



Searching for the Gandhian Elements in Indian Planning (1938-1966)

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Abstract

According to the National Planning Commission of India- “Planning under a democratic system may be defined as the technical co-ordination, by disinterested experts, of consumption, production, investment, trade and income distribution, in accordance with social objectives set by bodies representative of the nation. Such planning is not only to be considered from the point of view of economics and the raising of the standard of living but must include cultural and spiritual and the human side of life”. A number of economic models and plans have been brought out for the development of the societies and nations all over the world by various economists and thinkers. In India, the idea of planned economy was initially crystallized in 1930s when our national leaders came under the influence of socialist philosophy. India’s Five year plans were very much impressed by the rapid strides achieved by the USSR through five years plans. Under this influence, attempts were made by individuals belonging to different ideologies, to draft an economic plan, suitable for the rapid development of the country. The economic plan of Sir M. Visveshvaraiya (1934), Constitution of National Planning Committee by the Congress. “Bombay Plan” (1944), “People’s plan” (1944), Gandhian Plan (1944) and “Sarvodaya Plan” (1950) are exemplary attempts made in this direction in India. All these attempts played a significant role in providing different views for the economic planning of the country before the organized planning was started in India. Known as the ‘Father of the Nation’, Mahatma Gandhi, though himself never prepared any systematic economic plan of growth but he advocated an economic philosophy which was one of the pillars of his conception of ‘Swaraj’ or ‘Ram-Rajya’ or ‘Sarvodaya Samaj’. He aimed at the balanced development of body, mind and soul. Gandhi had realized that human development is not just material or economic; it has to be moral, it should be able to instill the values of equality, liberty and dignity in the people. His emphasis on decentralization, community based economics, self-sufficiency, handicrafts, rural development, and use of low capital intensive appropriate technology indicate his vision for a self-sufficient economy, an economy, where people matter. For him the development of the individual and the development of the society are intertwined. His ultimate goal was *sarvodaya* (the development of all in all facets of life). “*Sarvodaya* generates movements for changes, outward as well as inward and strives for egalitarian social order based on truth, nonviolence and purity of means.” In India, Gandhian Plan (1944) and “Sarvodaya Plan” (1950) were based on the Gandhian approach of economy, but economic planning for the independent India, these plans were sidelined, though, some Gandhian principals and ideas were included in the economic planning.

Introduction

Mahatma Gandhi’s philosophy of *Sarvodaya* may be observed as a fusion of idealism, socialism and individualism where an individual works hard at its own level to make an ideal class less society of non-violent, non-exploitative and cooperative nature. Conflicts between diverging ideas, philosophies, views and cultures are not found in Sarvodaya society. It believes in the synthesis of all ideas. In its political dimension, it follows the idea of minimized governmental and maximized community initiatives. And in its economic sphere, it follows cooperative economics of decentralized character. Economic dimension of *sarvodaya* is based upon certain principles like economics based on morality, simplicity of life with limited needs, self sufficient village economic units, *swadeshi*, theory of trusteeship, denial of large scale industries and promotion of small scale industries, bread labour, cooperation and equality.



Mahatma Gandhi believed that morality is the key to success in every sphere of life. Therefore, he believes that that economy is worthless which denies morality¹; because economy based on greed is the main reason of producing large scale industries based on mechanization; which results into imperialism. And this type of economy cannot provide the basis of a non violent or welfare state. On behavioral grounds, Gandhi ji was aware of the fact that “no activity and no industry is possible without a certain amount of violence, no matter how little”². To minimize the violence, Mahatma Gandhi advocated that the production should be according to the needs. Hence, he opposed large scale industries and machines because first, industrialists produce to fulfill their greed of money and not for the welfare of the people. Therefore, they infuse the markets with their goods and doing this they increase people’s greed for their self interests. Secondly, “Mechanization is good when hands are too few for the work intended to be accomplished. It is an evil where there are more hands than required for the work, as is the case of India.”³ Thirdly, any decentralized economy can minimize the exploitation and decrease the large scale production and people’s greed.⁴ Economic goals of Gandhi were neither individualistic nor material benefits were expected from them. He proposed goals that were not to compromise with ethics and that promoted the interests of the community. Gandhi advocated the concept of “trusteeship”, which is a method for the socialization of wealth, works for decreasing the rich and poor gap. Mahatma Gandhi believes that the peaceful way of decreasing rich-poor gap is that rich should consider himself as the trustee of the surplus value, not the owner; and he should use that money for the welfare of the society. Gandhiji wanted to fulfill the rich-poor gap by making capitalists to apprehend their divine duties towards society. Gandhian economic thoughts have welfare criteria because that is based on the doctrine of social harmony and non violent socialism.

