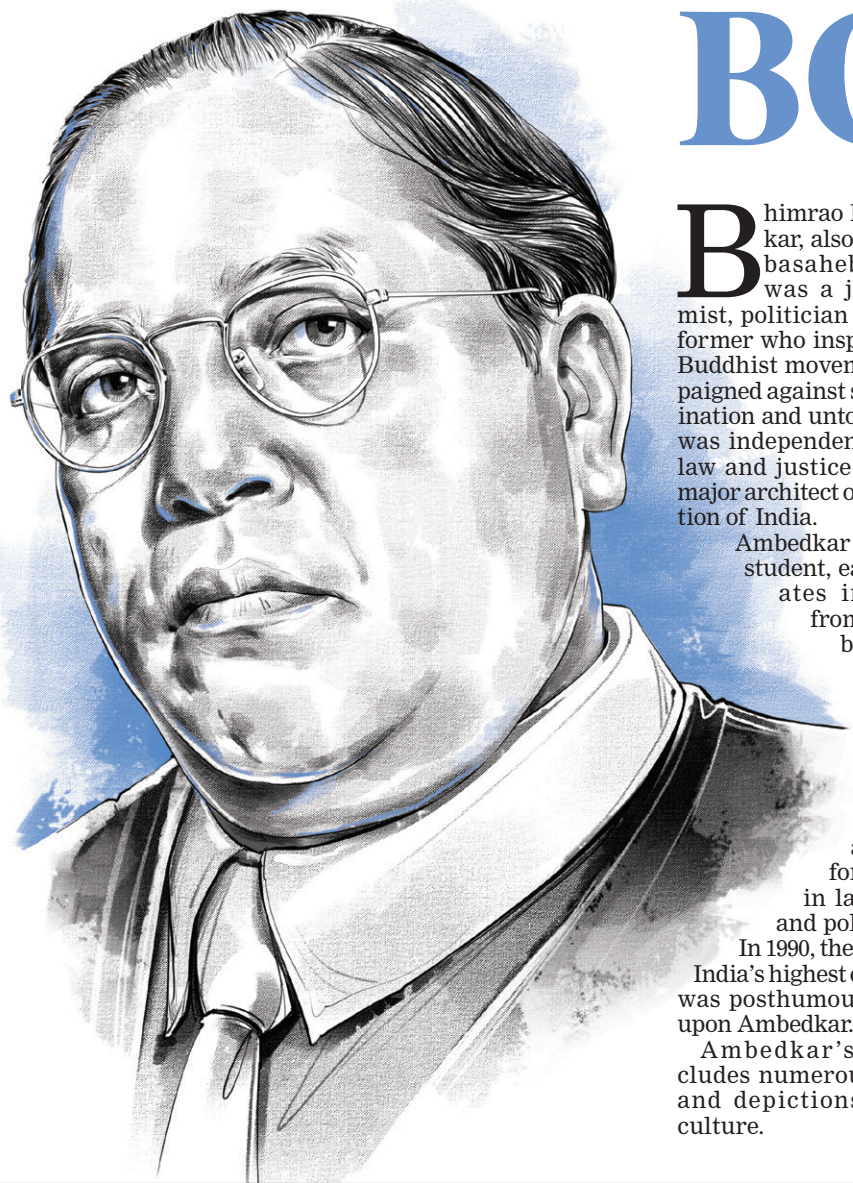




CELEBRATING BABASAHEB

BORN TO REFORM



Bhimrao Ramji Ambedkar, also known as Babasaheb Ambedkar, was a jurist, economist, politician and social reformer who inspired the Dalit Buddhist movement and campaigned against social discrimination and untouchability. He was independent India's first law and justice minister, the major architect of the Constitution of India.

Ambedkar was a prolific student, earning doctorates in economics from both Columbia University and the London School of Economics, and gained a reputation as a scholar for his research in law, economics and political science. In 1990, the Bharat Ratna, India's highest civilian award, was posthumously conferred upon Ambedkar.

Ambedkar's legacy includes numerous memorials and depictions in popular culture.

