

Liberalism in India



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ABSTRACT

This research seeks to understand the nature of political thought in India prior to independence and shortly after that. For the same purpose, a descriptive analysis of the causes and consequences of various international and domestic factors is discussed. Conclusively, it explains how socialism came to dominate the political thought of that epoch and briefly discusses the economic implications of this thought process for the entire country.

INTRODUCTION

The Research theme was to trace the libertarian group within the Congress prior to the enactment of the Constitution in 1950.

For the purpose of this research, libertarianism is understood to be both socially and economically liberal. This understanding is closest to the classical liberal notion of negative freedom, which is identified by the principle that each agent has a right to maximum equal empirical negative liberty, i.e. the absence of forcible interference from other agents when one attempts to do things (Berlin, 1969). Libertarianism, in the strict sense is the moral view that agents initially fully own themselves and have certain moral powers to acquire property rights in external things. (Vallentyne, 2012).

During the preliminary research which included literature reviews and interviews with influential scholars in India and abroad, it was quickly discovered that a strong tradition of libertarianism was absent in the Indian context. Though there were several instances of Indian opposition to state-controls imposed by the British, such as during the Non-Cooperation Movement (1919-1922) and Civil Disobedience Movement (1933-34), these acts of defiance were more nationalistic rather than libertarian. Further, while there may have been social liberals or economic liberals within the political arena, there was never a group that explicitly advocated libertarian ideas. "The individual", in a classical liberal sense, was the smallest minority in the Nation.

Thus the research theme shifts focus to understand the nature of Indian political thought in the pre-independence era and the first few years post-independence.

The paper is bifurcated into two parts: firstly, it seeks to explain the nature of liberalism in India, i.e. 'what did liberalism mean to Indians at the time?', 'what did it mean to be a liberal in the Indian

subcontinent prior to Independence’, and ‘how was this understanding different from the ideas prevalent in the West?’

Secondly, it seeks to understand the political atmosphere of the Nation in the 1940’s, i.e. ‘what were the factors shaping the intellectual thought process at the time and who were the people contributing to this?’, and ‘what led to the emergence of a strong socialist pattern of development in the country?’

The most significant question the paper attempts to answer is ‘Why did India take the path of economic development that it did?’

INDIAN LIBERAL THOUGHT

The advent of this tradition can be traced to the influence of western thought on the Indian mind. With the coming of the British to India, first, as a trading company in 1608, followed by the expansion of power, both political and economic, exposed Indians to Western Intellectual thought that was largely liberal in its approach. The thought developed against the stark criticism by the British of Indians being Barbarian and hence unfit to understand and embrace the ideals of liberty.

Several parallels can be drawn between the Western and the Indian notion. John Stuart Mill’s emphasis on freedom of expression and freedom of religion, in particular, appealed to Indian liberals. This was seen as early as 1823 when Ram Mohun Roy called for liberty of the press, as it was beneficial for both the society and the government. Further, Mill’s support for local representation as a moral and political necessity attracted Indians.

While Indian intellectuals were influenced by their British counterparts, they did not however merely imitate them. Indian Liberalism was based on ‘sensibility rather than theory, a product of empirical engagement rather than an elaboration of principles laid down in canonical texts’ (Guha). It adapted western concepts to suit Indian values, cultures and conditions. Even as a concept, liberalism did not translate directly into the South Asian world. The neologisms commonly used in Northern Indian languages for ‘liberal’ are variants of the Sanskrit word ‘udara’, ‘noble or generous’, implying an active generosity, rather than libertarianism or negative liberty as emphasized by Isaiah Berlin (Bayly, 2012). Mill’s Harm principle, which stated ‘no one ought to harm another in life, liberty, property’, did not hold for Indian society in an absolute sense; it was more interventionist. For most Indian liberals, the notion of freedom was not merely a negative one, but a positive one.

The ideas of early Indian liberals, such as Debendranath Tagore and Ram Mohun Roy, were compatible with the role of individuals in capitalist enterprise. However, in the 1840’s, Indian

Liberalism diverged from the principle of free trade and the liberating power of the market, as envisaged by Adam Smith, John Bright and Richard Cobden (Bayly, 2012). The Indian ideal was opposed to both monopoly and free trade. The East India Company experience convinced Indians that free trade would result in monopoly and was nothing more than a 'mask for oppression'. This suspicion called for a more positive role of the state that went beyond being merely a guarantor of order. K.M Panikkar even referred to Kautilya who saw the state as the protector of social justice.

