



Engines of postcolonial ambition: development, diplomacy, and the making of modern India

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Abstract

This paper explores the evolution of India's domestic economic policy during the Cold War, situating it within the broader geopolitical context of non-alignment and postcolonial state-building. It analyzes how the strategic choice to remain non-aligned allowed India to court both American and Soviet aid while retaining autonomy over its internal planning priorities. Focusing on the period from 1947 to the early 1980s, the paper examines how Nehruvian socialism, centralized Five-Year Plans, and import-substitution industrialization reflected both ideological commitments and pragmatic responses to Cold War pressures. It also interrogates the tensions between political sovereignty and economic dependency in shaping India's developmental path. Through a close reading of policy documents, aid agreements, and trade data, the paper argues that India's Cold War-era economic policies cannot be understood apart from the international context, nor can its foreign relations be disentangled from the logic of domestic planning and industrial growth.

Keywords

India, Economic policy, Cold war, Non-alignment, Nehru, Five-Year plan, Ideological commitment, Political sovereignty, Development, Industrial growth

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Introduction

In the decades following its independence, India pursued an ambitious project of economic self-sufficiency and industrial modernization. Navigating a bipolar world order dominated by the United States and the Soviet Union, India adopted a policy of non-alignment, seeking to maintain strategic autonomy while leveraging superpower rivalry for developmental aid. This paper examines how India's Cold War foreign policy shaped its domestic economic trajectory, particularly through the adoption of centralized planning, state-led industrialization, and import-substitution strategies. Far from being insulated from global dynamics, India's internal economic choices were inextricably linked to its international posture. By situating Indian economic policy within the broader Cold War framework, this study offers a more integrated understanding of postcolonial development and geopolitical strategy

Discussion

It was a sweltering afternoon, during the late 1950s, in a village just outside Punjab, India. A farmer stood at the edge of his rice field, watching as a gleaming red tractor rolled into view, its metal shell stamped with unfamiliar Cyrillic letters in a stark, foreign red. The machine had come as part of a Soviet aid package, resulting from an agreement struck by Prime Minister Jawaharlal Nehru's government to modernize Indian agriculture. The farmer did not speak the language written on the chassis, nor could he name the ideology that had funded it. But when he climbed aboard and started the engine, he knew his prayers had been answered. In a matter of hours, he had plowed the stubborn land that used to take days. His wife, upon seeing the progress, was overjoyed,

as she suspected the tractor would resolve the farmer's persistent back aches. His neighbors gathered to watch, to murmur, to wonder aloud whether this was the future. The village buzzed for weeks, not about superpowers or socialism, but about the machine that made the earth move faster. For the farmer, the tractor was not a symbol, but proof that promises made in distant capitals had, for once, reached the soil beneath his feet (1).

What the farmer may not have known was that his new tractor was a weapon in a different kind of war: one where opponents used aid and industry, not just arms, to win influence. The Cold War, often remembered as a standoff of missiles and ideology, was also a struggle to impose competing models of development, waged in the grain fields and power stations of the Global South. In this context, accepting aid was rarely a neutral act, rather, it required political alignment and the adoption of the donor's economic framework (2). India, emerging from nearly two centuries of British rule during the Cold War, faced two futures: democracy paired with market-driven capitalism, or communism backed by centralized socialist planning. But if India allowed itself to be fully pulled into either camp, would it be independent, or simply trading one form of dependency for another?

Out of a desire to reject a binary world order, Indian leaders, along with allies across the Third World, constructed a third way: nonalignment, a strategy whose meaning and efficacy have long sparked vibrant historiographical debate. As a central figure in the nonalignment movement, India often serves as a key case study. Early narratives cast it

