CHAPTER VI

KIRPALANI'S IDEAS OF ECONOMIC RECONSTRUCTION AND MODERNISATION

Acharya Kripalani's contribution to the making of modern India is multi-sided. Here we are concerned with his ideas of economic reconstruction and modernisation. In this field too his contribution is of no mean order. His conception of constructive programme has formed the foundation of national development. The methodology of constructive programme, developed under the leadership of Mahatma Gandhi, was the chief instrument for Kripalani of securing social justice and economic welfare. This was in contrast with the concept of social justice of Jawaharlal Nehru which was based on the methodology of economic planning.

Once, after meeting Mahatma Gandhi, George Bernard Shaw said, "He is not a man but a phenomenon." He said this because he found it difficult to evaluate Gandhiji's astonishing personality. More or less the same may be said about Kripalani,

the most faithful disciple of Mahatma Gandhi. Acharya Kripalani's life, more than his speeches and writings, reveals him as a true patriot, a peace-loving internationalist and a humane and comprehensive moderniser.

If a direct question is asked as to Kripalani's economic ideology, perhaps we cannot put him in any particular pigeonhole. He was not an economist in the technical sense. But the way he interpreted the economic ideology of both Gandhiji and Nehru was more than what a technically trained economist could have done.

Kripalani believed in the constructive programme to achieve the goal of economic development and modernisation. Since Kripalani differed with Nehru, he felt it necessary to come to terms with Nehru's economic ideology which was couched in the term "socialism." Nehru writes, "A study of Marx and Lenin produced a powerful effect on my mind and helped me to see history and current affairs in a new light." Nehru adopted socialism as the only means to solve India's economic problems.

Kripalani did not see any concrete results of the socialism advocated by Nehru. He strongly criticised the socialism of

hehru and also of Indira Gandhi. Kripalani writes, "In politics one can use words that are undefined and lack content. One can indulge in double talk and half-truths and slogans. One can say one thing and mean another and do something quite different ..." He said, "There is nothing in politics which cannot be made to appear what it is not by the manipulation of words and phrases."\(^3\)

Kripalani made it clear that:

"This manipulation through words is not possible in economics; at least it is much less possible ... This is because economics have less to do with words and more to do with the hard facts of life. In India, we have been trying to establish socialism merely repeating the word, by striking attitudes or by trying to divide existing wealth which may or may not be used for future production. Such shortcuts to increased production may help to win political elections, but they cannot create wealth. They cannot provide employment or reduce poverty."\(^4\)

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4. Ibid., pp.44-45.
Kripalani held that for any successful struggle the working of the constructive programme, especially the economic part of it, was a pre-requisite.\(^5\)

Kripalani reminds us that when the famous "Quit India" resolution was passed by the All-India Congress Committee in its historic meeting held at Bombay in 1942, there was a demand for a programme of preparation for the struggle. Gandhi said the only programme he could suggest was the intensification of Charkha and Khadi movement and the general working of the constructive programme.\(^6\)

Kripalani was no doubt a great hero of India's non-violent struggle for freedom. He was an ambitious nation builder. He was totally concerned with Gandhi's constructive work programme.

Nehru's concept of social justice was not a postscript or a sequel to the Indian nationalist programme. It had been a part and parcel of the Indian national movement for independence. The Indian National Congress had been wedded to it since 1930s. Nehru was not the architect of the social justice theme as some

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6. Ibid.
may feel. The AIOC, in its session at Bombay in May 1929, came to the conclusion that the great poverty and misery of the Indians were not only due to foreign exploitation but also due to the economic structure of society which the foreign rulers supported so that their exploitation might continue. The members of the AIOC took the view that it was necessary to make changes in the economic and social structure of society in order to remove the poverty and misery of the Indian masses and the gross inequalities which they suffered.

