

DR. AMBEDKAR AND RURAL DEVELOPMENT IN PRESENT DAY SCENARIO

Dr. Vinit Kumar,

Assistant Professor (Guest Faculty) ,
Babasaheb Bhimrao Ambedkar (A Central)
University, Lucknow-25

ABSTRACT

"Ambedkar is my father in Economics His contribution in the field of economics is marvelous and will be remembered forever . . . "

[Professor Amartya Sen, 6th Indian Nobel Laureate]

The present analysis is concerned with Ambedkar's philosophy regarding Rural Development and its relevance in present day scenario. Dr. Ambedkar stresses the need for thorough land reforms, noting that smallness or largeness of an agricultural holding is not determined by its physical extent alone but by the intensity of cultivation as reflected in the amounts of productive investment made on the land and the amounts of all other inputs used, including labour. He also stresses the need for industrialization so as to move surplus labour from agriculture to other productive occupations, accompanied by large capital investments in agriculture to raise yields. He sees an extremely important role for the state in such transformation of agriculture and advocates the nationalization of land and the leasing out of land to groups of cultivators, who are to be encouraged to form cooperatives in order to promote agriculture.

Keywords : *Occupation, Public fund, Utilisation, Industrialization, Rural development*

INTRODUCTION

Inequality in the control of land constitutes a principal obstacle to broad-based rural development in many developing countries. Land reform providing secure and equitable rights to productive land for the rural poor should clearly be a high priority of states and other actors committed to the pursuit of socially and ecologically sustainable development. In an agrarian economy like India with great scarcity, and an unequal distribution, of land, coupled with a large mass of the rural population below the poverty line, there are

Compelling economic and political arguments for land reform. Not surprisingly, it received top priority on the policy agenda at the time of Independence. In the decades following independence India passed a significant body of land reform legislation. The 1949 Constitution left the adoption and implementation of land and tenancy reforms to state governments. This led to a lot of variation in the implementation of these reforms across states and over time, a fact that has been utilized in empirical studies trying to understand the causes and effects of land reform. Land reform, according to Webster's dictionary, means measures designed to effect a more equitable distribution of agricultural land, especially by governmental action. It necessarily includes a

redistribution of rights to land from large landholders to benefit the rural poor, by providing them with more equitable and secure access to land. More broadly, it includes regulation of ownership, operation, leasing, sales, and inheritance of land (indeed, the redistribution of land itself requires legal changes). Successful land reform, from the viewpoint of the rural poor, has invariably contained a confiscatory element from the viewpoint of large landholders, who lost some of their previous rights and privileges. Land reform is necessarily a political process. When land tenure relations are really altered to benefit tenants, landless workers and near landless peasants, it implies a change in power relationships in favour of those who physically work the land at the expense of those who primarily accumulate wealth from their control over rural land and labour. As the basis of all economic activity, land can either serve as an essential asset for the country to achieve economic growth and social equity, or it could be used as a tool in the hands of a few to hijack a country's economic independence and subvert its social processes. During the two centuries of British colonization, India had experienced the latter reality. During colonialism, India's traditional land ownership and land use patterns were changed to ease acquisition of land at low prices by British entrepreneurs for mines, plantations etc. The introduction of the institution of private property de-legitimized community ownership systems of tribal societies. Moreover, with the introduction of the land tax under the Permanent Settlement Act 1793, the British popularized the zamindari system at the cost of the jajmani relationship that the landless shared with the land owning class. By no means a just system, the latter at least ensured the material security of those without land. Owing to these developments, at independence, India inherited a semi-feudal agrarian system. The ownership and control of land was highly concentrated in a few landlords and intermediaries whose main intention was to extract maximum rent, either in cash or kind, from tenants. Under this arrangement, the sharecropper or the tenant farmer had little economic motivation to develop farmland for increased production. Naturally, a cultivator who

did not have security of tenure, and was required to pay a high proportion of output in rents, was less likely to invest in land improvements, or use high yielding varieties or other expensive inputs likely to yield higher returns. At the same time, neither was the landlord particularly concerned about improving the economic condition of the cultivators. As a result, agricultural productivity suffered and oppression of tenants resulted in a progressive deterioration of their plight. In the years, immediately following India's independence, a conscious process of nation building looked upon problems of land with a pressing urgency. Comprehensive land reforms were among the first priorities of the Government of India immediately after Independence. For this the manifold imbalances of the colonial legacy of two centuries had to be dismantled, and a new beginning made. It was a semi-feudal system that was inherited from British rule. A handful of intermediaries rack-rented a large mass of hapless tenantry. A widespread system of subletting, often several rungs deep, worsened the situation by reducing the holdings to uneconomic proportions. In this system, neither the intermediaries had any interest nor the tenants any incentive or resources for introducing land improvements or for using HYVs or other costly inputs likely to yield higher returns. With the objective of achieving social equity and ensuring economic growth, the land reforms programme was built around three major issues:

