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## ECONOMIC NATIONALISM ON THE POLITICAL UPHEAVAL BEFORE AND AFTER INDEPENDENCE

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### ABSTRACT

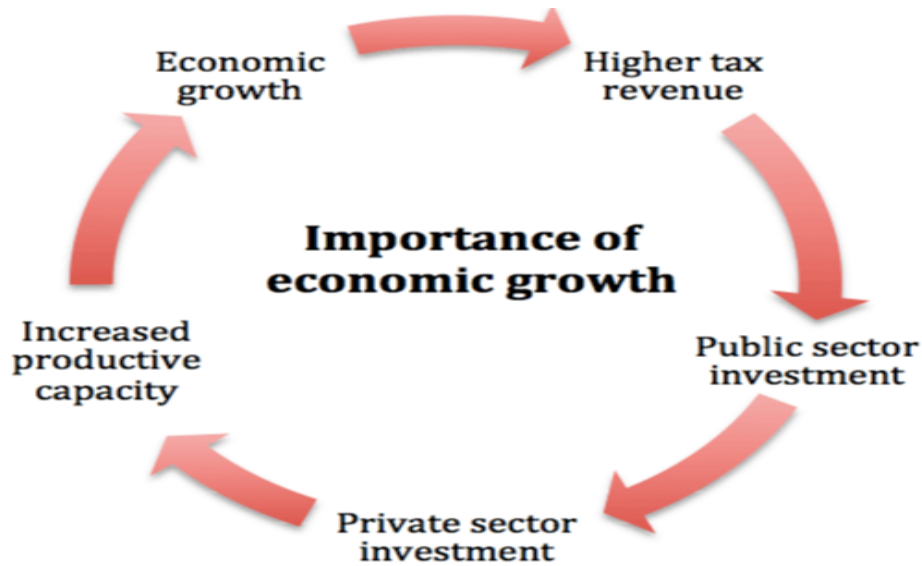
*The economic situation of India was at its pinnacle before the invasion of foreign invaders but with the entrance of British in Indian financial condition became extremely bad, and after the coming of Mughal and English, condition get even worse. The sense of nationalism has linked the people of India in such a manner that they again began to worry about the resurrection of India, particularly economic situation. The current article has been prepared to make a review for the Indian socioeconomic situation and impact of the nationalism over the economic condition. The politics has a significant influence on the decision taking for the policy and promotion of the changes made for the economic condition. This article emphasizes the financial situation before and after independence by keeping an eye on the policy making for the economic growth. The key time line for changes was the 1991, despite the many economics reforms had been implemented by the government simply to restore the economy.*

**KEYWORDS:** *Economy, Finance, Government, Nationalism, Reforms.*

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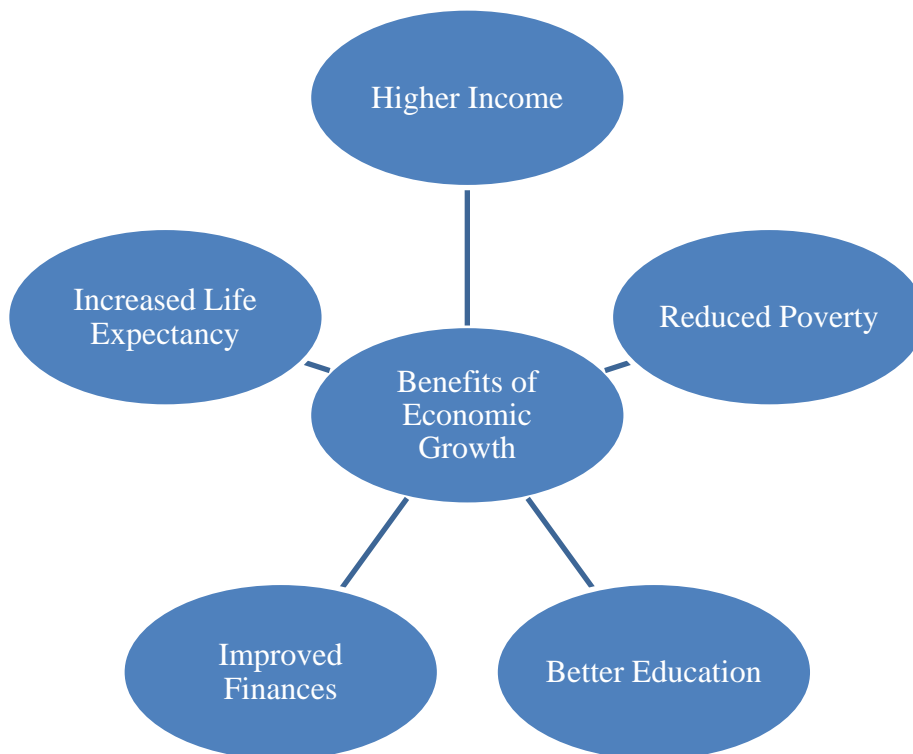
### INTRODUCTION

