

Chapter-21

From Collective Strength to National Sovereignty: The Theoretical Link Between Sardar Patel's Cooperatives and Atmanirbhar Bharat

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Abstract

The theoretical and historical framework in this research paper establishes a connection between the Sardar Vallabhbhai Patel cooperative movement that took place in post-independent India and the modern national policy cause of Atmanirbhar Bharat (Self-Reliant India). It states that their philosophies are similarly founded upon the same premise that the achievement of sustainable national sovereignty, as well as economic resilience must hinge upon a state-level extension of the ability to empower the grassroots level of economic entities and their logical integration. The model created by Patel considered cooperatives as not only an economic instrument, but also as a democratic decentralization tool, a social cohesion instrument and as a means of protecting the rural economy against exploitation. Few decades later, Atmanirbhar Bharat aims to minimize the level of external reliance and enhance domestic strength in domains. This paper assumes that the philosophy of cooperation that Patel developed provides a critical and, frequently, neglected theoretical guide to reaching this contemporary objective and especially in the fields of agriculture and MSME (Micro, Small and Medium Enterprises). The paper provides a qualitative analysis of the documents of past, policy texts, and literature covering the details of continuities and discontinuities between these two visions. It concludes that the main idea of the ability to utilize the local strength in order to create the national rate of sovereignty is still deeply applicable. The paper concludes the need to revitalize and modernize the set cooperative ethos in a manner that will contribute to the holistic and inclusive

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ISBN: 978-81-991164-9-8

DOI: <https://doi.org/10.64328/978-81-991164-9-8-21>

Young India Publication, Gandhinagar, Gujarat

success of the Atmanirbhar Bharat mission where the tendency to adopt an import-substitution paradigm is replaced with the tendency to adopt a paradigm of true, decentralized self-reliance.

Keywords: Sardar Patel, Cooperatives, Atmanirbhar Bharat, Economic Sovereignty, Decentralisation, Rural Economy.

Introduction

The Indian scenario had been marked by inspirational models in the case of economic development in trying to establish its sovereignty. The promotion of a state-wide cooperative wave by Sardar Vallabhbhai Patel during the early years of the independence and the recent national mission of Atmanirbhar Bharat that was officially unveiled in 2020 are two of these powerful visions that were separated by more than 75 years. At first glance, they represent the products of two periods: the activities of Patel bordered on the national unification of a young nation, restoration of collapsing partition and construction of economic forces so that the village was at the core of it. The rationale of Atmanirbhar Bharat is the response to the shifts in 21st century geopolitics, vulnerability in the supply chain offered by the COVID-19 pandemic, and the ambition to achieve global strategic and economic independence.

However, it has a conceptual interrelation which is significantly dug out at a higher theoretical level. The issue of the sources of national strength and its establishments is the very premise of both the paradigms. Patel, the man behind the integration process, who is also often known to be the Bismarck of India, believed that without economic integration the political integration cannot be met. According to his opinion, the major solution to democratised economic power was the cooperatives, individual, community-owned enterprises in the avoidance of exploitation of farmers and craftsmen and the construction of independent rural economy. He had imagined a nation, which was sovereign, and the autonomy of economic circumstances were built into the smallest units.

The purpose of the same goal of raising the economic independence of the Indian state through greater manufacturing in India, growth of the digital sector and development of strong supply chains is also goal pursued by the Atmanirbhar Bharat Abhiyan meaning a Self-Reliant India Campaign. However, it relies not only on the top-down industrial policy but also on the dynamics and the competitiveness of its massive agrarian base and the millions of MSMEs.

According to the paper, the cooperative model in the case of Sardar Patel lacks a theoretical and institutional connexion with the Atmanirbhar Bharat mission. It draws upon the conception to the effect that, unless a dynamic policy is formulated to help mobilise and organise the economic players at the ground level through cooperative institutions, the practise of national self-reliance attainment is most probably, an elite affair, with unequal benefits, and shaky footing. This paper builds on the fact that the philosophy of collective strength as advanced by Patel is a requirement that should never be violated when achieving the long-term national sovereignty. The paper aims to address a historical void in the literature of the present-day policy by attempting to bring together historical researches with the present-day policy research with the view to offering a coherent scheme of how self-reliance can be examined as an Indian economic doctrine.

Scope of the Study

The proposed study is of an interdisciplinary nature, which implies that it is not a historical study, political economy, and finally, but public policy. It spans the years of the late 1940s, relating to the speeches and actions of Patel in cooperatives, to his death in 1950, and the early years of development of institutions of cooperatives, in the 2020 onwards 2020 policy environment, up to present times (2020).