either as an idealistic moral power or a passive pawn in the superpower struggle. But more recent scholarship rejects both extremes, framing India instead as a shrewd actor navigating a fractured international order. As economic historian David Engerman argues, India weaponized Cold War competition through economic means. Through what he calls the “battle for hearts and minds,” Engerman argues that India extracted better terms: “lower prices, cheaper financing, and fewer restrictions on use (3).” The metaphor of the “clever calf” that could “suckle two cows” encapsulates the revisionist emphasis on strategic exploitation rather than helpless dependence. Similarly, Historians Odd Arne Westad and Manu Bhagavan have pushed the boundaries of Cold War historiography, decentering the U.S - Soviet binary to foreground the Global South. Bhagavan and Westad insist that India was not a Cold War afterthought but a key actor, a claim that reframes the era as a site of postcolonial agency rather than superpower puppetry (4). This approach aligns with Westad’s call to reinterpret the Cold War as a global ideological struggle, with the “Third World” as its true epicenter. This revisionist view contends that non-alignment was not born of abstract ideology but of “nationalist inclinations, proximity to the Soviet Union, and economic troubles on the eve of independence (5).” In this telling, non-alignment becomes more of a flexible strategic instrument rather than a coherent doctrine. Scholars, such as Darawar Zaulet, further this argument by destabilizing the very coherence of non-alignment, suggesting it was “not a policy, but only part of a policy,” a diplomatic fig leaf, more performative than prescriptive (6). The evolution from Nehru’s globalism to Indira Gandhi’s regionalism, from “extra-regional peacemaker” to “subcontinental security seeker,” has become a central historiographical theme, reflecting shifting interpretations of India’s agency and ambition. As historian Harsh V. Pant argues, Nehru saw peace as a condition for development, and “non-alignment was a prerequisite for peace,” a claim that underscores his pragmatic, rather than utopian, outlook. Yet, even within this more inclusive framework, Cold War historiography treats India primarily as a strategic actor, important insofar as it accepted aid from both the United States and the Soviet Union, and always framed through the lens of superpower rivalry. This perspective centers nonalignment as a diplomatic stance, but rarely asks how Cold War dynamics unfolded within India itself. The focus tends to remain on aid negotiations, global conferences, nuclear posturing, and ideological blocs, ignoring how the economic ripples of the Cold War could be felt in Indian villages and regional economies. Where did the aid go? How did it shape India's development plans? And how did those plans, in turn, shape the lives of everyday Indians? These questions are often sidelined in mainstream Cold War narratives, which overlook how India strategically leveraged foreign aid not only to maintain nonalignment but to finance an ambitious program of national reconstruction. Economic planning, unlike slower-moving social reforms, became the backbone of this effort, delivering visible outcomes like dams, factories, and power grids that not only symbolized progress but also laid the material foundations for a modern, self-reliant state. In doing so, economic policy became both a tool of governance and a powerful means of

asserting sovereignty, legitimizing the postcolonial state. This paper argues that to fully understand India's place in Cold War history, we must look beyond summit diplomacy and ideological alignment to the developmental choices that nonalignment made possible. Far from being a sterile exercise in technocracy, India's planning regime became a lived expression of sovereignty, an arena where national identity was forged and postcolonial ambition materialized. This essay traces how India's postcolonial ambition unfolded through Nehru's early agrarian reforms and industrialization, the strain of regional conflicts, the Green Revolution, and the shift to liberalization in the 1990s. Each phase was shaped not only by national aspirations but also by India's effort to navigate Cold War pressures without surrendering its non-aligned identity. To study the Cold War, then, is not only to track superpower rivalries, but to examine how its influence was negotiated and repurposed, in implements as ordinary, and yet as vital, as a tractor in an Indian village.

To understand the forces that gave rise to nonalignment and India's distinctive economic doctrine, one must begin with the recognition that British colonialism was not merely a political domination, but a system of economic extraction. Colonization profoundly shaped how Indian leaders envisioned sovereignty, not just in governance, but in planning, production, and self-reliance. From 1858 to 1947, British colonialism in India hollowed out indigenous industries, fractured rural society, and embedded a deep mistrust toward Western capitalism that would shape India's postcolonial economic policy for decades. Initially arriving as traders through the British

East India Company, Britain transformed from commercial agents to imperial rulers whose conquest proved more lucrative, institutionalizing a regime of taxation and state-sponsored extortion (7). This colonization did not just siphon resources; it rewired the entire Indian economic psyche.

What followed was a long economic strangulation, famously theorized by Dadabhai Naoroji in his "Drain of Wealth" thesis. Naoroji argued that British rule caused a systemic outflow of Indian capital to England, ~ twenty to thirty million euros annually by the early twentieth century, which "hampered India's ability to generate internal capital needed for industrialization" and plunged millions into rural poverty, famine, and debt (8). This is not an abstract economic critique: the effects were etched into lived experience. Famines like the Bengal Famine of 1943, intensified by exploitative trade policies, revealed the catastrophic costs of relying on an externally controlled economy (9). In some villages, elders still speak of watching children waste away while granaries overflowed with food hoarded by colonial forces for war efforts elsewhere. Even British-imposed public health improvements, which targeted lower death rates, only compounded land scarcity and peasant unemployment, creating what one scholar described as "a chronic ache... the slow debilitation of malnutrition, sapping vigor and laying the people prey to disease." That ache had names and faces: mothers who walked miles to barren relief camps, sons who left home to dig irrigation ditches for colonial landlords and never returned. Simultaneously, British racism and exclusion fueled a deeply emotional nationalism; the economic fight for

self-rule became inseparable from the racial humiliations of colonialism, giving Afro-Asian solidarity the fervor of “a racial crusade against oppression.” Every Indian who had to step into the gutter so a white man could pass, or who was barred from railway compartments marked “Europeans Only,” carried that humiliation in silence, and later, resistance. The result was a postcolonial India that, at independence, did not just reject foreign rule, it rejected the very logic of Western capitalism as synonymous with subjugation and suffering. India’s profound desire for self-sufficiency thus found expression in the differing ideologies of two of its most iconic leaders – Mahatma Gandhi and Jawaharlal Nehru. Though grounded in anti-colonial ideals, both would go on to lead the newly independent nation, with their economic visions forming the cornerstone of India’s developmental trajectory.