Early Years

Ambedkar was born on 14 April 1891 in the town and military cantonment of Mhow in the Central Provinces (now in Madhya Pradesh). He was the 14th and last child of Ramji Maloji Sakpal, an army officer who held the rank of Subedar, and Bhimabai Sakpal, daughter of Laxman Murbadkar. His family was of Marathi background from the town of Ambadawe (Mandangad taluka) in Ratnagiri district of modern-day Maharashtra. Ambedkar was born into a poor low Mahar (dalit) caste, who were treated as untouchables and subjected to socio-economic discrimination.

Ambedkar's ancestors had long worked for the army of the British East India Company, and his father served in the British Indian Army at the Mhow cantonment. Although they attended school, Ambedkar and other untouchable children were segregated and given little attention or help by teachers. They were not allowed to sit inside the class. When they needed to drink water, someone from a higher caste had to pour that water from a height as they were not allowed to touch either the water or the

vessel that contained it. This task was usually performed for the young Ambedkar by the school peon, and if the peon was not available then he had to go without water; he described the situation later in his writings as "No peon, No Water". He was required to sit on a gunny sack which he had to take home with him. Ramji Sakpal retired in 1894 and the family moved to Satara two years later. His original surname was Sakpal but his father registered his name as Ambadawekar in school, meaning he comes from his native village 'Ambadawe' in Ratnagiri district. His Devrukhe Brahmin teacher, Krishna Keshav Ambedkar, changed his surname from 'Ambadawekar' to his own surname 'Ambedkar' in school records.

An Analytical Mind

Babasaheb was a highly intellectual person of his time. He was the first person to pursue PhD in economics from abroad. He was the first South Asian to have double doctorate degree in economics from London School of Economics and Columbia University. The important contributions of Dr. B. R. Ambedkar in the form of the-

sis, dissertations and papers are "The present problem in Indian Currency", "The Problem of Rupee: Its Origin and Its Solution", "Ancient India Commerce", "The Evolution of Provincial Finance in British India: A Study in the Provincial Decentralisation of Imperial Finance", "Administration and Finance of the East India Company", "Small Holdings in India and their remedies".

Political Career

In 1935, Ambedkar was appointed principal of the Government Law College, Bombay, a position he held for two years. He also served as the chairman of Governing body of Ramjas College, University of Delhi, after the death of its Founder Rai Kedar-nath. Settling in Bombay, Ambedkar oversaw the construction of a house, and stocked his personal library with more than 50,000 books.

In 1936, Ambedkar founded the Independent Labour Party, which contested the 1937 Bombay election to the Central Legislative Assembly for the 13 reserved and 4 general seats, and secured 11 and 3 seats respectively. Ambedkar published his book *Annihilation of Caste* on 15 May

1936. It strongly criticised Hindu orthodox religious leaders and the caste system in general.

Ambedkar served on the Defence Advisory Committee and the Viceroy's Executive Council as minister for labour. After the Lahore resolution (1940) of the Muslim League demanding Pakistan, Ambedkar wrote a 400 page tract titled *Thoughts on Pakistan*, which analysed the concept of "Pakistan" in all its aspects.

Ambedkar oversaw the transformation of his political party into the Scheduled Castes Federation, although it performed poorly in the 1946 elections for Constituent Assembly of India. Later he was elected into the constituent assembly of Bengal where Muslim League was in power.

Ambedkar contested in the Bombay North first Indian General Election of 1952, but lost to his former assistant and Congress Party candidate Narayan Kajirolkar. Ambedkar became a member of Rajya Sabha, probably an appointed member. He tried to enter Lok Sabha again in the by-election of 1954 from Bhandara, but he placed third (the Congress Party won). By the time of the second general election in 1957, Ambedkar had died.