In its debates, at the Karachi in March 1931, the Congress resolved to adopt fundamental rights and the economic programme. Again in April 1936, in its session at Lucknow, the Congress came to the conclusion that the urgent problem of the country was the appalling poverty, unemployment and indebtedness of the peasantry.

Nehru, as Chairman of the National Planning Committee set up by the Congress, said in December 1938 that there could be no planning if it did not include big industries. Thus a revolutionary change of the social and economic structure to be brought about through state ownership and control of industry, and industrialisation in a big way were the major features of the economic thinking of the Congress led by Nehru at the end
of 1930s. From the historical point of view it is very clear that the sharp change in the economic policy of the Congress since 1929 owes a good deal to the Soviet experiment and experience which were reflected in India via Nehru's thinking.

After independence Nehru became the first Prime Minister. He was also responsible for the setting up of the Planning Commission in 1950. Nehru committed the country to a policy of planned economic development. Though the contribution of Nehru in this direction was praised by like-mind people, it was equally opposed by the Gandhian colleagues like Kripalani.

Kripalani viewed Nehru's planned economy as the imposition of statism. He was a committed Gandhian who believed in village self-sufficiency. Kripalani also opposed the launching of the industrialisation with its emphasis on heavy industries. He interpreted this as leading the country on the Soviet path and by implication, towards totalitarianism. He felt that such a pattern of industrialisation was totally in contrast with what Gandhiji would have wished. The emphasis on heavy industries, according to Kripalani, has been variously presented as tantamount to the neglect of agriculture, the death-knell of Khadi and village industries and callousness towards the problem of unemployment.
It may be said that Nehru had a fascination for the heavy industries. It may also be said that he rarely went beyond the broad idea and did not bother to examine the manifold implications. Nehru, while introducing the First Five Year Plan before the Lok Sabha in 1952, said that rapid industrialisation including the setting up of heavy industries was as necessary in the interest of national development as it was to have a strong agriculture.

According to Kripalani the country suffered heavy losses in permitting and promoting big, centralised industry. He felt that in the process of big industrialisation the government encouraged monopoly production and neglected agriculture which was the main base of industry.7

Kripalani rightly observed that India had no capital nor the technical knowhow for large-scale industrialisation. What India needed was that kind of industry which would provide employment to the teeming millions. According to him, that could be done through Gandhiji's scheme of decentralisation of industry.8

8. Ibid.
Many people believed that Gandhiji was against mass production in big mills and factories. It was also said that he was against the use of machinery in industry. Kripalani strongly pointed out that these were false assumptions. 5

Kripalani, after independence, expected that "preference will be given to the decentralised, labour-intensive pattern of production, rather than capital-intensive industry. Preference will be given to the manufacture of articles of everyday use to the common people, over luxury goods." 10

While presenting the Second Five Year Plan to the Lok Sabha in May 1956, Nehru said that the philosophy of India's planning was to take advantage of every possible way of growth and not to do something which fitted in with some rigid theory.

Kripalani, in his speech delivered on the same subject in the Lok Sabha in September 1956 observed that the approach of the plan "will not solve the basic and pressing economic problems of our country." 11

The main problems of the country were

10. Ibid., pp.257-58.
agonising poverty and colossal unemployment of the masses living in the rural India.

Gandhiji, as far back as 1919, said that the immediate problem of India was not how to run the government but how to feed and clothe the people. He said,

"Without the cottage industry, the Indian peasant is doomed. He cannot maintain himself from the produce of the land only. He needs a supplementary industry. Spinning ... is the easiest, the cheapest and the best."\(^\text{12}\)

Gandhiji's interpretation of Swadeshi covered rural handicrafts, hand-spinning and hand-weaving.