1. Abolition of intermediaries.
2. Settlement and regulation of tenancy
3. Regulation of size of holdings.

Ambedkar as an economist was a reflection of Ambedkar as a political Statesman. He worked on economic matters when it became expedient in the field of politics. Ambedkar has expressed his views on land reform, mode of farming. The working behind all his thinking on land reform was to lift the untouchables who were predominately landless or small cultivates. The outmoded methods of cultivation were gradually decreasing its splendor and they must be replaced by joint or collective

farming was his basic dominating thought. The present analysis is concerned with Ambedkar's philosophy regarding land reform and its relevance in present day scenario. Ambedkar as an Economist: Dr. Ambedkar wrote three scholarly books on economics : i) Administration and Finance of the East India Company, ii) The Evolution of Provincial Finance in British India, and iii) The Problem of the Rupee: Its Origin and Its Solution. The first two books represent his contribution to the field of public finance: the first one evaluating finances of the East India Company during the period, 1792 through 1858 and the second one analyzing the evolution of the Centre- State financial relations in British India during the period, 1833 through 1921. The third book i.e. 'The problem of the Rupees: Its Origin and its Solution is considered as magnum opus in economics. On his return to India, Dr. Ambedkar did not write any book on economics per se, though several of his other contributions during that period carry a distinctive imprint of the economist in him. As a member of the Bombay Legislative Assembly (since 1926), Ambedkar gave effective expression to the grievances of the rural poor through his mass movements. His successful struggle against the prevailing land tenure system called Khoti liberated a vast majority of the rural poor from an extreme form of economic exploitation. His successful agitation against Mahar Watan emancipated a large section of the rural poor from virtual serfdom. He presented a bill in the State Assembly aimed at preventing the malpractices of money-lenders hurting the poor. A distinctive feature of Dr. Ambedkar's scholarly contribution is his perceptive analysis of economic dimension of social ground, such as, the caste system and untouchability. While Mahatma Gandhi had defended the caste system on the basis of division of labour, Ambedkar came out with a hard-hitting critique in his book 'Annihilation of Castes' (1936), pointing out that what was implicit in the caste system was not merely division of labour but also a division of labourers. Dr. Ambedkar's attack on the caste system was not merely aimed at challenging the hegemony of the upper castes but had broader connotation of economic growth and development. In his memorandum submitted to the

British Government titled "States and Minorities" in 1947, Dr. Ambedkar laid down a strategy for India's economic development. The strategy placed "an obligation on the State to plan the economic life of the people on lines which would lead to highest point of productivity without closing every avenue to private enterprise and also provide for the equitable distribution of wealth". In his views on crucial issues pertaining to economic development, Dr. B. R. Ambedkar comes across as a radical economist who would have staunchly opposed the neoliberal reforms being carried out in India since the 1990s. Dr. Ambedkar was a strongly proponent of land reforms and of a prominent role for the state in economic development. Dr. Ambedkar stresses the need for thoroughgoing land reforms, noting that smallness or largeness of an agricultural holding is not determined by its physical extent alone but by the intensity of cultivation as reflected in the amounts of productive investment made on the land and the amounts of all other inputs used, including labour. He also stresses the need for industrialization so as to move surplus labour from agriculture to other productive occupations, accompanied by large capital investments in agriculture to raise yields. He sees an extremely important role for the state in such transformation of agriculture and advocates the nationalization of land and the leasing out of land to groups of cultivators, who are to be encouraged to form cooperatives in order to promote agriculture. Intervening in a discussion in the Bombay Legislative Council on October 10, 1927, Dr. Ambedkar argued that the solution to the agrarian question "lies not in increasing the size of farms, but in having intensive cultivation that is employing more capital and more labour on the farms such as we have" . Further on, he says: "The better method is to introduce cooperative agriculture and to compel owners of small strips to joint in cultivation." The government and its economists, instead of recognizing that the crisis is the product in large part of the policies of liberalization, privatization and globalization, propose a set of so-called secondgeneration reforms. At the centre of these reforms is the complete elimination of employment security. The

