture it in India, you can earn more, while some people will get employment, and the money of our country will remain there.' It seems he also discussed the need for technical education in India. Tata wrote a beautiful letter to him five years later, on 23 November 1898, in which he said: 'I trust, you remember me as a fellow-traveller on your voyage from Japan to Chicago. I very much recall at this moment your views on the growth of the ascetic spirit in India, and the duty, not of destroying, but of diverting it into useful channels. I recall these ideas in connection with my scheme of Research Institute for Science for India... and I know not who would make a more fitting general of such a campaign than Vivekananda' (Life of Swami Vivekananda, by His Eastern and Western Disciples, Vol.2, p.397).

Swamiji held that export to economically advanced countries can not only bring money, but also induce vitality in domestic industries. He was confident that India can have a ready market for many Indian manufactured items in the West. In a letter from New York he wrote: 'We want an enterprising spirit. Nothing is done by leading idle lives. If anyone forms a company and exports Indian goods here and into England, it will be a good trade. But they are a lazy set, enamoured of

child marriage and nothing else' (The Complete Works of Swami Vivekananda, Vol.6, p.293).

While he was at Belure, one day he suggested to a disciple to start trading Indian goods in the West, for which he was eager to provide support: 'If you cannot procure money, go to foreign countries, working your passage as a Lascar. Take Indian cloth, towels, bamboo-work, and other indigenous products, and peddle in the streets of Europe and America; you will find how greatly Indian products are appreciated in foreign markets even now... Take, for example, such excellent fabric as the Varanasi-made Saris of India, the like of which are not produced anywhere else in the world. Go to America with this cloth. Have gowns made out of this fabric and sell them, and you will see how much you earn' (The Complete Works of Swami Vivekananda, Vol, 7, p.145-6)

### Stress on Material prosperity with Spirituality

Swamiji was clear that material prosperity and spirituality had to go together. He recognized that India was a great mercantile civilization. The spiritual discourse of Sage Vasistha in Ayodhya was given in an ambience of prosperity and strength. Swamiji wanted to rebuild this tradition of strong economy with strong spirituality. The grand cities of the Indus civilization bear witness to this statement. Thus he wanted to blend economic development with spiritual pursuits. Swamiji proposed many new ideas in the field of economics at the global and the Indian levels. He emphasized the need for combing material prosperity with the spiritual values for the allround development of people in different countries. When the western countries were accumulating wealth and involved in enjoying material pleasures, he told them clearly that it was necessary to imbibe higher principles for a meaningful life. The west is beginning to realize the meaning of his words only during the recent years, after suffering a lot. The western economic

ideas revolve around the materialistic aspects only. The economic theories and models that they were advocating over the years are proving to be failures. It is only now that they have begun to understand that life is a complex process of which economics is only a part.

Swamiji's thoughts for the Indian economy encompass different areas that are crucial to the functioning of the economic system. He remains the one spiritual monk who emphasized the need for material progress of the society more than anyone else. This is the reason why he was called as 'father of modern materialism.'<sup>5</sup>. He was not an arm-chair theorist, confined to standard sets of beliefs. His ideas cover diverse aspects necessary for the all-round development of different sections of people and the progress of the nation.

### CONCLUSION

Swami Vivekananda remains one of the most influential personalities of India and the modern world. Though vast changes have taken place in the country since the beginning of the twentieth century, his influence continues to increase over the years. In fact many of his thoughts appear to be more relevant today. He was perhaps one of the foremost Indian economic thinkers who made sincere efforts to balance the ethical approaches with economic pursuits (Ghosh, 2006, p.20).

Swamiji proposed many new ideas in the field of economics at the global and the Indian levels. He emphasized the need for combing material prosperity with the spiritual values for the all-round development of people in different countries. When the western countries were accumulating wealth and involved in enjoying material pleasures, he told them clearly that it was necessary to imbibe higher principles for a meaningful life. The west is beginning to realize the meaning of his words only during the recent years, after suffering a lot.

The western economic ideas revolve around the materialistic aspects only. The economic theories and models that they were advocating over the years are proving to be failures. It is only now that they have begun to understand that life is a complex process of which economics is only a part. Swami Vivekananda underlined that India need to develop her own system for the development of the economy. He wanted India to progress based on our own strength and methods without imitating and depending on other countries.

Swami Vivekananda's vision of economics was concerned with the wholesome development of all categories of people in the country. He strongly advocated what the economists in the recent periods call as 'inclusive economics.' His priority was the removal of poverty and uplifting the poorer and downtrodden sections of the society. He wanted all sections of the country to progress. His emphasize was on the weaker sections and women. He underlined that education and basic facilities be provided to all. His economic views lays emphasis on developed methods of agriculture, village industries, adoption of science and technology and material prosperity with spirituality which seems to be very relevant even today.

Today when the number of people living below the poverty line is increasing every day, people are migrating to urban areas in search of employment, high-tech degree holder youths are migrating to abroad in search of better job opportunities and salary packages, Swami Vivekananda's economic views becomes all the more relevant. The news of farmers' committing suicide in different parts of the country has become the common phenomenon of the day. The government's emphasis on 'Make in India' and 'Skill India' programs really clarifies the significance and relevance of why Swami Vivekananda stressed on technical education, rural

development and industrialization and sustainable development years ago.

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