

Relevance of Dr. Ambedkar's Thoughts and Current Economic Challenges.

Rajput Kundansingh Vijaysingh Assistant Professor Yashwantrao Chavan (K.M.C.) college, Kolhapur.

Abstract:

This research paper elaborates the relevance of Dr. B.R. Ambedkar's thought on current economic problems of India. Ambedkar largely remembered as political leader, was also an accomplished economist. He published three books on Indian economy, namely, Administration and Finance of the east India Company, The Evolution of Provincial Finance in British India and the problem of the Rupee: It's origin and its solution. He was one of the few leaders, who made immense contributions to both caste and currency, untouchability and unemployment, public expenditure and poverty eradication. Besides books his speeches also fully loaded with solutions of real time.

Keywords: relevance, marginalised sections, disguise unemployment, development economics, state socialism, bargaining, inequality

Introduction:

Dr. B.R. Ambedkar's economic thought holds significant relevance in addressing the current economic challenges. As one of India's foremost social reformers and economic thinkers, Ambedkar was deeply concerned with economic justice, equitable distribution of wealth and development of marginalised sections of society. His emphasis on land reforms, industrialisation and protection of labour rights resonates with today's efforts to tackle inequality, poverty and unemployment. In context of modern issues such as economic disparities, agrarian distress and caste-based discrimination in employment. Ambedkar vision for an inclusive economy continues to provide valuable framework for achieving sustainable and just economic growth.

Objectives:

1. To understand the current economic problems.
2. Find out the practical solutions of economic problems.
3. Elaborate how Dr. B.R. Ambedkar's views still relevant and can be seen as remedy of economic problems.

Agrarian distress

Agriculture being the primary sector of Indian economy employs almost 51% of total population. However, sector's contribution to country's GDP is just 12-13%. Nearly, 25-30% of working population in rural areas experience disguised unemployment, which is common type of unemployment in agriculture sector. Many Agri expert said that small land holding and less availability of capital makes this sector even worse.

In an essay on farming and farm holdings, Ambedkar suggested solutions for solving the problems of India's agriculture sector at that time. Ambedkar said that the low productivity of agriculture in India was mainly due to small size land holding. He argued for consolidation of land holdings in bigger units which could be managed by state. He proposed acquisition of all agricultural land from private players and allocating land in a standard size to original cultivators without any discrimination based on caste, creed and religion. To increase productivity, he stressed that besides land, other factors of production like capital and labour rightly mixed. He viewed industrialisation as a means of increasing agricultural productivity and capital goods production, which in turn could help to reduce poverty and inequality.

Taxation policy

India simultaneously has a tax base for direct tax that is too small and tax base for indirect tax that is to large. Consequently, too little tax revenue is raised and too much of tax burden is paid by poor. Taxes on consumption tend to be regressive, because poor people spend a greater proportion of their income on consumption and consumption is taxed at high rates in India. The regressive nature of consumption taxes is

exaggerated by the current GST system. Rising share of GST in government revenue collection tends to remind us Dr. B.R. Ambedkar's views on taxation policy.

In his Swatantra majdur party in 1936, Dr. Ambedkar expressed his ideas on taxation policy, he suggested :

- Tax should be less on poor and more on riches.
- Tax should be imposed on payer's capacity and not on income.
- Exemption should be given up to certain limit.
- Taxation should not adversely Affect standard of living of the people.

State socialism

The paper titled "Income and wealth inequality in India, 1922-2023 The rise of Billionaire Raj", stated that between 2014-15 and 2022-23 the rise of top end inequality has been particularly pronounced in terms of wealth concentration. Inequality in India has skyrocketed since early 2000s with income and wealth share of the top 1% of the population rising to 22.6% and 40.1% respectively. By analysing the situation of rising inequality, thoughts of Ambedkar can be helpful to find the solution.

Economy based purely on profit motive violated two tenets of political democracy: one, it allowed private employer's rather than the state to govern the lives of individuals and two, it may force an individual to give up his constitutional rights to gain a living. Dr. Ambedkar argued that a modified form of state socialism in industry was necessary for rapid industrialisation. Withdrawal of state may lead to Liberty but that liberty is "liberty to the landlords to increase rents, for capitalist to increase hours of work and reduce rate of wages." Liberty from the control of state is another name for dictatorship of private employer. Dr. Ambedkar prioritised nationalisation of economy. State should manage economy that the production will reach the optimum level and benefits should not be taken away by the capitalist. The benefits must be distributed by state on equitable basis. State socialism is essential for India's industrialisation. Private economy cannot do so and if it makes an attempt, it would give way to economic disparities. From 1991, as government accepted L -P -G policy Dr. Ambedkar's views on economic structure gain its weight.

Labour rights

In India, unorganised workers constitute about 93% of total workforce or around 43.7 crore. Due to this labour faces many problems just like:

Working on low wages

- Long and irregular working hours,
- Unorganised workers are often exploited and I'll treated by employers.
- Unorganised workers have less job security.
- Unorganised workers don't receive paid holiday.
- Lack of awareness - Many unorganised workers are unaware of their rights such as collective bargaining rights, 8 hour's shifts, live with dignity.

This is the current situation of labourers in India makes government to plan different laws and scheme, for that Dr. Ambedkar's views on labour can be torchbearer.

Dr. Ambedkar, India's first labour minister, a pivotal figure in India's labour movement, transformed working conditions for labourers nationwide. He served as the labour member of viceroy's executive council from 1942 to 1946 – four-year tenure that marked watershed movement in labour legislation and welfare. During his tenure factories act of 1934 was amended to include provisions for water supply and washing facilities, fire escapes and regulations regarding working hours particular for women and children.

Some of his views on labour rights include

- Labour laws as a instrument for social transformation.
- Fair wages and working condition.

Workers should have right to organise and collectively bargain.

- Workers should organise a political party to put labour incharge of government.
- Ambedkar declared that strike is the utmost right of Workers.

Ambedkar’s vision for labour reforms continues to inspire efforts to create a more equitable and just work environment in India today.

Conclusion:

It is impossible to reduce Ambedkar’s economics to any one doctrine or ideology. He was the first one to talk about disguised unemployment in agriculture sector much before it came into vogue in development economics. He favors industrialisation on one side and don’t forget to talk about labour rights, that makes him relevant today. He warned that without economic and social equality, political equality will be jeopardized. His economic vision offers a blueprint for creating an inclusive economy where growth benefits all sections of society.

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