Congress, in the leadership of Gandhi ji, worked on several aspects of Gandhian economic thoughts during National Movement as ‘swadeshi’ and revival of ‘village cottage industries’ were included in the constitution of Congress in 1919. And in this regard several steps were taken to strengthen these steps. Charkha had been given the central place by congress in its programme in 1921 and in 1923, All India Spinners Association was formed to finance and direct the production and sale of Khaddar through its various production centers and sale depots. In 1934, All India Village Industries Association was formed for the revival of various dead industries. This association also aimed at training village welfare workers and established a training school at Wardha. In the ideas of Gandhiji, we find the culmination of these ideas in his constructive programmes.

Besides this, attempts were made to bring out economic plans based on Gandhian philosophy. On the ideas of forming a Sarvodaya Samaj, a follower of Gandhi ji, Shriman Narayan brought out ‘A Gandhian Plan of Economic Development for India’ in 1944, who’s foreword was written by Gandhi ji himself. This Plan was reaffirmed in 1948, but National Planning Committee under the Chairmanship of Pt. Jawahar Lal Nehru paid no heed to it. ‘The Sarvodaya Plan’ of 1950 was another attempt to present an economic and political model of growth based on Gandhian ideas. “When Gandhiji was still alive, it had been decided in view of the rapidly deteriorating situation in the country and the prevailing confusion in the government policy, that the constructive workers should meet at Wardha towards the

¹ Mahatma Gandhi, Presidential Address at Belgaum Congress, 26.12.1924 CWMG, Vol. 25, p. 475.

² *Ibid.*

³ Mahatma Gandhi, *Constructive Programmes: Its Meaning and Place*, Navajivan Publishing House, Ahmedabad, 1941,

⁴ Mahatma Gandhi, *Harijan*, 02-11-1934, R. K. Prabhu & U.R. Rao (ed.), *The Mind of Mahatma Gandhi*, Navajivan Mudranalaya, Ahmadabad, p. 239.



end of February 1948 and prepare a programme embodying the Gandhian principles of national reconstruction to be placed before the country and the government. Gandhiji was himself to guide this meeting, but history willed otherwise. Later, however, the contemplated meeting was held and finally, in December 1949, two hundred constructive workers met in Wardha and endorsed the programme which was published on January 30, 1950, as the Sarvodaya Plan”.⁵

Jaya Prakash Narayan stated about the main postulates of this plan as “The ideal the plan sets out to achieve is that of non-violent, non-exploitative, cooperative society which shall not be based on caste or class and in which there shall be equal opportunity for all. The present “competitive” economy shall be replaced by a social economy based on cooperation; proprietorship in agricultural land shall vest in the tiller of the soil under regulations laid down by society. There shall be redistribution of land and no one shall have more land than three times the economic holding. The uneconomic holdings shall be pooled into cooperative farms. There shall be collective farming on wastelands brought under cultivation. Farmers carrying on cultivation on individual farms shall have to function through the village multipurpose society. At preset price levels, Rs 100 per month should be the lowest wage or income, and twenty times that amount, Rs 2,000 per month, should be the highest wage or income”⁶

But the ‘Sarvodaya Plan’ met the same end and it was not taken as the basis of planning. In this way the Gandhian framework of planning had been sidelined by the National Planning Committee. On this policy of congress J.P. Narayan once said in squeezing tone, “If the Congress believed in Gandhism, as it pretended to do, here was the ‘Sarvodaya Plan’, I said, which was prepared by Gandhian Constructive Workers; let the congress accept that plan and proceed to implement it. What I intended to convey by this argument was that the Congress had forsaken Gandhism so completely that it was incapable of putting into force any Gandhian programme and policy.”⁷ Later, Gandhian follower Shriman Narayan criticized the Planning Committee that up to 1977, except the Third Five Year Plan, the other plans did not included even the name of Mahatma Gandhi. To quote Gunnar Myrdal “The main reason for slow development in India is that Indian Planners have deviated from the fundamentals of Mahatma Gandhi’s rationalistic plans.”⁸

