



Economic vision of Pandit Jawaharlal Nehru: An Empirical Study

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I. INTRODUCTION

Jawaharlal Nehru was born in Allahabad into a proud, learned Kashmiri Brahmin family on Nov. 14, 1889. His father Motilal Nehru was a wealthy barrister and influential politician. The atmosphere in his home was rather English. Jawaharlal was educated at home by English or Scottish tutors. At 13 he joined Theosophical Society. Later he left for England where he studied at Harrow and Cambridge and then to the bar in 1912. In his likes and dislikes he was more an Englishman than an Indian. In London he was attracted by ideas of **nationalism and socialism** which later provided him his intellectual motive force.

For a proper appreciation and understanding of Nehru's policies, these need to be seen in the right context. Nehru's commitment to the cause of India's development remains unquestioned, and it is no doubt that much of his plans **were jeopardized by the unexpected partition that came along with the independence** of India. The partition brought an unprecedented fissure in the economic resources of the Indian mainland. Nehru confessed that the partition brought about a large share of problems, including a great rift in the agricultural and the industrial sectors. A large portion of the most productive agricultural lands fell in Pakistan whereas the corresponding industries remained in Indian dominion. The jute industry after independence faced such problem. The jute producing areas were in Pakistan whereas the jute processing factories remained in India, thereby affecting jute processing on both sides of the border.

II. STATE CONTROL AND FIVE YEAR PLANS

Nehru became prime minister and minister of external affairs of independent India in 1947, and immediately launched a number of economic reforms. He was a firm believer in state **control over the economic sectors**. His socialist ideals revealed themselves in the way he introduced laws for land redistribution, in order to curtail the economic disparity in India among the landed and the land-less classes. One of Nehru's key economic reforms was the introduction of the five year-plans in 1951 in order to determine the mode of government expenditure and grants in important development sectors like agriculture, industries and education.

Socialism did play a very important role in Nehru's ideological make-up. But at the same time, it is also important to consider that Nehru **himself denied any kind of over socialist tendencies** in the economic policies adopted by him. Nehru advocated a kind of mixed economy. He thought any kind of unquestioned ideological adherence to any form of economic tenet would be detrimental to India's growth. He wanted a practical approach in framing the Indian economy, which would suit best the country's needs. On the one hand, as a devoted Gandhian, he had strong belief in the **betterment of rural economy**, on the other hand, he had a strong belief that **heavy industrial development** would be the best way to serve India's economic interest.

III. INDUSTRIAL POLICY AND NEHRU

Nehru through his **industrial policies wanted to create a balance between the rural and urban** sectors. He stated there was no contradiction between the two and that both could go hand in hand. Nehru was intent to harness and fully exploit the natural resources of India for the benefit of his countrymen. The main sector he identified was **hydroelectricity**, and he constructed a number of dams to achieve that end. The dams would not only harness energy, but would also support irrigation to a great degree. Nehru considered dams to be the very symbol of India's **collective growth**, as those were the platforms where industrial engineering and agriculture met on a common platform. Nehru also considered the possibility of **nuclear growth** during his tenure as the prime minister of India.

Nehru had strict reservations on the question of foreign investment. He was **wary of foreign investment**. He was confirmed in the belief that India was **self-sufficient to bolster her own growth**. Although he did not officially decry the possibility of foreign investment in direct terms, he did stress that the **sectors of foreign investment would be regularized**, and the terms and conditions of investment and employment would be strictly controlled by government rules in case there were possibility of



foreign investment. Nehru emphasized that the **key sectors will always be in government hand**. Although his economic policies are blamed for the failure of India to turn into a major economic force in the aftermath of independence, yet Nehru was probably **thinking on a longer term basis**. It is often inferred that the economic liberation of the later years was possible only because of Nehru's policies in the initial stages.

Nehru **advocated high level of state control** that was exercised on the industrial and business sectors of the country. Nehru emphasized that the state would control almost all key areas of the country's economy, either centrally or on a state-wise basis. His socialist emphasis on state control somehow seemed to undermine his stress on industrial policies. The rigorous state laws and license rules put a great degree of restraint on the free execution of industrial policies. Even the farmers, along with the business personnel, found themselves to be at the receiving end of rigorous state control policies and high taxation. **Poverty and unemployment were widespread** throughout Nehru's governance.

IV. EMPHASIS ON RURAL ECONOMY

Nehru made an **important contribution to the rural economy** of India. He felt for the **rural self-development** of India very strongly. He tried to boost India's cottage industries. Much on the lines of Gandhi, Nehru believed that the rural and **cottage industries of India played a major role in the economic fabric of the country**. But most of his cottage industry development programmes were meant as a part of community development. He also believed that small scale and cottage industries were effective solutions to the massive employment problems that remained a perpetual issue of concern throughout his tenure.

The economic policies of Nehru are often said to be responsible for the poor economy of India in the subsequent years. But, it cannot be denied that his decisions were necessitated by the needs of the times.

V. FOREIGN POLICY OF INDIA AND NEHRU

Nehru's major contribution lies in the field of foreign policies apart from his careful handling of India's tumultuous domestic situation in the years immediately after independence. In his capacity as the foreign minister of India he **determined the foreign policy of India in the post-independence years**. Taken in the context of India's newly found status as democratic republic, his foreign policies seem to be fully appropriate. But the fact remains that Nehru's foreign policy has been subject to much controversy and debate, like his economic policies. First, he wanted India to have an **identity that would be independent of any form of overt commitment to either of the power blocs**, the USA or the Soviet government. Secondly, he had an unshaken faith in **goodwill and honesty in matters of international affairs**. The first policy led ultimately to the founding of the non-alignment movement (NAM). His second faith was terribly shaken by the Chinese attack of 1962, openly disobeying the clauses of the Panchsheel or five point agreement of 1954 between New Delhi and Peking. This breach of faith was a major psychological shock for Nehru, and was partially the reason for his death.

