

- ***This was to form the basis of India's economic thinking after independence.*** The vision of a self-reliant independent economy was developed and popularized.
- Self-reliance was defined not as autarchy but as avoidance of a subordinate position in the world economy.
- The nationalists accepted from the beginning and with near unanimity the objective of **economic development towards modern agriculture and industry** based on modern science and technology.

IMPORTANCE OF INDUSTRIALISATION:

- Nationalists emphasized the ***close link between industry and agriculture.*** Industrial development alone could reduce population pressure on land and rural unemployment.
- Within industrialization, the emphasis was on the creation of an ***indigenous heavy capital goods or machine-making sector*** whose absence was seen as a cause both of economic dependence and underdevelopment.
- For essential consumer goods, the nationalists advocated reliance on ***medium, small-scale and cottage industries.***
- Small-scale and cottage industries were to be encouraged and protected. as a part of the development strategy of increasing employment.
- Indian nationalists were opposed to the unrestricted entry of foreign capital because it replaced and suppressed Indian capital.
- During the 1930s and 1940s a ***basic restructuring of agrarian relations*** also became one of the objectives of the national movement.
- All intermediary rent receivers such as the zamindars and other landlords were to be abolished and agriculture based on peasant proprietors.
- Rapid industrialization needed a comprehensive policy of direct and systematic ***state intervention.***
- Economic planning by the government and the massive development of the public sector were widely accepted in the 1930s.
- The state was to develop large-scale and key industries apart from infrastructure, such as power, irrigation, roads and water supply, where large resources were needed, and which were beyond the capacity of Indian capital.
- The Resolution on Fundamental Rights and Economic Programme, adopted at the Karachi session of the Indian National Congress, declared that in independent India 'the State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport'.
- To promote ***planning as an instrument of integrated and comprehensive development*** Congress sponsored in 1938 the National Planning Committee while the Indian capitalists formulated the Bombay Plan in 1943.

GANDHI'S VIEW ON INDUSTRIALISATION:

- Although initially opposed to modern industry, he later realised its significance.
- In the 1930s, he repeatedly asserted that he was not opposed to all machine industries but only to those which displaced human labour.