

Relevance of Dr. Ambedkar's Economic Doctrine Today

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Abstract: Whenever we talk about Dr. Bhimrao Ramji Ambedkar we think about him as a great thinker, leader, intellectual who did not just changed the lives of millions of untouchables but also gave a shape to Indian democracy by writing its constitution. His fight against the cast system is very well known but what we always forget to mention is his contribution to the Indian economy, his idea about '**State Socialism**' and how his idea of equality has helped India to move to a higher welfare.

In this paper the focus is on Dr. Ambedkar's socio-economic philosophy. His idea of State Socialism, its principles and the three fold strategy that should be followed to achieve the state of 'Democratic State Socialism'. This paper tries to analyse a few of the policies introduced by the government under the ideological influence of Dr. Ambedkar, e.g., Mahatma Gandhi National Rural Employment Act (MGNREGA), etc. The flaws which are faced by these policies in recent years, along with their causes and consequences have been discussed.

The paper observes that Dr. Ambedkar's economic suggestions have been really important for Indian Economy and are still applicable to India. His fight for equality for weaker sections has paved the way for welfare of the society as a whole. Economy will develop only if it takes the community together as a whole and everyone benefits from it leading to development of each and every section. India can reach its potential only if it utilizes its full potential and that can only happen if it gives equal chance to everyone without discriminating on the basis of caste and gender or any other disability.

1. Introduction

Dr Bhimrao Ramji Ambedkar was a great thinker, leader, intellectual and an economist. In this paper we focus on his contribution to the intertwined territory of state and economy through his reflections on 'State Socialism' and how his idea of equality has helped India to move to a higher welfare level.

Here we focus on Dr Ambedkar's socio-economic philosophy, his idea of State Socialism, its principles and the three fold strategy that should be followed to achieve the state of 'Democratic State Socialism'. Accordingly the principles of state socialism are:

- Active role of state in the planning of economic life of people.

- Emphasis on increase the productivity and production by providing physical capital and Human capital.
- Freedom to private sector to plan and manage their industries and trade except in selected areas. Equitable distribution of National wealth and income among all sections of society irrespective of castes, creed, gender, region and religions. The design of governance is based on social justice. It plugs an important role in the problem of Indian constitution. And the threefold strategy is:
 - i. Provision of equal rights (overturning the customary framework of caste system based on principle of equality and denial of equal rights, particularly, to untouchables).
 - ii. Provision of legal safeguards against the violation of these rights in terms of laws.
 - iii. Pro-active measures against discrimination for fair share and participation in legislature, executive, public services, education and other public spheres for discriminated groups (in the form of reservation).

This paper highlights the socio-economic philosophy of Dr. Ambedkar which forms the basis of the welfare policies used by the Indian government in the present and the past and the effectiveness of these policies has been analyzed in this paper to argue for further state intervention.

The study is relevant in today's scenario as a reminder towards our directive principles given the goal of the governments across the globe has shifted from GDP growth to over all development of the economy. In this context this paper argues that India stands at an epoch whereby a change in policy paradigm is needed not only to alter the trajectory of its development path but also to successfully overcome the development challenges faced by us. Ambedkar's philosophy offers significant contributions to our present dilemma of traditional equity versus efficiency debate. Here we needn't only depend on the trickledown effect but also work at the base level for the growth of the section where the trickledown effect does not reach and it's here that his philosophy helps us in understanding the gravity of the problem and motivates for a solution. For example, his support to equal working opportunity for the weaker section increases the standard of living of this group and also brings additional human capital in the economy. This paper aims to describe such policies and develop the case of state intervention.

2. Objective of the paper:

Comparison of Dr. Ambedkar's economic ideas with two government policies (MNREGA and SARVA SIKSHA ABHIYAN).

3. Methodology:

Theoretical approach has been taken for this research paper. Data was collected from World Bank and other journals.

4. Comparison

In this paper we are analyzing two very important policies of the Indian government with respect to socio-economic ideas of Dr. Ambedkar. His economic ideas were based on welfare economics. As we have already discussed above the idea of democratic state socialism and its threefold planning. We see that government plays a key role in the economy from a welfare point of view. Therefore in this paper we discuss two important policies of the Indian government i.e. MNREGA and Sarva Siksha Abhiyan.