Later liberals such as RC Dutt and KT Telang also questioned the blanket imposition of free trade. The idea of free trade was rejected in favour of 'swadeshi', an import-substitution model of economic development. By the 1870s, this opposition to free trade strengthened with the emergence of a national political economy. The rise of Economic Nationalism, led by Dadabhai Naoroji, RC Dutt, MG Ranade, reflected on the exploitative nature of British rule under the garb of 'free trade'. Naoroji spoke of the 'continuous impoverishment and the exhaustion of the country'. It highlighted the 'development of underdevelopment'¹ in India due to British intervention, evident in a series of famines and the economic retardation that plagued India, leading almost every Indian publicist to write on the economic situation in India. In this context, emerged economic nationalism which focussed on an alternative nationalistic model of development of the independent political economy (Chandra, 1996). It was at this time when the focus on economic freedom, shifted from the Individual to the Nation and economics came to be understood in broadly Nationalist terms. The prevailing notion was of the British as looters and plunderers. Only when they left would India prosper as a Nation. These nationalist sentiments were further strengthened by British policies, such as census. This led to a feeling of being subservient to the throne and hence linked Indians to one another. Though the British Indian society was divided along lines of caste, religion, and sex, together in the face of discrimination, they formed a 'liberal archipelago' to drive the British forces away. Hence, liberalism became a common good rather than individual good. This understanding of liberalism can be said to be closer to T.H. Green's idea of welfare liberalism or communitarianism (Bayly, 2012).

1947-50: THE CRUCIAL JUNCTURE

The atmosphere in which India gained independence was shaped by a variety of International and domestic concerns and developments. Freedom came to India during a time when the international system was recovering from the two successive wars which had shattered most of Europe. The factors that led to India embracing values of socialism can be understood when placed in the context of the time.

WORLD WAR I AND II

The two successive wars which shook the world raised significant questions on the notion of Western Civilization. Much of the colonizing projects undertaken by the First World were premised

¹ Andre Gunder Frank and Paul Baran, 'Development of underdevelopment', the summary of the thesis was that industrialized rich nations obstruct or delay the development of poor nations by the help of policies and interventions designed to protect their global dominance over world trade and power.

on the 'civilizing mission'² or the 'White Man's Burden'³ to bring civilization to the colonized world. However, the two wars that wreaked havoc on the economies and societies of the West challenged the very basis of civilization superiority of the west. Hence, what emerged was a 'new discourse of civilization' which drew from the failure of the West and resulted in the psychological liberation of the intellectuals in the colonized world. In this discourse, the intellectuals argued that the West had 'forfeited its right to represent the highest goals of humanity and was no longer worthy of being desired'. (Duara, 2003). In India, Mahatma Gandhi and Rabindranath Tagore contributed most significantly to this discourse. As the famous quip attributed to Gandhi goes:

Journalist: What do you think of Western Civilization?

Gandhi: I think it would be a good idea (Duara, 2003).

The main idea was to save the world from 'materialistic greed and technological destructiveness', as seen during the wars. This could be done through combining the moral and spiritual goodness of indigenous cultures that respected community more than competition. Capitalism, which was driven by the force of competition, hence came to be pejorative.

Further, the Second World War created a war economy in the country. The British forces set up a robust apparatus of war mechanisms which facilitated rationing, price controls and other forms of bureaucratic intervention. While this apparatus was dismantled in most countries post-war, it was continued in India even after the withdrawal of the British forces (Das, 2007).

