

Ancient Wisdom: Source for innovation in
Marketing?
Gandhian Economics: An inspiration for modern
Green marketing practices.

The study of 'Green' practices or environmentally friendly practices is not a new one in the Indian context. The foundation for this was laid from time immemorial in our Holy Scriptures which was further strengthened during the pre and post colonial era. The 'Gandhian way of life' was a reinforcement of inculcating 'Green' practices in our daily lives. The three R's of green marketing –Reduce, Reuse and Recycle had been a way of life then. However the advent of industrialization changed the story. As India moved from an agrarian economy into an industrial one, the country saw other new developments in terms of Globalization and Liberalization. The transition continues to a service economy. This transformation brought on the modernized way of life, comfortable and secure, but at the cost of increased demand on our natural resources. As a country, India progressed leaving the burden on its natural capital. With the growing societal awareness and concern on symptoms like global warming, polar ice melts, acid rain and others, UNO and other bodies have been moderately successful in intervening and mediating among the haves and have-not nations. Consequently, Indian industries are slowly moving towards adopting environmentally friendly practices by reducing the waste production and contributing their share back to Mother Earth.

This paper delves into the past by understanding the manner in which 'Green' concepts were practiced in society. It tries to connect the 'Green' industry practices of the modern day with the teachings of Gandhian and Schumacherian principles. This paper tries to connect the Gandhian economics to the modern day concept of Green Marketing.

Key words: green marketing, Gandhian economic principles, industrial revolution, resource conservation

History of environmental conservation in the Indian context

Ecological conservation in ancient India

India has always been a land of diverse cultures and religions, drawing curiosity among the western world. The different religions, languages customs beliefs have been a subject of study for many years. In the modern times India is the second largest populated economy in the world and India will have the highest number of youth workforce by 2020. However, the proliferation of technology in daily life has caused Indians to strain their relationship with the environment. The environmental concerns which have aroused in past decades may be due to this disturbed relationship with the environment. The preaching in the religious books advocated a harmonious relation between man and nature leading to an environmentally friendly life are slowly been phased out. On comparing some of the religious practices followed in India towards conserving the environment it would come as no surprise that the modern day jargons of ‘lean and green’, or zero wastages are nothing but paraphrasing the ancient texts.

The culture of conservation goes back to ancient Vedic period. The four Vedas – The Rig Veda, The Sama Veda, The Atharva Veda and The Yajur Veda are full of eulogies for the natural elements. Worshipping the Sun was of utmost importance as the importance of the solar rays was realized even in that time. The Gayatri Mantra is full of praise for the Sun. Similarly Thiruvalluvar’s Kural, an ancient text in Tamil from south India stresses the need

to remain under nature's protection: 'Sparkling water, open space, hills and forests constitute a fortress.' Guru Granth Saheb states, 'Air is the guru, water is the father, and earth is the great Mother of all.' Flora and fauna and their associations with human beings were depicted in epics like the Mahābhārata, the Rāmāyaṇa, and in Kālidāsa's compositions such as Meghadūta, Abhijñānaśakuntalā, etc. Manusmṛti, an early Sanskrit text, gives a distinct classification of plants and states that some of them can experience pleasure and pain and have awareness. Watering the plants is considered as greatly rewarding in the dharmasāstra texts. It was out of this concern for environment that many of the conserving practices were prescribed as a part of a religious ritual. This ensured that these environmentally friendly practices were practiced. An instance for this could be the veneration of the *Pipal tree (Ficus religiosa)*. The *pipal* tree continuously releases oxygen in the atmosphere, and therefore, such knowledge must have been put into a spiritual form by our ancestors.

The tradition of sacred groves (Amirthalingam, 1998) was also rampant and is still practiced in most parts of India. A sacred grove is a patch of natural forest usually adjacent to villages. Sacred groves were out of bound for forest produce- no timber, twigs, flowers or fruits could be taken away from here. No cutting or planting was allowed and its denizens were protected from human interference. Such groves were regarded as the abodes of gods and goddesses or spirits whose wrath could be triggered on violating these rules. In today's terminology

they were the gene banks of flora and fauna. It was observed that these groves had to be protected even then as they need to be now.