Revisiting Economic Thoughts of Dr Ambedkar for Public Policy Making

Dr. M Mahadeva

DR Babasaheb Ambedkar was an economist par excellence first, and then a social scientist and a social reformer, subsequently. As the first Indian to earn a doctorate degree in Economics from Columbia University, USA and Doctor of Science degree from the London School of Economics, UK gave Dr Ambedkar a strong framework for Indian economic policy making process from his time to till date. He understood the socio-economic fabrics deeply and political conditions very well, in terms of the absolute poverty, deprivations, social myths and stigma. The fact is that Dr Ambedkar himself underwent all the process of sufferings, not only from the economic angle but largely on the social front. The widespread practice of untouchability in all measures and all forms had hurt him enormously. These understandings together with his own first hand experience on social distancing prompted him to construct his own economic thoughts, which have had direct bearings over the ground realities even now. He sought far-reaching changes in the socio-economic life of the country and of the common man through a number of proactive measures, although public authorities, including the governments, never acknowledged this fact. Unfortunately, even some of the scholars who have examined the economic contributions of leading economists to the public policy making of the country have never been objective in their analysis. They have failed to recognise the contributions of Dr Ambedkar, which is a chauvinistic upfront. Perhaps from the social perspective, the ignorance about Dr Ambedkar's economic con-

tributions could be due to his own preoccupation on the issues pertaining to Indian society and the polity. Anyway, before attempting to know his economic thoughts and contributions, it is indeed necessary to know that Dr Ambedkar stood for redistribution of the economic resources across all. He believed that state and government must play a critical role until the problems like poverty, deprivations, economic inequality are addressed and social mainstreaming takes place.

Economic Growth

Dr Ambedkar believed that achieving higher economic growth on sustainable basis was the responsibility of the government in order to eradicate all forms of inequality and exploitation. He held strong belief that there shall not be scope for accumulation of private property. Ambedkar believed that economic inequality was a source of exploitation and by establishing equality, egalitarian society can be achieved. In order to achieve growth, he firmly believed that two critical sectors like agriculture and major industries as well as the products need to be in the hands of the government and be managed by distributing the same across all, judiciously. Achieving redistributive justice was his focus, which is in question even after seventy years of independence. To achieve economic growth constantly, open economy model was argued as back as 1923 with globalisation, liberalisation and privatisation with stability in the rupee value – the process which is embarked now. He dreamt of nationalising the agricultural sector to remove the difference between the landlords and agricultural labourers, which has continued to be a distant dream. Further,

population control with family welfare was believed to be a critical contributor, which has become the public policy of the country now. He furthered his thesis that women play a decisive role in determining the economic growth and therefore wanted their empowerment. He argued for equal share in the property, equal opportunity, freedom of occupation for the women, which unfortunately were not acknowledged by women. He was against the Hindu philosophy of growth, which is based on caste based labour that does not have any skill base nor is natural. Unless this baseless philosophy was changed, he had warned that skill based productive efficiency cannot be achieved. He pointed that untouchability was more dangerous than slavery, which was a source of exploitation. He also emphasised that caste was not a division of labour but labour division to show only the hierarchical order, which was not acceptable in a civilised society. He argued that caste-based labour division would lead to unemployment, apart from paving way to social discrimination and economic exploitation.

Agriculture

Dr Ambedkar's thoughts on agriculture and the problems of farmers were aimed at achieving redistribution of land resources across all based on his own seminal research, "Small Holdings in India and their Remedies", in 1917. Seriously concerned with the problems of fragmentation, high expenditure, low productivity, uneconomic return and low living standards, he advocated that land shall be a fundamental right and shall be in public ownership to discourage concentration among a few. He pointed out that increase in

holdings should be on a sustainable basis and determination of economic holdings be based on productivity than livelihood. He was of the view that adequate capital formation in the agriculture must be developed by the state apart from providing other resources on priority basis. Specific thoughts were: (a) Structural Changes; (b) Incentives for agriculture; and (c) Others. On the first, he wanted agricultural lands be equally distributed besides cooperative farming to bring in equal labour, capital and equal share of the produces. Similarly, he wanted all barren lands to be distributed among the landless labourers for cultivation and the tenants be protected from all problems. Secondly, he had argued vehemently to provide irrigation to the lands apart from giving seeds and fertilizers by the state on a continuous basis. Also, he championed the cause of minimum wages to agriculture labourers to ensure decent livelihood. Thirdly, Dr Ambedkar was very particular about arresting disguise unemployment in agriculture by removal of excess labour and diversifying them to the other productive sectors.