An attempt has been made in this paper to examine the detailed contents of the Indian planning from 1938 to 1966 to draw out points that resemble Gandhian ideas. This is because inclusion of Gandhian Ideals in Indian planning has remained a main question of debate since 1938, when under congress, National Planning Committee was constituted under the Chairmanship of Pandit Jawaher Lal Nehru. This Committee consisted of 15 members plus representatives of provincial governments and such Indian states as chose to collaborate with the congress. Among the members were well known industrialists, financiers, economists, professors, scientists, as well as the representatives of the ‘Trade Union Congress’ and the ‘Village Industries Association’.⁹

In this type of assortment, it was not surprising that differences between representatives were prevailing on different points. But the main point of debate was about the inclusion of Gandhian ideals

⁵ Jaya Prakash Narayan, *Socialism, Sarvodaya, and Democracy*, Asia Publishing House, Bombay, 1964, pp. 91- 92.

⁶ *Ibid.*, p. 92.

⁷ Jaya Prakash Narayan, ‘Socialism and Sarvodaya’, *Towards Total Revolution: Search for an Ideology*, Edited by Brahamanand, vol. 1, Popular Prakashan, Bombay, 1978, p.143.

⁸ Radha Raman Singh, *Indian Economy: Planning and Changing Dimensions*, Deep & Deep Publications, New Delhi, 1988, p. 312.

⁹ Jawaharlal Nehru, *The Discovery of India*, Jawaharlal Nehru Memorial Fund, New Delhi, 1989, (First Published in 1946 by Oxford University press), p.395.



or Gandhian framework as the basis of planning. Representatives of 'village industries association' specially and the other members of the committee who were Gandhian followers were in favour of decentralisation of political and economic system and enunciated on the revival of village cottage industries and Village Panchayats. It was obvious because 'All India Village Industries Association' was formed by Mahatma Gandhi himself in 1934, for the revival of various dead industries like the central one of hand-spinning, and for promoting the reconstruction and reorganization of village life.

While the other fraction of the people were in favour of the capitalist inputs in planning and were emphasizing the rapid growth of heavy industries and private enterprises. Pandit Jawahar Lal Nehru, who was the Chairman of the committee wrote about this collision of thoughts in his famous work '*Discovery of India*' as:

"Broadly speaking, there are two approaches: the socialist one aiming at the elimination of the profit motive and emphasizing the importance of equitable distribution, and the big business one striving to retain free enterprise and the profit motive as far as possible, and laying greater stress on production. There was also a difference in outlook between those who favoured a rapid growth of heavy industry and others who wanted attention to be paid to the development of village and cottage industries, thus observing the vast number of the unemployed and partially employed. Ultimately, there were bound to be differences in the final conclusions. It did not very much matter even if there were two or more reports, provided that all the available facts were collected and co-ordinated, the common ground mapped out, and the divergences indicated."¹⁰

In these terms and conditions ultimately a model of economic growth for independent India was presented before the nation in 1948, in which greater emphasis was put on industrialization because along with the representatives of industrialists, financiers and economists, Nehru himself realized the need of the industrialization for the rapid development of the country. As Nehru himself stated: "The original idea behind the Planning Committee had been to further industrialization-the problems of poverty and unemployment, of national defense and economic regeneration in general, cannot be solved without industrialization. As a step towards such industrialization, a comprehensive scheme of National Planning should be formulated. This scheme should provide for the development of heavy key industries, medium scale industries, and cottage industries."¹¹

There were divergent and contrary views on the details of issues that marked the Five Year Plans coined out in order to control economic planning in India. According to one viewpoint, Gandhian elements like decentralization of political and economic system, development of cottage industries were included in different Five Year Plans to the extent that it reflected the inclusion of Gandhian ideals without totally sidelining them. According to the holders of this view, this inclusion seems to be the result of the pressure of the followers of Gandhiji to a great extent. On the other hand, also due to the impact of Gandhi on Congressmen which was on everyone greater or lesser. Therefore, it was accordingly felt that Gandhian ideas have directly or indirectly influenced the policy formulation in different Five Years Plans.

