

Economic Ideas of Dr. B. R. Ambedkar

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Abstract: Dr. Ambedkar is often understood as a socio-religious reformer, he who immensely contributed in the framing of the Indian constitution and who strongly advocated for the amelioration of the socio-economic conditions of the deprived classes particularly the dalits. In the present paper an attempt is made at unraveling and understanding some economic ideas of Dr. B. R. Ambedkar which has drawn little attention in the academia. He understood economic development as a process of ending all forms of miseries of the masses and emphasized the role to be played by the state in ensuring it. By looking at his ideas it appears that he was a great proponent of the mixed economic system in India.

Key Words: State Socialism, Surplus Labour, Cooperative Farming, Basic Industries, Private Profit, Libertarian Economic Thought, Economic Planning, Nehru-Mahalanobis Model.

Celebrating the 125th birth anniversary of Dr. Bhim Rao Ambedkar is an important opportunity to look back and remember his important contribution in making of modern India. Bhimrao Ramji Ambedkar (14 April 1891 – 6 December 1956), popularly known as Babasaheb, is mainly known as Indian jurist, politician and socio-religious reformer who as the chairman of the drafting committee of Indian constitution contributed immensely in the framing of the Indian constitution. His contribution in the framing of the Indian constitution is so immense that he is often designated as the ‘chief architect’ of our constitution. He actively participated in the deliberations of the British legislations and influenced many of its important decisions. He was a front runner in the crusade against all kinds of discriminations and deprivations prevailing in the Indian society particularly the ‘dalits.’ He decisively fought against ‘untouchability’ plaguing the then Indian society. His birth centenary is also an opportunity to unravel some of his important ideas in the field of economics which is little known and equally less a matter of discussion and research in the academia of contemporary period.

Having thrown a cursory glance at some of the available literature on Ambedkar's thought on economics, it may be stated that he explicitly expressed his ideas on concept of economic development, role of state in the process of development of the economy and ensuring socio-economic justice and his views on agriculture, industry and services.

At the outset it may be stated that Dr. Ambedkar supported the concept of State Socialism. He suggested that the key and basic industries of India should be owned and controlled by the state. On the contrary the basic but non-key industries should be owned by the state and run by the state or by corporations established by it. This will help in rapid industrialization and at the same time, benefits of industrialization will be distributed among all the sections of the society by the state. Industrialisation was necessary according to Dr. Ambedkar to move surplus labour from agricultural sector to the industrial sector. Improvement in the agriculture sector should be undertaken through land reforms and cooperative societies: Basically agriculture should be treated as a state industry according to him. The state should initiate collective farming. Farmers will be allowed to enjoy part of the agricultural produce and the state will get some share in the form of levy. Food-grains procured by way of levy will be used for distribution at fare prices. In other words, the state should actively control both the industry and the agriculture. This would ensure equitable distribution of wealth and protect the needy and the poor. Rapid industrial progress and welfare of all the sections of the society will be the responsibility of the state.

During the colonial rule and even after the attainment of Independence, Dr. Ambedkar had very keenly observed the plight of agricultural sector in India and the Indian cultivators. Intervening in a discussion in the Bombay Legislative Council on October 10, 1927, he argued that the solution to the agrarian problem in India lies not in increasing the size of farms, but in having intensive cultivation that is employing more labour. Dr. Ambedkar understood economic development as a process to remove poverty, inequality and exploitation and servitude and state has an important role to play for it.

Dr. Ambedkar recognized the importance of insurance in providing the state with the resources necessary for financing its economic planning, in the absence of which it would have to resort to borrowing from the money market at high rates of interest and proposed the nationalization of insurance. He categorically stated that state socialism is essential for the rapid

industrialization of India. Removal of poverty and inequality was neither the priority nor was possible through Private enterprises because private enterprises are guided by the maximization of the private profit. On the contrary, it would produce those inequalities of wealth which private capitalism had produced in Europe.

Ambedkar was however, an advocate for private property rights, the gold standard, free banking or multiple competing currencies, and decentralized planning. He was a champion of individual liberty and freedom. He was a vehement critic of John Maynard Keynes, and his views were much more in consonance with the great architect of libertarian economic thought, Friedrich Hayek. It's worthwhile to note that Ambedkar wrote these ideas decades before Hayek published his classic article, "The Use of Knowledge in Society" in 1945.

He wrote that closing of the Mints would prevent inflation and disturbances in the internal price level. He advocated that the standard of value should be gold and the elasticity of currency should come from this source. That great scholarship and hard work had gone into this book is evidenced by the rave reviews Ambedkar received from the British Press. He advocated further that the smaller industries should be left to be operated and controlled by private sector.

Last but not the least, the ideas of Dr. Ambedkar becomes all the more relevant when the process of liberalization, privatization and globalization (LPG) has encompassed the whole world and India is very much part of it. Had he been alive, he would have seen the process of LPG and economic reforms as producing two opposite kind of consequences to Indian economy and its masses. The increased process of deregulation and decontrol would result in exploitation of the deprived class and concentration of economic power in few hands. Hence, government control is necessary to ensure 'protection from economic exploitation' and to curb the free reign of the capitalists and landlords. On the other hand he would have supported the various measures related to economic reforms believing that it would help enhance the pace of industrialization in India. He believed like Pt. Nehru that fast industrialisation is necessary to build the modern India. Although he favoured both agriculture and key and basic industry to be managed by the state as stated above but at the same time cautioned that this management should not create state capitalism. He did not believe in enhancing state power to the extent that the state owned all resources. The state control of the economy should be on a socialistic pattern and conforming to the establishment of a discrimination free egalitarian society. It is often argued that the Nehru-

Mahalanobis model of industrialisation as adopted during the initial period of planning produced state capitalism rather than socialism in true sense of the term which favoured the capitalist class both in explicit and implicit ways. Thus, state's intervention is necessary to protect the interests of the poor and deprived sections of the society according to Dr. Ambedkar.

In view of the economic ideas of Dr. Ambedkar as stated above, it may safely be concluded that Dr. Ambedkar was not only a celebrated constitutional expert, socio-religious reformer and statesman but in an important sense, he was a great economic thinker also.

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