

Sardar Vallabhbhai Patel's Ideology On The Indian Economy

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“Many were prepared to follow me, but I could not make up my mind as to who should be my deputy commander. Then I thought of Vallabhbhai”

-Mohandas Karamchand Gandhi

Abstract

Vallabhbhai Patel was born in Nadiad, Gujarat, on October 31, 1875. His birth anniversary is now observed as 'National Unity Day' or 'Rashtriya Ekta Divas'.

He hailed from a farmer's family. He joined Gandhi's Non-Cooperation Movement (1920) and traveled around West India to recruit 3,00,000 members. When Mahatma Gandhi was imprisoned, it was Patel who led the Satyagraha movement in Nagpur in 1923 against British law. It was the Bardoli Satyagraha of 1928 which earned Vallabhbhai Patel the title of '**Sardar**' and made him popular throughout the country. In 1947 when India got freedom, Sardar Patel became the Deputy Prime Minister. He was in charge of Home Affairs, Information and Broadcasting, and the Ministry of State. His Economic vision is driven by ideas of national self-sufficiency. For this, he proposed the path of higher production, savings, and investment cycle-based production. He did not agree with the nationalized industrial model as the state administration did not have enough capacity to manage them. He visualized industrial growth led by private players in a liberalized economic setting. More production, equitable distribution, and fair treatment of all the means of production were the mainstays of his economic policy. He was having constructive views on the modern economy.

Keywords

Industrialisation, Government Policies, Growth, Nationalisation.

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Introduction

Sardar Vallabhbhai Patel, **'The Iron Man'**, has been the foremost among the national heroes of India. He was at the forefront of the freedom struggle. He passed his matriculation in 1897 and then pursued law in England. After completing his law course in 1913, Patel returned to India and then established his practice at Godhra. He was attracted by Gandhian policies of non-violence, spirituality, discipline, and moral strength. He accepted Mahatma Gandhi's leadership, having been tremendously impressed by the fearless lead that Mahatma Gandhi gave to right public wrongs. The association with Mahatma Gandhi became closer during the Kheda Satyagraha in 1918. Gandhiji said that if it were not for Vallabhbhai's assistance "this campaign would not have been carried through so successfully". From 1924 to 1928 he was Chairman of the Municipal Committee. Patel was elected president of Congress for its 1931 session. In 1931, under the chairmanship of Sardar Patel, Fundamental Rights and Economic Policy resolution was passed by Congress. After Independence, he became India's first Deputy Prime Minister. He dominated Indian politics from 1917 to 1950. It was in this capacity that he was called upon to tackle the most intricate and baffling problem of the States' integration into the Union of India. After Independence in 1947, as Deputy Prime Minister, he held the crucial portfolios of Home, States, and Information and Broadcasting. He is known as the Iron Man of India because of his strong views on the union of princely states into one nation, his good attitude toward women's emancipation, and his active participation in shaping India into what it is now. Due to his role in uniting the shards of princely kingdoms into a single nation, he is known as the 'Bismarck of India. He sorted out the problems of partition, restored law and order, and dealt with the rehabilitation of thousands of refugees with great courage and foresight. In 1991, he was posthumously awarded the Bharat Ratna. Since 2014, his birthday has been celebrated as Rashtriya Ekta Diwas (National Unity Day).

Economic Ideas of Sardar Vallabhbhai Patel

After independence immediate goal of the Indian government was to reconstruct the economy and to bring an improvement in the living standards of every citizen. Patel wanted to see India industrialize quickly. The imperative was to reduce dependence on external resources. At the time of independence according to the conditions his strategy was to maximize production by optimally utilizing industrial capacity at that time and also to explore more opportunities to expand production. He favoured industrialization because he believed that without it, rural and agricultural development could not be possible. Patel's economic vision is driven by ideas of national self-sufficiency. For this, he proposed the path of higher

production, savings, and investment cycle-based production. He wanted a free hand to be given to businessmen so that they can repose confidence in government and his speeches motivated them to be nationalistic and think for the welfare of the masses. At the meeting of the Indian National Trade Union Congress (INTUC) at Indore in May 1949, Sardar Patel declared his intention of rejuvenating the Indian economy. He said, **“Our long period of slavery and the years of the recent war has drained the lifeblood of our economy. Now that we have taken over power, the onus is on us to rejuvenate it; new blood has to be poured in drop by drop,”**

At this conference, he said, **“the key to our economic situation lies in increased production”**. Adequate production not only meets consumer demand but also helps in curtailment of imports reducing import bills and saving foreign exchange for other priority needs and can be used for the import of capital goods to strengthen old or new industrial undertakings. Self-sufficiency was his motto for fulfilling the basic needs of the population.