Another interpretation was contrary to the above and according to this, Gandhi's views on industrialization did not commend themselves to the Indian intelligentsia, even to many of his close associates, scientists, economists, individualists, radicals, socialists or communists, His economic ideas seemed to throw back to primitiveness, to an utopian pre-industrial position which was untenable in the modern world.¹²

¹⁰ *Ibid.*, pp. 396-397.

¹¹ *Ibid.*, p. 396.

¹² Radha Raman Singh, *op. Cit.*, p. 318.



Therefore, Gandhian ideas were thus sidelined, not fully but up to a greater extent. Analysis on this account by Shriman Narayan Agarwal, the author of the Gandhian Plan, who remained a member of the Planning Commission later in the Third Five Year Plan is significant. He opined that except the Third Five Year Plan, rest of the plans before 1977 do not even mention the name of Mahatma Gandhi. In his book *Towards the Gandhian Plan*, he mentions thus : “Curiously enough, the First Five Year Plan did not mention the name of Mahatma Gandhi anywhere in its 650- page document. There was no reference to Vinoba either. The Second Five Year Plan too, published in 1956, did not take any note of Gandhiji's ideas regarding economic development. When Pandit Nehru asked me to join the Planning Commission in July, 1958, I tried my very best to introduce Gandhian thought in National planning, because the draft outline of the Third Plan was then, under preparation. I was happy that in the final document the name of Mahatma Gandhi and Acharya Vinoba's Bhoodan and Gramdan movements found a fairly prominent place. On our request, Nehru himself wrote out the first Chapter, specifying the objectives of planned development. He made a special reference to Gandhi and Tagore whose message was one of synthesis between the modern world and India's old culture and thinking.”¹³ Nehru ji wrote in the ‘introduction’ of the Third Five Year Plan, “Probably no other country in the modern world have produced a Gandhi; even Tagore, who was typically modern in their approach to life’s problems, was, at the same time, steeped in India’s old culture and thinking. His message is thus one of synthesis between these two. To Gandhiji, freedom was not merely a political objective, but the raising of the masses of the people from their poverty and degradation. The agrarian problem thus came to occupy the prominent place in its thinking even as, under Gandhiji’s guidance, it made the uplift of the depressed and the underprivileged one of its major planks.”¹⁴ Shriman Narayn says later, “The Fourth and Fifth Five Year Plans did not claim, even indirectly, to follow the Gandhian ideals in regard to National planning. It was towards the evening of his public life that Pandit Nehru realised the futility of ‘gigenticism’ and recommended ‘small plans’ of Gandhijee's conception.”¹⁵

Gandhian Contents in Indian Planning Practices

Keeping in view the above ideas, let us look at the Indian planning practices through different Plan periods to see as to what extent the plan policies and programmes reflects the Gandhian ideas. So far as the objectives of planning as stated in various plans are concerned, they seem to have incorporated at best some Gandhian elements. Establishment of socialist pattern of society through the reduction of income inequalities and providing additional employment have been the two significant objectives of Indian planning. The idea to consider economic development as a consequence of ‘Intellectual, social and cultural advance’ to take up rising standard of life as a means to a better intellectual life, ‘Investment in man,’ the suggestion that ‘we must discover ourselves fully’ and stress on moral, human and spiritual values which give meaning and content to economic progress are fairly the Gandhian contents incorporated in the Indian economic planning. While in the First Plan, ‘planning was taken to be purposive adoption of resources to social ends’ and the emphasis was put on attaining and economic and social order based on equality of opportunity, social justice, the right to work, the right to an adequate wage and measure of social security for all citizens, the Second Plan stressed ‘to combine development with reduction in economic and social inequality,’ Fourth Plan laid emphasis on ‘weaker sections of society and the common man where as the Fifth and Sixth Plans had more broad objectives of attack on mass poverty, inequality and attainment of social and distributive justice with

¹³ Shriman Narayan, *Towards the Gandhian Plan*, S. Chand & Company Ltd., New Delhi, 1978, pp. 27-28.

¹⁴ Third Five Year Plan, Govt. of India: Planning Commission, pp. 1-3.

