



## The social and economic reforms of Indian national congress in Indian political system

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**Abstract:** India under Congress regime and others also has not yet attained positive response from its explicit concern for socialistic pattern of society under the grab of mixed economy and liberal-democratic socialism. As a government the Congress creates certain socio-economic situation, which the Congress as a party has failed to cope with. On the other, certain socio-economic and socio-political constraints have made the Congress both as a party and as a government quite unresponsive to the demands of the people.

### Introduction

The social and economic reforms remained unimplemented. Having come into existence at the mid-day on Monday, December 28, 1885, the Indian National Congress with emerging elites of middle class intellectuals propounded their theory about peaceful political action and public protest. In a society with multifarious religious and cultural manifestations, ethnic diversities and economic higher-ups and lower-downs echelon, it was a pluralist, flexible and open-ended organization, once a movement, able to continue in power and simultaneously able to snuff out unprincipled factions upholding at least twin objectives at that time: to arouse nationalism among the Indians and to make India a united nation. In search for truth and „Swaraj“ from Raj, Gandhi preached the gospel of non-violence and class harmony. And Nehru and other Congress leaders declared that the Congress was to be turned into an electoral organization or into a party to win electoral battles and sit on the saddle of power or at least into a Gandhian organ of constructive programme, *i.e.*,

transition from movement to a party or from mass politics to elite politics.

Thus pragmatism or „real politik“ began to replace the ideals of socialism, truth and non-violence and watered down Marxism into a milk-water Fabianism. „As the dominant party, the Congress attracts many Indians who have hardly any ideological affinity to it but want to use the organization as a stepping stone to public offices... Congress has become fully immobile in the trial of its reconciling image as a “movement of social reconstruction” with the task of a political party.“ Radicalism and pragmatism were well-balanced as the expedient manipulation of middle class nationalism and democratic socialism. After Independence, the change in the character of the Congress from a party fighting for freedom to an enthroned party on power seat charged with the constitutional responsibility for political development, economic regeneration and cultural advancement began to take place by a solemn public act. Nehru did not agree to take Congress as mere electoral organization into account. But leaders of Congress did not



take any recourse to such action and were unable to do so because the party attracted many new members no longer moved by any idealistic reason but were primarily concerned with power and patronage. Therefore, Congress leaders followed a middle-of-the-road policy. For that reason Congress party followed the formula of „socialistic pattern of society“ in the Avadi Session (1955) and later on „Socialist State based on Parliamentary Democracy“ in the Bhubaneswar Session (1968), which were not possible in our socio-economic set-up. And so, besides consensus on „fundamental norms of the democratic set, a Westminster type of parliamentary set-up cannot be accorded with the possibility of happenings of consensus on specific policies and issues unlike the totalitarian state-building with a monolithic structure in the process where dissension and disobedience are prohibited in full swing. In spite of that as we have accepted the parliamentary practice of British origin, so we should have a responsible opposition with a responsible government in the House and rules of the game, the Congress Legislative Party (L) leader posited. To him, the leader of the House acts as the leader of his own party, as a representative of the whole House and is responsible to the House in general and to opposition in particular; and with an intuitive instinct should be able to measure the troubles brewing and the blazes of commotion. The Congress party, apart from these, accepted the other rules and principles of parliamentary democracy as the political superstructure of our society, for example, representative institutions based on majority rule, limitations on the power of the government, accountability of the government to the electorate, freedom of expression and independent judiciary,

multi-party democratic set-up with free and fair election. Therefore, the tests for a political system claiming to be based on parliamentary or liberal democracy will, therefore, seem to be the extent to which the government truly represents the mass of the society and the extent to which rights which individuals claim to have are protected, which believes to be put forwarded by the Congress party conveniently.

**Economic reforms of Indian national congress:** The main planks of Congress socialism are based on the same footing, i.e., „socialistic pattern of society“. It stands for mixed economy and envisages a much more dominant role for the public sector, but allows the important role for the private sector if it becomes consistent with social objectives. It promises to nationalize banks and insurance companies, to curb monopoly and concentration of wealth in association with abolition of human miseries, employment to the unemployed and radical agrarian reforms programme. The *Congress Party Election Manifesto, 1977* clearly points out: „The motto of the Congress is: poverty must go, disparity must diminish and injustice must end ... reflecting the vision of Mahatma Gandhi and Jawaharlal Nehru.“. In its 1979 Election Manifesto, the Congress aims at creating an investment climate in order to improve production, „formulating a rational income policy and restructuring of the tax system to reduce the burden of the middle classes“. Therefore, Congress Election Manifesto wants to fulfill its objectives extending from „upholding the ideals of secularism“ to „consolidating democracy“, from „fighting poverty“ to „achieving all round development of the economy“. Henceforth, emphasis is on more equitable distribution of the fruits



of growth. Therefore, Indira Gandhi's socialism, the so-called „populist socialism“ is different from Nehru's liberal democratic socialism and Gandhi's ethical socialism. P. D. Kausik identifies Indira Gandhi's „populist socialism“ with communism, which is not like Nehru's liberal democratic socialism. Indira Gandhi's socialism emphasizes social control like that of nationalization of grain trade etc..

