

STUDY OF POLITICAL LEADERSHIP IN RELATION WITH GROWTH OF INDIAN ECONOMY: WITH SPECIAL REFERENCE TO BJP AND INCAnamika¹
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Abstract

Indian economy is dynamic in nature and is influenced by many factors among them is political environment, which is the major factor influencing the environment with its policies and ideologies. Further, political environment is mostly influenced by its leaders whether they belong to ruling or opposition party. These political leaders are the persons who shape the opinion of the masses despite which political party they belong to. Present study aims to find out the role of political leadership in economic growth of India. Data in this study is collected by using the secondary sources. The research paper uses the qualitative approach. The study is conducted to see the influence of two most influential political parties of the country i.e. Bhartiya Janta party and Indian National congress. These are the two major Political parties in India, along with them exist- Aam Aadmi Party, Bhujan Samaj Party, communist party of India, and many more along with numerous regional parties. In this study the major decisions and economic changes are studied which happened in the leadership of the Prime Ministers in accordance to the political ideologies of their respective Parties. This study shows that there is a definite relationship among the Political leadership and growth of Indian economy. Every decision taken by the leaders is the show of their thinking about the priority in dealing with an economic issues, solution to current problems, public needs etc.

Keywords: Political leader, leadership, economic growth, economy and Indian Economy.

Introduction

Indian economy is continuously evolving and is being affected by its political environment. Political environment always influenced the economy of any nation it may be in the way Kings used to patronize the merchants and traders or the way they used to collect taxes from outside traders to promote their own traders or the way they used to make policies regarding money supply. A political leader was always

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looked upon to guide the public in every aspect of society including economic ones. Every time there is a political upheaval in a country there tend to be negative impact on its economy prices starts to rise, growth rate decreases, investment reduces and other similar changes occur. These days, if there is any uncertainty associated with the political environment of a country than it automatically leads to the reduction in foreign investment, value of their currency also falls with any prospect of future growth. Economic development can happen only in the framework of laws and regulation which is provided by government of that country. In countries like India, where mixed form of economy is followed (i.e. Public and Private sector both are involved in the economy) they together determine the policies for economic development. Here, the economy flourishes by the combined efforts of both government and private sector.

Political leadership and growth of economy here is interrelated to each other. Predictors of political leaders are influenced by various factors like education, family background, gender, religion, race, ethnicity and many more factors. Great political leaders have shaped the Indian economy to a great extent.

Conceptual Clarification

Since this study aims at finding a relation between political leadership and growth of Indian economy we need to understand these terms first.

- Leader – is a person who works to influence a group of people for the achievement of a common goal. This person generally (not necessarily) holds a position of power from where the group can be influenced. These groups are known as followers.
- Leadership - is the process through a leader influences the group or the action by which the group is motivated to work for a common goal.
- Political leader- is a person who belongs to a political party and uses political activities to motivate the masses to gain the power.
- Economy – is an area in which all the production and consumption activities of goods and services take place, to fulfill the need of the people living in it.

- Economic growth – is the increase in the amount of produce in a specified time period in a specified area.

Objective

- To study the relation between the political leadership and growth of Indian economy during the regime of various Prime Ministers.
- To study the impact of political decisions on the Growth rate of the economy.

Hypothesis

- There is no significant relationship between political leadership and growth of Indian economy.

Research Methodology

This is an explanatory study based wholly on the secondary data collected from books, journals, newspapers and official websites. The target population for the study are the political leaders of Bhartiya Janta party & Indian National Congress party. The area of study is entire country i.e. India. Convenience and judgment sampling of non- probability sampling method has been used for the study of the same.

Working of Political Leaders in detail

These are the workings of different political leaders during their tenure and the economic growth in that period. The brief description about their reforms and failures has been discussed below;

1. During the tenure of Pdt. Jawaharlal Nehru (15 Aug 1947-27 May 1964)

He was the first prime minister of India from Indian National congress and also the longest serving PM. He held office for 17 years.

