



E-ISSN: 2664-603X
P-ISSN: 2664-6021
IJPSG 2024; 6(1): 84-87
www.journalofpoliticalscience.com
Received: 12-01-2024
Accepted: 16-02-2024

Ankit Kumar Jha
Research Scholar,
Department of Political
Science, Ranchi University,
Ranchi, Jharkhand, India

A comparative study of Nehruvian socialism and Rao's socialism and their impact

Ankit Kumar Jha

DOI: <https://doi.org/10.33545/26646021.2024.v6.i1b.308>

Abstract

Two vital approaches to the socialism that were adopted by the Indian government at different sphere of time are the Nehruvian Socialism and the Rao's Socialism. Nehruvian socialism refers to the socialist and economist policies that were formulated and implemented by Pandit Jawaharlal Nehru during his tenure. In this paper the main objective of the researcher is to present a comparative study of the Neruviuan and the Rao's Socialism.

Keywords: Nehruvian socialism, Rao's socialism, mixed economy, liberalisation, privatisation, globalisation

Introduction

The policy politics on the entire globe is only of two types the capitalism and socialism, the capitalism is an ideology which supports private ownership of goods and resources while on the other hand the socialism is a social and economic doctrine which believes that the individual cannot survive in isolation and it always work in cooperation, this ideology also states that people work together for production of every product, it means that every production is a social production, therefore every item produced shall be owned by everyone [1].

The Indian society and policies have always been influenced by the socialist thoughts, there is a long list of socialist philosophers who influenced the Indian society with their socialist schemes, also there are several socialist models like the Gandhian Socialism, JPs Socialism, Lohia's Socialism etc. but on the ground level there are only two models which took the shape of genuine policy, the first one is the Nehruvian Socialism and the second one is the Rao's Socialism. The early years of the independent India were guided by the policies and programs of Pandit Jawahar Lal Nehru the first Prime Minister of India, the economic and social schemes launched by Pandit Nehru are collectively known as the Nehruvian Socialism and the second model that influenced the government's policy is the Rao's Socialism.

Nehruvian socialism

The Neruvian socialism is compilation of the policies introduced by Pandit Jawahar Lal Nehru during his tenure as the Prime Minister of India. The principals of his kind of socialism were not only the directives during his tenure but those those principals also acted as the torch light in the post Nehru era till the time when India exposed itself to the globalised world in 1991 [2]. In the pre- independence era there was a long list of leaders like narendra Dev, Jay Prakash Narayan, S. A. Dange, Muzaffar Ahmed etc. who were the torch bearer of the socialist ideology in and outside congres, among these the name of Pandit Jawahar Lal Nehru was also important [3]. Nehru was not always fond of the socialist way of thinking, he was not much inclined towards that ideology, he was of the view that the life in the socialist system would be joyless and soulless and it would be unacceptable to him, as the life under it will be extremely regulated by bureaucracy [4]. His view point changed just after he attended the Congress of Oppressed Nationalities at Brussels in 1927, there he went as the official representative of the Indian National Congress, the League had a great impact on Nehru's line of thinking and he came to understand the vitality of the socialist and the labour movements across the globe [5].

Corresponding Author:
Ankit Kumar Jha
Research Scholar,
Department of Political
Science, Ranchi University,
Ranchi, Jharkhand, India

His neo inclination towards the socialism could be traced during his presidential address during Lucknow session of congress, there he said “I am convinced that the only key to the solution of the world’s problem and of India’s problems lies in Socialism, and when I use this word I do so not in a vague humanitarian way but in the scientific, economic sense.....it is a philosophy of life and as such also it appeals to me” [6].

In the post-independence era Nehru used the socialist policies in his fight against poverty and unemployment, along with that he was also concerned of the economic security and progress of India, his main motive was to pull out India of the nostalgic dream of the barbarian British Raj and transform India into a welfare state. His serious concern about all this could be traced in his own words, he presented a report in 1955 and the report says that “Our national aim is a welfare state and a socialist economy. Neither of these can be attained without a considerable increase in national income and neither is possible without a much greater volume of goods and services and full employment” [7].

For accomplishing his objectives for the nation and for fulfilling his own socialist goals Nehru used following instruments.

1. **Mixed economy:** Nehru was a great promoter of a mixed state, a mixed state represents an economy which advocated both private and public ownership. He was convinced that the state need to play a vital role in certain sectors like heavy industries, infrastructure, banking etc. while there should also be some scope for the private entities so that they could also contribute to development. Nehru was of the believe that the investment in certain strategic sectors will increase employment and provide goods and services to the common man at genuine cost.
2. **State-led industrialisation:** For accumulation of capital and increasing the rate of savings Nehru gave preference to industrialisation, he was of the view that it is important to raise the resources internally because in his view heavy production raises the standard of living of people, and for increasing production and for creating more employment opportunity he focused on the state led industrialization, he was also aware of the fact that for distribution of resources to the masses the production of resources is necessary [8].
3. **Five-year plan:** Initiating developmental work in a neo-independent state was a mammoth task to be done. For completion of this task Nehru took his inspiration from the soviet planning model, it was first time in the human history that a state was engaging itself for some productive task and Nehru was a great admirer of this plan, he was influenced by its spirit of science and use of science for building society. One more thing that forced Nehru to adopt and apply this policy in the Indian context was that when whole capitalist world was facing fist of recession the Soviet Union was flourishing with stability [9].
4. **Land reform:** rational redistribution is one of the most important factor in a socialist economy. For addressing rural poverty and to uplift the landless farmers Nehru went against majority of his co-parliamentarian and introduced land reforms for reducing inequality in the society [10].
5. **Social welfare:** The basic requirement for any welfare state is to engage itself in the upliftment of the have-nots in the society. The Nehru led Indian government