Introduction to Gandhian Economics:

India and Gandhiji are two inseparable words. India was known to the world by this great saint. Mohandas Karamchand Gandhi, an ordinary name which by his deeds was transformed to Mahatma. On one side where history looks up on Mahatma as a freedom fighter, a non-violent reformer, this paper focuses on understanding how the modern day green practices could have been influenced by Gandhiji's economic programs envisioned for India. Schumacher in his book titled "Small is beautiful" commented that Gandhiji's economics, for all its lack of professional sophistication was product of a wise soul, one which shrewdly insisted on moderation, preservation and gradualism. Gandhiji's economics started (and ended) with people, with their need for strong morale and their desire to be self determining (Schumacher, 1973). Unlike Marxian approach of 'violent socialist economy', Gandhiji built a system of non-violent economy. The Gandhian model of decentralized economy and planning centers around his ideas of economic philosophy, decentralization, machinery, emphasis on agriculture and tiny sector co-operatives, distributive justice, employment, mixed economy and the Doctrine of trusteeship etc., (Sinha, 2009). Gandhian ideologies have traditionally dealt with the economic way of life. Simple living high thinking has been a core ideology. This tells

us about how Gandhiji visualized the repercussions of extending our needs and wanting for more. It is to be noted here that natural resources do not replenish themselves as quickly as we exhaust them. By leading a simple life devoid of plentiful wants one can be in harmony with the nature and oneself.

Some of the economic principles advocated by Gandhiji are discussed below

a. Self Sufficiency of villages and promotion of cottage industry

India has been an agrarian society and 70 percent of the population still resides in rural areas.

Gandhiji was a strong believer in the self sufficiency of villages. His model was to enable the rural Indians to earn a living for themselves within their villages instead of moving to urban areas. The term rural Indians takes in to consideration all the professions like weavers, cobblers, blacksmiths etc in addition to the farmers. For Gandhiji, the spirit and the soul of India rested in the village communities. He said, "The true India is to be found not in its few cities, but in its seven hundred thousand villages. If the villages perish, India will perish too (Kumar)". The self sufficiency of the villages implied that whatever was produced in villages had to be first used by the members of the village and if there was excess left it could be sent to different villages. By doing this the villages would not be economically dependent on external markets thus making them less vulnerable to external

forces and it also avoided unnecessary, unhealthy, wasteful, and therefore environmentally destructive transportation. Gandhiji's dream was not of personal self-sufficiency, not even family self-sufficiency, but the self-sufficiency of the village community. Another important aspect to be considered here was that of cottage industry. Gandhiji was not against the idea of setting up large scale industry but he detested its random and indiscriminate development. He wanted an integrated development of agriculture and industries with an emphasis on handicrafts and cottage industries (Sinha, 2009). By supporting the cottage industry Gandhiji wanted to bring in the decentralization in the society and cottage industry was a means to achieve that. Cottage industry was also a good source in generating employment and was an excellent source of reusing material which was discarded by agriculture. The cottage industry also presented an opportunity for environmentally friendly buyers and suppliers to exchange their goods at a common platform thus creating a market for such home made goods

b. The concept of Swadeshi

Gandhiji opposed the centralized, industrialized and modernized process of production. He believed that there should "Production by masses, instead of Mass Production (Kumar)". The ideology behind this thought was that mass production is concerned only with the product whereas production by masses is concerned with the producer as well as the process. An economy where there is a concern for producer as well as the process

encourages mutual aid. On the other hand and economy involved into production alone encourages individualistic attitude without any mutual understanding towards the process or the producer. In such a society where people are devoid of the conditions faced by their neighbor, cannot contribute to the well being of the society let alone the environment. The process of industrialization, as per Gandhiji, causes people to uproot from their villages and work in factories instead of self respecting members of a village community. As the technology progresses, machines replace the human hands, it leaves people jobless and homeless and heavily dependent on the state. In such a scenario the need to satisfy “self” arises before the need to do what is beneficial for the society and environment as a whole. On one hand, where mass production contributes to the economy, it also leads to ecological devastation. The natural world transformed into a desert and the cities to concrete jungles are a classic example of economic progress and ecological devastation. The technological advancement has caused the modern man to experience himself not as a part of the nature, but as an outside force destined to dominate and conquer it. Bearing all this, he advocated the ‘Swadeshi’ movement. He defined Swadeshi as “the spirit in us which requires us to serve our immediate neighbors before others and to use things produced in our neighborhood in preference to those more remote. So doing we serve humanity to the best of our capacity”. He was not against the usage of foreign products, however

only if those products could not be made locally. To put it in modern terms he was against the idea of outsourcing.