Gandhi’s economic philosophy was deeply intertwined with his broader vision of a non-violent and egalitarian society. His personal experiences in South Africa, where he saw firsthand the brutal economic inequalities faced by Indian immigrants, shaped much of his economic thinking (10). Gandhi rejected Western economic models built on exploitation and competition and proposed an economy rooted in self-sufficiency, simplicity, and moral righteousness. For him, true *swaraj* (self-rule) meant not only political freedom from colonial rule but also economic independence for every individual and community. Gandhi envisioned an ideal society where wealth was equitably distributed, and every person, whether a prince, a merchant, or a laborer, had access to the basic necessities of life according to their labor and talents.

Central to Gandhi’s philosophy was the idea that labor should be dignified, and all work should be valued equally. This belief was not just theoretical; it was something Gandhi embodied daily. At his ashrams, he worked alongside his followers, engaging in manual labor, particularly spinning *khadi* (hand-woven cloth), as a symbol of self-reliance and communal solidarity. Gandhi saw manual labor not just as a means of production but as a purifying, spiritual practice that elevated the individual and the community. He believed that if all people contributed equally, both intellectually and physically, the result would be a more just and cohesive society. Gandhi’s commitment to non-violence permeated his economic views as well. He opposed large-scale industrialization, which he saw as exploitative, violent, and harmful to both human dignity and the environment. He argued that industrialization, driven by greed, led to the concentration of wealth in the hands of a few, creating a system of economic violence. Gandhi was not against all machinery, but he believed it should only be used if it empowered individuals, particularly in rural communities, rather than replacing human labor with mechanized systems controlled by a capitalist elite.

While Gandhi’s economic vision was morally compelling, it was criticized for being overly idealistic and impractical in the context of a rapidly modernizing nation. Gandhi’s followers, such as Jawaharlal Nehru, found his ideas of rural self-sufficiency and handicraft-based economies disconnected from the reality of India’s development needs. Gandhi’s economic philosophy, with its focus on non-violence and moral upliftment, contrasted

sharply with the more pragmatic, industrial models proposed by his contemporaries. Other independence leaders like Subhas Chandra Bose and B.R. Ambedkar offered more state-driven economic models. Bose, for instance, advocated for industrialization through state control, believing that only a strong central government could address poverty and inequality (11). Ambedkar also favored state intervention, emphasizing the need for planned economic development to ensure inclusive growth (12). Nehru himself advocated for large-scale industrialization and state-led economic planning to bring about economic progress, seeing it as necessary for the country to modernize and compete globally. Gandhi's emphasis on small-scale, self-sustaining villages seemed outdated and incapable of solving the economic challenges of a growing, diverse population. Yet despite criticism, Gandhi's ideals, centered on equity, self-sufficiency, and dignity, shaped early development policy in subtle but enduring ways, informing policy on rural upliftment, small-scale industry, and the moral aims of the economy.

Nehru's economic philosophy, shaped by his vision of India's postcolonial future, was both ambitious and deeply pragmatic. He believed that true freedom was not simply political independence but also economic self-sufficiency. He famously argued that without socio-economic freedom, the end of British rule would have little impact on the lives of India's millions, as their material conditions would remain largely unchanged (13). In the early 1940s, during his time at Cambridge, Nehru was enamored with Karl Marx and Lenin, referring to their works repeatedly in his

diary and letters to friends. He had shed his Marxism-Leninism by the time India attained independence, but his faith in planning, heavy industry, modern science, and technology would persist.

Yet, Nehru's thinking was not bound by rigid models. He saw the Soviet Union's economic resolve as an inspiring example of how a nation could aim for self-sufficiency, even as he was deeply wary of its authoritarian political methods. Nehru admired the industrialization of the West, though he was critical of its exploitative nature. This belief in blending the best aspects of the West and East underpinned his approach to India's economy. Arguing that while the state must intervene in key sectors for national growth, Nehru strongly advocated for a balance between state control and private enterprise. Additionally, he envisioned that the public sector should lead in industries that were critical for national development, including infrastructure and heavy industries, paving the way for broader industrialization. However, Nehru recognized the limitations of over-control, and his policies allowed for a "limited free market" where private enterprise could thrive in sectors not deemed essential for national security or strategic importance. This approach became the central vision for India's industrialization, which emphasized the development of both large-scale industries and small cottage industries, a nod to Gandhi's village-based economic model. For Nehru, the state was not an omnipotent force but rather a guide and enabler of development, helping citizens who were already committed to building a new India. His goal was not to create a stifling, state-controlled economy, but to inspire the population with the belief that they

were active participants in the construction of the nation's future. "If that feeling pervades them," Nehru noted in a letter to his Chief Minister, "then all work becomes a pleasure, bringing a certain satisfaction, and all inconveniences are of little account."