Industries

Dr Ambedkar believed that rapid industrialisation was a must and it was the engine of high growth with large number of employment opportunities, to produce consumer goods, to earn and save foreign exchange, to effectively use raw materials among many others. He also believed that large industries should be established with government ownership, in order to avoid monopoly and centralisation, as against the small, processing and tiny industries in the private sector, especially in the rural areas. He was also for nationalisation of insurance

and transportation sectors to protect the interest of the labour class. He was the first person to give industrial labourers the right to strike. It is important to note that these thoughts have been incorporated into the Directive Principles of State Policies of the Constitution.

Money - Finance - Taxation

The economic thoughts of Ambedkar is never complete without pondering over the currency, finance and taxation. His thoughts were constructed based on his own research for the award of master's and doctoral degrees, which were complimented and appreciated by a number of renowned economists. "The Problem of Rupee: Its Origin and Solution" (1927) laid solid foundation to develop credit policy in 1935 and subsequently for the creation of the Reserve Bank of India. He outrightly rejected the arguments of one of the greatest economists, John Maynard Keynes, on Gold Standard as medium of exchange on the ground that gold standard was not stable and could lead to fiscal problems like inflation, price rise, government deficits, etc. He further argued that rupee would lose its value when compared to that of the gold standard and the value of foreign exchange was not always on par with the domestic currency.

His thoughts on public finance are extremely important, as they emanated from the ground studies and have been the source of public policy making. The 'Evaluation of Provincial Finance in British India' was carried out for the period 1833-1921, which highlighted the main features and proved empirically that it was regional, local and imperialistic in nature. He argued before the Royal Commission that the provincial finance empowered

only a few with centralised powers, instead of bringing self empowered political power to the common man. He furthered this thesis during his second doctorate degree, focusing on India's Central and State Public Financial Relations. Professor Edwin Seligman, a renowned economist opined, "The value of Dr Ambedkar's contribution lies in the objective recitation of the facts and the impartial analysis of the interesting development that has taken place in his native country. The lessons are applicable to the other countries as well; nowhere, to my knowledge, has such a detailed study of underlying principles been made". In fact, this exposure has laid strong foundation for the Centre-States Relations in modern India and has become the guiding force for the Finance Commissions. Indeed, these thoughts have been incorporated as Articles 227 - 277 in the Constitution.

In regard to taxation, Dr Ambedkar was of the firm opinion that standard of living should not decline and there shall be equality in taxation across different segments. Further, it should be progressive in nature with rich people paying more tax than the poor and should be based on the capacity than on income. He recommended income from agricultural land under the Income Tax Law. He proposed flexibility in tax payments and exemptions for a given definite period and not for ever. However, he was against cess on small holdings, as he believed that it hurt the lower rung farmers besides the abolition of the Land Revenue Code (LRC 107).

To sum up, Dr Ambedkar was an unparalleled social economist, who strived hard to promote economic welfare of all, particularly the poor. Although many of his thoughts

have gone into the process of public policy making and have contributed towards nation building activities in the post independent period, quite a number of his far-reaching thoughts have been shelved and are yet to find place in the policy making process. Determination of economic holding, establishing egalitarian production system, strengthening public sector economy, economic empowerment of the women, dalits and weaker sections, economic discrimination and many others have continued to be the policy gaps. It is unfortunate that even budgets have proved discriminatory in their approaches, especially between the excise duty, production tax and in land revenue, not following the principles of equality. If these gaps are attended to, the problem of subsistence living, poverty and deprivations, equality of opportunities, landlessness and many other outstanding problems can be erased from the soil, as dreamt by Dr Ambedkar. It is for the civilised society and to the informed policy makers in the country to act upon.



The author is former Research Faculty of Economics at ISEC and currently, Managing Trustee of PPVP Trust, Bengaluru.
Email: madalahm1657@gmail.com
Contact: 91 48 54 88 99

129th Birth Anniversary Celebration of
Bharat Ratna Dr. B.R. AMBEDKAR
THE CHIEF ARCHITECT OF THE INDIAN CONSTITUTION



PANCHAJANYA VIDYA PEETHA WELFARE TRUST (REGD.)
Dr. AMBEDKAR INSTITUTE OF TECHNOLOGY

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Near Mallathahalli, Bengaluru - 560 056 Tel :080-23211351/23215070, 23211505 E-mail : principal@dr-ait.org, Website : www.dr-ait.org

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