Before Independence Congress party included mainly high caste Hindus, intellectuals, teachers and professionals and changed its character as precursor of rural landed interests both at the national and state levels. Hence, the rich and well-to-do farmers had formed the Congress's inner councils both at the central and state levels, influencing policies in their own favour and controlling the local seats of power.

The Congress (I) leaders, especially under Rajiv regime pursued the policies of deregulation, import liberalization and easy access to foreign technology, which jeopardized independent growth of capitalism and indigenous development of capital. The business groups intended that they were not ready to deal with overall import liberalization and easy access to the multinationals and foreign capitals in Indian market, to compete with foreign business with new technology, as they followed the policy of capital-export and protected domestic market: „They produce for protected markets, on occasion they wish to improve their technology with imports, and many either are in or would like to enter export markets.“. So, the head of Federation of Indian Chamber of Commerce and Industries, D. H. Panandiker said that even after three decades of highly

protective industrialization, the policy of liberalization could not be taken on all fronts. First we had to make domestic competitiveness, then to go the outside world. Rajiv Gandhi during his tenure I office followed a policy of liberal economy sharply deviated from the earlier state-controlled import-substituted model of economy. Secondly, in calculating the economic costs and political gains Rajiv moved to and fro with his earlier liberal standpoint fearing about the loss of political popularity and electoral decline. Thirdly, for that, Rajiv Gandhi did not take any positive policy pursuit in spite of the proposed and committed economic liberalization. Rajiv Gandhi made shift from Nehru and Indira's recalcitrance to a more accommodating and compromising set of policies of socialism, planning and self-reliance to a set of subtle and judicious combination of deregulation, liberalization and easy entry of foreign technology and capital into Indian market. Rajiv's inexperience contributed to his popular belief that major policy changes would make his impression greater and provocative.

The word of „socialism“ was not contained in the budget speech of 1985-86. However, there was controversy within the Congress over the policy changes from socialism and as a result of that government continued to push a bit of liberalizing reforms. Hence, Congress's commitment to socialism put emphasis on the government's economic policies would also make continuity with the past on the ground that socialism would define the limits, which new policies would have to fit. Though the Congress leaders conceded to their demands, the Indian businessmen and bourgeoisie did not recover from the onslaughts of imperialism and the trap of foreign capital, and thereby could not



gain their independent development. Ever since Independence, the native industrial monopolists formed a holly alliance between domestic merchant capital and foreign enterprise to maintain the existing socio-political structure and to develop a national bourgeois state in India. The Indian bourgeoisie was antagonistic to both imperialism and mass revolution, so they followed the middle-of-the-road-policy: compromise with the imperialist forces in order to halt further violent upsurge and maintain the fertile ground of inequality and exploitation for the development of a national bourgeois state under their leadership. And the Indian National Congress, as a multi-class organization added fuel to the flames and was busy with its determination and drive. After the transfer of power the Indian capitalists surrendered to the imperialist capital. The Congress party declared that Government should allow the entry of foreign capital for the country's economic development, to supplement Indian enterprise but should be regulated in the national interest and the interests of the bourgeoisie. „Foreign collaboration to them started to mean additional financial resources, advanced technology, highly developed marketing organization, the prestige of foreign brand-names and personal prestige and advantages.“. To protect the interests of the big business, the state under the control of Congress leaders controls the policies and choices through incentives and sanctions, interests and actions of the organized groups, and their organizational and group behaviour in our pluralist market society, and regulates „the internal affairs and external conduct of business, trade unions and other organizations“. In essence, political parties control and dominate the trade union activities, and

exploit trade unions in their own political ends.