¹⁵ Shriman Narayan, *Towards the Gandhian Plan*, op .cit., p, 28.



growth. All these references are sufficient to indicate that in policy formulations of the Indian Plans Gandhian ideas have directly or indirectly influenced the policy makers.¹⁶

To observe the abiding concerns of Gandhian Socialism in the context of some plans which were implemented in different Five Year Plans, Some of them are as follows:

1. Community Development Plan Programme and National Extension Service Projects—We can see the glimpse of Gandhian ideas of rural development in the Community Development Programme, which was started on 2nd October, 1952 in 25,000 villages for the development of the villages of autonomous character to a large extent. The chief objective of the Community Development Programme is to carry out the physical reconstruction of an area and the development of its economic life and at the same time achieve the social reconstruction of the community.¹⁷

Community Development Programme was started through implementation of community projects. In the beginning 55 community projects were set up in different states. Each project was to consist of about 300 villages with a total area of about 400 to 500 sq. miles, a cultivation area of about 150 000 acres and a population of about 2 00 000. Each project was to have three blocks consisting of about 100 villages and a population of about 60 to 70 thousands.¹⁸

Each Community Development Block was to follow certain line of activities which were (1) Agriculture and related matters (2) Irrigation,(3) Communications,(4) Education, (5) Health,(6) Supplementary employment,(7) Housing,(8) Social welfare, (9) Training to the village level workers and other personnel. Under National Extension Service and Community Development Programme, the second five year plan emphasized on aspects like development of co-operative activities including co-operative farming, development of *panchayats* as institutions actively responsible for village development, consolidation of holdings, development of village and small industries. The glimpse of Gandhian thought in Community Development Programme may also be observed as it followed the concept of democratic decentralization in its administration. Along with the Community Development Programme, National Extension Service Scheme was started on 2nd October, 1953, which was a limited form of Community Development Programme. The National Extension Service Block was smaller in size.

2. Development of Agriculture: Agriculture is the largest and most important sector as it provides the basis of food sufficiency, absorption of additional labour force and removal of poverty. Mahatma Gandhi and Gandhian Plan had both enunciated the national self sufficiency in food grains as the main objective of agricultural planning. Because Mahatma Gandhi firmly believed and had thus expressed, “The base and foundation of village industries is agriculture. Years ago I read a poem in which the peasant is described as the Father of the world.”¹⁹

Hence, in the post independence era, special attention was paid to the growth of this sector. The development of agriculture was a twofold process. Various policies were constituted and technology was introduced for increasing the production of food grains on one side, on the other hand land -reforms were implemented to assist the cultivators in augmenting agricultural production. Agriculture has been taken as the sector of utmost importance in the Five Year Plans. The following table reflects the emphasis on agriculture:

¹⁶ Radha Raman Singh, *op.cit.*, pp. 320-321.

¹⁷ *Community Projects- A Draft Handbook*, p. 74, Quoted by G.R.Madan, *Changing Pattern of Indian Villages*, S. Chand & Co., New Delhi, 1964, p. 55.

¹⁸ *Ibid.*, p. 59.

¹⁹ Mahatma Gandhi, Speech at Industries Ministers Conference, July, 31, 1946, *CWMG*, Vol. 85, p. 96.



Public Sector Outlay on Agriculture and Allied activities under Five Year Plans of India. (Rs. In crores)²⁰

S.No.	Plans	Total Outlay on Agriculture and Allied activities.	% of outlay on Agriculture to total Public Sector Plan outlay
1	First Five Year Plan	601	31.0
2	Second Five Year Plan.	905	20.0
3	Third Five Year Plan.	1718	23.0
4	Annual Plans (1966-67 to 1968-69)	1624	24.0
5	Fourth Five Year Plan	3815	23.9
6	Fifth five Year Plan	7411	20.5

It is clear from the table that a greater emphasis was put on agricultural sector.

For modernizing the process of agricultural innovations, Green Revolution was introduced in 1960's.²¹ The green revolution is the name given to the use of modernized techniques to increase the agricultural production. These techniques included the use of High Yielding Varieties (HYV) of seeds, expansion of irrigation facilities, use of fertilizers, insecticides and pesticides'. To increase the production of food grains 'green revolution' also emphasized some supplementary techniques which indirectly facilitated the increase in production. These techniques included the tasks of the improvements of rural infrastructure, rural electrification, opening of Agricultural Universities, land reforms and consolidation of holdings.

