



## OUR HERITAGE

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Interdisciplinary National Conference on Challenges Before Indian Constitution  
Organized by: Karmaveer Bhaurao Patil College, Urun-Islampur, Maharashtra  
Held on 13<sup>th</sup> February 2020



### CONSTITUTION AND ECONOMIC DEVELOPMENT

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#### **Introduction**

A liberal conception and an instrumental view of the Constitution does not provide a clue to the real function and effect of the Constitution on the society, the economy and the polity. The traditional approach reinforces the notion that Constitutions are primarily legal instruments establishing procedures and creating obligations.

Indian Constitution is conceived as an instrument of social change and 'social revolution'. The Fundamental Rights and Directive Principles are believed to be the 'soul' and 'conscience' of the Constitution. These rights and principles are like a 'humanitarian' or 'socialist' manifesto, which aims at the development of human personality and to reorganise the economy and society on the values of democracy and social justice. However, the experience of Constitutional operation and its function belies the aspirations and expectations of the people and raises doubts as to the very nature and character of the Constitution and its potential and efficiency in bringing social transformation.

#### **Impact of colonialism on Economy**

British colonialism has had a crucial impact on India's economy. The close integration of India into the colonial system impeded the process of evolution from the pre-industrial economy to an industrial economy, and subordinated the agrarian structure to the requirements of British Industry. The predominantly agrarian society was transformed into supplier of raw materials and valuable market for the British. The introduction of commercial crops and inflow of foreign goods devastated the supply of food grains and destroyed the handicrafts. The British developed infrastructure in the form of railways, irrigation and electricity with a view to promote foreign trade and exploit the country resources. Direct British investments were made in consumer goods industry like tea, coffee and rubber plantations. The exploitation of plantation labour was similar to that of slavery. British made little efforts to develop basic and heavy industries. The process of industrialisation did not adequately absorb the rural and urban unemployed. It has



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been argued that colonial policy, law and order, administration during the British regime contributed to mass impoverishment.

### **'Modernising' India**

Remittance of profits on British capital invested in railways, plantations, mines and mills has sought to be defended on the ground that such things after all were developing or 'modernising' India. British rule in the name of development how ruthlessly impoverished the Indian population has been documented by many economists as well as social historians.

The National leaders successfully exposed the problems of India and rallied the people into the fold of freedom struggle. It is, however, said that deliberate policy making with state help for economic development was part of the early economic nationalism of such thinkers as R.C. Butt, G.V. Joshi, Dadabai Nauroji, Ranade, Gokhale. From 1920's onwards, problems of poverty and the ideology of 'development' occupied the centre state of Indian politics. The National leaders had seized the opportunity to incorporate their ideas, and of the peoples demands and aspirations at the time of Constitution making.

### **The Ideology of the Constitution**

The social outlook of the Indian leaders is partly a product of the result of the National Movement and partly the result of capitalist political economy. During the freedom struggle the national leaders while exposing the economic problems, they used to describe the future task of free India and the vision of future India.

The Election Manifesto of 1945-46 of the Congress Party declared that the most vital and urgent of India's problem is how to remove the curse of poverty.

It is quite obvious that the Constituent Assembly members thought of political democracy as a necessary condition for achieving economic democracy. Indian Constitution while reflecting all the features of modern Constitution, it had to address some specific problems such as social discrimination on the basis of caste, practice of untouchability, system of bonded or forced labour, minority rights, lack of uniform civil code etc. Another important aspect of the Constitution is that linking Directive Principles to the working of Planning Commission and State's responsibility to implement them by passing appropriate laws.





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### **Political Economy of the Constitution**

In any society production and distribution largely depends on the mode of production prevailing in a given historical stage of development. It is, therefore, necessary to understand how the Constitution encodes the mode of production and social relations of production, or in other words the crucial question should be, which economic theory does the Indian Constitution embody or endorse and what kind of development it envisages ?

Some argued that plain reading of the Constitutional provisions and particularly Fundamental Rights and Directive Principles, that the former is concerned with individual autonomy and where as the latter deals with group, community or class. The framework of political economy emerges from the Constitution of India presupposes the existence of individualism, political democracy and private ownership of property as the means of all social development, and socialism as the end of this development. Indian Constitution seeks to realise the goal of socialism in terms of growth with social justice. The state is assumed to play a catalytic role to harmonise antagonistic relations between the means and the end. Thus the Constitutional framework of post independent India, basically drawn on the premise of capitalism for securing socialism by the state is, in fact, a product of historical realities of the class based ideological forces of the National Movement. Hence, it is hardly "surprising that the framework of the political economy of India is Constitutionally established to maintain and generate by the state an aggregate of socio-economic relations in material production for bringing about 'socialism' through the development of capitalism.

### **Constitution and Planned Development**

There are at least three streams of thought led to movement of economic planning from the 1930's onwards. One was basically a conservative nationalist trend which looked upon private enterprise as the major instrument of development which wanted the State to step in whatever private enterprise was inadequate for the job or wherever private enterprise had to be promoted through government subsidies or protection of various kinds.

The second was an official or technical stream which regarded economic planning as an essential adjunct to the effort at administering and improving the poverty stricken land that was



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India. For such advocates of planning, deciding between state and private action was purely a matter of administrative convenience or instrumentally effective.

The third standard was represented by the economists and publicists for whom economic planning was an essential part of a strategy to construct socialist society in India. For many of them, indeed economic planning and the expansion of public enterprise became synonymous with an advance towards socialism.

### Conclusion:

The process of nation building is not only subject to the Constitutional structuring of the Indian polity but also to the process whereby systematic and consistent planned efforts are made for bringing about progress in all parts of the economy and prosperity for everybody in the society. The Constitution of India came into force on January 26, 1950 and the Planning Commission was set up on March 15, 1950. It is, therefore, logical that these two events occurred at about the same time while the former lays down the economic, social and cultural objectives of the Indian Society, the latter provides the mechanism for achieving the objectives of planning.

The existence of wide chasm between statements of principles and programme of action continued in during every plan period, since the planning process has to operate through the legal and Constitutional limitations. First, Planning Commission is neither created by the Constitution nor by the Parliament but by a Cabinet resolution. Secondly, Planning Commission is only an advisory authority (no power of enforcement) because of the Constitutional provisions, i.e. State Government alone can implement planning policies with regard to State subjects (Art. 246 and List II in Seventh Schedule - 66 items).

Secondly, India has a parliamentary democracy governed by the Constitution and therefore, Planning has to be democratic, answerable to Parliament.

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