GREAT DEPRESSION AND THE RISE OF THE WELFARE STATE

The Great Depression of 1929-1931, whose cause was understood to be the collapse of the capitalist system and led to the rise of the welfare state. The crisis had severe political consequences, most significant being the abandonment of classic liberal approaches and emergence of Keynesian policies which magnified the role of the federal government in the national economy. What then emerged was the 'Welfare State' which 'concept of government in which the state plays a key role in the protection and promotion of the economic and social well-being of its citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life. The general term may cover a variety of forms of economic and social organization' (Online). This development in the West had strong implications for the rest of the world. In India, a non-interventionist state was never considered to be the ideal. However, with the emergence of the welfare state in the Britain, Indians were convinced that a laissez-faire model was unfit for any kind of development. The Constituent Assembly debates elucidated on this thought. A common idea to be echoed in the debates was that if Britain herself had parted ways with the laissez-faire model of capitalism, how is it that we in India are contemplating its adoption.

² Civilizing Mission: Mission civilisatrice is a rationale for intervention or colonisation, proposing to contribute to the spread of civilization, mostly amounting to the Westernization of indigenous peoples. Source: http://en.wikipedia.org/wiki/Civilizing_mission

³ White Man's Burden: the supposed responsibility of the white race to provide care for their non-white subjects. Source: wordnetweb.princeton.edu/perl/webwn

THE GROWING INFLUENCE OF MARXISM AND SOCIALISM

The 1940s saw the rise of the Marxist understanding of Indian history and economics. The success of Marxist ideology in the United Soviet Socialist Republic (USSR) under Lenin and later Stalin was a source of inspiration for most anti-colonial struggles. When India was grappling with the question of post-colonial developments, the Russian model seemed to be a desirable one. While Russian state socialism was established through a bloody revolution, the Indian leaders were more influenced by the Fabian brand of socialism which draws from the Fabian Society, a British socialist organization whose purpose is to advance the principles of socialism via gradualist and reformist, rather than revolutionary, means. The most ardent supporter of this model of development was Nehru, who was deeply impressed by the kind of progress Soviet Russia had made in the limited time. Based on these developments, he wanted to inject socialist egalitarianism into the national program. This was done through the 'mixed economy', which can be understood as an amalgamation of state ownership of key industries and regulated private property.

Further, the growing influence of socialism was not only limited to the political sphere but also penetrated deep into the intellectual works of Indian scholars. The support for socialism found voice in several texts on Indian history and economics. According to Sumit Sarkar, the change in historical sensibilities emerged from the "conjuncture of the 1950s and 1960s, marked by a strong and apparently growing Left presence in Indian political and intellectual life . . . It was not mainstream British or American historiography, not even writings on South Asian themes, but a journal like *Past and Present*, the 'transition debate', and the work of historians like Hill, Hobsbawm and Thompson that appeared most stimulating to Indian scholars exploring new ways of looking at history." (Sarkar, 1997). This tradition was further enriched by works of DD Kosambi. As Romila Thapar writes, "The outstanding exponent of the Marxist interpretation of Indian history in all its complexity and the one, who ushered in a paradigm shift in the study of ancient Indian history, was D D Kosambi. The paradigm shift was the move away from colonial and nationalist frameworks and the centrality of dynastic history to a new framework integrating social and economic history and relating the cultural dimensions of the past to these investigations . . . For him history was the presentation in chronological order of successive developments in the means and relations of production." (Thapar, June, 2011).

LENIN AND HIS THEORY OF IMPERIALISM

The growing influence of Socialism in the anti-imperialist struggle was shaped by Vladimir Lenin's thesis on Imperialism as the highest stage of capitalism. In his views, the economic nature of capitalism leads capitalistic economies, and the nation-states that are dominated by such an economic system, to seek out and control distant geographic areas. Lenin was deeply influenced by J.A. Hobson who argues that "imperialism is the endeavour of the great controllers of industry to broaden the channel for the flow of their surplus wealth by seeking foreign markets and foreign investments to take off the goods and capital they cannot sell or use at home" (Lenin, 1933). This theory of imperialism identifies capitalism and the inherent contradictions within the capitalist system as the root cause of imperialism and colonialism. This theory had a significant impact on the

minds of the colonized. Having suffered the agony and anguish that imperial forces brought to their nation, they were deeply suspicious of imperialism and hence, capitalism (Harman, 2003).