"Fourth Five Year Plan emphasised in the new agricultural development strategy to strengthen it involving the use of HYV and modern inputs along with agricultural research. The Fourth Plan, in this context, had two objectives: (a) To provide the conditions necessary for a sustained increase of about 5% per annum over the next decade and (b) To enable as large a section of the rural population as possible, including small farmers, farmers in dry areas and even agricultural labourers, to participate in development and thereby share its benefits. In the Fifth Plan which also aimed at stepping up the growth rate in the agricultural production, number of schemes were started and diversified attempts were made to increase productivity of agriculture.²²

3. Land Reforms: The land reforms in India was essentially based upon the two fundamental objectives i.e. to increase the production and to reduce the disparities in wealth and income. The peculiarities of Indian agriculture, combined with the declared aim, desired to bring about economic development as well as social justice to lead government, in the post independence period to undertake a comprehensive programme of land reforms. These reforms, be it noted had a popular base in as much as they were preceded by peasant, disturbances and violent clashes in several parts of the country. These reforms comprised (a) Evolution of intermediaries (b) Ceiling on land holdings (c) Tenancy legislation (d) Co-operative farming (e) Evolution of forced labour and (f) Consolidation of holdings.²³

²⁰ Radha Raman Singh, *op. cit.*, p. 36.

²¹ Genetically modified high yielding wheat was first introduced to India in 1963 by Dr. Norman Borlaug who is known as the Father of Green Revolution.

²² Radha Raman Singh, *op. cit.*, pp. 37-38.

²³ G. Kaushal, *Economic History of India(1757-1966)*, Kalyani Publishers, Ludhiana, 1979, p. 131.



Shriman Narayan Agarwal also refers to these reforms and stated that the introduction of land reforms has been one of the main programmes for bringing about a more equitable distribution of income and wealth in the rural areas. The evolution of Zamindari, Jagirs and Inams, which covered more than 40% of the culturable land, has been an important land mark in our progress towards socialism. As a result of these reforms, social and economic status of 20 million tenants has been raised. In addition, farmers have had benefit of paying of lower rents to the government. The tenancy legislation enacted during the last 10 years provides the security of tenure to the tenants in almost all the states and union territories. The tenants in some states have also secured proprietary rights. They are in position of ceiling on land holdings in all the states that has been instrumental in redistributing culturable land among the peasantry in a more rational and equitable manner.²⁴

4. Village Industries Development: - Mahatma Gandhi assumed that the entire process of decentralisation can only be facilitated through rural development. Hence, he enunciated on the development of village and cottage industries to make villages of self sustained and self reliant character. Being a major source of employment in the rural areas, a high priority was assigned to the development of rural industries and various steps were taken for the revival and growth of these industries during different Five Year plan periods. It may be observed with the help of the following table:²⁵

Plan Outlays to Village Industries Development

S.No	Plan Period	Actual Expenditure Plan Allocation for VSI (Rs in crores)	% To Total Plan Outlay.
1	First Five Year Plan (1951-56)	42.0	2.1
2	Second Five Year Plan (1956-61)	187.0	4.0
3	Third Five Year Plan (1961-66)	240.8	2.8
4	Annual Plans (1966-67 to 1968-69)	126.1	1.9
5	Fourth Five Year Plan (1969-74)	242.6	1.5
6	Fifth five Year Plan (1974-79)	592.6	1.5

Assistance in various ways is being given by the government for the development of small scale industries. Steps are taken to make available to them raw materials, capital equipment, essential services and credit at comparatively low rates of interest. With a view of promoting the growth of small scale industries, Industrial Estates have been established all over the country. The National Small Scale Industries Corporation made available machines of the value of Rs. 42 million during the Second Plan period on higher-purchase terms to small industries. On the other hand, the value of purchases made by the Central Government from the cottage and the small industries rose from Rs. 7,40,000 in 1953-54 to over Rs.60 million in 1960-61. Besides the Industrial Estates, the Ministry of Industry decided to set up a number of rural industrial estates during the Third Plan period, particularly in the under-developed regions. The rural estates were to consist ,mainly of worksheds for use by arisans along with certain other common service facilities.²⁶

For providing these types of assistance, the necessary boards were constituted for the development of respective village industries. This important step was taken in the First Five Year Plan. Some of them are follows:

²⁴ Shriman Narayan, *Socialism in Indian Planning*, Asia Publishing House, Bombay, 1964, pp. 49-50.

