

## ECONOMIC VIEWS OF SARDAR PATEL: AS A PROGRESSIVE LEGENDARY

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### ABSTRACT

*Sardar Patel is respected by all as a strong man therefore legacy of the man who united India, should be honoured. He was famous as an "Architect of United India" but he had very relevant views on economy and science would have been different for India if his views would have been adopted. He wanted freer hand be given to businessmen so that they can repose confidence in government and through his speeches motivated them to be nationalistic and think for the welfare of the masses. Alongside big industries he was in favour of widespread village and cottage industries because they can provide large scale employment. 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. It was unfortunate for Independent India that he could not live long enough to solve several problems through his attributes. His ideology was different from Nehru and he was much influenced by Gandhi at many instances he compromised to respect him. This paper attempts to analyze his economic views.*

### INTRODUCTION

There is need for every Indian to value Patel's contribution who dedicated every moment of his life for the welfare of the people. He lived only for three years after independence otherwise the scene for India would have been different because of his strong will. The legacy of the man who united India, should be honoured. Sardar Patel is respected by all as a strong man Sardar Patel called big businessmen to come forward and help government to improve the conditions of the poor. They should understand that when so many people are hungry as a citizen of India, it is their responsibility to feed them otherwise it is a sin to have full luxurious diet. He praised those

ministers and speaker who in order to help nation forgone their luxuries and comforts and curtailed their consumption. He criticised the allowances of ministers being more than their salaries and termed it as illegitimacy.

A quarter century after the choice of Pandit Jawahar Lal Nehru as the Prime Minister of India, Chakravarty Rajagopalachari wrote, "Undoubtedly it would have been better if Nehru had been asked to be the Foreign Minister and Patel made Prime Minister. In May 1959 Rajendra Prasad, the then President of India wrote, "That there is today on India to think and talk about is very largely due to Sardar Patel's statesmanship and firm administration. On Kashmir issue Patel has predicted

a great headache was coming due to Nehru's action. Patel was opposed to Nehru's action of taking the matter to the UN, leaving 1/3 of the state of control of Pakistan. He was secular but did not want Hindus to be ignored and minorities to be pleased specially.

## PROGRESSIVE ECONOMIC VIEWS

Nehru Model adopted industrial licensing to promote growth in public sector but it led to overmaning making commodities costly. Import control restrained the foreign suppliers to sell technology. All this led to low growth and we know that one of the cause of economic crisis of 1990 was the non viability of the public sector units where governments kept on pouring funds without adequate returns to pay off loans and interest which led to a situation of "debt trap".

According to Patel state was founded and held together by a high scope of nationalism and patriotism. He was attracted by Gandhian policies of non-violence, spirituality, discipline and moral strength. He was famous as an "Architect of United India" but he had very relevant views on economy and science would have been different for India if his views would have been adopted. 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. Adequate production not only meets consumer demand but also helps in curtailment of imports reducing import bill and saving foreign exchange for other priority needs and can be used for the import of capital goods to strength in old or new industrial undertakings. Self sufficiency was his motto for fulfilling the basic needs of the population. He gave a call to people to "spend less, some more and invest as much as possible, should henceforth 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 national cause" (Sardar Patel) He advocated for

industrialisation as without it rural and agriculture development would not be possible and for optimal utilization of resources.

He favoured private players and liberal economic policies. Economic model of Sardar Patel was thus based on Industrial Promotion of Private Entity and Liberal Government Policies and not based on socialist culture as adopted by Nehru Model. As is obvious restricted licensing policy for new ventures and for import of equipment acted as obstacle for higher growth of economy and growth rate hovered around 3.5 percent. It was only after seeing economic crisis in 1991 we adopted New Economic Policy which was based on abolition of License Raj and follow Principles of liberalization, marketisation, privatization and globalization. The results we have seen that it has led to higher and higher growth rates and more and more development and India is proving its economic worth. Though there are problems of uneven distribution and inequalities but this can be handled through other welfare means, corporate social responsibility and with more funds public expenditure can also increase. According to study of Gujarati Hitesh, Vala Vikrant and Darji Keyur India could have become the fourth largest Economy at present if liberalized policy of Patel would have been and adopted. Today, Indian Economy would be 2.57 times larger taken what it is. This has led to unutilized entrepreneurship skills of two generations. Accordingly to World Bank data currently India is at 10<sup>th</sup> position in terms of GDP (USD). As per the findings of the above study Indian economy would be at 4<sup>th</sup> position if GDP is multiplied by 2.57. Then India would have been developed nation with better standard of living.