Economy is the essential for every individual, in reality, economy equally important for a person as it is important for a country. Everyone requires some financial assistance to live whether it is a person, a country or an organization. The significance of economics simply began with the birth of any entity and entity takes any shape like a person, a country or even an organization. Economy is as essential as nobody can develop without a solid financial preparation. In the context of India, economic reforms had been begun even before independence since it is widely known truth that India was a flourishing country before invasion of alien invader. However, these invasions of foreigners have produced a chaos like condition in India and this was the period when India's collapse had begun in financial as well as political ground (Figure 1)(1).



**Figure 1: Importance of Economic Growth in Development of Nation**

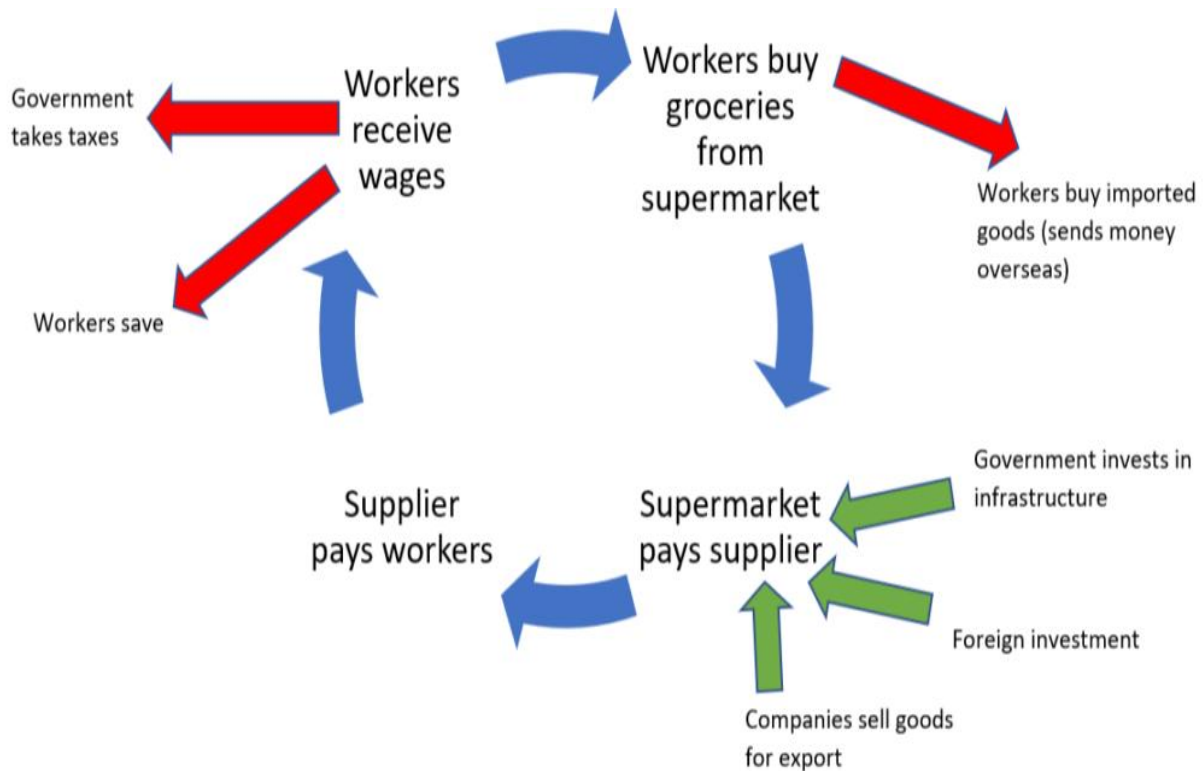
There was a period when India was regarded as a global leader in riches and political stability. The age of Gupta's and Morya's dynasty was golden time of India. India was richest nation and many countries would have been dependent upon India for companies and man strength. The India business was at its height and had cooperation with many other dynasties (Figure 2). However, foreign invader had taken a lot of wealth with them as their main objective was to steal the wealth of country and also create a situation like a war between different dynasties in India so that a great political instability had been created in Nation and that will create the situation even more worse for progress of different dynasty as nation(2).



