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# Gandhi on Trusteeship: A Transforming Ethic

*Godric Bader*

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the son of Ernest Bader, who  
founded Scott Bader Co. Ltd. in  
London in 1920. In 1951 it be-  
came one of the few business  
examples of Gandhi's Trustee-  
ship principle in action. Godric  
worked for Scott Bader since  
1945, co-founding the Com-  
monwealth that holds in trust-*



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don (evacuated to Kings College, Cambridge, 1943). This ar-  
ticle is adapted from a chapter in Gandhi and the Contempo-  
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It is not widely appreciated that Gandhi's basic commitment to nonviolence, for which he is probably best known, extended well beyond direct conflict resolution to the very root causes of violence that are inherent and endemic in our present economic, social, and industrial systems. He explains this commitment as Ahimsa (non-injury in thought, word, and deed to all forms of life, including nonviolation of another person's essence) together with Satyagraha (militant action with concern for the opponent; truth-force; life force). It consists not only in noncooperating with the social evil, but also in preparing others for that noncooperation, and, above all, in effecting a change in the hearts of individuals responsible for that evil. This commitment goes much deeper than just being nonviolent in the sense of pacifism;

it sees that war cannot be avoided so long as the seeds of it remain in the human breast and grow and develop in social, political, and economic life.

“Mohandas K. Gandhi sought first to change India, and then through her the world, so that humankind may attain a collective liberation from injustice, inequality, exploitation and war.”<sup>1</sup> Gandhi believed change should and would be brought about through the application of his concept of Trusteeship. “Change” is actually much too mild a word for Gandhi’s goals; “transformation” is a better word. Gandhi sought to bring about fundamental change by transforming consciousness, changing mindsets, and raising human awareness.

Trusteeship essentially means having faith and confidence in a process of taking responsibility for assets and social values, and administering their rightful and creative usage for the benefit of others—now, and in coming generations.

Our need for such a transforming ethic as Trusteeship has old roots. The splitting away of economics from moral philosophy was part of the secularization of values that took place at the end of the Middle Ages. The consequent study of economics quite separately from its original ethical grounding eventually resulted in both capitalist and Marxist economists propounding the existence of immutable scientific economic laws and concepts. We all now live in collapsing ecological and socio-economic systems based on developments since the Industrial Revolution that were motivated largely by gain and power, so it is not surprising that such systems are unable to reflect or sustain our true needs—purpose and identity.

For our further evolution we have an essential need to release the Divine spirit and purpose. Gandhi yearned to provide an environment in which this could be achieved. Influenced by his time and education in the U. K., he gradually developed his ideas on Trusteeship. The primary inspiration for this concept was the unfailing source to which his inner spirituality continually led him back, namely, the Bhagavad Gita. He understood the Gita teaching of nonpossession to mean that those who desire salvation should act like the trustee who, though having control over great possessions, “regards not an iota of them as his own.” He was undoubtedly also influenced by his study of British jurisprudence, and by the Christian ethic of stewardship.

Gandhi’s understanding of Trusteeship is basically a principle of economic conscience, a dynamic model of the concept of economic organization and moral imperatives. Yet Gandhi was no economic determinist—indeed he was opposed to determinism of all kinds. His Trusteeship does not pretend to provide

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a prescription for giving the fullest release of human energy in the economic system, nor is it a concrete analysis aiming at optimum economic and social organization, as Marxism and systems of state control, or capitalism, claim to do.

Gandhi felt that his concept of Trusteeship has the sanction of philosophy and religion behind it, that it “will survive all other theories” because “no other theory is compatible with Truth and Nonviolence.” I see Trusteeship through Gandhi’s eyes, as having the greatest ultimate strength and power because, through its basic spiritual truth, it is able to regenerate such moral and spiritual energy that it will eventually overtake capitalism, socialism, and even such recent developments as “socially responsible capitalism” and “democratic socialism” (both of which are now adopting elements of Trusteeship).