took its welfare task seriously and got itself involved in housing, education and housing sector for upliftment of the marginalised section of the society.

Rao’s Socialism

Rao’s Socialism refers to the economic and social policies implemented by P. V. Narsimha Rao during his tenure as the Prime Minister of India. Rao held the responsibility of head of the government when India was going through great turbulence, the recent assassination of former prime minister followed an economic crisis as the data says that in early 1991 India had foreign exchange enough only for 15 days, the reservation policy for the other backward castes popularly known as the Mandal commission policy had ignited flames of hatred all over the India, specially in the capital city of Delhi [11].

Unlike Nehru who was not very much fond of the socialism P. V. Narsimha Rao was a socialist inclined politician and from 1938 Rao had been a great admirer of Nehru and his socialist policies [12].

Both Nehru and Narsimha Rao came to the cockpit at time of great thunder, Pandit Nehru became Prime Minister when the two unfortunate blood brothers were separated by a alien power [13]. On the other hand Rao took over as head of the government when India was at its least stable position. Being from the same line of thought both Nehru and Rao formulated their policies on socialist bases. The era of Neruvian socialism came to an end with the initiation of process of introducing India to the open global economies of the world. The economic reforms introduced in 1991 is considered as the beginning of Rao’s era of socialism [14].

Unlike the traditional socialist policy makers Narsimha Rao did not used the conventional socialist tools for accomplishing his socialist goals, he fueled his policies by using capitalist instruments. The tool of Liberalization, Privatisation, and Globalisation popularly known as the LPG scheme was the greatest tools that he used to transform the Indian state, areas that have been influenced by the policy of LPG are.

1. **Economic growth:** One of the main goals of the LPG strategy was to promote economic growth by allowing foreign investment into the Indian economy, lowering regulations, and encouraging private sector involvement. This strategy was justified by the idea that an expanding economy would provide more funds that could be allocated to social welfare initiatives and the reduction of poverty. Narasimha Rao sought to address the socialist objective of lowering income inequality and raising living standards for the socially outcast segments of society by promoting economic growth [14].
2. **Poverty alleviation:** Despite the LPG policy’s emphasis on market-oriented reforms, Narasimha Rao understood the value of addressing social inequity and poverty. The liberalization-induced economic growth was anticipated to boost income levels and create job possibilities for the underprivileged. In order to help the most disadvantaged members of society, the government also launched a number of focused social welfare programmes, including Rural Employment and the Public Distribution System (PDS). In line with socialist ideals of equity and social justice, these programmes sought to promote food security, rural employment, and social protection [15].
3. **Public sector reforms:** The privatisation component of the LPG policy entailed selling publicly traded

companies to for-profit businesses. While some socialist groups opposed this measure, Narasimha Rao contended that privatisation would improve the Indian economy's efficiency and competitiveness. He argued that resources may be reallocated towards social welfare programmes by lessening the burden on the government to oversee and fund these public sector firms. Additionally, the privatisation process attempted to enhance the performance of these businesses, making them more successful and productive so that they could produce income for social expenditure ^[16].

- 4. Agriculture and rural development:** Narasimha Rao understood the value of rural development and agriculture for India's overall socioeconomic development. The LPG programme largely targeted the industrial and service sectors, but it also made an effort to promote agriculture and rural areas. To improve agricultural output, increase rural employment, and decrease poverty, programmes like the National Agricultural Policy and investments in rural infrastructure were put in place. These policies supported the socialist objective of improving rural life and addressing regional inequalities.

The socialism practised by Narasimha Rao, sometimes known as Rao's socialism or the "New Economic Policy," and the socialism promoted by Nehru reflect two different ideologies of socialism in India. Here is the comparison between the two-

1. A mixed economy with a considerable state presence in the commercial and industrial sectors best describes Nehruvian socialism. It placed a focus on government planning, management, and ownership of important sectors. Through import substitution, the emphasis was on lowering economic inequities, advancing social welfare, and increasing self-reliance. On the other side, Rao's Socialism put an emphasis on economic liberalisation, reforms that were more market-oriented, and a reduction in the role of the state in the economy. Through the involvement of the private sector, foreign investment, and globalisation, it sought to promote economic growth. Efficiency, competitiveness, and India's integration into the world economy were the main concerns.

