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Dr. B. R. Ambedkar: His ‘Subdued’ Economic Visions

Tazeem Akhter

Student, Department of Economics, University of Jammu, India

Abstract:

Dr. B. R. Ambedkar gained prominence as the principal architect of the Indian Constitution and as a messiah for the depressed classes; the scheduled castes, the scheduled tribes, women and labour alike. But little was ever recorded in the yellowed pages of history about his economic thoughts that are usually subdued because of the diverse activities he undertook. His economist identity of course cannot be allowed to dilute endlessly, him being a chairman of the Drafting Committee of the Constitution and various other pursuits he was engaged in. As such, this paper attempts to throw light on the ignored aspects of Ambedkar’s economic thoughts. Secondary sources; the mighty Constitution which in itself is a great witness of his rational thinking, various newspaper clippings, scholarly articles and books were referred to, by the author in an attempt to apply his thoughts in today’s economic scenario.

Keywords: B. R. Ambedkar, economic development, depressed classes, economist

1. Introduction

Amartya Sen called B. R. Ambedkar, the father of his Economics. And undoubtedly his sharp understanding and his exposure to foreign lands and great minds, owing to his higher education in Economics at the University of Columbia and London School of Economics, greatly prepared him intellectually to study the existing socio-economic problems that radiated from a hierarchical social structure under an exploitative foreign rule.

But India was not as Ambedkar saw her. Economic historian, Angus Maddison in his books ‘The World History: A Millennial Perspective’ and ‘Contours of World Economy 1-2030 AD: Essays in Macroeconomic History’ writes that India was the richest country in the world and had the world’s largest economy till 17th century and GDP of India was estimated at about 20.1 % of the world economy, owing to the efficient tax system of the Mughals. Under the exploitative British rule, India lost its financial glory. From an exporter of cotton textiles, India became an exporter of raw cotton and imported manufactured goods and as such her industrial development stalled. Subsidiary factors like falling agricultural production and productivity, a rapidly accelerating population, malnutrition and illiteracy led to a drastic fall in India’s GDP from being 27% in 1700 to 3% in 1950. Ambedkar in his research papers tried to bring the real causes of India’s improvised state and suggested remedial measures that were seldom or rarely implemented.

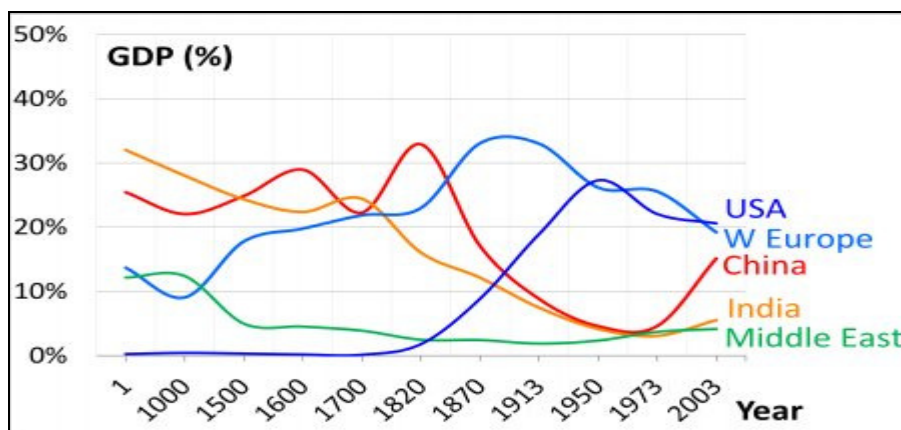


Figure 1

Source: Wikipedia

2. Ambedkar and His Scholarly Contributions on Economics

At the Colombia University, Dr. Ambedkar, in his excellent doctoral dissertation, titled 'National Dividend of India' brought the attention of the world, to the transfer of wealth and surpluses from India to Great Britain that fueled industrialization there. Naturally the massive export of raw materials presented a dismal state of industrial investment in the country. Besides, debts and mortgages, denial of other vital resources and deprivation of land to the depressed classes along with land revenue structures like Zamindari, Mahalwari, Ryotwari, aggravated the exploitation. He always pressed for land reforms.