Kripalani observed,

"What the villages need is something that will supplement their meagre income from agriculture. For this, they need some subsidiary industry to occupy their spare time, supply them with articles of daily use or augment their meagre income. Such occupation can only be provided by home and village industry."\(^\text{13}\)


\(^{13}\) J.B. Kripalani, \textit{Planning and Servodaya}, \textit{op. cit.}, p. 3.
Kripalani viewed the question of decentralized industry from the viewpoint of India although it was obvious that such a pattern might not suit other nations. Kripalani agreed that the Second Five Year Plan was a unique document. According to him, planning was a scientific conception and a scientifically drawn-up plan should not have differences of opinion among the experts. But the Indian plan revealed wide differences among the experts. The plan was based upon statistics which were incomplete and unreliable. Kripalani pointed out that when the statistics were challenged, even the ministers did not hesitate to announce that the official statistics were unreliable.  

The objectives of the plan were as follows:

1. a sizeable increase in the national income to raise the standard of living,
2. rapid industrialisation with particular emphasis upon the development of basic and heavy industries,
3. large-scale opportunities for employment, and
4. reduction of inequalities of income and wealth and more even distribution of economic power.

Kripalani said that there was some confusion about the first item. He said an increase in the national income may leave, and in the past had often left, the lowest income-group unaffected, if not adversely affected. A rise in the national income may raise the standard of living of such classes and these need it the least. It may leave the poor poor if not poorer. According to Kripalani, items (1), (3) and (4) were the objectives and item (2) was the means to those objectives.

Kripalani made it clear that so far as the means, i.e., industrialisation, were concerned, he had no quarrel with them. He accepts that a country needs to be industrialised if it is to live and progress. He holds that no culture or civilisation can be built on agriculture. And even agriculture needs the help of industry. So he agrees that there can be no two opinions about a country's need for industrialisation if it is to prosper and progress.15

Kripalani points out that the word industrialisation has come to acquire only one meaning since the 18th century when the Industrial Revolution took place in the West. The meaning is "industrialisation through big, centralised and mechanised industry." He also points out that our process of thinking has

15. Ibid., pp.11-12.
become Westernised. One cannot deny this fact. It is wrong to think that civilisation began only with the latter part of the 18th century and that too as pioneered by the Europeans. Kripalani reminds us that great cultures and civilisations flourished in India, China, Greece and elsewhere on the basis of industry organised on a different pattern from the one evolved in the West in the modern times.\textsuperscript{16}

According to Kripalani, today there are two dominant variants of the modern type of industrialisation. They are:

1. Capitalist type - through private enterprise wherein the instruments of production are in the hands of private individuals, and
2. State capitalism - the so-called Communist type, wherein the instruments of production are in the hands of the state.

To him, there are certain things common to both of these dominant variants. These are:

1. Centralism;
2. Progressive mechanisation; and
3. An over-emphasis on material ends.\textsuperscript{17}

\textsuperscript{16} Ibid., p.12.
\textsuperscript{17} Ibid., p.13.
Kripalani highlights the consequences of these variants of industrialisation, which have resulted in exploitation, poverty and misery of the masses. He says that the evils of the capitalist industry led to the exploitation and poverty of the masses in the home countries and misery and slavery in colonial lands. Further, the rivalries of the capitalist countries in search of colonies to get raw materials from the dump their finished products on led to the evils of imperialism.\(^{15}\)

While commenting on state capitalism, as it has developed in Russia and other communist countries, with its emphasis on heavy industry, Kripalani draws our attention to the great hardship and suffering which people in these countries have to undergo. He points out that millions have been liquidated in the process of rapid industrialisation. He observes that the state capitalism in Russia and elsewhere has also destroyed the liberties of the people and the freedom of the individual.\(^{19}\)

Kripalani feels that we in India lack a historical perspective. That is why we think that we can industrialise in the Western way through centralised, mechanised big industry in private hands or through state capitalism in the shortest possible

\(^{15}\) Ibid.