2. Role of the state

State intervention and control were highly valued in Nehruvian Socialism. Planning the economy, overseeing public companies, and controlling the private sector were all major responsibilities of the government. For the purpose of promoting social welfare and ensuring the equitable allocation of resources, public ownership and control were deemed essential. Rao's socialism aimed to minimise the role of the state and increase involvement from the private sector. To unlock the potential of the private sector and boost efficiency, privatisation, deregulation, and market-oriented policies were put into place. The focus of the government has changed to include establishing policies, supporting investment, and fostering a favourable business environment.

3. Approaches to economic growth

To stimulate economic growth, Nehruvian Socialism placed a high priority on industry and import substitution. In order to support domestic industries, it placed a strong emphasis

on the growth of heavy industries, public sector businesses, and protectionist policies. This strategy, however, resulted in inefficiencies, administrative restrictions, and limited access to international markets. Rao's socialism sought economic expansion through market reforms, globalisation, and liberalisation. It attempted to encourage companies focused on exports, entice foreign investment, and integrate India into the international economy. This strategy was centred on developing an open, competitive economy that would promote economic expansion and provide funding for social welfare initiatives.

4. Social welfare and inclusive growth

Nehruvian Socialism placed a strong emphasis on social welfare initiatives, employment in the public sector, and wealth redistribution through progressive taxation. The main goals were to eliminate socioeconomic inequities, reduce poverty, and provide healthcare and education. Rao's socialism also emphasised the value of promoting inclusive growth, social welfare, and poverty alleviation. The goal was to generate resources through market-oriented reforms to finance social welfare programmes while shifting the focus away from direct state control and public sector employment and towards economic growth. Through measures for rural development, targeted social programmes, and employment creation, this strategy aimed to combat poverty and inequality.

It's vital to highlight that Rao's socialism arose in response to the shifting global economic landscape and the necessity to solve the difficulties the Indian economy faced in the 1990s, whereas Nehruvian socialism predominated during Jawaharlal Nehru's rule (1947–1964). With regard to market-oriented policies, Rao's reforms marked a break from the conventional socialist approach.

Conclusion

The contemporaneous social condition and economic status of India resisted adoption of either of the pure economic policy (Socialism and Capitalism) for the nation and compelled Pt. Nehru to adopt a Mixed economy model, fear of being a colony again and to support new growing indigenous industries the policy of Import Substitution was followed and the unavailability of heavy capital with private entities and the play safe nature of them compelled the state to promote state led Industrialisation. The main objective of this kind of socialism was to attain economic development with social upliftment. Even after decades of death of Pandit Nehru, his policies were continued by his successors with some minor changes. In due course of time these successors failed to bring proper changes in right time and this policy got outdated.

The Rao's socialism refers to the big bang reforms that were brought by P. V. Narsimha Rao in 1991. The heavy debt and irrational schemes carried on by the governments prior to Rao's pronged into a heavy debt burden this prolonged situation created economic crisis in the country and made it impossible not only to carry on the ongoing socialist schemes but also payment of debts and management of necessary trades. At that time to cut down the hump of heavy taxes and to continue the public welfare Rao brought economic reforms to the Indian economy, he introduced a market based liberalized policy that not only brought capital and prosperity to the Indian economy but also transferred the burden of tax deposition from the pockets of the have nots to the haves. Liberalisation, Privatisation and

Globalisation were the helping force that helped Rao in moving towards his socialist goals, he was obvious that it is not possible to implement the welfare schemes if the treasure of the nation is empty.

The researcher finds that both these approaches have its own strengths and weakness. In the current Globalised scenario the Rao's socialism is a prudent approach for overcoming India's current problem.

References

1. Socialism. Britannica. Retrieved May 25, 2023, from <https://www.britannica.com/topic/socialism>
2. Virmani, A. The God that Failed. The Times of India; c2013 Nov 21. Retrieved May 25, 2023, from <https://timesofindia.indiatimes.com/edit-page/the-god-that-failed-nehru-indira-socialist-model-placed-india-in-precipitous-decline-relative-to-the-world/articleshow/26112532.cms>
3. Chandra B. India's struggle for independence. Penguin books; c2016. p. 297.
4. Gopal S. The Formative Ideology of Jawaharlal Nehru. Economic and Political Weekly. 1976;11(21):787-792. <http://www.jstor.org/stable/4364645>
5. Mishra G. Nehru and the congress economic policies. Sterling Pulisher Private Limited; c1988. p. 37.
6. Nehru JL. India's Freedom Allen & Unwin, London; c1962. p. 35-36.
7. Report presented to the 60th Session of the Indian National Congress, Avadi, January 21-23, 1955
8. Mishra, 1988, p. 124
9. Mishra; c1988. p. 77-78
10. Mishra; c1988. p. 125
11. Ramesh J. To the Brink and Back. Rupa Publication; c2016. p. 11.
12. Rao PVN. The Insider Penguin Books; 2000. p. 426.
13. Chandra, 2016, p. 487
14. Sitapati, V. Half Lion. Penguin Books; 2017. p. 140-141.
15. Sitapati, 2017, pp. 172-173
16. Sitapati, 2017, pp. 171-172