In many ways, Nehru's philosophy was a reaction to the colonial exploitation of India, but it was also a synthesis of Western ideas and India's indigenous needs. His belief in heavy industry as the backbone of India's economy aligned with Subhas Chandra Bose's views on industrialization, but Nehru's focus was more on state-led initiatives rather than Bose's call for a more extensive role for private enterprise. Nehru's vision was also tempered by his responsibility as Prime Minister, and he understood that economic policies had to be sensitive to the lived realities of India's diverse population. The real challenge, he wrote to a friend, was not simply managing resources but inspiring the people to believe in the vision of the new India, a task that required both leadership and collective enthusiasm. While his vision of a planned economy was never fully realized in the way he had hoped, as Prime Minister, Nehru laid the foundation for India's early economic policies and gave rise to lasting tensions between planning and flexibility, state control and private growth.

On August 15, 1947, Prime Minister Nehru delivered his "Tryst with Destiny" speech at the stroke of midnight. In it, he framed independence as both fulfillment and obligation. The speech's title, "tryst with destiny," casts independence not simply as a political milestone, but as a long-awaited reckoning with fate, framing freedom as the

fulfillment of a historical promise. The timing, too, was symbolic: born at night, India would be free when the world awoke. But as dawn broke, Nehru reminded the nation that independence was only the beginning. "The achievement we celebrate today," Nehru said, "is but a step, an opening of opportunity (14)."

Achieving nominal sovereignty was insufficient; the newly independent state must reorient its economy, historically structured for imperial extraction, into one capable of fostering autonomous, sustainable development. Without transforming these economic foundations, India risked perpetuating colonial-era inequalities and remaining vulnerable to external influence, undermining the very sovereignty it had fought to achieve (15).

Yet the starting conditions for India were bleak. Merely days after Independence, Partition divided British India into two distinct states: India and Pakistan. The transition was marked by extreme communal, religious violence and the forced migration of ten million people across newly drawn borders (16). The resulting fracture of the Indian Subcontinent severed trade routes, displaced labor, and divided some of the most fertile agricultural regions between the two states. This domestic crisis unfolded in the broader context of global instability. The world emerging from World War II was defined by collapsing empires, disrupted trade, and the rise of new ideological rivalries. British colonialism and wartime policy had left India economically hollowed out, with depleted reserves, a weak industrial base, widespread poverty, and dependence on volatile global markets, which left little space for local economic autonomy

(17). Global trade remained fragile, and former colonies had limited access to international capital and markets. India was thus thrust into sovereignty without the economic scaffolding to support it. Faced with this instability, Nehru and his government turned to state-led planning as the vehicle for economic recovery and national development. A cornerstone of this vision was agrarian reform, not just to improve productivity, but as a sure and fast way to restructure a primarily agrarian India.

First enacted in Northern India in 1951, the Zamindari Abolition Acts sought to dismantle the colonial-era framework that allowed a landed elite to extract rent from tenant farmers, offering the farmers little security or incentive to cultivate the land productively [18]. These zamindars had served as intermediaries between the British and the peasantry, extracting wealth while maintaining hereditary control over vast estates. Abolition was primarily economically motivated; it sought to remove a parasitic class, increase agricultural efficiency, and democratize access to lands. The Act, however, had consequences that were deeply personal and symbolic. For many families, including my own, the end of the zamindari was a rupture, an irreparable loss of generational wealth. My grandfather grew up on land that had been in the family for generations, playing in mango groves his father and grandfather once oversaw. But as he was set to inherit the land, it was confiscated by the Indian government and redistributed; not a single inch remained (19). The reform came swiftly, and with it, the erasure of not just property, but stability and the economic foundation our family had relied on. There was no compensation and certainly no recourse.

The loss of zamindari wealth rippled through Indian society for decades. Years later, during the 1970s, while my father was growing up in India, he would often ride the train with my grandfather through the countryside. As they moved past seemingly endless fields, my grandfather would look out the window and say, quietly but with unmistakable pride, “Our property used to start there.” The train would keep going for approximately ten minutes until he finally added, “And it ended here.” It was a ritual of remembering, a claim staked in air and motion, no longer in titles. The land was gone, but the memory of ownership still lingered in the spaces between those words.

While the abolition of zamindari marked a formal shift toward economic equity, it also exposed the fragility of state capacity and the deep resistance of elite networks. Many zamindars found legal loopholes to retain control or influence; others converted their land wealth into political capital. Implementation varied wildly across states, but the symbolic weight of the policy was undeniable. It was a declaration that Indian independence would not be measured solely by freedom from foreign rule, but by the effort to root out domestic injustice, however entrenched. In this sense, Nehru’s midnight speech was not just a poetic symbolism, it was a promise that the work of nation-building had only just begun.

