

Relevance of Jawaharlal Nehru's Ideas in the Era of Globalization

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Abstract- Jawaharlal Nehru, one of the chief builders of Modern India, was the first Prime Minister of Independent India and he was there in that post till his death in 1964. He was a great patriot, thinker and statesman. Above all, he was a citizen of the world. He had a passion for science and modernity. Democracy, Secularism, Planning and Socialism are the main contributions of Jawaharlal Nehru to India. His views on economic and social problems and found in the innumerable speeches he made and in the books he wrote. Nehru was a man of letters. His entanglement in Politics was a great loss to literature. His important works include Autobiography, the discovery of India and Glimpses of World History.

Key words: Democracy, Secularism, Planning, Socialism, Statesman and Autobiography.

INTRODUCTION

Jawaharlal Nehru was a firm believer in Democracy. He believed in free speech civil liberty, adult franchise and the Rule of law. He has made Parliamentary democracy, a working proposition in the country. Whereas, democracy collapsed in most of the neighboring states that became independent along with India, democracy has survived in this great nation.

Jawaharlal Nehru was responsible for the introduction of planning in our country. The 'prehistory' of India Planning tells us in a clear fashion the decisive role played by one man: that is Jawaharlal Nehru. It was he who converted Congress to the idea of planning, and he who continued to insist on its importance at times when other, superficially more immediate, questions were tending to push it in the background.

Nehru's basic policies were right for India. There can be no real controversy about the emphasis he laid on human dignity, world peace, democracy, secularism, planning and development, socialism, national integration, science and technology. But one of the

fundamental attacks on the policies of Nehru is the strategy of planning. It has been alleged that the priorities, assigned by him in India's planned development have been based on a mistaken imitation of Soviet Planning and that higher priority should have been given to agriculture and consumer goods industries instead of capital goods industries. But we may note that the emphasis placed on capital goods industries was result of his desire to furnish the country with domestic supplies of the crucial inputs of economic growth so that the rate of growth could be much faster than if the country had to rely essentially on foreign aid for its requirements of capital and intermediate goods. And it is not correct to suggest that Planning under Nehru did not give sufficient priority to agriculture.

NEHRU VIEWS AND GLOBALIZATION

India in a Globalizing World – may appear at first glance to be an odd choice for Jawaharlal Nehru's view. Globalization as we know it today did not exist when Jawaharlal Nehru was Prime Minister and it might even be said that it has elements somewhat alien to his world view. His politically formative year, between the two world wars, were marked by a significant reversal of globalization and a shrinking of world trade as the major industrialized countries resorted to protectionism to maintain domestic employment. This was also a period when the autarchy Union appeared to be gaining ground while the market economies were struggling to manage their economic problems.

Jawaharlal Nehru was unwavering on basic principles and fundamental values - secularism, democracy, modernization, development with social justice – but he was not one to be tied down by dogma to particular instrumentalities. On the contrary, he recognized that

India's future would pose new challenges which would need a fresh approach. He said exactly that in his celebrated "Tryst with Destiny" speech on the eve of India's Independence:

This is the background in which India, the world's largest democracy, has been charting the course in a globalizing world. Democracies encourage debate and there is a great deal of it in India on issues connected with globalization. Politicians of all political parties in India know that globalization is a reality. Many of them also know that all countries that have grown rapidly have done so by exploiting opportunities in world markets and this can only be done if the economy is globally competitive. But there are also the fears about the impact of globalization which need to be addressed. These fears relate to two types of negative fallout. First, there is apprehension that globalization, and the policies of openness associated with exploiting the opportunities it offers may lead to negative effects on GDP growth. Second, there are concerns that even if aggregate growth is not adversely affected, indeed even if it increases, globalization may have severely disruptive distributional effects hurting the economic interests of particular groups, sectors or regions causing a loss of income and an increase in poverty.

India's growth prospects in a globalizing world are interesting; India's experience certainly suggests that there is no reason to fear that globalization will hurt India's growth prospects. On the contrary, India has experienced a distinct improvement in growth in the period when its policies reflected the compulsions of globalization, compared with the 1960s and 1970s, when the Indian economy grew relatively slowly at an average of around 3.5 percent per year. Growth accelerated to an average of around 5.8 percent per year in the 1980s and 1990s and the economy is currently growing at about 6.5 percent. Currently targeted growth rate is 7 and 8 percent for the near future. Since population growth has slowed down from 2.2 percent prior to 1990 to around 1.8 percent at present, these figures imply that the projected acceleration in the growth of per capital incomes is greater than in the growth of GDP.

In a globalizing world, domestic savings can be supplemented by investment flows from abroad and India has reoriented policies towards foreign investment to welcome such flows. India at present attracts only about \$5 billion of FDI compared with

\$60 billion for China. The government has set the target of raising foreign investment to three times its present level and is taking steps to remove policy impediments to such flows in several areas. With continuing improvement in domestic savings, and an increase in FDI from under 1 percent of GDP to say 2.5 percent, India can achieve rates of investment of close to 30 percent which should be sustained 8 percent growth. Investment rates in China are much higher around 40 percent of GDP – but there is reason to believe that China's very investment rates reflect some degree of inefficiency in the use of capital.