Concerning the substantive scope, it is concerned with:

- Theoretical underpinning of Patel cooperative vision in comparison to a pure Gandhian one or a Nehruvian vision.
- Application of this theory in big sectors: primarily agriculture (e.g., dairy, credit, marketing), and the small-scale industry.
- The policy statement of the Atmanirbhar Bharat, and agriculture, MSMEs, and supply chains pillars.
- Theoretical and practical correlations between the two, assessing continuum, development and departure.

It is a qualitative analysis and at the same time policy-oriented and formulated in a conceptual format in place of quantitative-based econometric analysis. On the territory of the geographic scope, it rests on the national situation in India, nevertheless, it might be supposed that it is possible to refer to some specific states (e.g. Gujarat, Maharashtra) as the cooperative examples.

Objectives

The key questions of the research are as follows:

- To analyse the theoretical foundations of the cooperative model adopted by Sardar Patel as the policy of national economic independence and clarify them in a systematic manner.
- To deinstitutionalize the frame of the Atmanirbhar Bharat policy to identify its implicit and explicit assumptions about how the organisation of grassroot economies.
- To establish a theoretical relationship between the two, one has to demonstrate how the model of Patel can be applied in order to enlighten, dissent and transform the existing mission.
- To further experiment with some industries (Agriculture and MSMEs) to this theoretical association.
- To provide the policy-relevant results on how to restructure the cooperation framework towards self-reliance in the 21st century.

Literature Review

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The scholarly materials can be separated into three broad categories that would be pertinent in this research.

1. Much regarding Sardar Patel and Cooperatives:

McNeely and Rocheman add that the history and biography of Patel including that of Rajmohan Gandhi (1991) and Balraj Krishna (2003) document his importance in the context of the integration of the princely states, but perhaps not as much in the context of his economics theory. His speeches and writings contained in the books like Sardar Patel: In Tune with the Millions were evidence that he had an interest in cooperatives too even all the time. It has been researched within the cooperative motion in Gujarat, the North Gujarat of the existence of Patel that has been its achievement in dairy (Amul) which scholars across the globe have attributed the short-term advantages of the identical as well as the vision of Tribhuvandas Patel. Nonetheless, serious theoretical debate that culminates in eliciting the political economy of cooperation of Patel and the subsequent comparison directly with political economy of national sovereignty have not been meticulously chewed. His opinions in most of the literature have been subsumed under greater Gandhian paradigm of village republics, though not necessarily elaborated that Patel is rather pre-occupied with cooperatives as scaled and integrative economic institutions to a modern state.

2. The literature as concerning the Atmanirbhar Bharat:

A number of policy commentaries and analyses have risen to the fore since 2020. The policy outlines five pillars in the official documents of the NITI Aayog and Financial Ministry that is, Economy, Infrastructure, System, Vibrant Demography and Demand. Others such as Arvind Panagariya (2020) have termed it regarding the liberalisation and trade policy but some others such as C. Rangarajan (2020) have cautioned on the protectionism. Often critics consider it a neoliberal step in favour of big-capital like Prabhat Patnaik (2020). The literature which does cover the consciousness of Atmanirbhar Bharat but tries to create the historical experiment of self-reliance of the India in the specific case of

the non-Nehruvian, the decentralised methods is very wide. The feature of global value chains, fiscal stimulus and industrial policy is heavily featured in the discussion and also the features concerning the nature of the forms of institution that the grassroots need to have are not highly featured in the discussion.

3. Cooperation offers a means of allocating the optimal resources to maintain economic well-being among the disadvantaged members of the society:

The world perspective of collective ownership in a modern economy is done with the help of existing theoretical experience of cooperative theorists (such as Yair Levi 2012) and the case study of the Mondragon Corporation in Spain. The failures and the success of the cooperative sector have been reported in the works of scholars such as D. S. Kulkarni in India. One of the commonly used examples listed there is Amul Model that was supposed to be world-class (Kurien, 2005). Nevertheless, these readings can be industry-related (dairy, sugar, credit), and in practise can hardly the cooperative frame the macro-strategy of national sovereignty, which has a direct connexion to an already established formulaic policy like Atmanirbhar Bharat. This is among the integrative gaps that are expected to be covered by this paper.