Therefore, trade unions are weak, and if it wants to become strong, it must be independent and out of parties“ control. To Morris, „... political use of the trade union movement has led the Congress governments increasingly to use state power to discipline labour and to regulate its welfare;“ as the social and economic conditions of the workers are weak to lead the organization, and their commitments to organize action are not conducive to trade union militancy or its role as a political party or pressure group as in the West. One authority has produced an analogy between political parties and trade unions, taking the former as „holding“ or „parent“ companies and the latter as „subsidiaries“, when left unions are „wholly owned subsidiaries“ and Congress or right unions are subsidiaries with some autonomy. Therefore, trade unions had been able to mount a defensive against the centrist politics of the Congress leaders and their affiliated INTUC, even with some autonomy, but not conducive to independent trade union movement. The leaders most systematically and ruthlessly had subverted the organized movement through coercive measures in spite of labour's participation and co-operation in the management of industry and open-ended collective bargaining systems. The government had adopted procedural measures of bargaining, shifting its attention from unskilled labour to skilled labour, white-collared professional workers, and thereby giving the industrialists and businessmen enough opportunities to flourish in the absence of weak bargaining agents, prominence of restraints on strikes and „manipulation of diverse and divided unions to assure



acceptable representation and favourable policy and dispute outcomes". The Congress leaders have pursued the policy of compromise and regulated conflict to make the capitalist success a sure.

In the rural areas, Congress is supported by landlords, traders and moneylenders, and in the urban areas, by industrialists and business, despite its commitment to democratic socialism. Therefore, to ensure this it supports the passive trade union movement and a disciplined working class. Ever since Independence, the Indian national Congress has followed the passive revolutionary path accompanied by the Gandhian principle of self-suffering and non-violence in tune with the self-satisfaction and gratification of the interests of the Indian big bourgeoisie and feudal elements inability to sustain social expenditures, low efficacy of growth in reducing poverty, macro instability and crisis etc. in the 1980s. In 1991 economic reforms were made and New Economic Policy was introduced. The policy features of the New Economic Policy stressed on delicensing of industries, removal of the ceiling on production capacity of industries, policy of broad-banding, import-substitution, foreign collaboration, expansion of private sector and larger market orientation. Thereby, the ideology of socialism was downgraded. Then, the civil society has to fight the two fronts, the state and the market. „Commercialization and the greater play of market forces typically operate to increase economic inequalities, and the reduction of “welfare” activities of the developmental state which could, to some extent, have mitigated the harsher aspects of such a process are inhibited by the stabilization and structural adjustment which are part of this

paradigm.... The growing inequality that is already becoming evident in India is reflected not so much in the narrowing of the category of the “rich” or upper-income groups; indeed, these may possibly increase in absolute numbers due to the proliferation of service sector and other white collar activities that tend to expand in such periods.

The failure in Indian developmental experience is inevitable and indicative of the fundamental contradictions, which are bound to be developed by the essentially capitalist strategy. The government has failed to ensure a redistribution of productive resources, particularly in the agricultural sector, and to set up an industrial infrastructure. The vast majority of the country’s population has no money to buy industrial products. However, the goal should really be to remove poverty, to work towards a non-property society and not towards a consumer oriented, highly industrialized, high energy using society. The *fundamental changes* that are needed in India cannot be met by *moderate reforms* that only focus on reducing the negative activities of the government, neglecting the positive functions that it can perform on bringing social opportunities within the reach of all. India under Congress regime and others also has not yet attained positive response from its explicit concern for socialistic pattern of society under the grab of mixed economy and liberal-democratic socialism. As a government the Congress creates certain socio-economic situation, which the Congress as a party has failed to cope with. On the other, certain socio-economic and socio-political constraints have made the Congress both as a party and as a government quite unresponsive to the demands of the people. As to the crisis of



bourgeois-landlord system and the transformation of the Congress from movement to party and then to government, the Congress has used repressive measures and manipulated all the state apparatuses to contain pressures and conflicts from below in order to preserve exclusive bourgeois class interests. Though the bourgeois class has adopted the parliamentary mechanism, though the working class has intruded into the system; but has not been able to use it for their own demands and advantages: abolition of bourgeois-landlord system, planned and independent development of national economy, promotion of civil liberties and need-based wages.

#### Conclusion

The social and economic reforms remained unimplemented. The party drew its strength in the rural areas from the dominant elites, and in urban-industrial areas from bureaucrats, businessmen, industrialists and professionals. The social situation was not sustained by the twin revolutions of industrialization and democratization, which a parliamentary democracy needed to impart and consolidate the values and norms of democracy. Inequality in access to resources and social positions reinforced social and economic inequalities, which created tensions and gaps at the social level. The slow economic growth and the appropriation of developmental benefits by propertied classes had produced cumulative inequalities and accelerated economic growth was frittered away in maintaining these classes and pampering them by giving them subsidies in one form or the other. Therefore, under the present socio-economic conditions and in the faces of growing frustration, the system lost its

legitimacy producing a wide gap between the mission of social transformation of the Congress leaders and the demands and interests of the underprivileged.

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