J.D. Sethi wrote, “Trusteeship has been considered the most original of all Gandhi’s ideas and concepts. It was also the most tentative since he did not have time to experiment with it on a scale that would match the grandeur of the concept. He did not have time enough even to define it precisely, not to speak of spelling out its full implication in concrete terms. Nevertheless he was laying firmly the principle for achieving something very big, namely, a comprehensive system that could replace both exploitative capitalism and bureaucratic statism.

“Trusteeship rejects both the capitalist and communist systems as practiced today, along with their respective ideologies. It is firmly based on participatory democracy. Trusteeship is a fraternal partnership between all factors of production, with the aim of achieving larger social benefit rather than working toward a narrow economic objective such as profit.”<sup>2</sup>

One of the more significant attempts to promote Trusteeship was the launching of the Trusteeship Foundation in Bombay in early 1973, through the inspiration of Jayaprakash Narayan. “J.P.” was a very influential, revered figure throughout India. Originally a Marxist, he had been convinced by Gandhi to support his views, as a result of which he was jailed by the British. He later worked in Congress with Nehru, and was urged to run for President, but declined; he was later “detained” in house arrest by Indira Gandhi, illustrating how threatening these ideas can appear to the establishment. The principle objective of the Trusteeship Foundation is to propagate the concept and ideal of Trusteeship as advocated by Gandhi. Over the years since its founding, many eminent economists, industrialists, trades union leaders, social workers, and professionals have been associated with the work of this Foundation.

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Gandhi is quoted in one of the Trusteeship Foundation publications, "Humanized Society Through Trusteeship," as saying that everything belongs to God and is from God; therefore it is for His people as a whole and not for a particular individual. When an individual has more than his or her proportionate share, he or she becomes a Trustee of that portion for God's people.

Gandhi anticipated that his ideas would be scorned after his death, but predicted that they would be resurrected and seen to be relevant within a few decades. Following independence the forces of the old mindsets rejected and scorned the principles of Trusteeship and Gandhi's hopes of decentralization and restoration of village life. Nehru indeed found these concepts practically and politically impossible to follow. They were finally lost almost entirely through India's adoption of Western industrial practices.

The Trusteeship Foundation organized an international conference in 1979, which resulted in a small number of industrial companies endeavoring to live out the Trusteeship concepts. In 1985 a special issue of the magazine *Gandhi Marg* was totally devoted to reporting a three-day seminar on Trusteeship held at the Gandhi Peace Foundation. Commenting on India's mixed economy model of that time, the introduction states: "The Seminar examined at great length the philosophical, ideological, and theoretical aspects of Trusteeship as propounded by Gandhi and his colleagues and comrades....[It] threw up a lot of questions and doubts about the practicality of the idea of Trusteeship.... It was not left to others to answer the questions [but the questioners] tried to answer them...without losing faith in the idea itself. This is characteristically a Gandhian way of analyzing problems.... The overall Gandhian approach is that whatever is good does not have to wait. One step at a time is good enough. If taken by a large number of people it can have great impact.... Somebody has to [start. It can be] an individual,...a home, a school, a farm, an ashram, etc.,...strengthening [and democratizing] cooperatives, [or new industrial] management techniques and reforms. Those who believe in Trusteeship have a responsibility to identify the reforms which may ultimately help the transformation of the existing system towards a new one." (My italics)

These last two sentences are particularly interesting in that they presage the recognition by such organizations as the World Business Academy and the Social Venture Network of the ability of the business sector to transform the existing system. The World Business Academy takes as its mission to encourage the apparent paradigm shift away from a socio-economic system that

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takes little account of the people trapped within it, toward a caring, viable, economic, value-driven global society. Its fellow organizations the Social Venture Network and Businesses for Social Responsibility work at a more immediate level, but with similar long-term objectives.