He played a key role in farmers and milk producers to form the cooperative milk societies etc. for example Kaira District Cooperative Milk Producers Union Ltd. He was also supporter of creation of modern dams, industries to expedite the economic growth of nation. But he was criticized by socialist like Jai Prakash Narayana for his inclination towards capitalism.

He gathered support of peasants and other villagers showing them the probable hardship they will face in revolting against payment of taxes. Thus, carried forward the movement British Government at last agreed to negotiate with Patel and suspended the payment of revenue for the year and thus brought down the rate of tax. This strengthened his image of National hero of strong will. He supported non cooperation movement initiated by Gandhi and himself also switched over to Khadi. He also supported the empowerment of women, abolishing alcoholism, untouchability and caste discrimination in the society. He had the power to unite people for cause belonging to different caste community socio economic differences. Patel had good understanding of India's talents and needs. He understood the importance of entrepreneurship.

Patel faced warranted harassment by some of the Nehru's female admirers. In his letter to Gandhi dated 7<sup>th</sup> January 1947 pointed that Mridula Sarabhai had made it her pastime to heap abuses upon him, and indulging in propaganda that Patel wanted to get rid of Jawahar Lal and also formed a new party. The relationship between Nehru and Patel just survived due to Patel's deep sense of loyalty towards Gandhi, the Congress and the country, though Gandhi promoted Nehru over Patel. The last semblance of internal democracy within the congress died with Patel. According to Patel creation of Wealth for ushering in societal prosperity was a desirable trait.

In his minute regarding the economic situation of the country, Patel affirmed his faith in the capitalists, industrialists and economists who when approached in the right manner, offered promising prospects for both production and just distribution of labour. (Pradhan Atul Chandra (Aug 2015) "Gandhi, Patel, Nehru and Subhas" odisha.gov.in)

It was not that Patel would not have adopted mixed economy as Nehru but could have moulded the economic policy in different way. According to Ashok V. Desai, "that a Patel government would have dismantled the import

controls inherited from the war and would not have introduced industrial licensing."

Patel was against the release of 55 crore from the exchequer of undivided India to Pakistan, but this was against Gandhi and Lord Mountbatten. On Jan 14; 1948 the Cabinet decided to release the amount to Pakistan as was Gandhi's wish.

Influenced by Gandhiji's ideology he also emphasized to promote Swadeshi specially boycott foreign clothes and increase the use of Khadi. He made a call to traders to not do trade of foreign clothes if they want welfare of the nation. He urged traders not sell yarn which is used to make foreign clothes. True socialism lies in the development of cottage industries. Keeping in mind the depression of 1930 being faced by West he called for not to create disequilibrium situations in the country and prevent overproduction.

He made a call to women in cities to wear clothes produced by village people rather being attracted towards foreign cloths. If Mahatma Gandhi can wear Khadi why not they, thereby, helping crores of starving people. Cities cannot flourish at the cost of poor rural people. Swarajya can be established through villages by promoting consumption of goods produced there. Everybody should help in reviving cottage industries. Everybody should live in peace, keep the environment, the surrounding clean and should avoid extravagant expenditure on marriages and death bhoj. He also supported Gandhiji that machines are evil and by replacing labour thereby creating unemployment will destroy the nation. Since Khadi provides bread to poor it should be promoted. Women represent the purchasing power as decision for purchase lies in their hand. If they press to purchase goods made in village cottage industry can flourish.

Heart of India lies in villages Patel said that until and unless life of people living in villages improve, we cannot expect for political economic and social progress of India. He called for strengthening production of Khadi and boycott foreign cloth to make West economically handicapped he glorified it was Bharat which