In his paper 'Administration and Finance of East India Company', he brought out the economic and legal implications of Company Rule which ran counter to the interest of Indians. 'Home charges' were used to finance wars (money supply in India diminished and thus came the phase of economic downturn) even though the 'Act of Better Government of India' (1858) prevented such usage without the consent of Parliament. He, obvious to his economic makeover suggested that the phrase 'previous consent' must be added in the act, and that flaw was giving the English an advantage to justify the huge transfer of Indian money.

In his monumental work, 'Small Holdings in India and their Remedies' in 1917, he yet again drew attention to those classes that are subjected to extreme social, political and economic exploitation. In his book, he points out that low productivity and production of agriculture was due to the lack of inputs and alternate jobs. He stressed on increasing the industrial base to absorb the surplus labour. And propagated 'collective methods of cultivation' for it would utilize land to maximum; facilitate the easy use of technology, bring about social harmony, justice and equity. Undoubtedly, no heed was paid and so do continue the suicides of farmers.

In his PhD thesis, 'Provincial Finance in British India', he suggested sharing the financial responsibility by the center and the provinces. He fathered 'Finance Commission' to further strengthen centre-state relations and was a propagator of devolution of power, which in itself, plays a great role in economic prosperity.

In his book 'Thoughts on Linguistic States', he also suggested division of states of Madhya Pradesh and Bihar for better development. Stressing that devolution of power would implement better fiscal responsibility, his suggestions fell on deaf ears. It was only decades later that the need was belatedly felt to bifurcate states and so the states of Chhattisgarh, Jharkhand, and Uttarakhand were carved out of Madhya Pradesh, Bihar and U.P. in 2000, and the recent bifurcation of Andhra Pradesh in 2014 that led to the formation of 29th state of Telangana.

His book 'The Problem of the Rupee: Its origin and its solutions' was a key reference, consulted by Hilton Young Commission, which led to the establishment of Reserve Bank of India.

3. Ambedkar as an Advocate of Labour Rights

He held 'Labour, Irrigation and Power' portfolio during 1942-46 in the Viceroy's council during which he initiated programs to help increase the productivity of workers, by providing them education and skills, health care and maternity leave provisions for women workers. At the 7th session of Indian Labour Conference, he reduced workhours from 14 to 8 hours. So as to attain 'economic equality' along with social, legal, civil & religious equality, Dr. Ambedkar also formed the Independent Labour Party. He felt that the arrogation of the hard labour and expropriation of wealth of the workers by the profiteers, landlord class, capitalists and the rich class can only be done away with 'political empowerment'. He set up the Tripartite Labour Council in 1942, to safeguard social security measures, equal opportunity to the workers and employers to participate in formulating labour policy. He also introduced compulsory recognition of trade unions and worker organizations. Minimum Wages Act was his contribution. So were Employment Exchanges and importantly worker's weapon of last resort, the 'Right to Strike'.

4. Ambedkar as a 'Socialist' Economist

Throughout, he remained a vehement critic of British government's fiscal policy and doubted its expenditure policy that bent more towards defense, administration and non-developmental works. Undoubtedly, Railways and extensive irrigation facilities added to infrastructure but that merely catered the British's interest. He disapproved of the British for neglect of social order. He suggested a major chunk of expenditure on social heads like health and education.

He emphasized the role of state in planning, equitable distribution of wealth, freedom to private sector and stressed on nationalization of industries. Dr. Ambedkar clearly saw that unless the means of production were nationally owned by the state and agricultural lands too were nationalized and the property of the State there would be no real democracy.

State Socialism is vital for the rapid industrialization of India. Private enterprise, for him, would produce those inequalities of wealth. He also advocated the Nationalization of Insurance which apart from a great security measure for people, also finances the economic planning of the state which otherwise would have to resort to public borrowing.

Dr. Ambedkar's wanted ardently that 'State Socialism' must become a part of the Constitution, in view of making India a welfare state.