❖ Major reforms undertaken by him during this period were;

- Setting up of premier institutions like IITs, IIMs, AIIMS etc.
- Agriculture reform: abolished zamindari system, reconciliation of small land holdings and undertook irrigation project.

- GDP & GNP increased during this period by 4%.
- India's trade share decreased by 0.5% in world trade.
- Made primary education available for every child.
- Brought social reforms like criminalizing caste based discrimination, worked for women rights.

Failures during this period (15 Aug 1947-27 May 1964);

- Ignored China as a threat.
- His personal bias on Kashmir issue.
- Miscalculated expenditure on heavy industries, resulting in inefficiency in meeting the basic needs of people.

2. During the tenure of PM Lal Bahadur Shastri (9 June 1964- 11 Jan 1966)

He was also from Indian National Congress party. He was considered as leader of masses and gave the famous slogan "Jai Jawan Jai Kissan"

❖ Reforms during his tenure;

- Brought Green revolution in Indian agriculture sector and also increased the production in dairy industry.
- Helped India to harness nuclear power.
- Improved the international relations.

3. During the tenure of PM Indira Gandhi (24 Jan 1966- 24 Mar 1977 & 14 Jan 1980 – 31 Oct 1984)

Also known as the iron lady of India and till date is the only female PM of India. She also served from Indian National Congress party.

❖ Economic reforms during their tenure;

- Nationalized 14 major private banks.
- Reduced unemployment.
- Introduced equal pay for both gender for equal work.
- Worked to strengthen the Indian defence.
- Merged Sikkim in 1975 as an Indian state.

Failures during this period (24 Jan 1966- 24 Mar 1977 & 14 Jan 1980 – 31 Oct 1984) ;

- Imposed emergency which is considered as worst assault on Indian democracy till date.
- Political ills like degradation of presidency, criminalization of politics and corruption first flourished in her tenure.
- Encouraged use of religion for vote bank politics.

4. During the tenure of PM Rajiv Gandhi (31 Oct 1984- 2 Dec 1989)

He was called India's IT revolutioner. He also served from Indian National Congress party.

❖ Economic growth during his tenure;

- Reduced license raj.
- Introduced telephone connection for first for general public.
- Contributed massively in IT & communication revolution.
- He also introduced Panchayati Raj.

Failures during this tenure (31 Oct 1984- 2 Dec 1989);

- Sikh riots occurred during his period.

- BOFORS scam also connected to him.
- Tried to appease both Hindu and Muslim simultaneously and failed miserably.

5. During the tenure of P.V. Narasimha Rao (21 June 1991 – 16 May 1996)

Referred as father of Indian economic reform .Under his regime India shifted from mixed economy to market economy. He served from Indian National Congress party.

❖ Economic growth during his tenure;

- Brought major economic reform of Liberalization, Privatization and Globalization (LPG) to manage economic crisis in 1991.
- Abolished license raj.
- India's nuclear program flourished under him.
- Foreign investment was opened in equity market.

Failure during this period (21 June 1991 – 16 May 1996);

- Babri mosque was demolished in his regime.
- Allegations of buying support in parliament.

6. During the period of PM A.B. Vajpayee (16 May 1996-1 June 1996: 19 Mar 1998 -22 May 2004)

He was the first non-congress PM to complete his tenure. He served from Bhartiya Janta party (UPA).

❖ Economic growth during his tenure;

- Pokhran II nuclear test was carried out & was successful.
- Private sector and foreign investment were encouraged during his period.
- Implemented National Highway Development project and started Sarv Siksha Abhyan

Failures during his period (16 May 1996-1 June 1996: 19 Mar 1998 -22 May 2004) ;

- Gujarat burn was negative mark on his career as a PM.

7. During the tenure of PM Manmohan Singh (22 May 2004- 26 May 2014)

He was the first Sikh PM. He is considered as one of the best economist of the country.