showed path to world in trade and commerce but due to rule of few foreigners its condition has deteriorated. They have destroyed the prosperous nation and we are compelled to see crores of people living in hunger and misery. Country where people lived for hundred years their life expectancy has dropped by twenty years people are falling sick. Once Bharat was most rich country and we almost traded with all nations and had things in excess. But Britishers came as traders in our country and took advantage of our conflicts and they ruled for so many years. Few lakhs Britishers who have come from far off ruling crores of Bharatwasi is a shame. To get back the glory we all should strive for, he asked traders to believe in congress which will work for betterment of people. How can they be suspicious of Congress and trust foreigners who are responsible for the miseries. As traders work for profit but through his speeches he enthused in them nationalistic feelings and work for betterment of the country. In his letter to Shyama Prasad Mukherjee dated 18 August 1947 he wrote that Shri M.N. Dalal has mentioned to establish factory for making small arms and ammunition and torch and its parts. He opined that for making these there needs to be private institutions because he thought public enterprises for making war-things will not be able to meet citizen's demand for small arms. Thus, it can be deduced that at that time he wanted private sector to be given chance to meet demand and was not confident of public enterprises to be able to match demand and move fast. On the industrial unrest and strikes in Bengal he was of the view that their Union should try to take out solutions through talks peacefully rather than provoking labours to go on strike and damage property. He was suspicious that if labour leaders follow the same trend of strikes country will face many dangerous implications. Everyone should have nationalistic feelings and responsibility towards nation. He believed India needed to produce more so that it can meet internal demands as well as meet demands of weaker Asian Countries. We should realise our potentials and progress faster.

Mainly he had two stand points of more production and equal distribution and with enthusiasm he strived for economic integration of land with affinity as he solved the problem of integrating princely states into India and Nation.

He wanted management of different factors of production and government for sufficient production so that common people of India can be provided goods and relief and they can also feel Swaraj. We have potential resources and its upto us how we can make our future strong and for this we have to make some sacrifices and also leave few things of past. There should be proper coordination between labour, capital and government and labours should be paid justifiably and reasonably to prevent unrest. He thought for speeding up the economy, restrictions on industries and coal and other ventures should be removed. Industrialists are bowing down to the pressures of communist to earn peace but it is temporary and not solution to labour movement and unrest ,they should be strictly handled and labour discipline should be maintained. He quoted that England opted for socialism after it has progressed much in industrialization. Increasing conflicts between capital and labour will be dangerous for future of industries in India. Capitalists should not exploit labour and they should get their justiciable rights through mediation. Labours should increase their productivity and produce more to get better wages, otherwise production will be affected. Lesser production will again lead to poverty and deprivation, therefore, this cycle needs to be broken. He firmly believed in optimising production and its equal distribution. Labours should realise their importance in nation's progress on their skill and hard work India's progress depends. He called labours to keep distance from irresponsible labour leaders who provoke them to go on strike. Independence is hard earned with innumerable sacrifices and it should not go in vain and we should work for its revival and not destruction. We should become self sufficient in essential goods for which we are paying for imports. Economic problems can be solved if citizens, employers and labourers keep true faith in nation and keep aside their selfish

attitude for wider benefits of nation. We will then be able to solve our economic problems successfully.

He was of the view the level of taxation was high and expected that the then Finance Minister (1949) will reevaluate the tax structure accordingly to the present situation. He has already assured that as he will get chance will bring direct taxation to reasonable level. He called for balanced agricultural system and should produce enough to become self sufficient and this sector should get important position in economy.

He tried to boost up confidence of entrepreneurs and traders as they were in depression and dilemma that there is possibility of their efforts being wasted. He said that science and art of industry is specialized subject, trading skills and industrial capabilities cannot be acquired but they are inherent. So they should feel themselves special and responsible. He promised industrialists that government will help in removing obstacles and not allow new problems to emerge. He propounded that base of prosperity lies in self sacrifice and everyone should do for making the nation prosperous.

He appealed to farmers to cultivate every inch of cultivable land and give maximum to government and keep minimum with themselves. In case of industries labourers should use resources optimally and correctly and should help industrialists to increase production and government should assure that there will be no obstacles and redtapism. Traders should make produced goods available with less difficulty and at minimum price to consumers. He called for negating dominance of selfish people in nation in the course of struggle of nation. People should not hide their savings and give if for nation building. Citizens should develop that in nations progress lies their progress and in nations downfall their downfall. He favoured to take loans from international market but not for routine economic activity. He raised slogan "Spend less, save more and invest as much as possible."