**Figure 2: Effect of Economic Growth on Various Factor which Associated with Nation's Growth**

The Figure 1 has been demonstrating the advantage of improved economy as the economy is determining factor for growth and development of any organization. Economic planning has capacity to determine on the income resources in advance and also encourage the people to take action as per their strategy. The improved financial planning has capacity to decreases the poverty at large and also encourage the individuals to take choice for better investment planning. The increasing money power has provided the capacity to spend more and more over the health problems and better nutritious food that will assist to improve the life expectancy of people. The greater financial power allows the people to acquire and offer the better education facilities(3).

After independence, situation of Indian economic scenario was not so excellent but the elected Indian government had done a good job to raise the financial level of nation at a decent pace. The situation was terrible soon after independence as India had to confront numerous difficulties just after the freedom. There was no adequate supplies to develop the economy, even India was not self-sufficient in agriculture alone. However, a lot of efforts were made to restore the economy during the first decade after India gained independence from the British Empire. There were many politician and businessman, who did their best effort to make India self-sufficient in various area of industry and earn a large quantity of foreign money (Figure 3). There was a growth in machinery, automotive, agriculture and services in addition to other sectors and that were collecting and distributing a significant quantity of cash from and to the people of India(4).



**Figure 3: A Cyclic Representation of the Flow of Cash in an Economy**

To revive the economy, there is a cycle in which government first build an infrastructure to obtain employment by the people and these people work for the government, after that product will launch into market via a number of private and government vendor. The Figure 3 has described the movement of the money from government to the people and again from people to government, here private actors also have a good duty as they are major points for financial inclusion. The key factor to evaluate if economy of nation is moving upside or downward are the Gross domestic product(GDP) and purchasing power parity(PPP) (5). The GDP is a measure to check the development of nation while PPP is a check to analyze the rise the financial power at person level.

The growth and development of a nation must reflect in the wealth of its people.

The age of the 1990 was most significant period for the economy of India since this was the time for economic reforms decision made by the government. Although, a lengthy period had been passed after historic economic choices were taken. Many individuals in the parliament was not pleased with the government's choice but as time passes, their resistance became looser as they have witnessed many positive out results from that economic policies. But this point of time, nearly all the individual connected with the economy have acknowledged the robustness of economic changes. The individual, who are persuaded and campaigned in the favor of reforms, have been able to witness the visionary effect of these change on the economic situation of India (Figure 4 and Figure 5). This article also been produced to evaluate the economic wellness on the electorate and political sequence of India.

