

Development as Political Choice and Ideological Debate

1. Introduction: The Third Challenge After Independence

- After addressing **nation-building** and **democracy**, independent India faced the deeper and more enduring challenge of **economic development and public well-being**.
- This challenge required **political decisions**, not merely technical solutions, because development involved **conflicting interests, competing visions, and long-term social consequences**.
- The chapter explores key debates, adopted strategies, achievements, limitations, and eventual transformation of India's development model.

2. Development as Political Contestation

- Development decisions involve **balancing interests of social groups, present vs. future generations, and economic growth vs. justice**.
- Democratic legitimacy requires that such decisions be **politically negotiated and publicly approved**, even while informed by experts.
- Example: Industrialisation in mineral-rich tribal regions raises conflicts between
 - employment and investment,
 - displacement of local communities,
 - environmental degradation, and
 - national economic priorities.
- Thus, development is fundamentally a **political process shaped by contestation** rather than neutral expertise.

3. Competing Meanings of Development

- Different social groups define development differently:
 - **Industrialists** seek production and investment.
 - **Urban consumers** expect material progress.

- **Adivasis and rural communities** emphasise livelihood and ecological security.
- Hence, development debates generate **contradictions, conflicts, and ideological disagreements**.
- Early post-independence discourse equated development with **modernisation modeled on the industrialised West**, associated with
 - capitalism and liberalism,
 - breakdown of traditional structures,
 - material growth and scientific rationality.

4. Ideological Alternatives Before Independent India

- India confronted **two global models of modern development**:
 - **Liberal-capitalist model** of Europe and the United States.
 - **Socialist model** of the Soviet Union.
- Many Indian leaders—including **socialists, communists, and Nehru within Congress**—were impressed by the Soviet example.
- Broad nationalist consensus held that:
 - poverty alleviation and redistribution were **state responsibilities**,
 - colonial-style minimal governance was inadequate,
 - disagreement persisted over **industrial vs. agricultural priority**.

Planning, the Planning Commission, and Early Five-Year Strategy

5. Consensus on Planning and Role of the State

- Despite ideological differences, leaders agreed that **development could not be left to private actors alone**.
- The state must **design and direct economic transformation** through planning.
- This reflected global trends shaped by:
 - the **Great Depression**,
 - **post-war reconstruction**,
 - **rapid Soviet industrial growth**.

6. Origins and Nature of the Planning Commission

- Established in **March 1950** by government resolution, not constitutional mandate.

- Served an **advisory role**, with authority dependent on cabinet approval.
- Guided by Directive Principles aiming at:
 - adequate livelihood for citizens,
 - equitable distribution of material resources,
 - prevention of concentration of wealth.

- By mid-1960s, **economic crisis and declining novelty** led to a temporary **plan holiday**, though foundational structures remained intact.

Sectoral Priorities, Industrialisation Strategy, and Emerging Critique

9. First Five-Year Plan: Agrarian Reconstruction

- Objective: **break the cycle of poverty** while preserving democracy through gradualism (“hasten slowly”).
- Focus areas:
 - agriculture, irrigation, and dams,
 - land reforms to correct unequal distribution,
 - raising **national income via higher savings**.
- Savings increased modestly until the Third Plan, then **declined during the 1960s–early 1970s**.

10. Second Five-Year Plan: Rapid Industrialisation

- Guided by **P. C. Mahalanobis**, emphasising:
 - heavy industries,
 - structural transformation,
 - socialist pattern of society (Avadi Resolution).
- Protectionist policies and public-sector expansion fostered growth in
 - steel, electricity, railways, machinery, communication.
- Marked a **turning point toward industrial modernisation**.

11. Limitations and Criticism of Planning Strategy

- Dependence on **foreign technology and exchange** due to technological backwardness.
- **Imbalance between industry and agriculture** created food-security concerns.
- Critics highlighted:
 - **urban bias**,
 - excessive industrial priority,
 - neglect of agriculture-based industries.

12. Ideological Contradiction within Congress

- Simultaneous pursuit of:
 - **socialist regulation and state control**,



7. Broad Support for Planned Economy

- Even **leading industrialists** proposed planning through the **Bombay Plan (1944)**, advocating major state investment.
- Planning therefore commanded **cross-ideological consensus from Left to Right**.
- After independence, the Planning Commission became the **central institution shaping development strategy**, chaired by the Prime Minister.

8. Early Five-Year Plans as Development Instruments

- Adoption of **Five-Year Plans** enabled long-term economic direction and division of budgets into:
 - **non-plan expenditure** (routine),
 - **plan expenditure** (developmental priorities).
- First Plan (1951) generated **nationwide enthusiasm and debate**, peaking during the Second Plan (1956) and continuing through the Third (1961).

- **liberal incentives for private investment** to maximise production.
- Reflects pragmatic politics shaped by:
 - developmental urgency,
 - weak opposition,
 - tensions between central leadership and state-level priorities.

