

## CHAPTER - IV

### Nehru's Efforts To Implement The Socialist Vision (Declaration Of Avadi Resolution And Post-Avadi Developments)

#### 4.1 Independent India : Jawaharlal Nehru's Role As Prime Minister

August 15, 1947 marked the momentous birth of independent India. Freedom gave rise to an enormous release of energy, a cultural renaissance, and improvement in the standard of living of the Indian masses. Nevertheless the problems to be solved at times seemed to loom quite as large as the gains achieved. Partition served to intensify rather than lessen communal tensions. Incidents of violence, involving Hindus, Muslims and Sikhs, increased in harrowing fashion. Whereas Muslim league leaders were jubilant at the creation of Pakistan, in the eyes of Congress leaders bifurcation of the Indian Sub-continent remained a major disaster.

Jawaharlal Nehru became India's first Prime Minister as he had the mass appeal and he was Gandhi's consistent choice. Gandhi had contended that Jawaharlal would be by far the most idealistic, progressive champion of the well-being of the people.

Sardar Patel, whose role in congress had long been highly significant, became first Home Minister of India and Deputy Prime Minister. Patel was not only an outstanding administrator and organizer but he played a very remarkable role in achieving the peaceful integration of India's nearly six hundred princely states with the Indian Polity. Although Patel was far more conservative than Nehru, the two men complemented one another - in spite of their periodic divergences of opinion. Dorothy Norman observes : "During 1947 Nehru began to assume an increasingly important role, not only on the Indian scene, but on

that of Asia in General.'<sup>1</sup>

Becoming Prime Minister of India Nehru thought to implement the ideas of his socialistic thinking in concrete terms and with sincere efforts and he put emphasis on economic planning, mixed economy, industrialisation, development of agriculture, nationalisation and economic well-being of the people.

August 1947 brought long cherished freedom to our country. The events after the Partition left a trail of great bitterness among the neighbours.

In domestic affairs after getting independence Nehru felt that the major problems which India has been experiencing are 'economic and social progress' and the betterment of the lot of Indian people. Nehru had come to the conclusion that to uplift the conditions of the Indian people and for removing the social and economic problems and backwardness India 'should proceed by the method of planning.'

On January 26, 1950, this new Republic came into existence and all the efforts were directed toward realizing the twin objectives - political democracy and economic justice. The objective was called 'socialistic without adhering to any doctrinaire definition of the word.'<sup>2</sup> 'The system we evolved,' Nehru stated, 'was consciously directed toward the welfare of the common man rather than to the enrichment of the few ...'<sup>3</sup>

To attain economic self-sufficiency and to raise the standard of living of the people Nehru emphasised on 'democratic planning.' He said, "India's overriding and most urgent task is to raise the standard of living of her people and in order to achieve this, to carry out structural and organizational reforms not only as speedily as possible but with maximum popular support and participation."<sup>4</sup>

Nehru told, "Our planning, designed to equip the country with the technical skills and the productive facilities of a modern society, is essentially welfare-oriented."<sup>5</sup>

Nehru wrote, "Means are more important than ends - this was the basic policy on which Mr. Gandhi laid constant stress. We believe that any change should come through our own volition, as a result of our own experience, and that it should not be foisted on us through any kind of force or pressure."<sup>6</sup> Nehru added, "It is in this spirit that we have set our hands to the tasks of developing .... a system combining political democracy and economic justice."<sup>7</sup>

About the nature of Indian polity Nehru observed, "In any event, whatever system of government we may establish must fit in with the temper of our people and be acceptable to them. We stand for democracy .... of economic democracy ... I stand for socialism and I hope, India will stand for socialism and that India will go towards the constitution of socialist state and I do believe that the whole world will have to go that way."<sup>8</sup>

### **Nehru's Economic Ideas And Thinking.**

#### **4.2 Nehru on Economic Planning.**

Nehru was the first and most forceful exponent of national planning in the country. Even before 1938 he felt strongly that a National Planning Committee should be created. When he urged that such a committee be formally appointed in 1938, and the congress approved his suggestion, he was asked to be its chairman. Later, as Prime Minister, he was to play a decisive role in helping to formulate, inaugurate and implement free India's several five-year-plans.

A significant aspect of Nehru's model of economic development was the

creation of a consciousness of economic planning. Much before the advent of freedom, Nehru realized the need for planning for the modernization and development of society. Insistence on planning for socio-economic reconstruction became a cardinal feature of his thought. He was deeply impressed by the soviet economic development through planning. In 1938, when the congress decided to set up a 'National Planning committee' with Nehru as its chairman, he boldly accepted the challenging task. He took up the work in all earnestness and the statement of objectives made by him as chairman of the Planning committee became a significant document on economic planning in India.<sup>9</sup>

Nehru had committed itself to planned development of India by the beginning of 1950, and taken to the middle path that lay between the rival systems of capitalism and communism. In all these spheres - external and internal, political, social and economic - Nehru played the role of statesman. He made rapid strides with courage and confidence to this end.<sup>10</sup>