c. Equitable distribution of resources

Gandhiji believed that only when there was equitable distribution of wealth, would there be a lesser exploitation of resources. By equitable he did not mean that everyone would have the same amount but everyone would have as much as his or her own needs. So the real meaning of economic equality was: "To each according to his need." That was the definition of Marx. If a single man demanded as much as a man with wife and four children that would be a violation of economic equality. He believed that natural ability is unequally distributed. While we all have a right to equal opportunities, nevertheless, we have not all the same abilities. Therefore Gandhiji insisted that the business talents and know-how of the capitalists should be encouraged and made used for the benefit of the poor people. Also if there was equitable distribution of resources it would ensure that the gap between 'haves' and 'have not' would be reduced. This would imply lesser exploitation of resources. The competition for procuring resources would be reduced. This would mean lesser production and lesser usage of natural resources.

During early period of industrial revolution, industry operated freely, without considering the limits of nature. Natural resources were treated as being infinite and for sole purpose of mankind.

Gandhiji is not often quoted or mentioned in books of ecology or environmental conservation movements. However his teachings can be the basis for the 'Green practices' in the modern days. His concern for the environment can be inferred from his famous pronouncement that the -Earth has enough to satisfy everyone's needs but not everyone's greed.

Gandhiji's economic ideals bore resemblance to the ecological economics as they were different from the conventional economic ideals. This paper discusses how the green marketing practices of modern days form a subset of Gandhian economic principles.

Green Marketing practices of modern times

The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" (Karl E.) in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

According to Michael Polonsky, in "An Introduction to Green Marketing," "green or environmental marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment"

This definition suggests that green marketing could range from modifying a product's packaging to changing

advertisement methods. Green marketing goes hand in hand with the commitment to operate an eco-friendly business. (Ottman, 2011) in her book *Green Marketing* suggests that conventional marketing won't work today. It is crucial for businesses to market themselves and their products as eco-friendly to have any chance at sales success. Green marketing could also be defined as "The process of selling products and/or services based on their environmental benefits". This is because preserving the environment is on the top of modern consumer's minds today. In order to reach these consumers, marketing efforts should be targeted towards them.

i. Life Cycle assessment

Another tool which assists companies in evaluating the impact which their products or services have on the environment is that of life cycle assessment. Life cycle assessment provides a strategic map for the companies to achieve their environmental conservation goal. LCA has its roots in the 1960s, when scientists concerned about the rapid depletion of fossil fuels developed it as an approach to understanding the impacts of energy consumption. A few years later, global-modeling studies predicted the effects of the world's changing population on the demand for finite raw materials and energy resource supplies. (D. Meadows, 1972)

The goal of LCA is to compare the full range of environmental effects assignable to products and services in order to improve processes, support policy and provide a sound basis for informed decisions. Life cycle assessment is also known as cradle-to-grave analysis. It

deals with stages in the lifecycle of a product from extraction (cradle) to its decomposition (grave). The term *life cycle* refers to the notion that a fair, holistic assessment requires the assessment of raw-material production, manufacture, distribution, use and disposal including all intervening transportation steps necessary or caused by the product's existence. The Life cycle assessment consists of 4 phases which are as follows:

1. The Goal and Scope definition
2. Inventory of all inputs and outputs related to the product system
3. Assessment of the potential impacts associated with these inputs and outputs
4. Interpretation of the inventory data and impact assessments

Life cycle assessment is an iterative process. The information obtained from LCA influences environmental policies and regulations. As demand for “green” products and pressures for environmental quality continue to mount, it is quite likely that industrial life cycle analysis will become in the 1990s what risk assessment was in the 1980s.

ii. The waste hierarchy

“Nothing in nature is exhausted in its first use. When a thing has served an end to the uttermost, it is wholly new for an ulterior service.”- (Emerson, 2009)

This proverbial wisdom has a greater meaning attached to it. If one were to conceive this practically it means there is

no scope for landfills or smokestacks, which is the nature's way of functioning. The environmental challenges faced by the society today, like climate change, water shortages and loss of bio diversity may not contribute to business strategy directly but they surely cause a shortage of resources which eventually affects the business strategy. From an economic perspective scarce resources get expensive over a period of time as they cannot be replenished as easily as they were destroyed. The movement to encourage consumers to reduce their impact on the environment began in 1980s by a widespread educational campaign comprising of the 3 Rs- Reduce, Reuse and Recycle. The 3 Rs were developed by Peter Groves in order to simplify the waste management pyramid. The relevance of each R is mentioned below:

Reduce – This implies to purchase and/or use a product sparingly. This resonates to the Gandhian Principle of leading a simple life refraining materialistic wealth and leading an austere life. His famous quote –“Earth has sufficient for everybody's need but not for everybody's greed” summarizes the importance of using resources sparingly.