Gandhi's Trusteeship concept also foreshadowed another current concern of companies, that of social accountability. More and more companies are recognizing the need for some kind of social auditing.<sup>3</sup> One of the Gandhi Peace Foundation publications makes it clear that the Trusteeship concept in fact requires such practices: "Along with this widening participation, another reform needed is the social accountability of the enterprises. For this, maximum horizontal autonomy will have to be provided to the enterprise. The business community has resisted outside inspection but it can no longer escape the challenge of finding a way for establishing and accepting their responsibility to the society as consumers. Otherwise the society can take them over through the state or some other coercive mechanism. Some kind of social auditing is necessary. This will require a large number of honest, dedicated, and competent technical people. This too is not an easy exercise, but once begun, it can generate its own momentum, given the purpose. It is dangerous to believe that there are not enough honest men in society."<sup>4</sup> Society is unlikely now to "take them over," but there are increasingly coercive legal requirements and "regulators" to curb exploitative practices.

In Gandhi's mind, what he called Basic Education was an absolute prerequisite of Trusteeship. By Basic Education Gandhi meant a way of life, a method of learning and living, of learning through living, an art that is to be practiced throughout life. "Workers have to be educated not only about others but about themselves and their trades unions. Without proper education... their participation in management and ownership can become a source of corruption and greed, and [they can] be easily manipulated. Trades union leaders who have developed vested interests in the existing system are bound to resist reforms. That is no reason for postponing the training. Reforms will ultimately come only through the growing consciousness of the workers. If the so-called proletarian consciousness has not developed anywhere according to the Marxist model, it is because the proletariat has not been educated about their responsibility as a class to society and the need to resist vested interests within their own ranks and leaders."<sup>5</sup>

Summing up this need for in-depth, if not "soul-force" education of those with responsibilities over the workforce and the trades union, Sethi continues, "The producers, those who ana-

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lyze the economic situation (i.e., the economists), those who make policies (directors, managers, pension fund managers, investment/shareholder groups, etc.), and bureaucrats, all have to listen to the voice of their conscience before their self-interest. That is why it was said that Trusteeship has to be a Satyagraha, or a movement towards invoking conscience of all those who are involved in the system.”

It may not be obvious how Trusteeship could be applied in rural societies. Sethi again: “Gandhi had made it absolutely clear that Trusteeship was a principle of universal application. The commune system of China was in a sense an example of Trusteeship. However, because it was within a dictatorial political system and lacked the voluntary component, it lost its political force as it became an instrument in the hands of the leaders who held the political monopoly and power. [A similar thing happened in Yugoslavia.] The principle of cooperative farming as against collective farming is...nearest to Trusteeship. Another important principle of Trusteeship is to organize and make the rural society responsible for health, education, and sanitation for which in many localities, no one seems responsible today.”

There are many possible manifestations of the Trusteeship principle, both in organizations and communities. Any of these experiments can be started at any place and at any time. The work in particular of the Intermediate Technology Development Group and the Plunkett Foundation (an agricultural cooperative movement started by Sir Horace Plunkett over 70 years ago) has taken this direction, incorporating a more holistic concern for the land.

The formation of the Scott Bader Commonwealth Ltd. in 1951 was such a manifestation. Founded by Ernest Bader and his family, it comprised the restructuring of an industrial manufacturing company towards the realization of Trusteeship principles. Bader was a Swiss emigré who preferred the freedom and wider horizons in England in 1912, and after marrying Dora Scott in 1915 founded Scott Bader Co. Ltd. in 1920 to import Swiss celluloid, later expanding into synthetic resins. Bader had become a Quaker and, as a contribution to making a less violent world, stimulated by the influence of Gandhian nonviolence, he and his family gifted the company into a Trusteeship in 1951, forming a cooperative common-ownership company. Two previous attempts to develop a value-driven company had failed, but due in part to the influence of George Goyder, restructuring of the previously privately owned company around the Trusteeship concept was successfully accomplished.