war cry of the liberalizers is: "Away with all controls and the state, and let the market rule" .In this context, one cannot but recall Dr. Ambedkar's words that liberty from state control is another name for the dictatorship of the private employer. Approaches towards land reform: In a paper titled 'Small holdings in India and their Remedies published in Journal of Indian Economic Society, Ambedkar opined that consolidation may prevent the evils of scatter holdings but nor the evils of small holdings under the consolidated holdings was an economic holding. The traditional definition of an economic holding is "a holding which allows a man a chance of producing sufficient to keep herself and his family in reasonable comfort after paying his necessary expenses" – was criticized by him. He pointed out that this definition of economic holding was from standpoint of consumption rather than from the viewpoint of production. Because consumption is worth correct standard by which economic character of holding can belong. It would be perverse accounting to condemn a farm as not paying because its total output does not support the family of a farmer through as a pro-rate return for each of his constituents it is the highest. He remarked, "Any definition, therefore, that leans on consumption returns the nature of an economic holding which is essentially an enterprise in production what is important for the purpose of production is the process of combining the factor of production.". (1) It is true that the absolute size of land (which was small) was not the only decisive factor responsible for efficient production. It can not be the language of economics to say that a large holding is economic while a small holding is uneconomic. It is the right or wrong proportion of other factors of production to a unit of land that renders the latter economic or uneconomic. A small term may be economic or uneconomic because economic or uneconomic does not depend upon the size of land but upon the appropriate proportion among all factors including land. An economic holding consists of land and labour in a proportion such that the prorated contribution of each in conjunction with the rest is the highest to create an economic holding, a farmer must have the other instruments of production

required for the efficient alteration of his holding and must maintain a due proportion of all the factors. Therefore, an economic holding is not a matter of the size of hand alone but is a matter of the adjustment of a piece of land to the necessary equipment for its efficient cultivation. "The existing holding are uneconomic, not, however, in the sense that they are too small but that they are too large..... Consequently, the remedy for the ills of agriculture in India does not lie primarily in the matter of enlarging holdings but in the matter of increasing capital and capital goods". (2) In view of Ambedkar, capital arises from savings and that saving is possible where there is surplus. In fact, no surplus is possible in Indian agriculture because in spite of the vastness of land under tillage, a large agricultural population with the lowest proportion of land in actual cultivation meant that a large part of agricultural population remained idle instead of performing any sort of productive labour. The economic effort of this idle labour is that it creates tremendous amount of pressure on land. This enormous pressure is the main reason of the sub-division of land resulting in the increasing ruralisation of the country. He opined "It is the failure to grasp the working of this pressure on land that makes the law of inheritance such a great grievance". According to Ambedkar, the evils of small holding in India was not fundamental but was derived from the parent evil of the mal-adjustment in her social economy. The remedy for preventing sub-division & fragmentation was consolidation of holdings but under the existing social economy, it will not be expected to bring relief, he said "Instead it will serve to be a legal eyewash". After the adoption of the one-man rule of succession, a survey number would be made to cover a piece of land which will be of the size fixed for an ideal economic holding. A piece of land with a separate a distinct survey number must not be below the economic limit. This survey number covering a piece of land large enough to be styled economic will be registered in name of one person. The one-man rule of succession to a consolidated holding means refusal to recognize legally a piece of land if it were below a certain size. This refusal to recognize smaller piece of land will prevent the sub-

division of a consolidated holding. Such was the idea of an economic unit profounded by Ambedkar. According to him consolidation and its conservation were so intimately connected that one could not be thought of without the other. Ambedkar in his paper describes how agriculture improves by the reflex effects of industrialization. He summed up "Industrialization of India is the soundest remedy for the agricultural problems of India. Industrialization facilitates consolidation. It lessens the premium on land. It must precede consolidation. It is an effective barrier against future sub-division and fragmentation of a consolidated holding". Achievements of Ambedkar from the politics of land reform :Achievements from the politics of land reform can be viewed from two perspectives :1) Introduction of a bill to abolish Khoti system 2) Introduction of bill to amend the hereditary office Act in order to abolish Mahar watan.

Ambedkar was a believer in state socialism. According to him, the immediate problem of landless labourers must be solved by taking over the uncultivated lands for agriculture and giving them to the landless labourers. The tenancy legislation which aimed at the satisfaction of land hungrys could not solve the problem of landless labourers. "The consolidation of holdings and tenancy legislation are worse than useless. They can not bring about prosperity in agriculture. Neither consolidation nor tenancy legislation can be of any help to the untouchables who are just landless labourers. Only collective farms can help them." (10) Ambedkar urged the abolition of landlordism as it was untenable. He said "I , too, agree that after abolishing landlordism, the state must be the owner of the land and not the proprietor or the peasant. The natural consequence of the abolition of landlordism must be collective farming or co-operative farming. But, we are too much individualists. The co-operative farming, though useful and improving in production, is regarded by the peasants as an aggression on our system this is due to the individualist tendencies of our farmers. Though we abolished landlordism we would not be able to build our economy on social basis by such