Nehru tried to project the idea of socialism within the framework of planning. He affirmed that a plan must not only be formulated democratically but it must also be implemented with the full co-operation of the people. Nehru was very enthusiastic about planning to be undertaken in India. When the National Planning Committee was constituted at the instance of the congress toward the end of 1938, Nehru accepted the chairmanship with zeal and enthusiasm. He said, "I accepted the chairmanship of the committee not without hesitation and misgiving; the work was after my own heart, and I could not keep out if it."<sup>11</sup> After assuming the post of Chairmanship he lost no time in impressing upon the members of the commission that the Indian plan must avoid any suspicion of 'Full blooded socialism.' He maintained that it was possible to have a planned economy without becoming socialist. Nehru revived his thoughts on planning soon after he had directed India's economic structure along the middle path in August 1948. A six member planning commission was created in March 1950

with the Prime Minister as Chairman. Nehru aimed to achieve two main objectives : as rapid an economic development as was possible democratically and by peaceful means, and emotional unity of the country.<sup>12</sup>

Partha Chatterjee writes : "... In fact, he (Nehru) was one of the foremost leaders of the congress left which consistently demanded that nationalism be given a more definite 'economic and social content.' But the objective of all such campaigns had to be clear : it was the establishment of the sovereign national state. That was the political objective; the social and economic issues were necessary to mobilize the masses in the movement towards the goal ... This mature ideological form of nationalist thought can be clearly demonstrated in the writings of Jawaharlal Nehru."<sup>13</sup>

To Nehru, the 'scientific method' also meant the primacy of the economic in all social questions. This in particular was what men like Nehru believed to be the distinctively modern way of looking at history and society. Whether it was a question of political programmes, or economic policy, or social and cultural issues, a 'scientific' analysis must always proceed by relating it to the basic economic structure of society. 'If there is one thing that history shows,' declared Nehru, 'It is this : that economic interests shape the political views of groups and classes, Neither reason nor moral considerations override those interests.'<sup>14</sup>

In 'The Basic Approach' Jawaharlal Nehru observes : "Planning is essential ... Planning does not mean a mere collection of projects, or schemes, but a thought out approach of how to strengthen the base and pace of progress so that the community advances on all fronts.'<sup>15</sup> He adds further, '... A balance has to be struck and an integrated national plan evolved. That national plan need not and should not have rigidity. It need not be based on any dogma, but should rather take the existing facts into consideration.'<sup>16</sup>

Nehru wrote to the members of the National Planning Committee in 1940 thus : ... We are aiming at a free and democratic state, which has full political and economic freedom ... Planning will deal with production, distribution, consumption, investment, trade, income, social services, and the many other forms of national activity which act and react on each other. Briefly put, planning aims at the raising of the material and cultural standard of living of the people as a whole.<sup>17</sup>

About a planned society Nehru stated : Our immediate problem, is to attack the appalling poverty and unemployment of India and to raise the standards of our people. That means vastly greater production which must be allied to just and more equitable distribution, so that the increased wealth may spread out among the people. That means a rapid growth of industry, scientific agriculture and the social services, all co-ordinated together, under more or less state control, and directed towards the betterment of the people as a whole. The resources of India are vast and if wisely used should yield rich results in the near future.<sup>18</sup>

Jawaharlal Nehru viewed democracy, socialism and planning with wider perspective. Nehru spoke, 'We have definitely accepted the democratic process .... Democracy is not merely a question of elections. The question before us is how to combine democracy with socialism, through peaceful and legitimate methods.'<sup>19</sup>

About the concept of planning Nehru observed, "What is planning? Planning is the application of your intellect to a logical, reasonable and better way of doing things .... whether it is in economics or politics, or anything else, planning is essential."<sup>20</sup>

Indian planning is the product of democratic ways of discussion and

decision. Nehru's role in the planning process is crucial, despite the fact that he lacks expert knowledge of economics and finance. Indeed, his influence extends from the drafting stage to implementation. Michael Brecher observes, "Nehru is the most effective salesman of planning in the country as a whole. This may well be his most important contribution, spreading the gospel that planning is the key to welfare."<sup>21</sup>

E.M.S. Namboodiripad writes : "The adoption of socialism by the congress as the national goal was followed by the formulation of the second five year plan. The congress leaders from Nehru downwards claimed that his was the practical application of the concept of socialism into the field of economic development."<sup>22</sup>

The right opponents of the congress opposed this "Left-ward shift." Rajagopalachari who for the first few post independent years was Nehru's colleague turned against him and took the initiative for the formation of the Swatantra Party. Even within the left a section thought that, with the adoption of new policies, the congress had ceased to be what it had so far been - a party of landlords and capitalists.<sup>23</sup>

About the importance and co-relation of socialism and planning Nehru observed, "Socialism is the only analysis which helps us understand what is happening, as to why there is this accumulation of wealth on one side and extreme poverty on the other ... We require enormous system of planning and only socialism can provide it."<sup>24</sup> He stated further, "We cannot make a country socialist by passing laws. Laws are necessary to make the path clear. But we have to build up the state. The mere passing of laws will not bring socialism. We will have to build up society."<sup>25</sup>

An important dimension of Nehru's idea of democratic socialism was

economic planning. Impressed by soviet experience Nehru emphasised on planning for achieving the economic development together with social justice. Three five year plans were successfully carried through during Nehru's regine as prime minister. The central objective of planning was defined as initiating "a process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life."