Reuse – This implies making efficient use of discarded items and preventing them from going in the land fill. The physical properties of the item remain the same.

Recycle – In this the items discarded are separated into materials that may be incorporated into new products. Unlike reusing, energy is used in recycling to change the form of the item.

To put it in Gandhian terms it would be adding another R – Refuse or Aparigraha (non-possession). An austere life would mean refusal to all the luxuries offered. This has an implication in today's world where the consumer succumbs to wants without considering their real utility. This leads to excessive production and thus depletion of the natural resources.

Green marketing a subset of Gandhian economics

This section will try to bring out the interrelatedness of Gandhian economic principles and Green marketing concepts by taking into consideration the principles of Swadeshi, Self Sufficiency and Trusteeship. Gandhiji had

i. The concept of Swadeshi

An important aspect in green marketing is that of greening of supply chain (Winston, 2009). Achieving Green distribution chain is also one of the important tenets of Life Cycle Assessment.

One way of achieving the 'Green Supply chain' is by reducing the frequency of transportation, or reducing the distribution footprint. In an era of Globalization, the concept of '*Swadeshi*' would be out of context, however if one were to think rationally would it not be easier to sell local produce in the local market (J.C.Kumarappa, 1951). This would have a twofold advantage one of dealing with unemployment and the other of reduction in distribution footprint. This would bring along some

limitations, in terms of procuring resources, but it would greatly reduce the distribution footprint. The aspect of local production (Swadeshi) has a strong implication in the current economic scenario where most of the countries and legislators are framing various rules to control the carbon emissions. Globalization has brought a level of interdependence between nations and regions that has never existed before, along with truly global problems that have no precedent. This includes environmental crisis such as increased levels of waste and toxic and growing stress on a host of finite natural resources, but also widening gaps between wealthy and the poor. (P.Senge, 2010) The principle of 'Swadeshi' opposed this interdependence. Swadeshi involved use of all homemade domestically produced things to the exclusion of foreign things. The impetus for Swadeshi had been a different one in the pre-independence era, however from environmental aspect it still served the purpose.

Green Marketing concerns itself with the greening of supply chain which implies that both the suppliers and the manufacturers need to replace energy inefficient equipments, redesigning products and packaging, finding less polluting sources of energy, or instituting energy savings programs. In the field of economics "Swadeshi" is another name for traditional Indian lifestyle which restricts socio-economic interactions and interdependence largely to Panchkroshi i.e a peripheral distance of 10 miles or 16 kilometers minimizing trade between local/rural areas. In the current globalized and liberalized

economic environment of India, businesses are concerned with developing faster and effective means of transporting goods from one corner of the country to other. This requires a fleet of trucks, buses and other modes of transportation which contribute to the carbon emission. This carbon emission if left unchecked will lead to major climatic changes. The concept of Swadeshi through its decentralization production and distribution system offers solution to the distance, speed and cost of transportation. It also enables saving on high fuel costs. It also implies that if we are able to successfully manage our production locally then the imports could also be reduced to a great extent.

ii. Empowering the rural communities

The life cycle assessment aspect Green marketing works on the principle of conducting the marketing activity by conserving the environment. In order for the marketing activity to happen, an exchange is essential. A buyer and seller both interested in selling and buying products which are environmentally conducive is an essential condition.

As stated earlier Gandhiji supported the village communities. The cottage industry which was a part of this was a source of manufacturing environmentally friendly products. In addition to this since each village was self sufficient unit there was no need to depend on external suppliers and customers. The products produced by the villagers were sold locally in their respective villages. The producers and the buyers were aware of each other's resources and their limitations. Hence there

was no need for eco-labels. The process of barter prevented them from usurping each other's resources. It also helped in reducing waste. As the waste generated by one industry would form the input for other industry, the process of recycling. This precisely is the concept of lean management in the modern days. It deals with providing maximum value to the customer by minimizing wastage. As Gandhiji had quoted - Earth has enough to satisfy everyone's needs but not everyone's greed. (Kumar). Gandhiji had envisioned the self sufficiency of the village to such an extent that they would not have to depend on the state for any resources. Sadly, to this day not many villages are self sufficient. The effective methods of rain water harvesting, turning the waste to eco-friendly fertilizers have not yet reached the interior villages of India and they still continue to face the whims of nature. Gandhian economic principles can be applied to rural India, to ease their dependency on nature. The recent suicides by farmers due to lack of capital to sustain themselves and their families could be resolved by a making them self sufficient and at the same time encouraging cottage industry. The goods manufactured by the cottage industries need to be promoted within and outside the country.