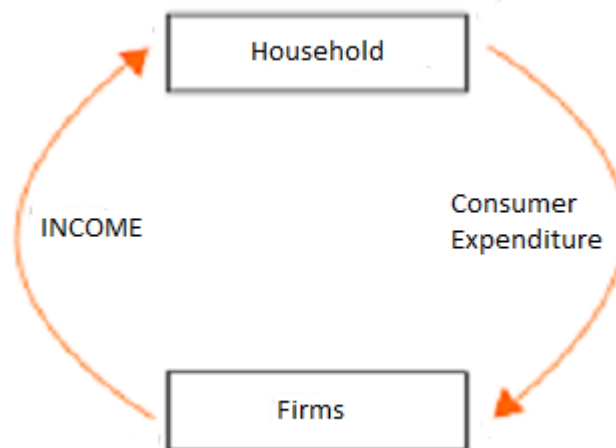


Figure 4: Flow of Finance between a Firm and a Household in order to Effect Business

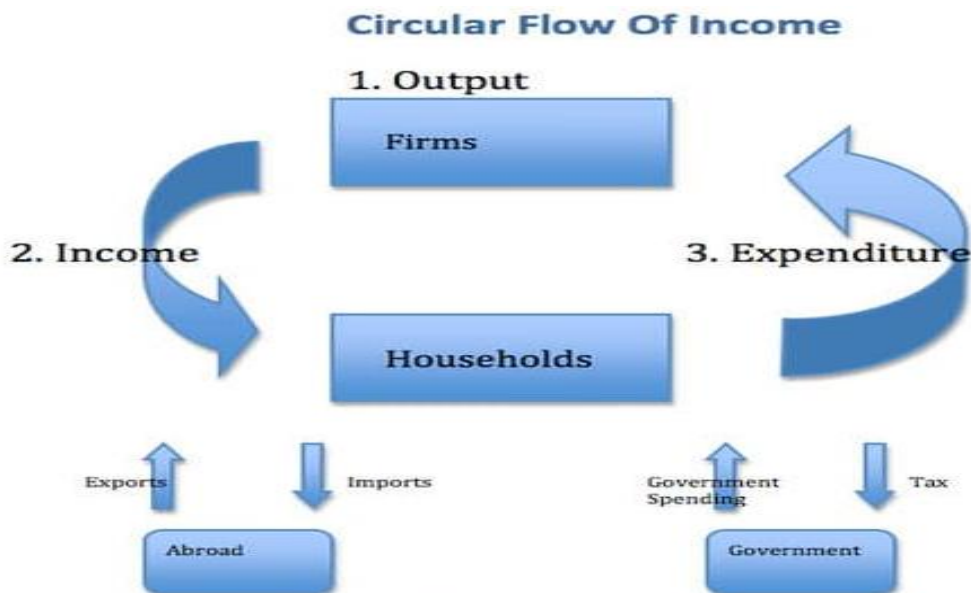
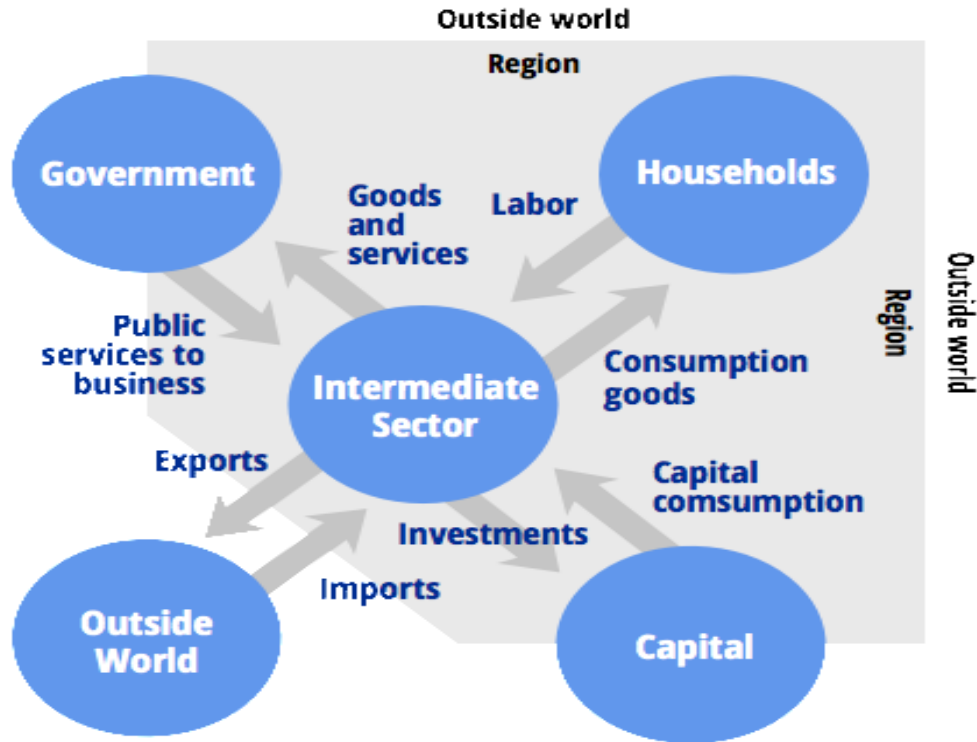