India’s five-year plans, adapted from the Soviet model of planning, provide a structured lens through which to trace the evolution of India’s development priorities. Each plan, implemented every five years by a planning commission, serves as a snapshot of shifting national ambitions, ideological influences, and

policy responses to domestic and global pressures. It was within the framework of the first five-year plan (1951-1956) that Nehru's early economic policies blended an inward-looking developmental vision with calculated international engagement (20). The Plan's priorities, agriculture, rural development, land reform, and infrastructure, were not just economic necessities but clear reflections of postcolonial ambition. At a time when India was emerging from two centuries of colonial extraction, the decision to focus on food security, irrigation, and rural cooperatives signaled a commitment to economic sustainability that the country had been denied. For Nehru, economic stability was not just about growth, it was a form of national security. By ensuring that every village had access to food, land, and water, the state was actively securing the population against both economic hardship and political unrest (21). The focus on rural development, redistribution of land through ceiling acts, expanding access to credit via cooperatives, and boosting agricultural productivity was a deliberate strategy to root independence in economic self-sufficiency. It reflected the belief that true sovereignty meant building a stable foundation in the countryside, where the vast majority of Indians lived. Democratic decentralization through *panchayats* (village governments) served as both a developmental and political tool to entrench this vision. The emphasis on stabilization over rapid industrialization in this first phase reveals a clear sequencing: nationhood requires securing basic needs before pursuing global competitiveness.

Concurrent with its reliance on Cold War funding, India's domestic agenda was shaped

by the broader geopolitical climate. Following the Korean War (1950–1953), the United States viewed India as a key player in containing communism's spread in Asia and sought to increase economic and military aid to New Delhi (22). Yet, despite this overture, India chose the path of nonalignment, a stance that leaders from across the Third World would formally endorse at the 1955 Bandung Conference in Indonesia, where they sought to assert independence amid the competing pressures of Cold War superpowers. India, under Nehru's leadership, played a central role in the conference, championing nonalignment and advocating for South-South cooperation. Ultimately, the rhetoric of sovereignty perpetuated by the conference provided a powerful pragmatic justification to leverage Cold War rivalries for economic assistance. Throughout the following years, Nehru accepted substantial aid from both the United States and the Soviet Union, not out of ideological ambivalence but as a pragmatic move to support India's ambitious internal goals without compromising its sovereignty. This aid arbitrage allowed India to bargain, protect its fledgling industries through import substitution, and avoid the unequal terms of trade that defined Western-dominated markets. Nehru was adamant that aid would supplement, not steer, India's economic vision. As he wrote in a letter to a Chief Minister, Nehru was determined to welcome external assistance on his "own terms," resisting any pressure to model India's economy on capitalist or socialist orthodoxy (23).

Domestically, however, nonalignment did not receive unequivocal support. Nehru's nonaligned policies were constantly criticized

in the press and challenged by opposition parties like the Swatantra Party, whose leader, M. R. Masani, argued that India's economic stagnation stemmed from its socialist planned economy and nonalignment stance. Masani and the Swatantra Party called for dropping nonalignment in favor of a firm alliance with the West, promoting free-market principles and greater economic freedom as the necessary path to pull India out of its "present mess" and spur development (24). The Swatantra Party positioned itself as the champion of economic liberalization, opposing Nehru's Congress Party's vision of state-led planning. The fact that these debates were featured in widely read newspapers highlights how Cold War geopolitics penetrated Indian civil society, shaping an understanding of India's sovereignty, economic autonomy, and modernization. This press coverage exposes the internal controversy over nonalignment within a country that historians have often narrowly defined as simply its foremost emblem.

The Second Five-Year Plan (1956-1961) exposed the inherent tensions of state-led development, as India's push for industrial self-sufficiency collided with bureaucratic inefficiencies, conflicting economic ideologies, and the practical limits of centralized planning. Moving beyond regional and village development, the plan focused on heavy industry and infrastructure, steel plants, power stations, and transportation networks, to build a self-reliant economy. The Bhilai Steel Plant in Chhattisgarh, constructed with Soviet help, became a flagship of this approach, symbolizing India's entry into large-scale industrial production and the potential of state-driven development. Yet, this embrace of state

control came with contradictions. The public sector became the backbone of the industrial push, but inefficiencies and bureaucratic red tape hindered productivity and stifled private enterprise. British anthropologist Jonathan Parry, renowned for his ethnographic studies on labor and bureaucracy in India, provides an in-depth analysis of the Bhilai Steel Plant. In his 2013 article, *Company and Contract Labour in a Central Indian Steel Plant*, Parry examines how multi-layered rigid administrative protocols at Bhilai created an environment where private contractors faced substantial obstacles in securing projects and payments (25). This contradiction did not escape Indian policymakers, as V.K.R.V Rao, an Indian Economist on the Planning Commission, remarked extensively about them in his memoir. He noted how overlapping authorities between the Planning Commission and ministries caused "paralysis" (26). For example, while the Commission designed ambitious industrial targets, the actual ministries responsible for implementation often lacked both the autonomy and resources to execute plans efficiently. Rao highlighted how this institutional friction, combined with rigid hierarchical decision-making, meant projects were stalled or diluted long before they reached fruition.

The Second Five-Year Plan highlighted a core tension in India's postcolonial vision: achieving rapid economic prosperity through state-led development while grappling with the rigidity and bureaucratic red tape inherent in Soviet-style centralized planning. This period exposed the difficulty of balancing ambitious industrial goals with the complex realities of governance, revealing the limits of a one-size-

fits-all model in a diverse and evolving economy.