The connect between Green Marketing and Gandhian Economics

To minimize environmental impact by significant orders of magnitude requires the lending of good engineering with good economics as well as changing consumer

preferences. (A.Grubler, 2006). The connection between the Green Marketing principles and Gandhian economics is not a direct one. While on one hand green marketing tries to do its share of contributing to the environment while earning a profit, Gandhian economics deals more with the social aspects of business. Gandhiji had anticipated most of the environmental problems we face today. Although not a real environmentalist Gandhiji tried to integrate various principles from different disciplines like economics and philosophy to achieve what could be the three pillars of sustainability in today's terminology-people, planet, profits. This is the foundation of the 'Green movement'.

His ideas about human connectedness with nature are not so explicit unlike most of his other ideas, and they have to be gauged from a careful reading of his voluminous writings (Thomas, 1999). In his opinion modern civilization promoted materialistic pleasures of life forgoing the need to be strong ethically. In economic terms the modern civilization increased the multiplicity of wants instead of seeking to derive the pleasures achieved by satisfying those wants. If demands are kept minimal there is a very little need for exploitation of resources and materialistic resources are not needed to achieve contentment. The industrial age has brought extraordinary improvements in public education, human rights and material well being, but it has also destroyed ecosystems, swallowed up traditional cultures that had strived for centuries and created a way of life that is not sustainable (P.Senge, 2010). Hence just increasing the production

capacity or modernization is not going to result in worldwide happiness, but it will surely decrease the natural resources and bring on ecological digress.

Green marketing must satisfy two objectives reducing environmental quality impact in the product lifetime and customer satisfaction. There is no product which has zero environmental impact, however when the term “green” or “environmentally friendly” product is used, it implies that the product strives to enhance the environment by conserving resources and eliminating the use of toxic agents. (Jacquelyn Ottman, 2006).The concern for environmental conservation has been rising in the consumers as well as in the industry practitioners. Hawken (P.Hawken, 1999) suggests that a sustainable business model requires ‘product dematerialization’, meaning shifting commerce from sale of goods to sale of services. An economy based on flow of services. This was similar to what Gandhiji had envisioned for the Indian economy. An economy based on services will give a new perception of value, a shift from the acquisition of goods as a measure of affluence to an economy where continuous receipt of quality and performance promotes well being (P.Hawken, 1999). Several recent studies (Nulkar, 2012) have shown that there is a competitive advantage in adopting green practices from a company’s perspective.

In this context it is worthwhile to take a look at the cottage industries prescribed by Gandhiji as a measure to

generate employment in rural areas. The definition of cottage industry is as follows:

A unit was, broadly speaking, termed a cottage unit when

- (1) The production activities are conducted in the residence of the artisan;
- (2) The unit, employed is mostly family labour;
- (3) The unit was run mainly on manual labour; and
- (4) The market for the unit's products did not extend beyond the locality where the unit was situated.

The cottage industry has great potential in contributing to 'green marketing'. The cottage industry relies on nature and human craftsmanship to sustain and enables them to be self sufficient. The products produced in cottage industry are unique given the fact that they are not mass produced. It provides employment to the skilled personas in their own localities thus curbing the migration of the laborers from villages to cities. This reduces the burden on cities in terms of providing them with basic necessities of life. Consumers these days are not just concerned with a green product but they are equally concerned about the process behind making that product. Handicrafts and cottage industries have a green manufacturing base as they mostly use the by-products left out from agriculture. They are labor intensive and thus promote intimate relations within communities, unlike the large scale industries which are machine intensive. However cottage industries suffer due to lack of marketing and promotions. From a Green marketing perspective it would be beneficial if the products from these industries would be