The first plan (1951-52-1956-57) through its emphasis on agriculture, irrigation, power and transport, aimed at creating the base for more rapid economic and industrial advance in future. The second plan laid emphasis on the development of basic and heavy industries. It also defined the key role which the public sector was to play in the economic development of the country. Planning was to be integrated with the basic policies of social change and institutional reforms and ultimately with the goal of realizing a socialistic pattern of society.<sup>26</sup>

B.R. Nanda opines that 'Planning in India really started with the second five year plan (1956-61). It was the first systematic attempt at economic planning, and set the direction for priorities and policies of the government for the next thrity five years.'<sup>27</sup>

According to B.R. Nanda, the basic philosophy of the second and third five year plans - which were lannched in Nehru's lifetime - was the development of Indian economy along socialist lines to achieve rapid economic growth, expansion of employment, reduction in disparities of income and wealth, and promotion of values and attaitudes of a free and egalitarian society. Nehru himself provided the vision and the drive for the preparation and execution of the plans.<sup>28</sup>

Social inequality comes in the way of economic development as it acts as an obstacle to mobility and to fair competition - both of which are necessary for the process of economic development. It is in this context that Nehru's state-

ment in introducing the first five year plan needs to be understood. He wanted class differences to be ended and economic equality to be achieved. Towards this end, Nehru propagated rapid industrialisation. Strong agricultural economy, controlled and mixed economy community development and land reforms aimed at revolutionising the basis of India's rural economy.<sup>29</sup>

Nehru advocated controlled economy. To him, planning was the process through which production would be increased and greater distributive justice achieved. It was only through planning that the goal of integration development could be reached. Nehru was deeply attached to the concept of planning as a technique for solving India's grave economic problems of unemployment, mass poverty, food shortage, raising of the standard of living of the masses, and for the advancement of productivity. Nehru said, "Planning is not putting down just as you want; planning is not merely giving priority to all things which you wish to do. Planning is something wider and deeper ...."<sup>30</sup> To quote Nehru's own words, "The picture I have in mind is definitely and absolutely a socialistic picture of society. I am not using the word in a dogmatic sense at all, but in the sense of meaning largely that the means of production should socially owned and controlled for the benefit of the society as a whole."<sup>31</sup> Nehru stated, "Planning is a continuous process and cannot be isolated for short periods ... Planning is a continuous movement towards desired goals ...."<sup>32</sup> Nehru wrote : "I think it is possible, in theory, to establish socialism by democratic means, provided of course the full democratic process is available."<sup>33</sup>

Nehru looked upon the five year plans as levers for the transformation of a poor, agrarian economy of continental dimensions into a self-generating modern economy within two or three decades. The plans were to build up the country's resources, to relieve the masses from extreme poverty and backwardness and to establish a just and egalitarian society based not on individual greed and private profit, but on cooperative effort. For Jawaharlal Nehru, the plans were

not merely a method of economic management, but a means of promoting the integrity, continuity, and stability of India's democratic system.<sup>34</sup>

It must be admitted that Jawaharlal Nehru was the harbinger of planning in India. With the preparation and implementation of the five year plans, Nehru sought to convince the people that 'they constituted a move to the left.' S. Gopal concedes that 'No single individual did move to build in the congress an awareness of economic issues.'<sup>35</sup>

Jawaharlal Nehru wanted to push the congress to the left giving more emphasis on economic issues. S. Gopal points out, "Thanks to Jawaharlal the congress was acquiring, if not a socialist viewpoint, at least an economic dimension."<sup>36</sup> He adds, "Jawaharlal thought, not from a purely socialistic standpoint, but from a congress viewpoint with some leanings towards socialism."<sup>37</sup> S. Gopal has rightly commented that Nehru has made India 'Plan-conscious.'

#### **4:3 Nehru on Mixed Economy.**

Jawaharlal Nehru believed that democracy offers society 'something of the highest human values.' Nehru avoided the false dichotomy of political and economic democracy. He maintained that there can be no democracy without economic justice and economic justice by itself can not ensure democracy. So he believed that civil liberties and democracy were basic to socialism. Nehru felt that democracy was essential for socialism and there could be no real democracy without socialism. In India context he was fully aware of the difficulties involved in reconciling these two and throughout his life he endeavoured to grapple with and solve this problem.<sup>38</sup>

Jawaharlal Nehru found socialism as the only solution for the unemployment, poverty and miseries of the Indian people. But he did not adhere to the

unnecessary complexities of the theories. Instead, he felt interested in reinterpreting the fundamental ideas of socialism in India, to make them fit in the Indian conditions and to make them easier to enter the minds of the Indian peasants and workers. Nehru did not favour the idea of complete nationalization or state control. Instead, he believed in a kind of mixed economy which could combine the individual efforts with those of the state. He accepted state help to industries but at the same time gave place of honour to the private sector of economy.<sup>39</sup>