❖ Reforms during his tenure;

- Highest GDP growth since independence i.e. 10.08%.
- India became world's second fastest growing economy.
- Launch national rural healthcare program
- Passed the RTI act.
- Enhanced diplomatic relations

Failures during the period (22 May 2004- 26 May 2014);

- Termed as weakest PM ever.
- During serial terror blast and 26/11 his govt. seemed to be mute spectator.

8. In the tenure of PM Narendra Modi (26 May 2014 till date)

He is the most popular PM in the history. He is currently serving form Bhartiya Janta party.

Economic achievement in his prevailing period;

- Biggest demonetization in the world to get rid of the black money.
- Implemented the Goods and Service tax.
- Started the project Make in India and digital India.
- Swach Bharat abhiyan was initiated by him.

- Beti Bachao Beti Padhao was also initiated by him.
- Scrapped article 370 from constitution and solved historic Kashmir issue.
- Formed two new union territories i.e. Ladakh & Kashmir.
- Struck down part of Section 377 which earlier was criminal offence.
- Passed the Triple Talaq bill.

Current failures or setbacks in his leadership (26 May 2014 till date);

- Demonetization was the greatest failure as it was not able to achieve the goal it was intended for.
- Increase in suicide rate of farmers.
- Media is captured under control of the government.
- Weakening of constitutional institutions
- Allegation regarding EVM frauds.
- Increased mob lynching activities in his leadership.
- Increased religious gap
- Fail to curb the situation of unemployment.

These were the major work done by some of the most prominent leaders of their times.

To judge the work of these leaders a table of average Growth Rate is given below:

S.no.	Political Leaders (with their tenure)	Average growth rate in their regime
1	Jawaharlal Nehru (15 August 1947- 27 May 1964)	4.75%
2	Lal Bahadur Shastri (9 June 1964- 11 Jan 1966)	1.59%
3	Indira Gandhi (24 Jan 1966- 24 Mar 1977 & 14 Jan 1980- 31 Oct 1984)	4.67%
4	Rajiv Gandhi (31 Oct 1984- 2 Dec 1989)	5.57%
5	P.V. Narshima Rao (21 June 1991- 16 May 1996)	5.51%
6	A.B. Vajpyee (16 May 1996- 1 June 1996 & 19 Mar 1998- 22 May 2004)	6.098%
7	Manmohan Singh (22 May 2004 - 26 May 2014)	6.88%
8	Narendra Modi (26 May 2014- till date)	7.35% (2014-2018)

Conclusion

From the above data, it is clear that leadership plays a significant role in the economic growth of any country. Leadership is seen as the way a person or a group of persons influence the skill, efforts and knowledge of other people towards achieving a goal or set of goals. The data shows that political leadership and economic growth are related to each other. Effective leadership leads to economic growth of a nation as from the data above we can see that a strong leader can bring about major reforms which is not possible by any feeble leader. If a leader has a proper vision he can take the economy to a great height.

In this study, the political leaders of Indian National congress party showed major economic growth as it had the strongest leaders of that era. They took some key steps that lead the economy in a new direction like the nationalization of 14 banks by Indira Gandhi, IT & communication revolution by Rajiv Gandhi, introduction of economic reform i.e. LPG policy in 1991 by PM P.V. Narsima Rao and many such steps. These leaders ideology ruled for almost half century.

On the other hand, Bhartiya Janta party was formed in 1980's and has ruled for just above a decade but their work is significant in such a short period of time. The Demonetization, Pokhran 2, implementation

of GST, scrapping off of article 370 from Indian constitution is some of audacious move by the BJP leaders.

According to the table above Average Growth Rate during the regime of PM Narendra Modi is highest i.e. 7.35 (from 2014-2018). So, he is the most effective political leader and he belongs to the BJP. We can see the influence of political leadership decisions on the growth rate of that period.

Leaders of both the political parties influenced the economy of India immensely. It shows that there is a positive relationship between the political leader's and the growth of an economy.

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