Figure 5: Effect of the Export and Import on an Economy of a Nation

Before talking about the connection between the economy and the political instability, it is essential to explain about the nationalistic movement. The history of the nationalism is not very old as the word nationalism was totally absent in the context of India, in fact, nationalism has been started in the Indian because of the foreign invaders and ruler as their atrocities has crossed all the limit and India was divided into the number of states and these state was ruled by the small

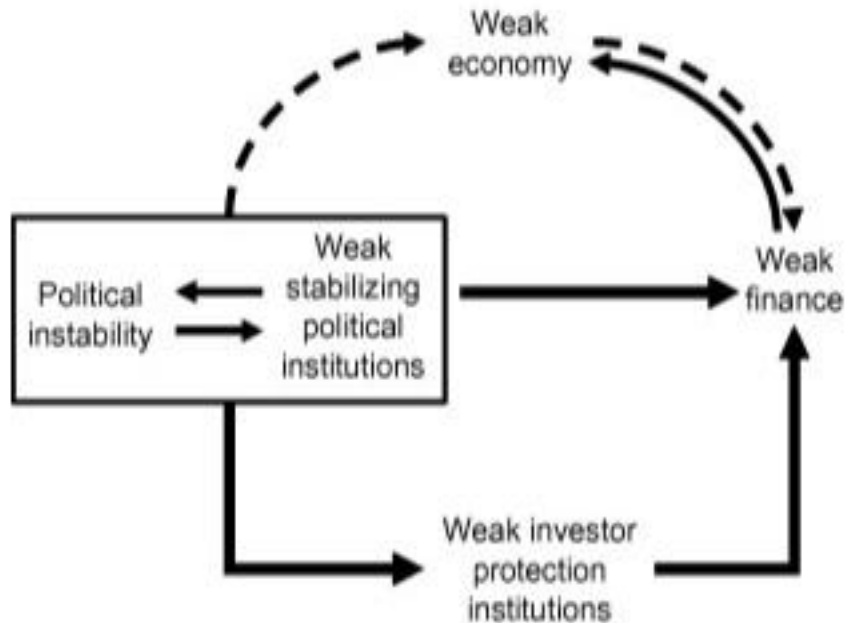
dynasties (Figure 6). No minor dynasty was able to fight this foreign king alone thus they are preparing to come at a decisive point and attempting create a single front for common cause. This time, a sense of nationalism had ignited and people had realized that they had to stand as a whole against any crimes and miss -management. The first freedom for independence was a good model for nationalism.