methods. The whole outlook of our peasants must be changed and then only we would be able to reap the fruits of our revolutionary attempt to throw off the yoke of landlords." (11) The land revenue did not depend upon the agricultural income and there was a controversy whether land revenue was a rent or a tax. Once land revenue was collected on income. It was emphasized land revenue must be assessed on the agricultural income. In an article, Ambedkar emphasized the point that it was unjust to assess the land revenue on the income. The rate of assessment did not depend on the capacity to pay the tax. The taxable capacity was enhanced with the growth in the income. Under these circumstances, it was held that the present system of assessment was unjust. So it was not just to receive equal taxes from all. Those who are below a certain income must be exempted. In case of land revenue, the rich and the poor were equally taxed. He remarked that article 107 of the land revenue code must be abolished and land revenue must be brought under the income tax provision. (12) Ambedkar had prepared a memorandum on the safeguard for the scheduled castes for submitting to the constituent assembly of India on behalf of the All India Scheduled Caste Federation. The brochure was published under the titled "State and Minorities" in 1947. In it, he regarded untouchables as really economically dependent on touchable. He regarded the contest between the Hindus who were economically and socially strong and untouchables who were economically poor and numerically small as the war between the caste Hindus and the untouchables." (13) He proposed state ownership in agriculture with a collectivized method of cultivation and a modified form of state socialism in the field of industry. "Land will belong to the state and shall be let out to villagers without distinction of caste or creed and in such a manner that there will be no landlord, no tenant and landless labourer." He wanted the state to supply capital necessary for agriculture as well as for industry. He said that state socialism was essential for the rapid industrialization of India.

CONCLUSION

Dr. Ambedkar is remembered with great respect and an admiration by one and all. He is respected as a great thinker, a voracious reader - who preferred books over needs, a visionary scholar and a versatile writer, champion of human dignity and rights particularly of depressed classes, a remarkable leader and world renowned economist with deep insight knowledge of the socio-economic and political practices of India's colonial past. His childhood struggle to acquire school education and keeping his teachers' motivation alive with an urge to acquire higher education in global institutions followed by his academic contribution offer serious and great lessons not only for students, but also for teachers, policy-maker and philanthropists. His analytical mind to combine his vast knowledge to build his arguments and keen interest in historical thinking and understanding of the Constitutions of the leading countries, facilitated him to produce such a wonderful document - the Constitution of India, which earned him the title, "the father of constitution". Given economics as his first love (as remarked by a great economist C. Rangarajan), Dr. Ambedkar worked constantly hard and dedicated himself to lay foundations of a socio-political system and economic structures that permit the full development of human potential and ensure a stable, secure and dignified existence for all our citizens. It needs to be emphasized that Baba Saheb, in fact talked about improving quality of life and expanding human freedom much before Prof. Amartya Sen started. Baba Saheb pursued the economics discipline by combining positive and normative approaches in which politics, law, sociological and historical dimensions were well contextualized. His major academic contribution related to the period when he was very young below the age of 32 years. He believed that the study of economics is required for creative and relevant policy conclusions. His writings on monetary economics, provincial and public finances, federal setting, agricultural economics and his thoughts on radical socio-economic reforms and quality of

political leadership placed in the development perspective are not only pioneering works and visionary, but are historically unparalleled in authenticity and originality. But those were ignored for long in the economic thought of India. What to talk of nominating him for Nobel Prize, even Bharat Ratna also came too late. It appears his writings on economics were overshadowed by his contributions in other fields, such as, legal theory and practice, socialcultural philosophy, political science, caste and anthropology, which earned him the title of an Architect of the Constitution of India. It is unfortunate that he has been projected as the 'datit' leader. In fact, he was a great nation-builder, who created institutional structures and frameworks including Constitution of India so intelligently and meticulously - with a vision. Those paved the way and provided security, stability and even feasibility to the scattered geographical entities, which were unified later to make India a sovereign democratic republic. His economic ideas though remained scattered need to be studied afresh not only to acknowledge him as a great economic thinker and nation-builder, but also for enriching the current quality of economic thinking and generating cognitive knowledge about the determinants of the required socio-economic-political transformation of Bharat and to improve our governance and policy-making environment. It is more so, because even after seven decades of the promulgation of the Constitution, dream about the 'Bharat' as visualized by him remains unfulfilled and issues related to justice, liberty, equality and fraternity so close to his hear remain unresolved. Dr. Babasaheb Ambedkar was among the most outstanding intellectuals of India in the 20th century. Dr. Ambedkar was a strong advocate of land reforms and of a prominent role for the state in economic development. He recognised the inequities in an unfettered capitalist economy. Dr. Ambedkar stresses the need for thoroughgoing land reforms, noting that smallness or largeness of an agricultural holding is not determined by its physical extent alone but by the intensity of cultivation as reflected in the amounts of productive investment made on the land and the amounts of all other inputs used, including labour. He also stresses