EAST INDIA COMPANY SYNDROME

The link between capitalism and imperialism becomes the most explicit for Indians when understood with reference to the East India Company. The British East India Company came to India in 1608 to indulge in trading activities and by 1757, after the Battle of Plassey, it had formally established 'company rule in India'. The rule lasted until 1858, when, after the Indian rebellion of 1857 and consequent of the Government of India Act 1858, the British government assumed the task of directly administering India in the new British Raj. The rule by the company instilled a deep fear and suspicion in the minds of Indians who saw free trade as nothing more than a mask for oppression and exploitation. This was the prime reason why the Constituent Assembly debates witnessed a stark opposition to the idea of free trade. This recurrent reference to the establishment of East India Company and its consequences is explicit even with the contemporary debates around FDI.

THE BOMBAY PLAN

The Bombay Plan of 1944 or *A Brief Memorandum Outlining a Plan of Economic Development for India* was a milestone in India's economic policy thinking: it laid down the blueprint for how India must industrialise (Kelkar, 2007). It was a document prepared by the biggest Industrialists of British India, including JRD Tata, GD Birla, Kasturbhai Lalbhai, Purshottamdas Thakurdas and Shri Ram, and technocrats such as John Matthai, Ardeshir Dalal and AD Shroff. It was a proposal outlining India's post-independence industrial development. The document which was created amidst the World War turmoil (1944) advocated Government intervention and regulation. While it was not officially adopted, the strategy of the government's five year plans after independence was very similar to the Bombay Plan's. First three five year plans had almost the same sectoral outlay pattern and appear to be a scaled down version of the fifteen year Bombay Plan (Kelkar, 2007).

THE PLANNING COMMISSION

Economic issues came to assume heightened importance in the Indian National Congress and the freedom movement since the 1930s. An economic programme was adopted in 1931 and an agrarian programme in 1936. The need for a certain amount of economic planning was discussed in the Wardha session of Congress in 1937 and the session closed with a resolution in favour of planning. In the following years, much work was done to crystallize the idea of a planning commission. The Haripura session of 1938 resolved to appoint a National Planning Committee. Following this the Committee was appointed with Jawaharlal Nehru as Chairman and K.T. Shah as secretary. This committee would be succeeded by the Advisory Planning Board to be set up by the Interim Government in 1946.⁴ Soon after inception in 1938 the National Planning committee started research and data collection to develop an adequate basis for economic planning. The efforts were

⁴ For a history of the evolution of the Planning Commission of the government of India from the National Planning Committee in the Congress party, see the Government of India (1997).

however soon slowed down by the Second War. During the war, the Committee was not able to publish either the research or its ideas on a possible national plan. It was only in 1948 that these reports could be published⁵. By 1950, the Planning Commission became a robust force in the Indian political scenario. The Commission, headed by Prime Minister Jawaharlal Nehru, was at the forefront of the socialist pattern of development.

PARTITION, THE QUESTION OF NATIONAL INTEGRATION AND NATION BUILDING

On June 3, 1947, Lord Mountbatten, Viceroy of India, announced that on 15 August, England would recognize the existence of two independent states on the sub-continent, India and Pakistan (Austin, 1999). The Indian Independence Act, which came into being on 14th-15th August 1947, transformed the future of India and more than half of her Muslims under Jinnah (Austin, 1999). The impact of the Act on the Indian subcontinent was unprecedented. It can be said to be the most tragic partition in the history of human civilization. Massive killings and torture took over both the nations, decorum and peace was lost, what existed instead was chaos, turmoil, tragedy and violence. There was a strong threat to India's unity and sovereignty. The establishment of East and West Pakistan would be the first moves in the subcontinent's balkanization (Stern, 2003). Further, at the time of Independence, there existed 572 princely states that owed allegiance to the British Crown and were free to choose between India or Pakistan or independent. This could end in a disastrous fragmentation of the nation, which had to be avoided. To supplement that, the 'ethno-linguistic' reality of the India could not be ignored. In the presence of a foreign ruler, the nation formed a 'liberal archipelago'⁶ to drive the British away. However, in the absence of the British, India was characterized by a multitude of cultures, ethnicities, languages and religions. Some of which were even secessionist in their approach. The Dravidian Movement in Madras was just evidence to that. It was in this context, that leaders of newly Independent India were moved to establish a strong Centre which could hold the fragile Union together. The creation of a strong state required a weak federal structure. The division of powers between the Union and states was weighed in favour of the Union in light of planned development (Kincaid, 2006).