\(^{19}\) Ibid., p.14.
time. He is of the opinion that it is wrong to equate national income and average income with the standard of living of the masses. He holds that "the sole justification for planning is and should be to raise the standard of living of the masses and not merely to raise the national income or the average income."20

Kripalani invites our attention to the examples of Poland, Czechoslovakia etc. where production has been increasing and national income rising, but the real income of the masses has not been increasing accordingly. Due to the heavy basic industries the people in these countries are suffering from scarcity of consumer goods.21

Kripalani asks, "Why, in the formative period of industrialisation, the standard of living of the poor did not improve, in spite of increased production and rise in national wealth and income?"22 There must be some reason for it. According to him, "the foremost reason is that the mechanisation of industry requires heavy investment per unit of production."23 Most money for the plan will have to come

20. Ibid., p.15.
21. Ibid.
22. Ibid., p.16.
23. Ibid.
from the masses. Kripalani quotes this since the then Planning Minister, Mr. Gulzarilal Nanda, himself accepted this fact in the Parliament.

Kripalani criticises the government which wants our masses to save for future production. He says the people are asked to tighten their belts for the success of the plans. He feels that "the government is speaking with a double voice. On the one hand it asks people to tighten their belts, and on the other it promises an immediate rise in the standard of living of the masses." The first voice asks for the needed capital the second advertises the plan and evokes public enthusiasm. He says both these things cannot be done simultaneously. He feared that the tightening of the belts will be effected through indirect taxes and other burdens on the people while the rise in the standard of living of the masses will have to wait for a few more plans. Kripalani's fear came true. The rise in the standard of living of the masses over the Six Five Year Plans has been negligible. But the burden of taxes on the masses has been increased plan after plan.

24. Ibid., p.17.
25. Ibid., p.20.
On this subject Kripalani put a number of questions to the government:

1. Can we devise a pattern of industry which would avoid the misery, suffering and the waste incidental to capitalist production?

2. Can we on the other hand avoid the loss of political and individual liberty, with doubtful economic advantages, incidental to state capitalism?

3. Can there be a pattern of industrialisation which can afford the starving masses immediate increased employment and relief which they urgently need and which, while making an equitable distribution of material goods possible, will preserve for them their democratic liberties and social values?

4. Can India evolve a pattern of industrialisation more suited to the genius of her people and more in accord with the immediate pressing requirements of the country?²⁶

²⁶ Ibid., pp.26-27.
Kripalani did not find any solutions to his queries as far as the Five Year Plans were concerned. He believed that Gandhiji outlined for us the basis of a valid pattern of industrialisation. According to Kripalani, "Gandhiji recognised the fact that the problems of poverty and unemployment could not be solved by agriculture alone, however organised. There was need of widespread industrialisation. But he advocated a new pattern of industrialisation through home and village industry, by which, he believed, the problems of poverty and unemployment could be effectively tackled." 27

Once a question was put to Gandhiji, "Would you not industrialise India?" Gandhiji replied, "I would indeed, in my sense of the term. The village communities should be revived. Indian villages produced and supplied to the Indian towns and cities all their wants. India became impoverished when our cities became foreign markets and began to drain the villages by dumping cheap shoddy goods from foreign lands." 28

Kripalani contended that the new method of industrialisation advocated by Gandhiji would avoid the evils both of capitalism

27. Ibid., p.27.
28. Ibid.
and state capitalism. He believed that decentralised industry, while ensuring political democracy, would also help in raising the standard of living of the masses, not in any distant future but immediately. Further it would help to reduce the existing inequalities of wealth and income. This pattern of economy was essentially socialist and equalitarian.  

Kripalani was not against industrialisation of the country but was against the Western type of industrialisation, through big centralised mechanised industry whether in private or state hands. He stood for decentralisation of industry as well as political power. The advocacy of this type of decentralised industry, according to Kripalani, was based upon economic, political, social and moral considerations, with special reference to the Indian conditions. Both Gandhiji and Kripalani believed that all aspects of human life are inter-related. Political and economic maladjustments affect social and moral conduct. Therefore Kripalani said that what is morally wrong cannot be right in the economic and political life of an individual or a community.