Building on the tensions exposed by the Second Five-Year Plan, the Sino-Indian War (1962) further revealed how India's pursuit of economic development was deeply intertwined with military imperatives. Nehru had envisioned nonalignment as a way to foster regional cooperation and stability, especially with neighbors like China (27). Yet, territorial disagreements remained and were exacerbated by ambiguous colonial-era maps and differing interpretations of the border, known as the McMahon Line in the east, which China did not recognize. The resulting Sino-Indian War saw India's defeat, along with the deaths of nearly two thousand Indians over three months. The Henderson Brooks-Bhagat Report, commissioned to analyze the causes of India's defeat in the Sino-Indian War, underscored the Indian Army's lack of adequate equipment, training, and infrastructure to operate effectively in high-altitude combat zones (28). The war exposed the limitations of India's existing industrial base, which was ill-equipped to support the demands of modern warfare, thereby pushing policymakers to recognize the imperative of integrating military needs into economic planning. This inadequacy was not merely a military concern but reflected broader systemic issues in India's economic planning and industrial development.

The reality of this failure is vividly captured in Brigadier John Dalvi's *Himalayan Blunder*. Stationed in the unforgiving Himalayas during the war, Dalvi and his troops faced a near-impossible task: defending a hostile, ill-equipped frontier against a well-prepared

Chinese offensive. Enduring freezing temperatures, insufficient supplies, and scant artillery, Dalvi's brigade was sent into a battlefield that was effectively a "death trap (29)." As Chinese forces advanced, his men suffered under crushing isolation, with communications severed and morale breaking. Brigadier Dalvi was captured during his troops' retreat. He was then taken prisoner by Chinese forces and spent about a year in captivity. During this time, he endured harsh conditions, severe physical abuse, isolation, and limited communication. Upon his release, Dalvi documented his captivity in a book, which was subsequently banned by Nehru's government. Dalvi's story, though uniquely tragic, is not the only one of its kind. The scale of loss during the war underscores a critical paradox in India's postcolonial strategy: while striving for rapid economic growth, the state underestimated the necessity of robust military readiness.

The war had laid bare the risks of chasing economic ambition without securing the state, but it also intensified Nehru's belief in building strength from within. If India could not rely on foreign allies for its defense, it would have to rely on its own people for its future. Nowhere was this clearer than in Nehru's investment in higher education, particularly through the creation of the Indian Institutes of Technology (IITs) in the 1960s. Conceived not just as schools but as nation-building laboratories, the IITs aimed to forge a generation of engineers and scientists who could make India technologically self-reliant. In *The IITians*, Sandipan Deb captures the raw determination of those early students. S. R. Valluri, a member of the first cohort and later a leading aerospace

scientist, recalled, “We all knew we were part of something larger than ourselves. We weren’t just studying, we were laying the foundation of India’s future (30).” Facilities were spartan, with barely enough equipment to run basic experiments, but the psychological momentum was immense. “We had no fancy machines, but we had teachers who believed in us,” Valluri continued. “Every day, we felt the weight of expectation, not as a burden, but as a challenge.” Another student put it more bluntly: “The country was watching. We couldn’t afford to fail. We weren’t just trying to match the West, we were trying to prove that Indians could create a world-class future from scratch.” What emerged from these early years was not just a cadre of technically skilled graduates but a bold redefinition of development itself, one rooted in intellectual independence, innovation, and an urgent sense of national purpose from the people.

Yet even as institutions like the IITs represented the aspirational heights of Nehruvian planning, the ground reality of urban India told a more complicated story. Rapid urbanization, driven by industrial growth and rural migration, had strained housing, sanitation, and infrastructure. Nehru understood the symbolic and material stakes of modern architecture and urban planning, often describing city-building as essential to shaping “the good life” in independent India (31). In line with this vision, the government launched initiatives like the Low Income Group Housing Scheme (1954) and the Slum Clearance and Improvement Scheme (1956) to address the growing needs of the urban poor. But these efforts struggled to keep pace with the velocity of urban growth and the entrenched inequalities

that accompanied it. Ultimately, Nehru’s vision of a welfare-oriented, equitable society was challenged by the government’s limited capacity to manage development at scale. Urban planning initiatives could not keep pace with the influx of people into cities, and social welfare programs struggled to bridge the growing divide between the promise of postcolonial modernity and the lived experience of India’s working class. The contrast was stark: while elite campuses like IIT Kharagpur trained future technocrats under the banner of national pride, millions in India’s cities faced the daily failures of that very development apparatus. This duality revealed postcolonial national aspirations caught between ambition and reality, aspiring to global technological prestige through institutions like the IITs, while struggling to meet the basic needs of its urban poor.