He believed in strict implementation of programs and decisions once taken and government

should not bow down to pressures of different unions. For solving any problem cabinet need to adopt behavioural rather than intellectual approach. Government should build confidence in people that it is serious on programs and policies decided. Government should control prices of essential goods consumed by common man and if some disturbances arise timely action should be taken. Railway system needs to be improved a lot for proper distribution of commodities. He was aware that smuggling of goods takes place because either transport system is corrupt or because of inefficient employees dumped orders and due to lack of good vigilant system. He realised and pointed out in his letters that Union Government should help states to increase their income and production and it is their responsibility. For this we should leave suspicious attitude towards investors and entrepreneurs and traders who are willing to cooperate in improving situations in the country by utilising resources in the country. If Government will ignore such available resources which will increase production and if late in activating working tendency then the future of the country will be bleak. He was in favour of committee of specialized people representing Government, industry and economist who can systematically move forward the program of increasing production and providing sufficient wages to labourers. He advocated to promote capitalists who are coming forward to invest in such as situation when we know that we are poor in terms of human resources and power. It is not possible for one minister to complete all economic programs and affairs. Therefore, there was need for small committee of cabinet to carry out and inspect all economic programs.

Sardar Patel undertook several measures to uphold the greatness of India. Somnath Temple ruined by repeated attacks of foreigners worried him, therefore, he undertook the renovation of that temple. He made it is a symbol of power and breaking the shackles of slavery as a sign of victory. Even in his old age Sardar Patel was so busy that he travelled extensively motivating people and working tirelessly to organize, boost, frame India after independence that it affected his health. He passed



away in Bombay on the morning of the 15<sup>th</sup> December 1950. Politicians of today should learn from him what it means to work for the welfare of the people working more like servant of people rather indulging in extravagance after getting power and position. He gave up his enough earning lawyer profession for freedom struggle and after independence conserving and building the country. President Dr. Rajendra Prasad wrote in his diary on May 13, 1959 "that there is today an India to think and talk about is very largely due to Patel's statesmanship and firm administration. Gandhiji nominating Nehru for Prime Minister though most members in Congress favoured Patel for the post, there was reason as Gandhi knew India would not be deprived of the commitment and services of Patel even if he is not made Prime Minister but is will not be vice versa and Patel to honour Gandhi accepted the decision. Sarojini Naidu called him "the man of decision and man of action in our councils" ([www.rediff.com>news](http://www.rediff.com/news))

His organisational skills were seen at many instances. In 1921, at the Annual Session of the India National Congress in Ahmedabad as Chairman of Reception committee shouldered responsibility of over 5000 visitors and delegates. He thought about sorting problem of their shoes and provided hundreds of small bags of Khadi made by local peasants and sold for the convenience of delegates. This satisfied them and thousand of yards of Khadi was sold which he considered as empowerment tool. This shows how to make best use of the situation for benefit of people. Sardar Patel stood for all of India and effortlessly tried to strengthen it. ([www.livemint.com>leisure lounge](http://www.livemint.com/leisure/lounge))



## CONCLUSION

Sardar Patel's honest, bold, confident, devotion, loyalty and architect of India's integrity at the time of Independence needs respect and remembrance. It was unfortunate for Independent India that he could not live long enough to solve several problems through his attributes. Strong will and his tough stands rightly portray him as "Iron Man". It is natural

for our Prime Minister Narendra Modi to pay him respect being Gujarati and pain many feel that his works and personality were ignored in comparison to Gandhi and Nehru. But, I think crores of rupees being invested in statue of Sardar Patel in Gujarat to symbolise his efforts for Unity and Integration is not reasonable in a country which has so many other problems to be dealt as poverty and unemployment. Sardar Patel would also have not agreed to it as he has sacrificed a lot and always motivated people to think for the welfare of the Nation and fellow beings.

Though he was not an economist but his economic thought at time of Independence such as need of the hour for higher growth and production to provide goods to the people for which private investors should not be suspected but encouraged, less restrictions for production, trade and commerce, import substitution for self reliance and reduce import bills, so that resources can be utilised for other productive purposes, appeal to traders for contribution in increasing national production, promote cottage industry such as Khadi which will solve problems of unemployment and poverty at large scale etc. show his economic wits. He did not consent with adopting more socialist pattern when industries were at rudimentary stage. It has been proved after 1991 when we adopted New Economic Policy with delicensing, privatization that economy grew fast and consumption basket improved to large extent. Today we miss him and expect problems of corruption, naxalism, terrorism and disintegrating forces would have been strictly dealt with. We need leader like him who selflessly and honestly work for integrating progressive India.

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