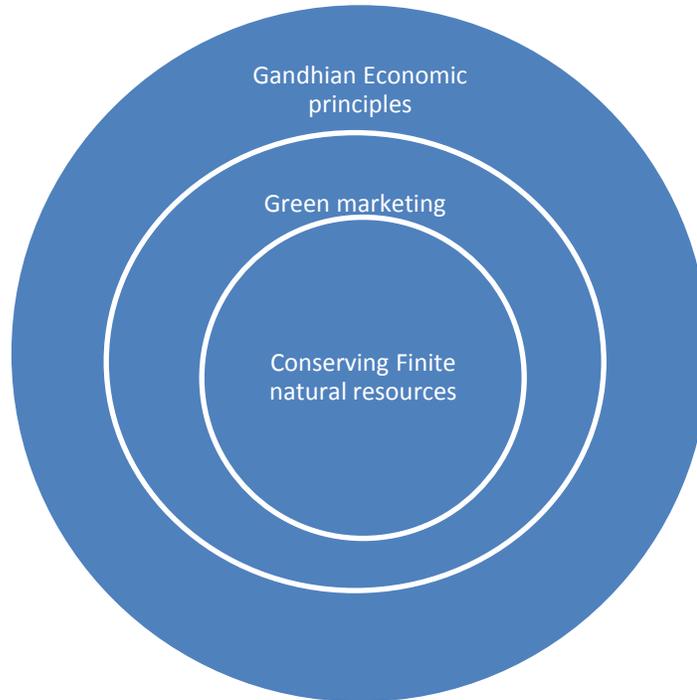
labeled and promoted on a large scale. Thus cottage industry could aid in making village economy sustainable. Such self sufficient villages would contribute to an economically sustainable nation.

Conclusion:

The green marketing ideology has been around for quite some time and many modern businesses are trying to incorporate the 'greening' effect in their businesses either to create a separate identity for their products or with a genuine concern for the environment. The environmentally friendly concepts may be new, as far as the global environment is concerned but in Indian setting they have a glorious past which worshiped the forces of nature and nurtured them. Do we protect our past or adopt the future trends? The contribution of Mahatma Gandhi is notable in this regard. His interdisciplinary approach towards business is similar to the current sustainability initiatives of industry. If conservation had to become a way of life, it must be a part of the activities leading to sustainance. For Gandhi, economics was not an end in itself, but the means, and it was the means towards creating a society in which each individual lived with dignity. Morality was at the core of his economics

His economic principles underlined that nature and human existence can be harmonious if we learn to minimize our wants. This may perhaps be the vital factor missing from the current focus of green marketing. By considering Gandhian economic principles like Swadeshi

and self sufficiency there is a scope of lightening the human footprint on Earth.



Framework of the paper

References

- A.Grubler. (2006, March). Doing more with less:Improving environment through green engineering. *Environment -Science and policy for sustainable development* , pp. 22-37.
- Amirthalingam, M. (1998). Sacred Groves of Tamil Nadu: A Survey. *CPR Environmental Education* .
- D. Meadows, a. J. (1972). *Limits to growth*. New York: Universe Books.
- Emerson, R. W. (2009). *The essential writings of Ralph Waldo Emerson*. Random house LLC.
- J.C.Kumarappa. (1951). *Gandhian Economic Thought*. Vora & Co.,.
- Jacquelyn Ottman, E. S. (2006, June). Avoiding green marketing myopia. *Environment- Science and policy for sustainable development* , pp. 22-36, Vol 48, no. 5.
- Karl E., H. a. *Ecological Marketing*. American Marketing Association.
- Kumar, S. The Case Against the Global Economy - and for a turn toward the local. In *Gandhi's Swadeshi - The Economics of Permanence* .
- Molakkattu, J. S. (2010). Gandhi as a Human Ecologist. *Journal of human ecology* .
- Nulkar, G. (2012). SME and environmental performance: A framework for Green Business Strategies. *International conference of trade,Markets and Sustainability*. Pune: Procedia Social and Behavioral sciences.
- Ottman, J. A. (2011). *The New Rules of Green Marketing: Strategies, Tools and Inspiration for Sustainable branding*. Greenleaf Publishing.

P.Hawken, A. a. (1999). *Natural Capitalism:Creating the next Industrial revolution*. Boston: Little Brown and company.

Peter Senge, B. S. (2010). *The necessary revolution*. Great Britain: Nicholas Brealey publishing.

Priyadarsan Sensarma, . (1998). Conservation of Biodiversity in Manu Samhita. *Indian Journal of history of science'* , 33(4).

Schumacher, E. (1973). *Small is beautiful*. Harper & Row., Publishers, Inc.

Sinha, A. K. (2009). *Economics of Mahatma Gandhi Challenges and development*. Deep and Deep publications pvt ltd.

Thomas, W. (1999). Gandhi, Deep Ecology and Buddhist Economics. *Journal of Peace Research* , 36 (3): 349-361.

Winston, A. (2009). *Green Recovery*. Harvard Business Press.