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To illustrate the inspiration of Quaker concern, the minutes of Social Witness at the Quakers' London Yearly Meeting in 1944 is illuminating: "Deep in each human soul lies the seed of the eternal divine life.... Its flowering to the glory of God is the aim and purpose of man's being.... To all men [the resources of the world] are given, to all men in common ownership they belong, and although these resources may be administered by particular individuals, groups or nations, any system which limits their availability for all men and women, regardless of color and creed, is hindering Christian fellowship and the divine order.... No man is a 'hand' to be kept in or thrown out of the economic life of the community as suits the need of any system. The community is a system wherein each man and woman should find a place of significant service and creative living. All are members, all share in the duty and should enjoy the right of helping to determine its policies, whether political or economic, industrial or social. For its foundations rest on a democracy based on the brotherhood of man and drawing its reality from the Fatherhood of God."

Some of Gandhi's thinking and wording appears in the Scott Bader Commonwealth constitution: "We must ask ourselves to what extent violence resides in the demands we make upon the earth's resources by reason of our self-indulgent existence, and what is to be our own personal contribution to the realization of peace."

Hopefully, more Trusteed companies will develop. In our current predatory industrial society, these courageous attempts to challenge present practice are under intense pressure to conform with conventional industry, and they need the encouragement of other new Trusteeships. Gandhi was aware of this risk and for this reason considered Basic Education to be a fundamental building block.

The Mondragon Cooperatives in Spain can be considered to be practicing Trusteeship principles.<sup>6</sup> Mondragon has been helped by its early schooling through the founder Father Garizmendi, who started a training college. Scott Bader Commonwealth has not set up a formal learning center, but continually attempts to raise the awareness of its members to their responsibilities and Commonwealth purposes.

"Learning organizations" are now the vogue, an attempt by "leading edge" companies to deal with the highly turbulent pressures in commercial life. In general, these have not yet developed Trusteeship principles, but they are at least becoming aware of their wider "stakeholder" responsibilities.

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What, realistically, are the prospects of seeing the world's resources held in common for the peoples of our planet? We find ourselves in the closing decade of the 20th century in great need of remotivation by ethical principle. Trusteeship provides just such an ethic, and it is vitally necessary that those who are aware of Gandhi's principle strive to pursue his unfinished task.

Apart from India, where there are many stalwart workers, consciences are being stirred across the world. Ethics is being taught in business schools. Market economics, currency speculation, soil vitality, air pollution, the destruction of historic social cultures and marginalization of human relationships are all under intense discussion in the media and elsewhere. The continuing violence to the human condition and its environment is being challenged, but often the answer is to apply further violence as a restraint.

Possibly even more insidious, as Gandhi would have seen it, is the violence that results from the pressure for more intensive growth via capitalism and the many forms of privatization. The real fact of economic life is that the world's resources (notably fossil fuels, minerals, and the land, dependent on sun, rain, and wind) are the seed-corn of the future, which must be husbanded, recycled, and replaced, as one conserves capital, not expended as income. This worldwide headlong rush for economic gain by many businesspeople still blinded to these facts is sadly also being pursued in India, and the likelihood of change sufficient to introduce Trusteeship now looks increasingly distant. The forces of multinational businesses are rapacious in forest destruction, decimation of fish stocks, and the earth's raw material resources in India as much as elsewhere on this planet. Nonetheless, if human life is to continue and become sustainable, the irreversible violation and degradation of our water, soil, flora, and fauna has to stop, and the adoption of the Trusteeship principle on a local basis has to be urgently inaugurated on a global scale.

Every country is now involved. I believe that Trusteeship is the only way that is able to provide a viable way out of these impasses for either the developed or developing countries on any kind of sustainable basis. Quakers and Gandhi agree that to base an economic system on self-interest is fundamentally contrary to the teachings of all the great spiritual leaders of the world.