As a freedom fighter Nehru saw war and violent insurgency from very close quarters and he believed in neither. In his foreign policy, Nehru tried to guide India in such a way, so as to **steer clear from any form of violence and militarism**. He believed that a newly decolonized nation must **invest all its economic and logistic resources towards development and not defence and armament**. Just like his economic policies, which were non-committal towards any ideological position, Nehru wanted to bring in a healthy level of pragmatism in his dealings of India's foreign affairs as well. He understood that overt commitment to any of the two major power blocs to emerge in the aftermath of world war II, would not serve India's path. He therefore wanted to **tread a third path, which was not necessarily the middle path**. But, this dogged non-commitment of Nehru was not seen sympathetically by any of the super powers of either east or west at its initial stage. It was frequently termed as a kind of international opportunism and was accused of neutralism- a stance reckoned to be not only dangerous but also equally immoral in the world of international politics. However, the increasing popularity of NAM among various Asian and African countries and Nehru's growing stature as a statesman situation changed their views. India too benefited from this position, as it managed to secure rebuilding grants from member countries of either bloc. The **formation of the Non-Alignment Movement (NAM) was the greatest success of Nehru's non-committal international politics**. Nehru found allies in Tito, Nasser, Soekarno, U Nu, and Nkrumah at a later stage in his formation of this new alliance. An alliance of newly independent and long colonized nations was not taken seriously in the beginning, either by the eastern or the western bloc. However, Nehru proceeded with his mission undaunted. It was great test for his courage and **it was soon found out that the NAM was not merely a passive platform of neutral and inactive nations. It had clear objectives that included the gradual decolonization of the world, and a strong statesman that the member countries were not party to the ever-increasing tension of the cold war**. The favoured process of decolonization as adopted by the NAM member countries was one of discussions and peaceful agreement. On many occasions, NAM met with success, often under the leadership of Nehru. Whoever supported its cause were an ally and a friend. Nehru preached a **policy of issue based alliance and not one based on political and economic dogmas**. He was proud of being an Asian, and wanted Asian nations to be the primary determinants of their political fate, not always guided by western forces. His firm belief in the force of international brotherhood was attested with his **decision to continue with India's commonwealth status**. He was made subject to much criticism back home because of the support he extended towards the commonwealth, particularly after the complication of the independence issue by the British government in the post-world war II years, leading to the unwanted partition. However Nehru, always the believer in peaceful alliances and solution of international affairs based on discussions, went on with his ideals.



Nehru's **foreign policy did not augur well when it came to deal with the neighbours**. Kashmir was a perpetual problem, and he failed to reach any successful negotiation regarding Kashmir with the neighbour Pakistan.

There has been much criticism regarding Nehru's foreign policy concerning China. However, even in this case, **it was Nehru's faith in transparency in the handling of international relations that is seen to be the root cause of all problems**. Nehru was intent on a very warm and mutually beneficial relationship between India and china. The five-point agreement or the Panchsheel between New Delhi and Peking initiated in 1954 was a result of this. However, china started patrolling certain parts of the Indian border from 1955 onwards.

It was a rude shock not only for India but to the entire international society when the **Chinese started a full scale invasion in 1962**. The Indian military was unprepared and also unequipped. Both, USA and Soviet extended token help. Soviet was busy with the Cuban crisis, but soon after the problem subsided, President Khrushchev did extend some help. American help was minimum, compared to the massive help that was extended to Pakistan in 1954. On top of that, the Sandy's-Rusk team visited India to hold talks in order to make India concede certain areas of Kashmir to Pakistan, a claim that was squarely denied. **Nehru stood firm with his faith in the five –point principle**. The international community stood by him, as china withdrew under growing international pressure, fearing isolation and global antagonism. Nehru played his last masterstroke in international policy, as he **turned the military defeat in a moral victory for India**.

Nehru had to **change his stance on international affairs** due to Chinese invasion which had a far reaching effect on India's foreign policy. He realized that **unmitigated goodwill was not necessary** the way the business of foreign affairs was conducted. Nehru's dreams were more or less shattered. It was also a great eye-opener. It made India to see that it **is important to strengthen one's military strength and not overtly depend on peaceful negotiation** in matters of international affairs. The Chinese invasion was a shock to Nehru, almost shaking his idealistic foundation to the very base. His death on May 27, 1964 can be attributed to the great deal of physical and mental stress.

VI. CONCLUSIONS

Nehru's social vision got realized in Economic arena in introduction of the concept of state planning and control over the economy. Nehru initiated the first five year plan in 1951, which boosted the government's investments in industries and agriculture. Nehru envisaged a mixed economy in which government would manage strategic industries such as mining, electricity and heavy industries serving public interest and a check to private enterprise. His industrial policy encouraged the growth of diverse manufacturing along-with heavy industries. Though it was criticized sometimes in that state planning, controls and regulations impaired productivity, quality and profitability. Nehru pursued **land redistribution** and launched programmes to build irrigation canals, dams, and encouraged the use of fertilizers to increase agricultural production. He pioneered a series of community development programmes aimed at spreading diverse cottage industries and increasing efficiency into rural economy of India. For most of Nehru's term as prime minister, India continued to face serious food shortage despite progress and increase in agricultural production. Although the Indian economy enjoyed a steady growth, chronic unemployment accompanied by poverty continued to plague the population. His foreign policy, more than anything else, laid a concrete foundation for India's international relations most of which holds even today. Nehru was hailed the world over for his attempts in defusing global tensions and the threat of nuclear weapons.

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