**Figure 6: Internal and External Factors for Economy to Ensure Development and Growth**

The Figure 6 is showing the fact that economy don't relies upon a single element rather it is dependent upon numerous variables as given in figure. The economic development of a country also relies upon the natural resources available in the nation and their use. All the elements such as households, government, manufacturing unit, services sectors, and independent entities are linked more or less to produce the income for the nation(6). Apart from internal factor, there are many external factor that may influence the economic development like relations with other nation , business activities of multinational firm, business tie up with other entity, export import relationship with big firm , tax imposition at state and international border, custom and excise duty on goods etc.

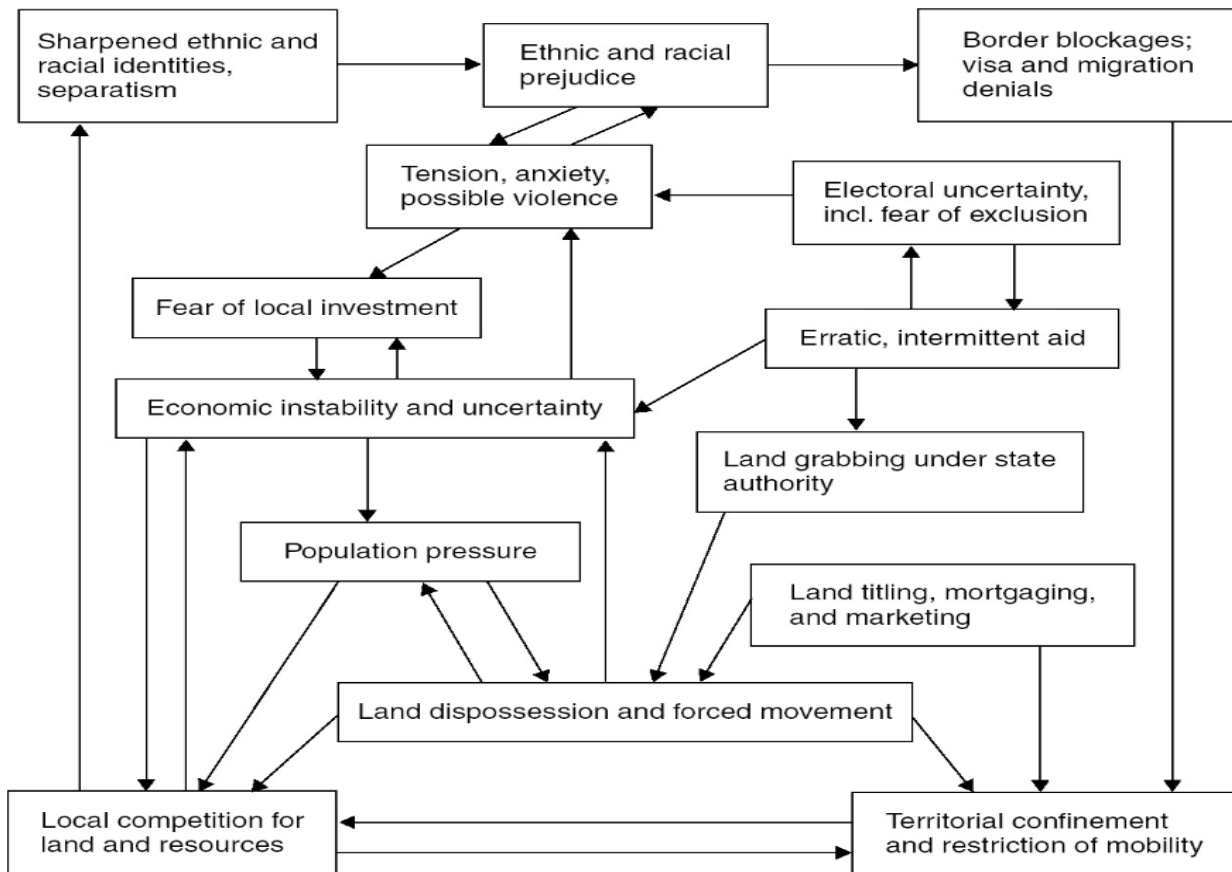
The connection of the political situation in a nation and economic condition are two connected problems as the politics has power to alter the policies related to economics and economical condition may affect the political scene in the country, therefore, both can impact each other. The nationalism is the outcome of political activity in late of 18 centuries and even this term has inspired people in following independence (Figure 7). The deregulation of many item and the development of the globalization has open the new door in the sector of the economic reform and many economist of the country has begun to consider about the new measure that can be done with a combination of the globalization.