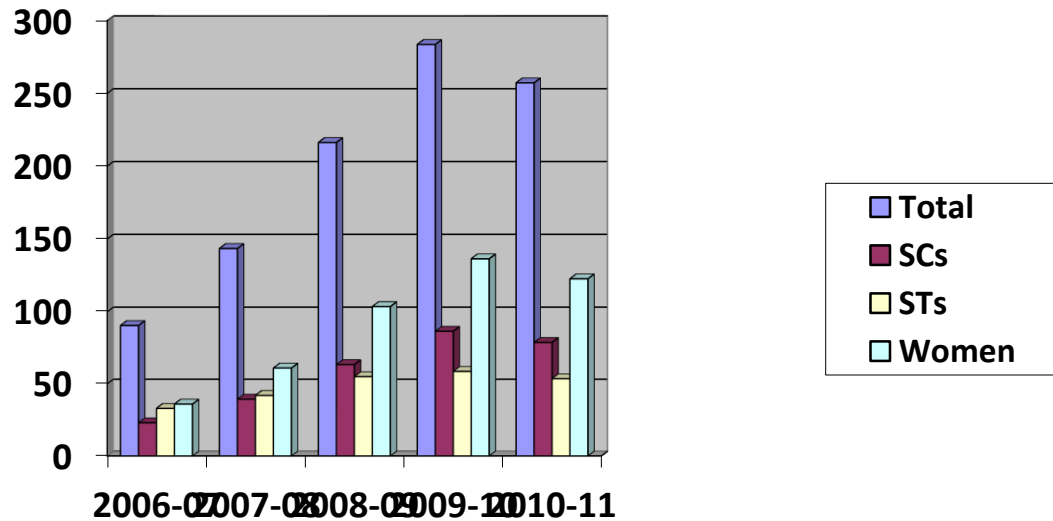
The reference to equitable distribution of national income irrespective of caste, creed and religion refers to his philosophy behind right to work. This philosophy talks about equality, the right to living wages or standard of living through the opportunity to earn all this via suitable employment. In the present scenario where unemployment exists at such a large level leading to unbalanced migration from rural to urban areas in search of jobs leading to unbalanced growth of the economy, government has a major role to play in it as a social welfare agent. Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) has been introduced on 7th September 2005 for solving similar issues.

The few important objectives of MNREGA are:

- Ensuring social protection to the most vulnerable people living in the rural India by providing them employment.
- Creation of necessary infrastructure ensures livelihood security to the poor.
- Empowering the marginalized community for example women, schedule tribes, schedule castes etc via rights based legislation.

It has become a powerful instrument for inclusive growth. As we can see MNREGA is very similar to the welfare economics idea of Dr. Ambedkar.

Overview of the performance of MNREGA, financial year 2006-11 (person- days in crore)



Sources: Mahatma Gandhi National Rural Employment Guarantee Act (official website), <http://www.mgnrega.nic.in>.

As we can see in chart 1 the trend has been rising till 2009-10 and then there is a little fall. According to the study on poverty MNREGA has had a distinct impact in the economy. In a survey of 1064 rural households in Medak district of Andhra Pradesh, 12% approximately income has increased due to this scheme. There are a few studies stating that this income is being used in new start up ventures of the a few households. A few research studies also show that due to MNREGA health and nutrition situation has improved amongst the poor for example a longitude study in Medak, Andhra Pradesh post MNREGA, a significant reduction of 12% in the incidence of reported depression and improvement in mental health indicators, savings for rural households also increased by 21 per cent.

The other studies state that pre MGNREGA agricultural wages of women ranged from Rs 20 per day to Rs 55 per day (2005-06) and for men it was Rs 37 per day to Rs 75 per day. Post MGNREGA this increased for women to Rs 80 per day to Rs 105 per day and for men Rs 45 per day to Rs 70 per day in the financial year 2009-10. The above study was conducted in

Chhattisgarh, Jharkhand and Odisha. It also showed that the household income increased from 23 per cent to 163 per cent, 60 to 70 per cent and 30 to 40 per cent respectively.

There has been an active participation of women in this scheme. In the financial year 2011-12 Kerala had the highest participation of women in this scheme at 93 per cent. MGNREGA has also helped in reducing wage differentials as compared to other public works. This has empowered women by improving their socio-economic status and general well being. A survey in six states showed that for 82 percent of the widows it is an important source of income of the total sample. It has also managed to reduce the level of distress migration for the search of jobs by providing work closer to home and good working conditions.