Nehru stressed the importance of socialism for tackling contemporary economic and social problems. But, finally, he threw himself in favour of a mixed economy as the most suitable and practicable for India. He asserted that it would be an economy in which socialist principles and ideals would prevail generally, along with a fair share of capitalism. Thus the concept of a welfare state, on the basis of a mixed economy, in place of a completely socialized economy, became Nehru's political creed and model of economic development.<sup>40</sup>

In his economic policy Nehru focussed on the middle path that lay between the capitalist and communist systems, and evolved a mixed economy in keeping with his thinking of the pre-independence years. Nehru did not believe in the existence of a pure capitalistic or pure socialistic system.

To Nehru, planning was an inevitable process of a socialist economy in a democratic structure. But he had no intention of frightening away any section of the people by stressing the socialist aspect. His concept of planning was not based on any dogmatic or doctrinaire considerations.

Nehru was only concerned with the steady economic and social progress of the people. He said, 'I do not care what ism it is that helps me to set them on that road, if one thing fails, we will try another.' It was this uncommitted and flexible attitude that led him to believe that a mixed economy was the most suitable for

India.<sup>41</sup>

Nehru's concept of a mixed economy envisaged the simultaneous participation of the public and private sectors in developmental activities. Key sectors of the economy were to be wholly under the state control while the private sector would operate in other spheres. However, the private sector must be subject to state control so as to make it function within the objective of the national plan. Nehru envisaged gradually more and more state control over the private sector in order to make the mixed economy sufficiently capable of adapting itself to changing conditions.<sup>42</sup>

Jawaharlal Nehru did not want to imitate any economic model of other countries in toto. India should evolve a system which suited her own requirements and genius. The ideal of a mixed economy was thus considered to be the best.

Nehru argued that private enterprise in India lacked the capability to start the big projects which India needed. Nehru believed that, in view of the rapid progress of science and technology, most of the privately run industries in India would soon become obsolete. It seemed wiser to concentrate on certain specific, vital, new industries than to nationalise many of the old ones.<sup>43</sup>

On April 1948, India adopted what Nehru called a mixed economic system based on both public and private enterprise. Indian industry was divided into three categories : those which were to be exclusively owned and managed by the State, those which could be run by both state and private enterprise, and those which could be left in hands of the private industrialists but subjected to some official controls.

Before the second plan was formally inaugurated, the Indian government

announced a new industrial policy to reflect the emphasis on an enlarged public sector. Nehru said that "it seems to me obvious if we want to industrialise India quickly, we have to pay special attention to basic and heavy industries. Unless we have the basic and heavy industries, we remain dependent." .... " We have in our Industrial policy resolution laid down a broad approach of what is called a "mixed economy" which combines public enterprises and private enterprises."<sup>44</sup>

We may say that the doctrine of mixed economy is a combination of the merits of the two economic system - Socialism and capitalism. The public sector is given the main responsibility of developing the economy while the private sector is also given an important role to play in economic development of the country. The reliance and faith in this economic system has been given shape through the Industrial policy resolution of 1948. We still have faith in mixed economy. The seeds of the economic fruits which India is reaping today were sown by none else than Jawaharlal Nehru.

#### 4:4 Emphasis on Industrialisation.

Jawaharlal Nehru gave too much importance on industrialisation. Nehru argued that the spirit of the age demanded industrialisation. He was of the opinion that without industrialisation, the basic economic problems of poverty would remain unsolved and even the political foundations of independent nationhood would be threatened. It was not, therefore, a matter of moral or aesthetic choice. It was a simple fact of modern life, determined globally by the conditions of modern day economic production. Nehru argued that an economy based on cottage and small scale industries was 'doomed to failure' because it could only 'fit in with the world framework' as a 'colonial appendage.'<sup>45</sup>

Within the ideological framework of mature nationalism, the path of economic development was clearly set out in terms of the 'scientific' understanding of society and history. There were three fundamental requirements : 'a heavy engineering and machine-making sector, scientific research institutes, and electric power.'