It is now abundantly demonstrated that neither the capitalist nor the state socialist economies can create viable conditions for the people of the world, nor have they been able to help developing countries to determine their own destinies. Clearly both systems are a far cry from giving material expression to the paramount need of the working out of the Divine Spirit in man.

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Currently it is seen that capitalism is on top in creating worldly goods and services, but only by undermining future resources, creating increasing pollution, widening the gap between rich and poor, and unhealthily concentrating the wealth and power in fewer hands. The statement "living off the future inheritance of our children" sums it up. Endeavors through "regulatory" forces, or wider shareholding in ever larger corporations, are largely ineffective. In many quarters a strong, morally driven legal system is requested, but is sadly lacking in formulation. Until the moral motivation becomes one of holding man-made assets and world resources "in trust," exploitations of man by man and of planet Earth generation by generation will continue. Trusteeship can provide a way to avoid not just violence between humans but also between humans and their environment, and has to be the ethic for the next century.

Some developments involving the U.N. have been of a Trusteeship sort. Treatment of Antarctica as a commons has had such a concept vaguely in the background. The Law of the Sea Conference was likewise motivated, and there have been proposals that space, atmosphere, and the mineral wealth of the sea bed should be seen as the common heritage of man.

Where will the motivation come from, and how can that motivation become a social force able to transform society? The pioneering and pathfinding efforts will come from idealist "outsiders" whose passion in life is to bring about a more sensible, ethical, and satisfying economic order. It was the intervention of the outsiders (Marx, Engels, Lenin, and others) that initially lifted up a mere struggle for better wages and conditions of work to a theory and practice of social revolution of international scale. Lenin himself had pointed out that "the working class left to itself could not have gone beyond trade unionism."

There seems to be no one focus on progressing Trusteeship, even of the world's major resources. However, since the early 1970s environmental awareness, phrases such as "spaceship earth," the work of the Baha'i (insisting "The earth is but one country and mankind its citizens"), and the World Citizen's Movement are all moving in the right direction; space exploration giving us visual images of "one world," the work of the Club of Rome, the 1992 Earth Summit in Rio, the work of Karl-Hendrik Robèrt have highlighted how all our planetary life depends on the sun and the green cells; awareness is growing in schools where Agenda 21 and its follow-up involves the development of global thinking in young schoolchildren (almost the kind of Basic Education Gandhi had in mind).

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Robert Muller, former Assistant Secretary-General of the U.N. and now Chancellor of the University for Peace in Costa Rica, has described a "world core curriculum," convinced by his U.N. experience of the crucially urgent need to establish a universal educational curriculum designed to "help the birth of a peaceful, happy, and fulfilled human civilization." The curriculum is centered on the belief that "some cosmic force, or law, or God, or Creator in the Universe has put on the human species certain objectives, functions, expectations, and destinations." Clearly here are deep echoes of Basic Education, which had at its core the purpose of raising a motivating awareness of spiritual forces within each individual. It is heartening to note that this curriculum has been adopted in places as disparate as Texas, Mexico, and Russia.

We do not yet know what combination of social forces brought down the Berlin Wall, and de-legitimized communist structures in Eastern Block countries. Maybe similar forces will de-legitimize the unacceptable faces of capitalism and exploitation. I would like to believe forces developing Trusteeship principles will be paramount in transforming industrial society in the next century.

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1. "M.M.C." *Sarvodaya*, September 1994, p. 40.
  2. J.D. Sethi, *The Awakening*, journal of Lok Sevak Sangh, Vol. 1, No. 2, November 1978.
  3. *Editor's note*: See, for example, Peter Pruzan, "The Ethical Accounting Statement," *Perspectives*, Vol. 9, No. 2, 1995, pp. 35-45.
  4. From the Gandhi Peace Foundation Introduction quoted above.
  5. Sethi, *op.cit.*
  6. *Editor's note*: See Terry Mollner, "Mondragon: Archetype of Future Business?" *Perspectives*, Vol. 6, No. 2, pp. 7-16.

