

Summary of Thesis Research Experiences

Topic

It is commonly thought that there was little real debate on the post-independence model of economic development India should adopt. According to the conventional narrative, global consensus held that state-led, capital goods focused, import-substituting heavy industry model financed by a high savings rate would be the key to rapid development. Placement of the state at the center of the economy, whether exemplified by the Soviet Gosplans or Franklin Delano Roosevelt's Keynesian "alphabet agencies," seemed to be efficacious.

Influenced by what he saw and the people he met on his multiple visits to the USA and the USSR, PC Mahalanobis, the architect of India's Second Five Year Plan and Prime Minister Jawaharlal Nehru's trusted confidante, attempted to steer India on a similar path. He invited economists like John Kenneth Galbraith, Charles Bettelheim, and Ragnar Frisch to help with the plans. According to most historians, despite the fact that these plans actually created a bloated and inefficient government and failed to achieve most of their objectives broad advocacy of the methodology of planning endured until about 1970, lacking serious critiques.

However, the historical record is much less clear and the existing narrative overly simplistic. Some of Mahalanobis' invitees privately criticize his obsession with mathematical models that would never fully describe an economy. Private sector industrialists like JRD Tata and GD Birla, who in 1944 drew up a fifteen year plan for India's development firmly positioning the government at the center of economic activity, evolved into such a state's bitter critics by the late 1950s, finding themselves suffocated by industrial controls and licensing. Economists like BR Shenoy and public servants like John Matthai warned of the perils of planning as early as the First Plan. The results of the first two plans helped shape the free market liberal ideas put forth at the center of the platform of the Swatantra Party, particularly in the writings of Minoo Masani and C Rajagopalachari. Surprisingly, the former had founded the Congress Socialist Party within the Indian National Congress (Nehru's party) in the 1930s! By 1967, with the death of the Communist Party, Swatantra, with its rallying cry to "Protect Farm and Freedom!" from the socialist state, became India's lead Opposition party. But within seven years, it collapsed.

My thesis seeks to challenge the widely held assumption that there was little debate until 1970 about the strategies for development of the newly independent Indian economy, arguing instead that there was a vibrant debate from very early days, however marginalized some of the individuals that contributed to the said debate ultimately became. First it tells the story of how planning came to be in India. Next, the thesis will explain how dissent about planning emerged and how the dissenters organized themselves into a cohesive unit. In the final chapter, the thesis will proceed to discuss the rise and fall of the Swatantra Party, a group that had free market economics at the center of its ideology.

The thesis asks the question of why people responsible for the fate of the nation like Nehru and Mahalanobis continued making larger and larger plans despite unequivocal evidence of their failure, particularly in light of the fact that people who had been even more Left of center had started to move toward free market ideologies. It will also attempt to chronicle the transmission of economically liberal ideas from the heads of high-thinking economists to the policymaker and then the common man.

Summary of Experiences

I conducted research in a number of archival and library collections in the United States, the United Kingdom, and India. In the US, I consulted the John Kenneth Galbraith Papers at the Kennedy Library near Boston. In the United Kingdom, I visited the Marshall Library of Economics and the King's College Archives Centre, and the University Library, all at the University of Cambridge. Here, I was able to conduct most of my secondary research and access the papers of British economists who came to India to consult on the Plans.

In India, I visited New Delhi, Pune, and Kolkata. New Delhi had private papers of politicians and economists in the Nehru Memorial Museum and Library and the National Archives. Pune had papers of some civil servants and political firebrands who left the government to go work at the Tatas, India's most diverse conglomerate. And Kolkata had the papers of PC Mahalanobis, the author of India's revolutionary Five Year Plan and the father of Indian statistics. I spent about two weeks last summer (in the USA), three weeks in the UK this summer, and six weeks this summer in India to complete my research.

Library work in India, where I did over 80% of my primary research, could often be difficult. Because my time was limited (most scholars spend months and months consulting collections), I had to take photocopies of the papers I was looking at. It sometimes took forever to get these copies, and there was a huge risk of not receiving them by the time I had to leave, which would have been devastating. Thankfully, this was not the case.

However, research was also filled with minor eureka moments and surprising findings, particularly in India, that were not always related to my thesis. I discovered a collection of a former Finance Minister's papers in Delhi that his only biographer had not found. Another former Finance Minister's papers displayed, keen wit, unmistakably terse writing, and an over-inflated ego. C Rajagopalachari, a champion of economic liberalism, once replied to a socialist who had challenged his views by saying "Do not attempt to fool me. I am not an ignorant fellow!" These moments rejuvenated me during days when I grew tired of leafing through hundreds and hundreds of seemingly interminable papers.

Having collected all the requisite archival material for my thesis, I was able to retrieve old issues of the old Swatantra party magazine, *Swarajya*, as well as two other economically conservative magazines through Harvard's Interlibrary Loan over the past semester. I also completed my secondary research. I have thus far completed a good proportion of the first chapter of my thesis. I am aiming to have a draft completed by the end of January and will submit the finalized thesis to the Harvard History Department on March 14, 2013.