The most desirable national policy of industrialisation would be, as Partha Chatterjee points out, "first of all, to replace the colonial state with a truly national state; second, to eradicate feudalism in the countryside and undertake fundamental land reforms; and third, to carefully plan the industrial development of the country, under the central coordinating aegis of the state, using the best available scientific and technical expertise ..."<sup>46</sup> Nehru wrote in 1944, "... It is obvious that planned development under a free national government would completely change the face of India within a few years."<sup>47</sup>

Nehru was fully conscious that industrialisation - setting up of basic industries and big industries in addition to the cottage and small scale industries - was fundamental to the rapid economic progress of the country. As early as

December 21, 1938 in his first note to the National Planning committee, Nehru said, "There can be no planning if such planning does not include big industries, but in making our plans we have to remember that basic congress policy of encouraging cottage industries."<sup>48</sup>

Nehru laid great emphasis on basic and heavy machine making industries as they were the very basis of industrial growth. To quote Nehru, "You must go to the root and base, and build up that root and base on which you will build up the structure of industrial growth. Therefore, it is heavy industries that count, nothing else counts, excepting as a balancing factor which is of course important."<sup>49</sup>

Nehru put emphasis on rapid progress of heavy machine building, heavy electricals and other basic industries. As a result of Nehru's initiative and strong support, the production of capital goods would increase to facilitate the country's march towards the achievement of a self accelerating and self-reliant economy. Furthermore, the increased production of food and agricultural raw materials is necessary to keep pace with rapid industrialisation. To this end the increased production of agricultural implements, machinery for irrigation and fertilisers will be of immense help.

Nehru had serious expectations to industrialise India. He laid stress on industrialisation and he asked to have a look on agriculture. He said : 'We shall find that this industrial progress cannot be made without agricultural advance and progress. The fact is that the two cannot be separated. They are intimately connected because agricultural progress is not possible without industry, without tools, without the new methods and techniques. Nehru argued that unless India is self-sufficient in agriculture, she cannot be able to advance in the industrial sector.

Nehru was keenly aware that industrialisation and agricultural development conceived by him needed most careful economic planning. Nehru said : "It seems to me that the only way to solve outstanding Indian problems is to have an all embracing planned system of Indian economy, dealing with the land, industry - big scale and village - social services, etc."<sup>50</sup>

V.K. R.V. Rao says : "Planning for Nehru was essentially linked up with an industrialization and eventual self-reliance for the country economy on a self-accelerating basis."<sup>51</sup> The second plan has been criticised for over emphasizing industries - but Nehru's rationale was that without industrialisation and technology it would not be possible to create employment opportunities.

Jawaharlal Nehru gave too much importance on agricultural development also. In the lok Sabha speech Nehru observed : "We shall find that this industrial progress cannot be made without agricultural advance and progress. The fact is that the two cannot be separated ... Everyone knows that unless we are self sufficient in agriculture we cannot have the wherewithal to advance in industries."<sup>52</sup> Nehru viewed the dependence on food import as a matter of grave concern. He said, "If we have to import food, then we are doomed so far as progress is concerned we cannot import both food and machinery, we just cannot got on."<sup>53</sup> Nehru was very dynamic. He wanted to go faster on economic development and prosperity of the country. Nehru was not a gradualist. His was a conception of accelerated economic development.

Nehru was acutely aware of the pivotal importance of agriculture in the Indian economy. 'If our agricultural foundation is not strong,' he told the Indian parliament in December 1952, 'then the industry we seek to build will not have a strong basis either. Apart from that, if our food front cracks up, everything else will crack up too.'<sup>54</sup> A few months before his death, Nehru said : 'Agriculture is more important than anything else, not excluding the big plants; because

agricultural produce sets the tone to all economic progress.<sup>55</sup> It should be remembered that the foundation for the great technological transformation the Green Revolution - which brought about self sufficiency in foodgrains in the mid seventies was also laid during the Nehru regime.

Nehru put emphasis on land reforms. Nehru had cherished the hope that land reforms would break up the , 'old and stagnant class structure' of Indian society, that the countryside would revive with an intensive programme of community development, that the village panchayat, school, and cooperative would become the true foundation of the new rural India. In May 1956 Nehru told the Indian Parliament that the community development programme was creating a revolutionary atmosphere in our countryside. Unfortunately, the community projects, mre official than popular in character, were sustained more by hope than by achievement. The programme was neither fully thought out, nor well funded, nor vigorously executed. Community development and schemes of cooperative planning never got a fair chance of success because of the realities of power structure in the Indian countryside.<sup>56</sup>

Jawaharlal Nehru wanted to make a harmonius balancing between industry and agriculture to put India on the road of economic development and prosperity. Nehru said in 1957, 'Planning essentially consists in balancing : the balancing between industry and agriculture, the balancing between heavy industry and light industry, the balancing between cottage industy, and other industry. It one of them goes wrong then the whole economy is upset.'<sup>57</sup>

Nehru said, "We want to control the basic industries. We therefore come to the establishment of public enterprises. At the same time we encourage private enterprise in a vast field. I do think it is essential .... Public enterprises play a very important and growing part in India."

## 4:5 Appraisal

Jawaharlal Nehru was a great economic eclectic. He did not like to tie himself up with any particular school of thought. He drew freely from different schools of economics in order to be flexible and pragmatic in his approach. He had the knack and capacity to pick up the best elements of different schools of thought and to fuse them into a synthetic whole. It is only towards the middle of the twenties that Nehru began to acquire a serious interest in economic issues and attraction to socialism.

Jawaharlal Nehru was a staunch nationalist. Nehru had the contention that mere attainment of political independence without basic economic transformation bears no value. Nehru's distinctive contribution lay in the fact that he put before the people a perspective of industrialisation and modernization and held up to them a vision of economic emancipation and socialism.