29. Ibid., p. 28.
30. Ibid., p. 30.
Kripalani condemned the capitalist economy because it led to exploitation, injustice and cruelty. He followed the path of Gandhiji who wanted to put the instruments of production in the hands of workers themselves. He felt that such an arrangement of economic life would not put the economic and also the political power in the hands of a few. According to Kripalani, concentration of power is the natural consequence of economic centralisation which automatically leads to corruption. He agrees that power has a tendency to corrupt and absolute power can corrupt absolutely. Kripalani fears that if economic power is added to political power, there is absolute, total power. Such absolute power does the greatest harm to mankind by destroying individuality which is at the root of all progress. He affirms that the individual has a soul but the state is a soulless machine.

Kripalani holds that a state must be pluralistic if it is to function democratically. "It cannot be a monolithic organisation."
While discussing the issue of population in the context of industrialisation, Kripalani has rightly observed that if, here in India, industrialisation is to be effected through big industry, the problem of unemployment cannot be solved for a long time to come. He pointed out that the First Five Year Plan did not solve the unemployment problem. It has been admitted by the authorities. Unemployment was and is the most painful problem in India. Many young men and women are wandering here and there without finding any work. They are slowly disintegrating physically, morally and mentally and so are their dependents. Kripalani believes that unemployment leads to frustration, bitterness, jealousy and hatred. He says, "These are the potent causes for violent revolution."35

Kripalani is critical of the Indian government which claims to be a welfare state but has not made itself responsible for providing employment. Though a directive principle of the constitution requires that work and wages should be provided for all able-bodied persons willing to work, nothing has been attempted so far.

35. Ibid., p.35.
It should be plain from this that, had the government adopted Gandhiji's pattern of industrialisation, many problems of the day would have been solved. Kripalani observes "If we have to successfully to tackle the unemployment problem ... we have no choice but to have a pattern of industrialisation which will be as far as possible labour-intensive. This can be through decentralised industry." He feels that we can tackle the problems of decentralised industry better than those arising out of the organisation of big centralised industry.

Kripalani warns that, if there is a break-down due to inadequacy of funds, rising prices, technical skill, administrative ability and integrity or due to international disturbances of peace or some other cause, the result will be much more disastrous in the case of big industry than in case of village industry.

Kripalani has brought to the notice of the public the way government works. He says that on the one hand they talk of Ambar Charkha and on the other, they allow mechanisation of

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36. Ibid., p.39.
37. Ibid.
38. Ibid.
handlooms. Even the Kanungo Committee was constrained to admit that one power loco will displace twenty handlooms.

Some time back the government organised a conference of Block Development Officers in Madras. The conference recommended encouragement for hand-pounded rice. But the trouble is that the government itself continues to issue licences for the setting up of new rice mills. The same is the case with oil industry. 39

It would be wrong to say that the planners have altogether ignored the possibilities of home or village industry. But the dual policy of the government has led to the decline of the small-scale industries. The government is still of the opinion that modernisation will not create unemployment. Recently the Finance Minister, N.D. Tiwari, clarified in the Rajya Sabha that "the three year technology upgradation scheme announced by him for selected capital goods industries would neither harm growth of indigenous technology nor create unemployment." 40

It is to be seen how far such modernisation schemes will be able to solve the problems of the masses.

39. Ibid., pp.43-44.

Kripalani is of the view that the question is not one of this or that - capitalism or state capitalism. There are other ways of industrialising a country. One of such ways, according to Kripalani, is that of mixed economy. It coordinates centralised and decentralised industry. Kripalani believes that such coordination will meet the needs of our ailing economy.

Kripalani is not against the application of science and technology to increase the production of useful articles. He whole-heartedly accepts the advantage of science and technology. The difference between Kripalani and some of the radicals is that the radicals always think in terms of big industry when they think of the application of science and technology. Kripalani opposes the use of such things only in big industry. He says that science and technology can be used for home and cottage industry also.