Breaking Down Patel Cooperative Framework Theoretical Framework

Sardar Patel co-operative concept was not pastorally idealistic but had been a cynical political-economic programme. This paradigm by him could be broken down into four broad theoretical principles:

United Force as Remedy to Usury: To Patel, the distant Indian peasant or craftsman had become a prey of the rapaciousness of the usurer and of the middleman. The cooperative pooled and bargaining power and entry to the market, which belonged to precious resources. He had in one of his speeches in 1949 instructed fellow-cooperators that the cooperative movement was to enlighten them, that they must get on their own feet and that they must draw on their own

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group strength (Patel, 1949 as cited in G. Shah, 1996, p. 45). This mass power which was the main constituent of the economic sovereignty.

Democracy and Economic Decentralisation: To Patel, schools of democracy were those that were cooperatives. They were to be possessed, operated and directed domestically and decentralisation of the economic decision-making authorities. It was an economic structure, which was decentralised and was thought to be insurance against the varying of wealth on feudalism and capitalism and a complementary to political democracy. It tried to occur a stakeholder citizenry that has direct vested interest on the economic wellbeing within the nation.

Vertical Integration, the type of value capture Patel imagines that in Kaira District Co-operative Milk Producers Union (Amul) an incredible dream on value capture had been attained using credit or consumer societies. His best proposal was the vertically integrated producer cooperatives where the farmers are not only the major producer but they are the processor, branding and marketer. That also enabled the main producer to enjoy a larger derivative of the value of the final product that has existed in the local and national economy a more immediate antecedent of value addition agenda of the Atmanirbhar Bharat.

Creating an Institution to achieve National Integration: Patel was the unifier of the US whose interest was on cooperatives as an institution that would work in uniting a diverse nation economically. His abstract cases on how in the growth of pan-state federations of cooperatives (such as those in the Gujarat Cooperative Milk Marketing Federation) the small scope of a local unit could be gradually extended to the great scale of national, even global competitiveness, and still keep its small-scale character many units were illustrated. This created an extremely beneficial economic connexion within the country.

Atmanirbhar Bharat: Serving the Policy and Unconscious Assumptions

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It came in the form of a package initiative known as Atmanirbhar Bharat begun in May 2020 as an initiative with five pillars. The most suitable ones to the present paper are Pillar III (System, anchored on the systems which are driven by technological advances) and is centred on the notion of Local, which transits through the policy. Among the key programmes that have been undertaken are Production Linked incentive (PLI) initiative on production, support to the MSMEs by offering collateral free lending and redrafting and agricultural reforms, which will liberalise the farm-gate sales.

The theoretical interpretation of the policy states that there are two tacit assumptions to the policy:

Pre-eminence of the Entrepreneurial Unit: The motivation to go in India making as advanced is high in the policy. The fact that it focuses on the MSMEs which is as a significant tool, but with vast capacities, considers the MSMEs as a single and competitive stakeholder in a market place instead of a prospective, cooperative and collective agent.

The Supply Chain as the Locus of Intervention: This policy will aim at making sure that India is integrated into the global supply-chains and make domestic replacements. Nonetheless, it is skewed towards both nodes (factories, farms) and transportation between them and not as much towards the ownership of the node and the rule form thereof.

At this point, he must engage Patel in a theoretical conversation with him. Atmanirbhar Bharat is concerned with sovereignty via enlargement and current day technology modernization. According to this model, as put forward by Patel, such a process of attaining sovereignty can be tenuous unless governance and ownership system on the bottom is addressed i.e. the transfer of the benefits of scale and technologies to the primary producer.

Sectoral Analysis: Theoretical Association

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❖ Agriculture:

The model advanced by Patel is idealised in dairy industry. Amul has succeeded through the ownership of a cooperative that is controlled by the farmers participating in the whole chain of values. This is in comparison with the recent farm laws, which are now repealed to establish a free market with free trade beyond mandis. Although aimed at enhancing choice, the laws came under fire as they may put farmers at the mercy of the large agri-business corporations without the collective strength of the strong marketing cooperatives or mandis. Following the theoretical connexion is that in order to make agriculture be a legitimate and productive endeavour of Atmanirbhar Bharat, the active empowerment of Farmer Producer Organisations (FPOs) and cooperatives is necessary to provide farmers with the collective bargaining strength within the fresh market system. The self-reliance in edible oils proposed in the policy, e.g., would be achieved in a more long-term manner through, instead of through simply resourcing the corporate contract farming or substitution of imports, organising oilseed growers into strong processing and marketing cooperatives.