B.R. Nanda observes : "By the time he became the Prime Minister of independent India, Nehru's ideas on a socialist reconstruction of India had considerably mellowed ..."<sup>58</sup>

Nehru's economic policies were assailed both from the right and the left even in his lifetime. His socialist and communist critics charged him with over-indulgence to the private sector. They urged him to live up to the socialist faith of his youth, and objected to the very concept of a 'mixed economy.' They demanded wholesale nationalization of the means of production. The right wing critics charged Nehru with blindly following the soviet model.

In Nehru's view socialism was the institutional perspective and unifying framework within which the task of economic development and modernisation could take place. It must be conceded that in the thirties Nehru emerged as the

greatest polarizer of socialism in India.

Socialism is more than mere logic,' Nehru said when criticizing communists for being overly dogmatic and theoretical and not paying enough attention to the cultural peculiarities of India. Nehru was categorically emphatic about the socialism which he envisaged for a free India. He said : "The emotional appeal of socialism is not enough. This must be supplemented by an intellectual and reasoned appeal based on facts and arguments and detailed criticism ... We want experts in the job who study and prepare detailed plans."<sup>59</sup> Where socialism did come in was on the question of equality. Nehru said, 'Scientific planning enables us to increase our production, and socialism comes in when we plan to distribute production evenly.'<sup>60</sup>

Nehru, however, would repeatedly warn that socialism should not be looked at in purely political terms. He held the view that a constant emphasis on politics and class struggle distorts the vision of socialism, 'Socialism should be considered apart from these political elements or the inevitability of violence.' All that socialism taught us was that the general character of social, political and intellectual life in a society is governed by its productive resources.' Socialism, therefore, was a business of rational management of productive resources.<sup>61</sup>

Nehru's interest in socialism was sharpened by his visit to Soviet Russia in 1927 and the study of the writings of Karl Marx and Lenin in the 1930s. His adherence to economic planning was inspired by the stupendous developments in Soviet Union for banishing poverty and economic backwardness. It should be noted, however, that 'Nehru's social and economic ideas were never frozen in an ideological mould, on the contrary, with the passing of years, they grew increasingly eclectic and pragmatic.'<sup>62</sup>

There was hardly a subject of economic development to which Nehru did

not apply his mind. But he did not achieve total success in economic front. As Gunnar Myrdal noted in his 'Asian Drama,' while there was in Nehru's time 'a discernible trends in all the ideological activity towards explicit radical commitments, practical politics moved in a pragmatic and conservative direction.'<sup>63</sup>

B.R. Nanda writes :

"India's economic crisis in the early 1990s could have been avoided or at least considerably moderated if Nehru's successors had modified his policies to suit the changed economic realities in 1970s and 1980s. There was nothing inherently wrong in using the state as a catalyst for economic development and social justice. What was wrong was not state intervention, but the kind of state intervention practised under the Indian planning regime."<sup>64</sup>

#### 4:6 Declaration Of Avadi Resolution.

When India became independent and Jawaharlal found himself almost automatically at the helm, it was natural to expect that economic policy would be formulated with the aim of socialism in view, because Nehru sponsored the fervour of socialism in India. What actually happened was very different. Even after Patel was dead and his two most powerful supports, Rajendra Prasad and C. Rajagopalacharia had left the arena, Jawaharlal rather alone in his glory and with none to dispute his pre eminence, did not or could not move very visibly towards the left. There is neither in the constitution of 1950 nor in the First five year plan (1951-56) any reference, except by implication and interpretation, to the socialist ideal. Towards the close of 1954 a resolution in parliament propounded the goal of socialism, and since then between the sessions of the congress at Avadi (1955) and Bhuvaneshwar (1964), and in numberless public statements, socialism was endlessly talked about.<sup>65</sup>

Nehru cherished the desire that private sector would be flourishing as well

as socialism would slowly but surely transforming the character of the economy. 'There was in this frame of mind an undoubtedly wish fulfilling propensity, an inability to grapple with concrete problems, even of a lack of a willingness to do so,' opines Hiren Mukherjee. This made him speak from time to time, words that sounded brave but were nearly hollow of content. In April 1956, addressing the All India Manufacturers' Organisation, Nehru said :

"Some people seem to make fine distinctions among socialistic pattern, socialist pattern and socialism. They are all exactly the same thing without the slightest difference. But what they are is not such a very easy thing to define .... This does not mean that we think of a socialist pattern of society in some flabby, goody-goody way ..."

This extract may be a bad example, but it is not a unfair sample of Nehru's talks on socialism, which were often "flabby, goody-goody," because his sensibilities wanted something which his head could not quite work out and which required in practice, measures which he did not have the stomach for.<sup>66</sup>

While Nehru's understanding was clear, he hesitated in the sphere of action which felt short nearly always of what was wanted. The steps along this path are sometimes muddled but always, even in deviation, rather remarkable. The Avadi Resolution (1955) defined the objective of the congress to be "the establishment of a socialistic pattern of society, where the principal means of production are under social ownership or control, production is progressively speeded up and there is equitable distribution of national wealth."<sup>67</sup>

Nehru was aware that for the proper development of human personality and the growth of just society democratic values are indispensable. He believed that socialism ought to be correlated with democratic norms and ethos. Therefore he combined the socialist philosophy with the democratic values of

capitalist society which is popularly described as the democratic socialism.