Kripalani reminds the radicals that science has developed not in big factories but in small laboratories. 41

Gandhiji himself never objected to science or its application to industry, or the use of mechanical power like

41. J.B.Kripalani, Planning and Servodava, op. cit., p.54.
electricity for the benefit of village artisans, to increase production. Gandhiji explained, "What I object to is the craze for machinery, not machinery as such." 42

Both Gandhiji and Kripalani never refused to take advantage of the modern facilities of communication for the propagation of their ideas. They never rejected a good book simply because it was printed in a big machine. Kripalani observes, "One may or may not be convinced by arguments in favour of home and cottage industries, but surely it is not scientific to dismiss these arguments by stating them in the extreme form, though it may appear to be logical." 43

However, Kripalani adds, "It is necessary to remember that if science and technology have provided some advanced countries with material goods, they ... have also been powerful instruments of exploitation of individuals, classes and nations. They have also given us the atom and hydrogen bombs." 44

42. Quoted by J.B.Kripalani, Ibid.
43. J.B.Kripalani, Planning and Servodaya, op. cit., pp. 4-5.
44. Ibid., p. 55.
Kripalani argues, "It will be doing grave injustice to the vast majority of the industrial barons and the bosses in the governments to credit them with love of science, much less with the scientific spirit and the scientific approach to the problems they have to tackle." "Their aims are narrow, more selfish and material. If science and technology are really to be used to enhance virtue and human happiness ... they will have to be put under proper restraints." 45

Kripalani makes it clear that nobody wants to ban science or technology. They can be freely used in the various big industries that are considered absolutely necessary for modern requirements. Such regulated use of science and technology is socially beneficial. 46

Kripalani asks, "What do the masses in India need, or for that matter what do the masses all over the world need?" He says, "They need ... remunerative employment, social security and a rising standard of living. But there can be no social security or a rising standard of living unless the question of employment is solved." 47

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45. Ibid., pp.56-57.
46. Ibid., p.57.
47. Ibid., p.40.
Kripalani was right in saying that the First Five Year Plan did not solve the unemployment problem. Right from the First Five Year Plan to the present Seventh Five Year Plan promises have been made to provide employment to several millions of people. But this has not been possible. The main factors responsible for the failure have been the large-scale industrialisation and even automation and the relative neglect of the decentralised cottage industries.

Kripalani wrote, "Under the present political circumstances therefore the industrial development of India through cottage industries is most natural and beneficial. It is economically advantageous. What economically benefits a nation must be politically sound unless economic advantage is purchased by the exploitation of other countries." 49

Kripalani holds that the cottage industry, in contrast to the big industry, is, by its very nature, socialistic in character. After all, the essence of socialism is non-exploitation and equality or near equality of incomes among the different sections of population. 50

48. Ibid., p.35.


50. Ibid., p.29.
Kripalani points out that for a free, integrated and cooperative society it is necessary to preserve the gains of political democracy and harmonise them with economic socialism and international peace. Economic equality must not be bought at the cost of political and spiritual slavery. There must be an amount of free activity in every sphere of life and this can be guaranteed under a system of decentralised industry ...51

He feels that:

"there is not much difference of income among those engaged in cottage industries. This equality or near equality of incomes removes the material cause for heart-burning, jealousy and hatred. For the mass of the population no false and artificial values are created. In a society arranged on the basis of small decentralised industry there can be no accumulation of inordinate wealth which may be used for ostentation or the purchase of power."52

Kripalani does not accept the views expressed by some radicals that decentralised industry will slow down international

51. Ibid., p.58.
52. Ibid., p.30.
commerce and exchange of goods and people will become narrow and parochial. He says that foreign trade is not a new phenomenon in the world. Of course its range and scope have greatly increased in the modern times. In ancient times also large quantities of manufactured goods moved from one country to another. Ancient and medieval India had commercial relations with many countries in the world. 53