5. Ambedkar as Hydrel-power Messiah: India's Modern Temples

If today India is illuminated and green, Ambedkar has a contributory role in it. In his capacity of being a member of post Second World War RCC (Reconstruction Committee of Council), he headed 'Policy Committee for Irrigation and Power'. He played a crucial role in the establishment of Damodar valley, Hirakund and Son multipurpose projects. Besides, he also laid the foundation of Central Technical Power Board (CTPB) and Central Water Irrigation and Navigation Commission (CWINC). By tapping Hydrel energy, the most advanced and economically viable resource of renewable energy, he once again proved his care for the socio economic development of the country.

6. A Guardian of the Depressed Classes and the 'Economics' of it

He was no less than the great Indian economist Chanakya who had led a revolt of the slaves and helped install a Shudra dynasty of Mauryas. Likewise Ambedkar became a messiah of depressed classes, for he believed that a nation can never prosper if certain sections of society continue to get exploited, looted through expropriation of the surpluses that they created by their sweat, blood and sacrifices.

By his deep understanding of the exploitative chain that gives birth to the economic under classes, he devised strategies for their economic upliftment and for their emancipation from the exploitative. He struggled to bring about an equitable, non-capitalist economic restructuring through mass awakening, reform and democratic movements, as he believed that real economic democracy was a means to transform a nation to a just order. He organized mass movements to eradicate rural poverty. He abolished 'Khoti System' (a system of contractual farming) and 'MaharVatan'. 'The Bombay Money Lenders Bill' was his brainchild as well. He said 'the struggle for economic justice was as important as the struggle for social justice'.

7. His Economic Visions in Constitutional Provisions

In his capacity of chairman of Drafting Committee, he left no lead unexplored to attain an 'economic' democracy through the immutable Fundamental Rights and the guiding spirit of the Directive Principles. Equal rights particularly the Right to equality, Prohibition of discrimination on certain grounds, Equality of opportunity in Public Employment, legal safeguards, and pro-active measures against discrimination, in form of reservation are all the stepping stones. Ambedkar felt that destiny can be molded through education. His introduction of article 14 as a fundamental right, speaks loud of his farsightedness. The directive principles constitute a very comprehensive economic programme, embodying the concept of welfare state and aim at realizing the high ideals of justice, liberty, equality and fraternity so as to attain social and economic democracy.

The Constitution of India bears the impression of Dr. Ambedkar's thought as a key instrument for National Reconstruction. People must have equal access to society's assets essential to meet the basic needs. This includes access to necessities, such as nutritious food, suitable housing, essential material goods - health, medical care and education services; equal participation in activities like employment, education (continuing), arts and cultural activities - sports and recreation - elections, consultations, and decision-making groups.

Ambedkar engineered the category 'Backward classes' would cover three principal components, the Scheduled Castes, the Scheduled Tribes and the Other Backward classes. He advocated the breakdown of caste system and said that reservation can bring about equality. Had there been no education of the depressed classes, owing to the reservation policies, economic progress would not have much progressed.

8. Proposals That Were Never Accepted

Dr. Ambedkar believed that social economy based on private enterprise actually violates the very basis of democracy. He considered 'privatization' as an obstruction to the fundamental rights. He wrote, "It cannot be otherwise, for in an economic system employing armies of workers, producing goods in mass at regular intervals, someone must make rules, so that the workers will work and the wheels of industry run on. Liberty from the control of the state is another name for the dictatorship of the private employer." Clearly, he wanted state intervention and no privatization. The Advisory Committee however did not accept his proposals.

9. Conclusion

While presenting the main memorandum on 'State and Minorities' he clearly stated that 'The main purpose behind the clause is to put an obligation on the State to plan the economic life of the people on lines which would lead to the highest point of productivity without closing every avenue to private enterprise and also provide for the equitable distribution of wealth.' After independence India adopted a socialist inspired economic model with elements of capitalism, contrary to Ambedkar's ideas of pure socialism. The sluggish 'Hindu rate of growth' could have been avoided altogether had some heed be paid to what Ambedkar had in say. Likewise the neo-liberal economic policies of LPG have posed a great threat to the affirmative policies of the Constitution. Also, equality in socio-economic life has not yet been achieved. Sadly, his economic views got few ears.

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