“In the society based on the principle of democratic socialism, socialism and democracy are the means for the creation of a society in which exploitation of one class by another is abolished so as to raise level of living of its people and in which the individual possesses an unfettered right to self expression.” The new pattern of society was described by the congress at the Avadi Session in 1955 as the Socialistic pattern of Society.”

The main features of socialistic pattern of society are : 1. Removal of poverty, 2. Reduction of inequalities of income and wealth, 3. Provision of equal opportunities to all, 4. Mixed economy, 5. Check on concentration of economic power and growth of monopolistic tendencies, 6. Social gain in place of private profits, and 7. Democratic values.<sup>68</sup>

Jawaharlal Nehru chose the socialistic pattern which will have the economic ideals of socialism and democratic values of capitalism. The combination of the ideals of socialistic and capitalistic economy resulted in the mixed economy. Nehru emphasised on democratically planned development within the framework of a mixed economy with private, public and cooperative sectors to achieve the objectives of modernization, growth and social justice. The objective of achieving growth with social justice is as relevant today as it was ever before.

In spite of all the limitations and shortcomings, the introduction of planning and the subsequent development of India's economic capabilities in industry, agriculture, science and technology, her scientific and technical manpower and her institutional resources are as good a legacy of Nehru as any one statesman can hope to leave to a succeeding generation.

It should be conceded that Nehru laid the sound foundations for economic development and modernization in India. Nehru was very much ahead of his time but, unfortunately, he did not live long to see the implementation of his ideas. The seeds of the economic fruits which India is reaping today were sown by Jawaharlal Nehru.

#### **4:7 Post-Avadi Developments.**

Jawaharlal Nehru was the chief architect of planning in India. Nehru took the lead on the basic issue and came out clearly for a 'socialistic picture of society.' Nehru was of the view that heavy industries and cottage industries should be developed simultaneously. Throughout the great debate on economic policy Nehru was moderate in tone. He criticized Marxism as outdated and reaffirmed the 'middle way.' Nehru thought that approach would be pragmatic, and India would follow the peaceful, democratic and non-violent way.

Ideologically, the shift was given concrete expression at the Avadi Session of the Congress in 1955. The road to socialism was charted, though what form it would take no one bothered to define. It was stated that 'planning should take place with a view to the establishment of a socialistic pattern of society.'

Indian reaction to the Avadi Resolution was mixed. All agreed that it was a logical outgrowth of Nehru's speeches during the preceding few months. But as to the meaning of 'socialist pattern' there was a wide range of views. Nehru's China tour at that time was remarkable. Nehru was deeply moved by what he saw in China. Whatever the motive force, Nehru's speeches in the autumn of 1954 ushered in a new phase in Indian economic policy. First came the Avadi Resolution on a 'socialist pattern of society.' Then came the budget for 1955-56, termed by some (incorrectly) 'the first socialist budget.' Then came the first major act of nationalization since Independence. The Imperial Bank of India, which

had the largest network of branches in the country, was converted to the State Bank of India. These developments alarmed the business community. Nehru tried to smooth the troubled waters by clarifying the intent and means of achieving the 'socialist pattern.'<sup>69</sup> Nehru said : "We shall do so in our own way, and that is a peaceful way, a cooperative way and a way which always tries to carry the people with us, including those who may be apprehensive or even hostile to begin with."<sup>70</sup>

Nehru said in 1957 that in India two forces developed - the growth of nationalism and the urge for social justice. Socialism and Marxism became the symbols of this urge for social justice and apart from their scientific content, had a tremendous emotional appeal for the masses. Nehru said, "We have deliberately laid down as our objective a socialist pattern of society. Personally I think that the acquisitive society, which is the base of capitalism, is no longer suited to the present age .... We have accepted socialism as our goal not only because it seems to us right and beneficial but because there is no other way for the solution of our economic problems."<sup>71</sup>

At Avadi the Indian National Congress took a decision to have as its objective a socialist pattern of society. The congress had always thought in terms of some socialistic pattern, but at Avadi it formally accepted that and put it in its creed. Later it adopted the ideal of a socialist cooperative commonwealth. That was a step forward.

B.N. Pandey has observed that during 1952-58 the central issue remained whether to adopt total planning or unrestricted free enterprise. Nehru frequently referred to the subject in order to ensure that public confidence in the mixed economy which India had so enthusiastically adopted was not damaged in any way. Nehru repeatedly condemned economic totalitarianism as inevitably leading towards political absolutism. India had accepted the democratic process

because she attached great value to individual freedom.<sup>72</sup>

India's major problem was how to attain an adequate rate of economic development without sacrificing democracy. Nehru emphasised that this problem could only be resolved by planning. He felt that planning alone would bridge the gap between India and the developed countries. He maintained that India planning was consistent with democracy. Nehru proudly pointed out that India's second five year plan was the most balanced effort in planning, and India's Community Development Programme was a novel experiment in world history.