²⁵ Radha Raman Singh, *op.cit.*, p. 204

²⁶ Shriman Narayan, *Socialism in Indian Planning*, *op.cit.*, pp. 46-47.



Village Industries Boards and Years of Establishment

Sr. No.	Name of the Board	Year of Establishment
1	All India Khadi and Village Industries Board	1953
2	All India Handloom Board	1952
3	All India Handicraft Board	1952
4	Coir Board	1954
5	Central Silk Board	1952
6	Small Scale Industries Board	1954

The Second Plan looked upon rural industries as integral component of the national economy to some extent, forming the basis of a pyramidal industrial structure, and setting up of the Carve Committee in June, 1955, on village and small Industries by the Planning Commission can be considered as an important mile stone .Subsequently, many schemes were initiated to provide viability to the village, cottage and small Industries. Institutional, financial and technical support was provided and spatial dimension was added by formulating the Pilot Industrial Projects for different areas of the country. In the Third Plan, the concept of rural industrialization was again spelt out and more significace was attached to positive forms of assistance such as improvement of skills, supply of technical guidance, better equipments and liberalized credit.²⁷ This process of Industrialization continued in the Annual Plans and the Fourth and Fifth Five Year Plans .

5. Distribution of Economic Power and State Control: Mahatma emphasized that there should proper state control over the concentration and distribution of economic power. This idea was very effectively included in Third Five Year Plan. The Third Plan has indicated several directions in which concrete measures could be taken to lessen concentration of economic power in the hands of a limited number of individuals or groups. First, the expansion of the public sector into fields requiring the establishment of large-scale units and heavy investments will be an effective check against the concentration of economic power. Secondly, opportunities for new entrants and for medium-and small-sized units, particularly in the cooperative sector, are being widened. Within the broad Framework of the Industrial Policy Resolution, 1956, the Government of India has adequate powers to control and regulate private investments through proper industrial licenses'. Accordingly, setting up or expansion of new industrial units requires prior approval of the Licensing Committee. While issuing new licenses' care is taken to diversify economic power by avoiding concentration of industries in selected industrial groups. This has given impetus to the development of industries in less developed regions and has also encouraged a good new and young entrepreneur in different areas.²⁸

6. Education: Though in Indian Planning practices, Gandhian framework of Education has not been followed, but with the passage of time, as the Indian planners realized the importance of Gandhian thoughts on education and some of the Gandhian elements like 'learning through activity' were included in the education system. Mahatma Gandhi had under scored the need for linking education with creative and productive work so that students may imbibe dignity of labour and become self reliant. Following this thought, on September 24, 1969, the then Union Education Minister Dr. V.K.R.V. Rao launched the NSS (National Service Scheme) programme in 37 universities covering all states and simultaneously requested the Chief Ministers of states for their cooperation and help. It was appropriate that the programme was started during the Gandhi Centenary Year as it was Gandhiji

²⁷ Radha Raman Singh, *op.cit.*, p. 197.

²⁸ Shriman Narayan, *Socialism in Indian Planning, op. cit.*, pp. 43-44.



who inspired the Indian youth to participate in the movement for Indian independence and the social uplift of the downtrodden masses of our nation.²⁹

The main objective of National Service Scheme(NSS) is personality development through community service. It was purely Gandhian idea as written in NSS Manual, “In India the idea of involving students in the task of national service, dates back to the times of Mahatma Gandhi, the Father of the nation. The central theme which he tried to impress upon his student audience time and again, was that they should always keep before them, their social responsibility. The first duty of the students should be, not to treat their period of study as one of the opportunities for indulgence in intellectual luxury, but for preparing themselves for final dedication in the service of those who provided the sinews of the nation with the national goods & services so essential to society. Advising them to form a living contact with the community in whose midst their institution is located, he suggested that instead of undertaking academic research about economic and social disability, the students should do something positive so that the life of the villagers might be raised to a higher material and moral level.”³⁰ In Gujarat, work oriented basic education was introduced in all primary schools.