There is one more reason why the cottage industries should be preferred and heavy industries should be avoided. The heavy industries easily lend themselves to the production of arms and ammunition. The cottage industries are less suited in this regard and hence they are ultimately better for the welfare and happiness of people. 54

Table 1: Distribution of Outlay in the First and Second Five Year Plans by Major Heads of Development

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<th>Heads of Development</th>
<th>First Five Year Plan</th>
<th>Second Five Year Plan</th>
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<td>Total provision</td>
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<td>C. Other Programmes</td>
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<td>C. Sports, Shipping,</td>
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<td>159</td>
<td>6.7</td>
<td>239</td>
<td>5.0</td>
</tr>
<tr>
<td>Civil Aviation, P &amp; T, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td></td>
<td>555</td>
<td>22.6</td>
<td>945</td>
<td>19.7</td>
</tr>
<tr>
<td>A. Education</td>
<td></td>
<td>164</td>
<td>7.0</td>
<td>307</td>
<td>6.4</td>
</tr>
<tr>
<td>B. Health</td>
<td></td>
<td>140</td>
<td>5.9</td>
<td>274</td>
<td>5.7</td>
</tr>
<tr>
<td>C. Housing</td>
<td></td>
<td>49</td>
<td>2.1</td>
<td>120</td>
<td>2.5</td>
</tr>
<tr>
<td>D. Social Welfare and</td>
<td></td>
<td>160</td>
<td>7.6</td>
<td>244</td>
<td>5.1</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>69</td>
<td>3.0</td>
<td>99</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td>2356</td>
<td>100.0</td>
<td>4800</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Adapted from the Second Five Year Plan, Planning Commission, Government of India, pp. 51-52.
Table 2: Pattern of Investment - Third and Fourth Five Year Plan

<table>
<thead>
<tr>
<th>Heads of Development</th>
<th>Third Plan</th>
<th>Fourth Plan</th>
<th>Percentage distribution of column 4</th>
<th>Fourth Plan</th>
<th>Percentage distribution of column 8</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public sector</td>
<td>Private sector</td>
<td>Total</td>
<td>Public sector</td>
<td>Private sector</td>
</tr>
<tr>
<td>1. Agriculture and Allied Sectors</td>
<td>660</td>
<td>500</td>
<td>1,160</td>
<td>2,118</td>
<td>1,600</td>
</tr>
<tr>
<td>2. Irrigation and Flood Control</td>
<td>660</td>
<td>-</td>
<td>65</td>
<td>1,073</td>
<td>-</td>
</tr>
<tr>
<td>3. Power</td>
<td>1,012</td>
<td>50</td>
<td>1,062</td>
<td>2,448</td>
<td>75</td>
</tr>
<tr>
<td>4. Village and Small Industries</td>
<td>42</td>
<td>275</td>
<td>317</td>
<td>186</td>
<td>560</td>
</tr>
<tr>
<td>5. Industry and Minerals</td>
<td>1,520</td>
<td>1,050</td>
<td>2,570</td>
<td>3,298</td>
<td>2,000</td>
</tr>
<tr>
<td>6. Transport and Communications</td>
<td>1,486</td>
<td>250</td>
<td>1,736</td>
<td>3,197</td>
<td>920</td>
</tr>
<tr>
<td>7. Social Service and Other Programmes</td>
<td>622</td>
<td>1,075</td>
<td>1,697</td>
<td>1,335</td>
<td>2,225</td>
</tr>
<tr>
<td>8. Inventories</td>
<td>200</td>
<td>600</td>
<td>800</td>
<td>-</td>
<td>1,600</td>
</tr>
<tr>
<td>9. Total:</td>
<td>6,300</td>
<td>4,100</td>
<td>10,400</td>
<td>13,655</td>
<td>8,980</td>
</tr>
</tbody>
</table>