At Bhubaneswar, in January 1964, the landmark was the incorporation in the congress constitution of 'a socialist state' as its specific objective, while the resolution spoke, rather vaguely, of "a resolution in economic and social relationships in Indian society" and the quest for socialism "based on democracy, dignity of the human individual and social justice." This meeting witnessed a generous proliferation of socialist semantics but neither its resolutions nor other documents and speeches presented on intellectual doctrine or a programme of action-in sum, neither an ideology nor an articulate social philosophy which could give a specific direction or sense of purpose to social and economic activity. A kind of "all-things-to-all-men approach" vitiates this variety of socialism, which becomes 'a short-term expression for all desirable ends,' ignoring both the instruments of change and all essential institutional arrangements. Almost it emerges 'as a rather weak and hollow read in which one can blow almost any kind of music.' The Nehru genius for eclecticism and for reconciling, through compromises and concessions, contradictory modes of thought and action was seen in varying shades during the whole process.<sup>73</sup>

At the all India congress committee meeting at Jaipur (Nov. 1963), Nehru, in a melancholy mood, sounded a warning to his own party. Nehru feared that 'ten or fifteen years hence our people may lose faith in peaceful means and the

problem may get more complicated if a programme for socialism was not evolved and implemented immediately. The Bhuvanewar declaration, wordy and hedged with hesitancies, was an indication of his growing impatience with the pace and quality of advance that Indian planning has shown.

To sum up, in 1955 Nehru induced the congress at its Avadi session to accept the 'socialist pattern of society' as its goal. About a decade later in January 1964 he even persuaded the congress to pass a resolution, at its Bhuvanewar session, approving of the eventual establishment of 'a socialist state' in India. Yet, Nehru's views on socialism did not remain static over the years, and they grew and developed with the passage of time.

Before independence, Jawaharlal Nehru has spoken only of the doctrines of socialism, but after independence he was faced with the problem of putting them into practice. The socialist doctrines, which Nehru had previously preached, had to be applied within a particular institutional framework, within the framework of political democracy and a constitution. In this framework, the process for the establishment of socialism that Nehru choose was peaceful and evolutionary. Perhaps it is for this reason that, in respect of the period after independence some have described Nehru regarded himself as a democratic socialist. Nehru wanted to introduce socialism without violence and without dictatorship.<sup>74</sup>

Nehru conception of socialism involves two fundamental propositions, viz, that the socialist goal of economic democracy is thoroughly valid and that the trend towards a socialistic economic structure with an increasing amount of state ownership over the means of production is desirable. Nehru wants India to adopt these principles, and since November, 1954, he has laid great stress on a socialistic pattern of society.<sup>75</sup>

If we examine Nehru's ideas on the goal of economic democracy we find

that he dreamt of an egalitarian society based on equality and guided by cooperative effort rather than by the profit motive. Nehru seeks the replacement of the acquisitive instinct by the spirit of cooperative effort in a common cause. Nehru is convinced that the instinct of acquisitiveness necessarily leads to conflict and that unless it is curbed all our efforts to progress along socialistic lines would prove futile. He also affirms that the cooperative effort is in complete harmony with the old Indian social doctrines for they all are based on the idea of the welfare of the group.

Nehru visualised the significance of the principles of equality and cooperation as the goal of economic democracy. It may be pointed out that Nehru's socialism as visualised in 1955 shuns the idea that there can only be a clear-cut choice between socialism and capitalism. According to him, any method which can deliver good to the people could be something between two rival ideologies. This something is the middle way or the mixed economy.<sup>76</sup>

Nehru asserts that the achievement of a socialist state by democratic process is possible and this is the only way to build the Indian nation on firm foundations. The goal of socialism is for Nehru the gradual evolution of a classless and casteless society bereft of the profit motive and individual greed.

After India attained independence in 1947 Nehru spoke of India as a bastion of democracy where the people were engaged in a great social experiment to achieve socialism by peaceful and democratic means. In the end, Nehru came to believe in a mixed economy oriented towards socialism and proceeding to that goal peacefully and in a democratic manner. There were some who wondered whether the objective of socialism could be achieved without violence and dictatorship, but it is in the synchronization and harmonization of socialism and economic planning with peaceful and democratic methods that Nehru eventually rested his faith.

The Avadi Congress resolution and Nehru's speeches around this time clearly indicated that because of historical, political and economic reasons, unbridled capitalist development was not suitable for effecting India's transition from economic dependence and undevelopment to economic independence and development. Nehru advocated a broad perspective of economic growth combined with social justice, and justice with economic growth. However, one notices that this conception of developmental perspective implied also a departure from classical socialism, and even from the socialist ideas preached by Nehru himself in the pre-Independence days.<sup>77</sup>

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