Gorbachev and Gandhian Economics

Why in news?

Mikhail Gorbachev, the last president of the Soviet Union, passed away recently.

Who is Gorbachev?

- Mikhail Gorbachev is a Russian politician belonging to Communist Party, great reformer and a liberator.
- Under his new policy of **Glasnost** (openness), freedom of expression, Press and broadcasting, etc. were expanded.
- Under Gorbachev's policy of **Perestroika** (restructuring),
    - The first modest attempts to democratize the Soviet political system were undertaken
    - Some limited free-market mechanisms began to be introduced
- In foreign affairs, Gorbachev from the beginning cultivated warmer relations and trade with the developed nations of both West and East.
- Throughout 1989 he voiced his support for reformist communists in the Soviet-bloc countries of Eastern Europe.
- He worked for democratization and decentralization of Russia's political system.
- On December 25, 1991, Gorbachev resigned the presidency of the Soviet Union, which ceased to exist that same day.

How is the present Russia?

- **Geopolitical**- NATO is expanding eastwards and Russia has Ukraine as its battleground.
- **Political**- The return of authoritarianism under Vladimir Putin could be witnessed.
- **Economy**- Russia has not recovered from the shock it got from Boris Yeltsin's "big bang" capitalisation imposed by U.S. economists.
- Between the big bang capitalist reforms of the Russian economy in 1991 and 1994, life expectancy fell from 64 to 57 years.
- The Russian deaths were caused by the imposition of an economic ideology that claimed that everyone will be better off when the state is pushed back, the economy is deregulated, and capitalist spirits are let loose.

How did the ideological war affect Russia?

- The 20th century witnessed ideological battles among economists: communism, socialism, and capitalism.
- The capitalist model is founded the ideology of two fundamental ideas.

- **Property rights over human rights**- In capitalism, whoever owns something has the right to determine how it will be used; and must have a greater say.
- The democratic principle of human rights requires that every human being, black or white, billionaire or pauper, has an equal vote in governance.
- Global trade rules, national financial and trade regulations have made it easier for investors to enter and exit countries while stopping human migrants from searching for better opportunities across the borders.
- Ideologies of elected governments and free markets were the joint victors of the ideological war between the West and the Soviet Union.
- **Hardin's Tragedy of the Commons-** It says that communities cannot manage shared resources and therefore, common property must be privatised for its protection.
- When a public resource is privatised, those who already have wealth can buy it and become even wealthier.
- Thus, when capitalism is unleashed, inequalities will increase, as they have in Russia and around the world since the 1990s.

What is Gandhian economics?

- New models of cooperative governance are required to realise the promise of humanity's shared commons.
- Mahatma Gandhi's calculus is guided by the principles of
    - Human rights
    - Community management
    - Equity
    - Ethics
    - Fair sharing of power and resources
- These principles aid in realising the promise of our commons, and provide Poorna Swaraj to all citizens.

References

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