CONSTITUENT ASSEMBLY: KEY THINKERS

The Constituent Assembly was considered to be a comprehensive body representative of the diverse views of the nation ranging from reformist to revolutionary. It was constituted by one party which was also formed the Government in the post-independent era. This party was the Congress, which had established its legitimacy during the freedom struggle. The leaders of the party inevitably came to dominate the Assembly. The most significant of the leaders were Jawaharlal Nehru, Sardar Vallabhai Patel, Rajendra Prasad and Maulana Azad, who, in fact, constituted an oligarchy within the Assembly (Austin, 1999).

⁵ The report, Shah (1948), was reviewed by Vera Anstey in Pacific Review, see Anstey (1950)

⁶ Chandran Kukathas, liberal archipelago,

While all of them were deeply committed to the idea of democracy and individual rights in a political sense, they were deeply divided on the issues of development and economic liberalization.

A retrospective analysis of India indicates that had Patel become our first Prime Minister rather than Nehru, our future would have been the different. Patel was one of the earliest proponents of property rights and free enterprise in India. He was deeply suspicious of the public sector and had prophesied in 1950 that “any government that indulges in trading will come to grief” (Kumar & Narendranath, 2011). He was supported by the likes of C. Rajagopalachari, S.P. Mookerjee and Rajendra Prasad who had immense faith in private enterprise. There were also others such as Rajkumari Amrit Kaur, then health minister, who called for supporting the “existing or future private enterprise which has nothing but service to our people as its goal” and stated that “any other attitude would be both narrow and unwise” (Kumar & Narendranath, 2011).

The brand of socialism which is a mere euphemism for communism must be differentiated from the socialism advocated by JP Narayan, Ram Manohar Lohiya, and Acharya Kripalani. JP Narayan constantly worked for the betterment of the society as a whole. For Lohia, public involvement was an extremely crucial aspect of development. He encouraged people to construct canals, wells and roads voluntarily in their neighbourhood. Kripalani was a Gandhian socialist who throughout his life critiqued Nehruvian policies and sought to work for the society and environment.

The two most significant libertarians in the Indian context, Mahatma Gandhi and B.R. Ambedkar also added significantly to the philosophy of our constitution. Gandhi, most fondly remembered as the father of our nation, never became a part of the Constituent Assembly. He deeply despised the state and had unfettered faith in individuals and their capacity to progress. The intellectual historian George H. Smith puts the matter very similarly. "Gandhi's hatred of State oppression," he writes, "was as passionate and deeply-felt as any contemporary libertarian." Further, he argues, that Gandhi was in the anarchist tradition and that his anarchism was strongly individualistic. Gandhi argued that "the individual is the one supreme consideration." "No society," Gandhi wrote, "can possibly be built upon a denial of individual freedom. It is contrary to the very nature of man. Just as a man will not grow horns or a tail, so will he not exist as man if he has no mind of his own? In reality even those who do not believe in the liberty of the individual believe in their own" (Riggenbach, 2011).

However, Gandhi's assassination in 1948, Patel's death in 1950 and others' belief in Nehru changed the entire balance of power in the Indian system.

Some men occupy one's imagination for a whole generation, and this is literally true of Jawaharlal Nehru (Das, 2007). Young and old alike were swayed by his persona; his ideas were receptive of great reverence. While he taught a generation to be 'liberal', 'tolerant' and 'idealistic', he also reinforced a Nation's suspicion and prejudice against businessmen and profit (Das, 2007). Nehru admired the Soviet model of development for transforming a peasant economy to a global power in limited time. He had a similar vision for India; however, he wanted to achieve it through democratic means, or 'Fabian socialism'. He wanted state-control over the “commanding heights of the economy”. He created the Planning commission of India which drew up the first Five-Year Plan in 1951, which advocated government's investments in industries and agriculture. The document also increased business and income taxes. Nehru envisaged a mixed economy in which the government would manage strategic industries such as mining, electricity and heavy industries, serving public