7. Panchayati Raj: The political dimension of Sarvodaya puts emphasis to strengthen the ‘village panchayats’. Influenced with Gandhian thought of ‘panchayati raj’, provisions were made in the Indian constitution under ‘directive principles of state policy’ (art.40). The launching of Community Development Programme (2 October, 1952) and National Extension Service (2 October, 1953) set the base of ‘panchayati raj institutions’ in rural India. During the First Five Year Plan, planners necessitated the need to review the progress made by these programmes. For this purpose, Balwant Rai Mehta Committee was constituted in 1957. This committee was to review the working of rural local self government. Balwant Rai Mehta Committee submitted its report in October, 1957 and recommended the formation of three –tier structure of the local self government within districts i.e. Panchayat at the village level, Panchayat Samiti at block level and Zila Parishad at district level. These recommendations were accepted by National Development Council in 1958 and steps were taken for the implementation. On 2nd October, 1959 in Nagor, Rajasthan, Pt. Jawahar Lal Nehru started the Panchayati Raj institution and Rajasthan became the first state of the union to provide the new type of local self government.

8. Rural Development and Poverty Alleviation: The Development of agriculture and village industries, and introduction of various land reforms were thought to be the means of providing employment and alleviation of poverty a major sense. But still villages were not free from the problems of unemployment and poverty. Therefore, different programmes of village development and poverty alleviation were started to face the challenge. Some important programmes are as follows:

1. Community Development Programme- 1952.
2. National Extension Service- 1953.
3. Intensive Agricultural District Programme, 1961.
4. High Yielding Varieties Programme, 1966-67.
5. Intensive Agricultural Area Programme, 1969.
6. Small Farmers Development Agency and Marginal Farmers and Agricultural labourers, 1970.
7. Drought Prone Area Programme, 1970-71.
8. Command Area Development Programme, 1970-71.

²⁹ *National Service Scheme Manual(revised)*, Ministry of Youth Affaires and Sports, Govt. of India, New Delhi, 2006, pp. 2-3.

³⁰ *Ibid.*, p. 1.



9. Training and Visit System, 1974-75.
10. Integrated Rural Development Programme, 1976.

Besides these Programmes some other steps were taken for poverty alleviation. The Government also decided to distribute all waste lands to Harijans, Adivasis and other backward classes, including cattle-breeders, within a few months. About one lakh acres were distributed after the introduction of President's rule and another lakh were given away to the vulnerable sections before the end of the year. Besides agriculture, positive encouragement was given to these backward classes for animal husbandry and dairying schemes on a cooperative basis. The milk price policy was revised to encourage the production of cow's milk so that better bullocks may be available for farming. The State Agro-Industries Corporation sponsored a number of rural and village industries in the countryside for supplementing the meager incomes of the small farmers. A chain of rural workshops were organized for meeting the needs of repairs and servicing of agricultural implements, irrigation pumps and small machines in the village.³¹ Along with these contents, some other economic and social contents like co-operative movements were facilitated to a large extent in different plan periods. Agricultural primary credit societies, Grain Banks, Land mortgage banks, central financing agencies etc. were established. In the social context provisions were made to provide reservation in services to scheduled castes and tribes to bring them in the mainstream. Untouchability was ended under the provisions of Article-17 of the constitution under fundamental rights and in this way attempts were made to establish social and economic justice.

On the basis of above description, it is clear that the Gandhian elements were included to a large extent in Indian planning practices. Sarvodayan thinkers and Mahatma Gandhi himself enunciated on the villages of self sustained character which could be brought by becoming self sufficient in the production of food grains and with the help of the development of village cottage industries. If we observe carefully, we can easily find out that various plans and schemes were made in the field of agriculture and village industries to make the peasant and villagers self sustained and self reliant. Agriculture remained the most important sector of allocation throughout the planning. For providing the supplementary employment to the village people, stress was given to develop the village and cottage industries. But even these efforts were proved insufficient for the emergence of self reliant village community. Although, all these are Gandhian ideals but they were incorporated in such a planning methodology or framework that they could not reach their culminating points.

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³¹ Shriman Narayan, *India Needs Gandhi*, S. Chand & Co., New Delhi, 1976, p. 84.



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