**Figure 7: Relation of a Political Situation and Economy that may Affect People’s Life**

The period of the 1990 was not easy for India, as the globe was moving quickly towards the progress and development but Indian economic condition was not in good shape and situation was terrible but the government has made the U turn at that point and open the Indian economy for the rest of the world. Thus moment is recorded in history as the resurrection point of the Indian economy and India received a lot of foreign investment in India and this paved the way for unparalleled growth and development (Figure 7). The problem was in terms of the balance of payment yet this window of crisis had created a fresh door of possibilities. The Indian technocrat as well as economists has appreciated this as a key factor and dominated the electoral coalition to obtain a clearance to convert these changes into bill.

The financial liberalization in India refers to monetary liberalization of country's commercial policies with goal of creating economy extra market besides service-oriented besides increasing function of hidden and distant investment. Indian financial liberalization was part of a general pattern of pecuniary liberalization plus modernization occurring throughout globe in late century. Although unsuccessful attempts at liberalization had been undertaken in 1966 and early 1985s, a further comprehensive liberalization was launched in 1991. The improvement was supported by an equilibrium of payments disaster that had led to a simple recession. Specific changes included falling import pricelists, deregulating marketplaces, and decreasing taxes, which contributed to an upsurge in foreign investment in addition to strong monetary development in 1995s and 2010s. From 1995 to 2015, foreign speculation grew 327.9 percent, while India's gross domestic product (GDP) cultivated from \$286 billion in 1981 to \$1.3 trillion in 2019. Conferring to research, wages increased on whole, as well as salaries as labor-to-capital relation share.



**Figure 8: Factors That May Affect the Economy and Political Collaboration for a Nation Growth(7)**

Indian economic policy after individualism was influenced by colonial experience (which was uneven in nature) and leaders' exposure to Fabian collectivism. Policy oriented towards protection, with a strong focus on importation substitution mechanization under state nursing, state participation at micro level in all products especially in labor alongside financial markets, a large public segment, business direction, and dominating planning. Five-Year Plans of India resemble similar central preparation in Russia (Figure 8).

**DISCUSSION**

The state of the India's economic condition improved due of the economic reform enacted in 1991. The economic scene was completely change after these reforms as many foreign companies have come in India for business and this steps of Indian government has increased the inflow of the foreign currency drastically and income of the people also increase multi fold as the salary given by these foreign companies was very pretty and this paradigm shift in salary has stopped the brain drain little bit and people has changed their mind to go abroad for job search as they are very committed to earn a good money.

The economic boom needs a comprehensive approach from each and every part of the nation to create better environment for economic development. the emotion nationalism link the people in such a manner that the think about the development of the country before their own growth and this is the greatest method to inspire the political as well as social reasons that work for economic growth as a collective effort. Some of the Indian brand have reached the their peak of economic growth not only in India but also in other countries and they brand also took over some foreign well-known brand in order to make their position more stronger and this will in turn increase the growth and development of Indian people as well.

## **CONCLUSION**

The emotion of the nationalism is inspired the people to do collectively for the country and they always think to create plan that have eventually proven in favor of the nation . The other element for the development of the country is the politics and the economics as both are equally essential for the internal and exterior factor. The nationalism has influence the nation in proper manner to create the policy for the economic reform and think about the future of the country. The nationalism has been driving the masses since the first struggle for independence. There are various scenario in county where the national economic require the political interferences in order to take a correct choice in policy execution for economic sector and vice versa as economy may be impacted with the international political connections. Therefore, it is essential to take an economical choice at priority and also choose the finest decision in the benefit of the country.

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