interest and a check to private enterprise. His policies can be said to have a profound impact on India then and even now. It widely argues "that if Nehru had been a different kind of man, India would have been a different kind of country" (Singh, 2009). Nehru's ideas were echoed by a majority of constituent assembly members. Even later proponents of laissez-faire capitalism, such as C. Rajagopalachari and Minoo Masani (who led the first libertarian party of India, Swatantra party in 1959, in opposition to Nehru's policies) were influenced by his opinions and his brand of socialism. It is also crucial to note that the ideological battle lines between capitalism and socialism had only strengthened in 1950s. What remained attractive for many was Nehru's 'mixed economy' which aimed to reconciling both capitalism and communism. State-led industrialization, however flawed it may be in analysis, came to predominate the Indian experience of development.

THE NATURE OF POLITICS

The very nature of politics in contemporary times is one based on populism, which becomes all the more complicated in democratic settings. Popular mandate is necessary to assume power. However, this mandate is only attainable by reaching out to the conscience of the people. This translates into the reality of political life which is premised on the fact that a culture is needed to embrace certain values. In ancient Greece, there existed a culture of philosophy; hence, there were philosophers-kings. For libertarian values to be embraced there must be a culture of libertarianism (Humphries, 2013). However, the absence of this tradition, points to the possibility of the libertarian philosophy being diluted in the face of political pressure. An example to elucidate this argument is that of Ambedkar. While he is routinely portrayed as an intellectual who wrote against capitalism and free markets, and advocated socialism, a few well-informed writers like Gail Omvedt have claimed otherwise. Ironically one of the reasons for the prevailing misconception is the volume of Ambedkar's scholarly output. With contributions in political science, sociology, law, and other fields spanning over four decades, much of his work on economics has been neglected (Chandrasekharan, 2011).

Further, politics essentially is a power struggle between groups. Libertarianism, on the other hand, limits that power bestowed upon the government as it advocates principles of limited government, strong individual rights, free market and rule of law. Using the public choice theory, which applies principles of economics to politics, and viewing politicians as ordinary people, directs us to the belief that they would want to maximize self-interest. However, their profit maximizing individualism would be deeply endangered within the contraction in the roles and power of the government. Hence, the absence of libertarian ideas can be understood in the nature of libertarian philosophy and its implications for those in power.

Also, a very significant fact remains that while representative democracies claim to represent the society, at large, they seldom achieve that ideal. So while the Constituent Assembly of India claimed to represent the diverse opinion that existed in the nation at the point of time, it's plausible that these ideals only represented the elite interests rather than the interests of the entire population.

CONCLUSION

In 1949, with the adoption of its constitution, it became the largest democracy in the world. After a tiresome struggle of 150 years, it became responsible for its own future. At the same time, it was plagued by high levels of poverty and illiteracy. With literacy rates as low as 12% (Nayaka & Nurullah, 1974) and widespread poverty, India could not be envisaged as a capitalist democracy. Further, an amalgamation of internal and external forces came to deeply influence the Indian mind. The international context of the two successive wars and rise of USSR coupled with domestic developments such as Independence, partition, national integration were constantly moulding the political thought in the country. In such an atmosphere, “socialism was attractive to any sensitive person in the idealistic 1950s” (Das, 2007). Socialism was considered to be the zeitgeist and the answer to all problems. It was with this spirit that India adopted the famous “socialist pattern of development”. The entire approach to development was not only socialist but statist. This model wanted the state to take a leading role in the process of industrialization. It closed several industries (such as coal, steel, etc.) for the private sector. Further, it put to practice the socialist ideas of a large public sector (at the expense of the private sector), with emphasis on heavy industries (at the expense of consumer goods) and a focus on import substitution (at the expense of export promotion), besides other fallacies inspired by China and USSR (Das, 2007). It was these leftist tendencies that set the path for economic retardation in the country. Since 1950’s, India grew at the ‘Hindu rate of growth’ which was as low as 3.5%. Even with the advent of economic reforms of 1991, India has not been able to adequately embrace this opportunity. While the middle class is growing exponentially, and poverty rates are declining significantly, a large portion of the populace has been left out in the cold because the forefathers of our nation did not invest adequately in education and healthcare which served as pillars for growth in China and South Korea. While these fallacies continue to haunt India at every juncture, what still remains is hope from the future.

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