Human capital is another resource that determines growth and there are two somewhat different dimensions that are relevant. One is the availability of skilled manpower and the other relates to entrepreneurial ability. India has a large pool of technical and higher skilled manpower, reflecting long established socio-cultural biases in favor of education and also the emphasis placed on higher education almost immediately after independence. The country produces about 170,000 graduates in engineering and technology annually; not a large number in relation to the population but very substantial as an absolute flow. While quality varies, the best institutions such as the Indian Institutes of Technology and the Indian Institutes of Management, all part of the Nehru vigan legacy, are truly world classes. Familiarity with English has proved to be an important advantage; especially in some of the new growth areas created by globalization such as IT enabled services. Economic policies and institutions also play a central role in determining growth prospects. Economists, probably focus too much on the role of policies, and tend to underplay the importance of institutions, because policies can be changed over relatively shorter periods while institutions take much longer to create major changes in economic policies over the past two decades which will help it to perform more effectively in a globalizing world.

Economic reforms were intensified in the 1990s following a serious balance of payments crisis in 1991. The present Prime Minister, Dr. Man Mohan Singh, was the Finance Minister Prime at the time, and was the architect of those reforms. The internal liberalization begun in the 1980s was carried further, and was combined with a gradual process of external liberalization, including lowering of import duties, removal of quantitative restrictions on imports and a

major liberalization of foreign direct investment. The 1990s also saw the start of a process of financial reforms aimed at introducing greater competition and tightening prudential norms in the banking sector exchanges and capital market institutions and the insurance sector.

The process of economic reforms began in the mid – 1980s, following a recognition that India's performance in the 1960s and 1970s was below its potential. This was the period when the extensive government controls which existed earlier on private investment and technology decisions began to be liberalized. Indian private companies were encouraged to expand in scale and induct contemporary technology. Access to foreign technology was made easier and foreign investment began to be viewed as a mechanism for injecting new technology into the economy. The application of computers and the development of the software industry were happened in these periods. Their policy initiatives paid rich dividends ten years later, when India emerged as the most globally competitive emerging market country in software and IT services.

These reforms were accompanied by efforts to strengthen institutions appropriate for the functioning of a market economy. India is fortunate in this area because it already had commercial and legal institutions necessary for functioning as a market economy in a globalizing world. India's institutions were broadly patterned on those in the industrialized countries though their functioning certainly needed to be improved. Several steps were taken in this direction, including especially in the area of modernizing stock exchange practices and introduction of corporate governance rules. Gaps remain in certain areas such as bankruptcy laws, where procedures take too long, but the basic structures are in place and they are increasingly being pushed to conform with best practices internationally.

The reforms of the 1990s including the shift to a flexible largely market determined exchange rate succeeded admirably in correcting this weakness. India's export share in world trade increased from 0.5 percent in 1990 to 0.8 percent in 2002. The total inflow from both these sources was around \$6 billion until 2002-03 and then shot up to \$ 16 billion in 2003-04, mainly because of a surge in foreign institutional investors inflows. When move to discuss the India's primary education and health indicators lag behind

other East Asian countries, not only in comparison with the levels prevailing in these countries today, but even compared to the levels thirty years ago when they began to grow more rapidly. China in particular invested heavily in these areas in the early stages of development, with the result that when economic reforms were introduced in the early 1980s adult literacy was already 85 percent. In contrast, adult literacy in India in 1991 was only 49 percent. It can be argued that a base level of literacy of 49 percent is not enough to generate 8 percent growth. In a globalizing world, which places a high premium on skills and knowledge, improving these indicators should be a matter of the highest priority. As Amartya Sen has pointed out, this will not only improve human welfare directly, it will also contribute to economic growth over a longer period and furthermore, it will improve the ability of the poor to participate more fully in the growth process.

Fiscal balance requires action on both expenditure and revenues. On the expenditure side, the government must contain the growth of public expenditure as much as possible by withdrawing from areas where public spending is not essential or effective, while actually expanding it in other areas where it is necessary and presently inadequate. On the revenue side, there is need for steady pursuit of tax reform, especially reform of tax administration, which should permit larger resources to be raised even at the existing tax rates. An important development in this area is the recent adoption by 19 out of 27 states of a VAT system for sales taxes (which taxes paid at earlier stages. Experience suggests that this will have a very favorable effect on revenue collection.

When the country talks about becoming a Science and Technology powerhouse in the 21st century, it may be nice to step back and evaluate why such a robust optimism is possible at all. It may be appropriate to recall the rich legacy that Pandit Jawaharlal Nehru left behind and his permanent footprint in terms of building a modern secular and democratic India with a firm commitment to science and technology. Mahalanobis was the architect of the planning framework, which was basically to provide the country a benchmark for progress as we went along instead of a free market approach. The way statistics are gathered in the country for computing GDP etc is an envy of many developing societies and the figures are well trusted in the Western world.

In early 80's when liberalization just started, firms like INFOSYS, TCS and WIPRO took the lead in software and established benchmark in terms of world standards by this time the government realized that the Indian economy had really matured to a point where a level playing field was created. It was ready for real liberalization and the economic reforms of 1990 were in tune with the time. The fact that the government kept out of software was the realization crazy in the post-liberalization era.

CONCLUSION

One can only speculate what Nehru would have done had he lived longer. The economy perhaps earlier along the line of countries like Japan where the state is an active player but not a direct one. If one can level some form of criticism against the development process of the past five decades, it is in terms of the neglect of critical infrastructures of Water, Sanitation, Power, Transportation and Primary education. Nehru reorganized the states on linguistic lines much to the dismay of the Westernized intellectuals in India but in retrospect it was a wise decision since each of the rich languages of India flowered in its own way.

This year marks the 119th anniversary of the birth of this outstanding son and citizen of India. The name Nehru is unceasingly associated with the fight for India's independence and its establishment as a sovereign state and also his views are benchmark for near future and development of any economy.

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