❖ MSMEs and Artisans:

The MSME sector which is considered as the growth engine of the Atmanirbhar Bharat is accorded the credit. Though, these small units can have problems in obtaining raw materials, access to technologies and expanding the market. According to the model offered by Patel, industrial cooperatives or clusters should be promoted. An example would be organised artisan groups of textiles, handicrafts, or engineering parts into cooperatives to purchase in bulk, to do joint research and development, to brand together (such as Khadi) and to market collectively. This would move away viewing MSMEs as weak agents who require credit, to taking on the role of an empowered community of players capable of competing in both international and local supply chains, and making them indeed self-reliant. Additional layers to the Vocal for Local campaign are added by the meaning that the term local is not only applying to products that are locally represented and

produced in geographic terms, but locally owned and democratically managed economic initiatives.

Discussion: Continuities, Evolution and Tensions

Huge continuities are evident in the theoretical connexion. The two paradigms are essentially in the spirit of anti-colonialism: the model developed by Patel attempted to halt the colonialist tradition of extracting the raw materials and shipping the finished products back, and Atmanirbhar Bharat aims at having the fewest strategic interdependences on foreign supply chains. The two consider economic sovereignty as part of political sovereignty.

Nevertheless, it requires evolution. The model proposed by Patel was born during a pre-liberalisation and technology-crippled age. A 21st century Neo-Patelite Cooperative would require making digital access to finance (cooperative fintech), e-commerce, and supply chain management. The example of the successful programme of initiatives like "Udyam" to register MSMEs indicates the possibilities of a state-based digital infrastructure that cooperatives may utilise.

Critical tensions are also created. The economic paradigm that has prevailed since 1991 has been pro-corporate capital of the private sector. In most parts, the cooperative sector has become the victim of state overreach, politicking, and incompetence. It is not enough to bring to life an old-fashioned model of the 1950s. It needs to address the topic of developing autonomous, professionally operated, and transparent cooperative institutions capable of collaborating with rather than subordinated to, private capital and the state. Moreover, Atmanirbhar Bharat central tendency towards the attraction of international manufacturing (via PLI schemes) by large corporate entities is in opposition to a decentralised and cooperative-based model of production. The trick is to strike a synergistic compromise between giant-based national champions and local ecosystems based on cooperation learning to coexist with and benefiting each other.

Findings

A Common Underlying Logic: The main theoretical connexion between the model by Sardar Patel and Atmanirbhar Bharat makes sense and is worthwhile. They both realise that national sovereignty cannot be proclaimed above but only developed by economic empowerment of the fundamental productive means of the country.

Atmanirbhar Bharat policy, in its present formulation has failed to provide a distinct institutional vision of how to structure the economy at the grassroots other than on an individual entrepreneurial basis. The philosophy of cooperativeness by Patel offers this lacking blue print of collective action.

Sectoral Relevance: The implementation of the concept of cooperation is extremely timely to the essential areas of Atmanirbhar Bharat: agriculture and MSMEs. It provides an avenue through which producers can ensure that the fruits of productivity upsurge, market penetration, and technological incorporation are distributed broadly and fairly to all of the producers to avoid wealth concentration.

Demand on Contemporary Standardisation and Integration: It is impossible to simply transplant the historical model of cooperation. In order to have a successful synthesis, digitalization of cooperatives with professional governance and inclusion in modern global value chains as aggressive, quality-sensitive partners, rather than safeguarded enclaves will be required.

Meeting the Governance Deficit: The greatest challenge lies with provision of the historical weaknesses of the cooperative sector in India which has been characterised by political interference and mismanagement. Any policy plan to exploit this model should focus on institutional structure that would guarantee autonomy, democratic accountability and professional management.

Conclusion

The discussion in this paper has maintained that the vision of Sardar Vallabhbhai Patel of cooperative policy can be a very strong theoretical and practical partner in the quest of Atmanirbhar Bharat. The process of passing through collective power to national sovereignty is not only a rhetorical flourish, but an effective economic course of action. The model of Patel educates that self-reliance is not autarky; it is the internal ability to make personal decisions, which is power-ensuring the most and should seek to empower people at the grassroots.

To achieve transformative and inclusive Atmanirbhar Bharat mission, the plan should not be confined at fiscal stimulus and industrial incentives, but should study the local economy structure. It should vigorously promote the formation and reinforcement of the new modern, effective and democratic cooperative institutions in agriculture, small industry and in the artisan sector. These institutions might represent the foundations of a powerful, decentralised, and, in fact, sovereign economy, in which the power of the nation is actually the power of its empowered citizens collectively.

It is leading to a policy change which is aware of the need to incorporate the co-operative as an important institutional form to the Atmanirbhar Bharat framework. This would be a historic synthesis of two major streams of Indian economic thought, which would provide a specifically Indian way to sovereign status in the international system, a democratic, decentralised and sustainable kind.

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