Sardar Patel had realistic views on the planning and economic policy of India. He desired rapid industrialization of India. He emphasized the cooperation between the three stakeholders, the government, the industrialist, and the workers, to counter the economic sickness spreading in the country. He had two standpoints of more production and equal distribution and with enthusiasm, he strived for economic integration of land with affirming as he solved the problem of integrating princely states into India and the Nation. Sardar’s view of the economic affairs of the country was very practical. It was full of humanity and the need of the hour. More production, equitable distribution, and fair treatment of all the means of production were the mainstays of his economic policy. In a speech given in Kolkata on January 5, 1948, he stressed that before nationalization of industries it is necessary to first establish them properly and such people cannot be patriots who believe that workers should reduce production, but should be given more money. Thus he suggested that there should be proper coordination between labour, capital, and government and labours should be paid justifiably and reasonably to prevent unrest.

Sardar Patel emphasized savings. He says **“Spend less, save more and invest as much as possible, should henceforward be the motto of every citizen in the country and all of you must see that it becomes the guiding principle of your life. You can select for yourself any suitable means of investment which are open to you, but only make sure that all the money that you save is spent for the national cause.”** He says people should not hide their savings and give them for nation-building. He suggested that if we start saving more money and invest this money on assets we can contribute towards the development of the country.

He favoured industrialization because he believed that without it, rural and agricultural development could not be possible. Alongside big industries, he was in favour of widespread village and cottage industries because they can provide large-scale employment.

In short, the economic model of Sardar Patel would have three pillars: IPL

1. Industrial Growth,
2. Promotion of Private Entities, and
3. Liberal Government Policies.

Influenced by Gandhiji's ideology he also emphasized promoting Swadeshi especially by boycotting foreign clothes and increasing the use of Khadi. He made a call to women in cities to wear clothes produced by village people rather than being attracted to foreign clothes. He also supported Gandhiji's that machines are evil and by replacing labour thereby creating unemployment will destroy the nation. He urged the traders not to import foreign clothes and urged the citizens not to wear them. To take a step towards self-reliance, he wrote a letter to the then Industries and Supplies Minister Dr. Shyama Prasad Mukherjee to manufacture the necessary equipment and weapons for the army in the country itself, and his idea was supported by the eminent scientist S.S. Bhatnagar.

Sardar Patel wanted to have a good relationship between industry and labour because the differences arising at that time could turn out to be a severe blow to India's industrial future. He insisted on adopting the policy of mediation to solve the problem prevailing between industry and labour, as he had done earlier in Ahmedabad.

Sardar Patel was favorable for private enterprises, as opposed to the public sector favored by Nehru. He rejected nationalisation completely and was against controls. He said, "Nationalization is worthwhile only if the government can manage the industries efficiently. But this is Difficult. We have neither the man nor the resources even to run our administration let, those who have the knowledge and experience, manage the industries and increase the country's wealth." In 1951, India implemented its first five-year plan based on Soviet Union Model but restricted licensing policy towards starting new ventures as well as importing equipment from abroad started proving hurdles for the growth of the economy. It has been proved after 1991 when we adopted New Economic Policy with delicensing privatization that the economy grew fast and the consumption basket improved to a large extent Sardar Vallabhbhai Patel was against people remaining idle. He use to say that people should work hard to earn money. If they don't want to work they can neither contribute to the county's economy nor can lift their standards of living. In 1950 he said,

“Millions of idle hands that have no work cannot find employment on machines”. He urged labourers to participate in creating wealth before claiming a just share.

Being from a farmer’s family background he wanted to organize the country’s economy based on villages. He believed that if enough facilities were provided to villagers they will not only improve their life standards but agriculture production will also increase.

Patel led Gujarat’s cooperative movements and was instrumental in the formation of the Kaira District Cooperative Milk Producers’ Union, which was a game-changer for dairy products across the country.

Conclusion

Sardar Patel’s approach was balanced, pragmatic, and liberal. Sardar Patel’s advice on the economic policies of the nation was not followed after his death. India adopted an immature socialist framework. India could have been more fortunate if his views would have been implemented at the right time. If liberal economic policies would have been adopted in 1950-51 then Indian.

The economy would have become enough mature to grab the opportunity to become the world’s Industrial and low-cost production hub. Sardar Vallabhbhai Patel deserves appreciation and respect from the international community, and people around the world, besides India, for the legacy he left through his ideas and works. In the words of Jawaharlal Nehru, “History will record it in many pages and call Sardar Patel the builder and consolidator of the new India and say many other things about him. By many of us, he will perhaps be remembered as a great captain of our forces in the struggle for freedom and as one who gave us sound advice both in times of trouble and in moments of victory; a friend and colleague and comrade on whom one could invariably rely, as a tower of strength which revived wavering hearts when we were in trouble”.

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