While domestic development efforts reflected India’s internal aspirations and struggles, external conflicts continued to challenge its sovereignty. Just three years after the war with China, India was once again drawn into armed conflict, this time with Pakistan. The Indo-Pakistan War of 1965 forced India into a strategic economic and diplomatic recalibration, not as a retreat from nonalignment, but as a calculated disruption of the Cold War’s binary logic. The war itself erupted over Kashmir, the long-disputed region that had become a flashpoint between India and Pakistan since Partition. After Pakistan launched Operation Gibraltar, an infiltration campaign aimed at inciting rebellion in Indian-controlled Kashmir, India responded with military force, leading to full-scale war. Although the conflict ended in a stalemate with

the Tashkent Agreement, the diplomatic fallout was severe. The United States, viewing Pakistan as a Cold War ally and NATO partner, suspended aid to both countries but which disproportionately affected India, which had depended heavily on American grain shipments under Public Law 480 (PL-480) (32). PL-480, also known as the Food for Peace program, was a U.S. initiative that allowed countries like India to purchase American surplus agricultural products, mainly wheat, at concessional rates, often paid in local currency. The cutoff created both a food crisis and a diplomatic vacuum, pushing India, under the tenure of Nehru's successor Lal Bahadur Shastri, toward the Soviet Union for economic and military support. India's turn, therefore, toward Moscow was not merely ideological; it was structural. Soviet assistance enabled the expansion of India's public sector, especially in defense and heavy industry, including MiG fighter production and new arms factories. But crucially, this shift did not signify India's absorption into the Eastern bloc. The Indo-Pakistan War of 1965 did not just test India's military capacity, it exposed how deeply India's economic planning still depended on foreign support and how vulnerable it was to Cold War geopolitics, even under the banner of nonalignment.

The economic strains of the 1960s, compounded by food shortages and mounting population pressures, forced India to confront the limits of its earlier development strategies. In response, the government turned to agricultural modernization, launching the Green Revolution as a bid to secure self-sufficiency and stabilize the rural economy. Beginning in the mid-1960s, India launched the

Green Revolution in response to chronic food shortages and an over-reliance on foreign aid, particularly from the United States under PL-480. The Green Revolution allowed India to assert its economic independence by leveraging U.S. agricultural technology while maintaining a non-aligned developmental path, though it simultaneously entrenched rural inequalities and raised long-term environmental concerns [33]. With U.S. support, specifically hybrid wheat seeds from American agronomist Norman Borlaug, chemical fertilizers, and irrigation machinery, India rapidly increased grain production, particularly in Punjab and Haryana, becoming self-sufficient in food by the early 1970s. Yet this transformation was uneven. Wealthier landowners, with better access to capital and infrastructure, reaped the greatest benefits, while small-scale and marginal farmers were often left behind, widening existing socio-economic divides in the countryside.

Environmental activist and scholar Vandana Shiva, a prominent critic of industrial agriculture and advocate for ecological sustainability, provides a crucial perspective on the deeper consequences of the Green Revolution. She documents how the introduction of high-yielding varieties (HYVs) of wheat and rice, while boosting short-term productivity, led to the wholesale replacement of India's traditional, diverse cropping systems with monocultures. This shift caused a severe loss of genetic diversity, which historically had helped crops resist pests and adapt to varying climatic conditions. The intensive use of chemical fertilizers and pesticides, hallmarks of the Green Revolution model, further degraded soil health and contaminated water sources,

leading to long-term environmental damage that jeopardized future agricultural productivity.

Shiva argues that these ecological consequences were inseparable from social and political upheaval, particularly in Punjab, the epicenter of India's Green Revolution success. The new agricultural regime favored wealthy landowners who could afford expensive inputs and infrastructure, deepening economic disparities in rural communities. Moreover, she argues that the centralized, top-down approach to agricultural development "eroded local knowledge and village-based management systems, undermining traditional practices that once fostered resilience and sustainability." This disruption fueled growing resentment and political unrest, which escalated through the 1980s into violent conflict, including the tragic deaths of thousands in Punjab. Thus, Shiva's analysis reveals that the Green Revolution, while transiently solving urgent food security challenges, also sowed the seeds of environmental degradation and social division that complicated India's broader postcolonial development goals.

Still, the significance of the Green Revolution went beyond agriculture, it marked India's economic disentanglement from Cold War dependency systems. No longer reliant on U.S. food shipments to feed its population, India regained a crucial measure of political autonomy. This was not merely a technical shift but a symbolic reclamation of sovereignty. The specter of colonial famines, especially the catastrophic Bengal Famine of 1943, where imperial policy prioritized wartime logistics over Indian lives, still haunted postcolonial

India. The Green Revolution was in many ways an insurance policy against the recurrence of such devastation: an effort to ensure that never again would India's people starve because of global market whims or foreign agendas.

By the 1980s, India's public sector inefficiencies and mounting debt burden revealed the limitations of the state-controlled economic model, prompting calls for liberalization and reform. As India moved into the late 20th century, the state-controlled economic model that had formed the cornerstone of Nehruvian policy was increasingly showing signs of degradation. Public sector enterprises, such as the energy, manufacturing, and transportation industries, long regarded as tools of national development, began to falter under the weight of bureaucracy and inefficiency. These enterprises, instead of accelerating industrial growth, had become financial burdens that drained government resources without generating proportional returns. The shift in leadership to Indira Gandhi in 1966 and then to Rajiv Gandhi in 1984 brought notable changes in both economic vision and execution. Indira Gandhi maintained the state-centric and socialist orientation of her predecessor, expanding the public sector and tightening government control over the economy. However, the pressures of global economic headwinds and domestic stagnation forced a gradual reevaluation. By the mid-1980s, Rajiv Gandhi, though still tethered to the legacy of planned development, began to loosen certain economic controls, inviting private sector participation and encouraging technological modernization. Meanwhile, the fiscal situation worsened. Mounting external debt and an expanding