It is clear from the above data that least attention has been given to the village and small industries, by the planners. In the First Five Year Plan, only Rs.30 crores (i.e. 1.3%) out of the total Rs.2,356 crore was meant for the village and small industries. In the Second Five Year Plan it was increased to Rs.200 crore (i.e. 4.1%) out of the total Rs.4,800 crore. In the Third Five Year Plan the investment was Rs.425 crore (i.e. 4.1%) out of the total Rs.10,400 crore. And in the Fourth Five Year Plan it was Rs.746 crore (i.e. 3.3%) out of the total Rs.22,635 crore. Such outlays indicate that the planners are not prepared to provide any substantial support to the cottage industries and this is why the cottage industries have not registered the expected level of growth.

Kripalani was in favour of workers' participation in management. The Industrial Policy Resolution of 1956 pleaded for a progressive participation of workers in tackling the common problems of industrial development. As a result of this, Joint Management Councils (JMCs) were set up. In 1958 workers were allowed to take part in the management of three central government undertakings and nine state government undertakings. The Third Five Year Plan also emphasised the need for such councils. Several suggestions of Kripalani have had a salutary effect on the governmental and economic policies and measures.
It can be said that, though Kripalani did not use the term socialism, he was socialist in his thoughts. Both Nehru and Kripalani wanted to improve the lot of the boiling millions of the country. But the approach was different. Nehru wanted rapid industrialisation, whereas Kripalani believed in village industries.

Kripalani supported industrialisation provided it did not destroy the traditional values and patterns of social organisation. To the extent that he accepted the need for basic industries, he agreed with the socialists that these should be developed primarily in the public rather than the private sector.

Kripalani believed in practical socialism. He was against the mere slogans of socialism for partisan ends. He rightly criticised the successive Congress governments at the centre because the policies pursued by the government failed to ensure a fundamental change in socio-economic relationship. Though there has been increased participation of people in politics and the growth of political institutions at different levels, the beneficiaries of infrastructural growth and economic development have been the rich classes. The process of modernisation has not on the whole touched the weaker sections of the Indian population.
We have presented here the main ideas of Acharya Kripalani on the economic reconstruction and modernisation of India. These ideas and proposals were mainly in line with the philosophy and programmes of Mahatma Gandhi and they were specially relevant in the early years of India's independence. Kripalani had a great deal to say on the early Five Year Plans and India's drive for modernisation in terms of heavy basic industries. Kripalani began to pay generally less attention to the programme of economic reconstruction in the later years partly because by this time the heavy or basic industries had been established and run for a number of years and partly because Kripalani was withdrawing from parliamentary life and party politics and expressing his views as a crusader or protestor at large. The subsequent Five Year Plans have proceeded more or less on the same lines as the First and Second Five Year Plans on which Kripalani spoke or commented rather extensively. Kripalani paid attention not only to the economic reorganisation of the country in terms of the village industries, decentralisation of policy making, imports and exports but also in terms of total production in the country. The second main contribution he made to India's economic and political modernisation was his emphasis on the inter-relatedness of the economic, political and moral dimensions of development. He was keen on India's harnessing science and technology in small-scale ventures so that these remained under the control of
people and did not become uncontrollable in the end. The problems of injustice and exploitation implicit in the running of the heavy industries were also to be avoided according to his plans. Economic reconstruction was to be brought about by developing socio-economic and political power. India did adopt the model of mixed economy, which Kripalani held up. But in this model of mixed economy, the handloom sector and other ventures have been given less and less scope in comparison with heavy industries and large-scale technology and now modern India has been witnessing most of the distortions and evils which become rampant in the wake of the Western-style large-scale industrialisation. Kripalani wanted to avoid all these by adopting the framework of socio-economic and political decentralisation of industries and economic activity and providing adequate income, employment and self-reliance to everyone. His ideas thus form a foundation not only for the economic reconstruction, in the immediate context, but also for the wider objective of modernisation in the overall context.