Even though this scheme did wonders in the field of welfare economics, it still is facing challenges which need to be handled to give best results. A few of them are unawareness of unemployment allowance. In 2010-11 in Madhya Pradesh only 18 per cent were aware about the legal provision of the unemployment allowance. In Andhra Pradesh and Rajasthan it was less than 10 per cent. The other issue is the low awareness about work on demand. Only 47 per cent in Madhya Pradesh and 29 per cent in Andhra Pradesh were aware about it. 35 per cent in Andhra Pradesh, 28 per cent in Madhya Pradesh were not aware of the redressal mechanism of MGNREGA. Wage payments are less than notified due to inaccurate schedule of rates and delayed payments are due to inadequate staffs and institutional constraints.

A lot of steps have been taken to strengthen it. The list of work permissible under MGNREGA has been increased. Addition of staff and other steps are taken to reduce the delays in payment. The guidelines have provision to ensure rights of vulnerable groups like disabled, women in special circumstances, primitive tribal groups etc. but there is still a long way to go.

The other scheme which we will discuss is the Sarva Siksha Abhiyan (SSA). This scheme is introduced to achieve universal elementary education. It has been launched in 2001-02. It aimed to provide useful and relevant elementary education to all children between age 6 to 14 by 2010. The program lays emphasis on bridging all gender and social category gaps at the elementary education level with a time bound to it.

SSA adopted a bottom up planning process which is the basis of Dr. Ambedkar's socio economic ideology. He talks about increasing human capital productivity in state socialism the first step to that is provision of elementary education to all. Elementary education not only helps

in improving the human capital but it has played an important role in bringing equality. Education plays a key role against discrimination regarding caste, creed and gender. Solution to poverty is education this is the reason why Dr. Ambedkar compared an educated person as an engine to the entire society.

The objectives of SSA are:

- Enrolment of all children in school, Education Guarantee Centre, Alternate School, 'Back to School Camp by 2005.
- Retention of all children by upper primary stage by 2010.
- Bridging of gender and social category gaps in enrolment, retention and learning.
- Ensuring that there is significant enhancement in the learning achievement levels of children at the primary and upper primary stage.

In the survey of May 2010 Program Evaluation Organisation, the overall gross enrolment has risen from 89% to 93% in 2007. Enrolment ration of girls improved resulting in gender parity. The share of socially disadvantaged children in school enrolment was 32% in rural and 30% in urban areas, which is higher than their share in the population. Free text books were provided to girls and SC/ST students. As we can see below the table shows the enrolment of girls, SC/STs and CWSN in the year 2003 and 2007. The table is given by World Bank.

States\UT	% Enrolment of Girls - 2003	% Enrolment of Girls – 2007	% Enrolment of SC/ST Children - 2003	% Enrolment of SC/ST Children – 2007	% of CWSN - 2003	% of CWSN – 2007
Andhra Pradesh	45.9	48.5	36.8	27.0	0.0	0.0
Assam	50.5	50.8	33.5	30.3	0.3	0.1
Maharashtra	30.6	40.4	22.0	33.2	6.5	3.9
Puducherry	49.8	49.7	32.6	32.5	2.1	1.9
Uttar Pradesh	51.0	46.1	36.8	39.7	NA	NA
West Bengal	51.9	45.5	22.3	17.1	2.0	1.0
All States\UT	42.4	45.1	30.1	30.3	NULL	NULL

As we can see that SSA has been introduced to support the policy of inclusive growth. It fulfills the threefold strategy plan given by Dr. Ambedkar for Democratic State Socialism. This scheme has a few drawbacks. In most of the schools the infrastructure is not good. Teachers are

not fully focused. Quality of teachers and teaching is not good. “No detention” policy is not followed by most of the states.

As we saw that government has been following the policies which are similar to Dr. Ambedkar’s socio-economic ideas. Discussed above are just a few of them. There are other policies which are very similar to what Dr. Ambedkar suggested. His ideas which were suggested dated far back in the history were so radical that even in the present they are of utmost importance and relevance.

5. Conclusion

In this paper we focused the similarities between Dr. Ambedkar’s socio-economic ideas and the Indian government policies for socio-economic welfare. This attempt was made to understand how these policies have affected India and have done justice to Dr. Ambedkar’s ideas. We have tried to accumulate different perspective of different economists regarding it and used data provide by World Bank and other researches. We have tried to get an overall idea. This concept is still very complex and debatable. Therefore our paper tries to explain a very small area of this field.

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