current account deficit raised alarms about the country's financial sustainability. International institutions such as the IMF and World Bank began to advocate for economic restructuring and liberalization. These mounting pressures made it clear that the old developmentalist paradigm, rooted in Nehru's vision of centralized planning and economic self-reliance, was no longer viable in a globalizing world. By 1991, a full-blown balance-of-payments crisis, India had only enough foreign reserves to finance three weeks of imports, which compelled the government to initiate sweeping economic reforms. The country was no longer in a position to resist global economic pressures. To stave off collapse, India accepted a loan package from the IMF, agreeing to structural adjustment policies that marked a break from Nehruvian economics.

The subsequent 1991 economic liberalization marked a fundamental shift in India's economic identity, transitioning from a state-dominated model to a market-oriented one. The reforms were designed to stabilize the economy and reorient India towards global integration. These included reducing trade barriers, allowing greater foreign direct investment, devaluing the rupee, and initiating large-scale privatization of state-owned enterprises. For the first time since independence, India actively embraced market-oriented mechanisms to drive growth and development.

However, despite this fundamental shift, the reforms did not amount to a wholesale rejection of Nehru's legacy. Strategic sectors such as steel, telecommunications, energy, and defense remained under government control, an intentional safeguard to preserve sovereignty

over critical infrastructure. In fact, the decision to keep these sectors under state purview demonstrates how Nehru's doctrine of state planning continued to inform policy, even in an era defined by liberalization. Moreover, the reforms were framed not as a repudiation of the past, but as a necessary evolution. Policymakers argued that liberalization was essential to preserve national autonomy, not undermine it. In this way, economic liberalization was not a clean ideological break, but rather a reconfiguration of post-colonial ambition for a changing global order.

India's postcolonial domestic policies reveal a complex balancing act between ambitious economic development, social reform, and the harsh realities imposed by Cold War geopolitics. The foundational vision laid out in the Second Five-Year Plan embodied a clear tension: the desire for rapid state-led industrial growth to achieve economic self-sufficiency, while grappling with the bureaucratic rigidity and inefficiencies inherited from centralized Soviet-style planning. Nehru's emphasis on education and urban development, through initiatives like the Indian Institutes of Technology and low-income housing schemes, reflected an earnest effort to cultivate a skilled workforce and modernize India's urban centers, both critical for sustaining long-term growth and social equity. Yet, as the Sino-Indian War exposed, these internal ambitions were vulnerable to external threats, forcing a re-evaluation of India's security priorities without abandoning its nonaligned stance.

The Indo-Pakistani conflicts further underscored the precariousness of India's position on the global stage. The withdrawal of

U.S. aid amid the 1965 war pushed India closer to the Soviet bloc, illustrating how Cold War rivalries directly influenced domestic economic and military strategies. This interdependence between foreign policy and internal development was made even more evident by the Green Revolution, which, while propelling India toward food self-sufficiency, entrenched rural inequalities and accelerated environmental degradation, issues that reverberated through the social fabric.

Perspective

India's postcolonial development was never solely about economic growth; it was a conscious, strategic effort to build a nation from the ground up, using policy as both blueprint and proclamation. Whether through Nehru's centralized planning, Indira Gandhi's Green Revolution, or the liberalization of the 1990s, each shift reflected an evolving attempt to assert sovereignty, manage superpower pressures, and define modernity on India's own terms. Yet, this developmental arc was shaped as much by what India rejected as by what it embraced. Its repudiative stance, resisting both Western capitalism and Soviet-style authoritarian planning, often resulted in policies born more out of ideological rebuttal than pragmatic vision. Non-alignment, though noble in intention, hardened into a kind of

ideological vacuum: a risk-averse, middling approach that avoided commitment to any framework capable of delivering structural transformation. The result was stagnation disguised as self-reliance, Gandhian autarky here, Nehruvian dirigisme there, without the creative destruction or capital efficiency that dynamic economies require. Economic policy became a terrain not of innovation but of inertia, as top-down planning bred bureaucratic sclerosis and sapped entrepreneurial energy.

The Cold War may have been waged with ideology-backed missiles elsewhere, but in India it played out through exogenously borrowed and incongruously implemented, five-year plans, fertilizer subsidies, and outright food and/or material/armaments aid in; either vacillating and ingratiating attempts; or brilliant foreign policy leverage and arbitrage – depending on how the narrative is framed - to maintain non-alliance. In the end, few symbols capture this uneasy smorgasbord of global entanglement with domestic aspiration better than the Soviet tractor: a foreign machine repurposed for fertilizer and monoculture intensive cultivation, utterly unsuitable for Indian subsistence farming, yet appearing to forge a uniquely postcolonial path, one field at a time.

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