the need for industrialization so as to move surplus labour from agriculture to other productive occupations, accompanied by large capital investments in agriculture to raise yields. He sees an extremely important role for the state in such transformation of agriculture and advocates the nationalization of land and the leasing out of land to groups of cultivators, who are to be encouraged to form cooperatives in order to promote agriculture. The focal point of Ambedkar's philosophy is to uplift the oppressed and the depressed people in an unjust society. The brief synthesis of Ambedkar's idea towards land reforms and allied matters provides an insight into his thought on economic development, planning, role of the state etc. The philosophy aims at giving life to those who are disowned, in uplifting those who are suppressed and downtrodden and providing liberty, equality and integrity to all irrespective of their castes, creed and races.

REFERENCES

- ❖ Arya R. K., Dr. Choure T.; The Economic Thoughts of Dr. Bhimrao Ambedkar with Respect to Agriculture Sector; Developing Country Studies; ISSN 2224-607X (Paper) ISSN 2225-0565 (Online); Vol.4, No.25, 2014.
- ❖ Dr. Ingle M.R., Relevance of Dr. Ambedkar's Economic Philosophy in the Current Scenario, Sept, 2010.; International Research Journal , September 2010 ISSN- 0975-3486 RNI: RAJBIL 2009/30097 VOL I * ISSUE 12.
- ❖ Hirschman Albert, O. (1958): Linkage Effects and Industrialization in Gerald Meier (1990): Leading Issues in Economic Development, Fifth Edition, OUP, Oxford, p.283-288.
- ❖ Jadhav N., Neglected Economic Thought of Babasaheb Ambedkar, Economical and Political Weekly, dated 13th Apr, 1991.
- ❖ Kothari Vishwas, (2006): NDA Government Launched SEZs to Generate Employment, in Times of India, Pune Edition, dated 27th August 2006.
- ❖ Kumar Vinit (2012): "SEZs and Industrialization in Uttar Pradesh", Indian Journal of Golden Research Thoughts, Vol-I, Issue-XI, May.
- ❖ Kumar Vinit (2014): "SEZs and Land Diversification: Need for an alternative Model", Journal of Economics and Development Studies, Published by American Research Institute for policy Development, New York, (USA) Vol-II, No.3, October.
- ❖ Kumar, Vinit (2010) "SEZs and Land Diversification in India: A study with special reference to Uttar Pradesh" paper presented in two days National Seminar" at Isabella Thoburn College, Lucknow, September 01-02.
- ❖ Kumar, Vinit (2011): "Industrial Vision of U.P. SEZ: The Growth Engine", International Journal of Research Analysis and Evaluation, Vol-II, Issue-19, April.
- ❖ Kundra, A.K. (2008): "SEZs: How Well Will They Perform?" in *Hindu*, 1st August, 2008.
- ❖ Leong Chee Kian (2007): A Tale of Two Countries: Openness and Growth in China and India: Dynamics, Economic Growth, and International Trade (DEGIT) Conference Paper. Downloaded from www.degit.org.
- ❖ Romero, A.T. 1995. 'Labour Standards and Export Processing Zones: Situation and Pressures for Change', Development Policy Review, 13: 247—76.
- ❖ Sangvai, Sanjay (2007): The New People's Movements in India, Economic and Political Weekly, December 15, 2007.
- ❖ Sen, Arunava (2007): The Theory of Mechanism Design, An Overview, in the

- Economic and Political Weekly, December 8, 2007, p.8-13..
- ❖ Sharma, EAS (2007): "Help The Rich, Hurt The Poor, Case of Special Economic Zone", Economic and Political Weekly, 26 May.
 - ❖ Sharma, H.R. (2007): Land Distribution and Tenancy among Different Social Groups.
 - ❖ Verma, N.M.P. and Kumar, Vinit (2010): "Political Economy of Land Mobilization for SEZs: A Study of Indian SEZs" paper presented in three days Annual Conference at A.N. Sinha Institute of Social Studies, Patna (Bihar), December 10-12.
 - ❖ Verma, NMP and Kumar, Vinit (2009): "Industrial Development through SEZs and Acquisition of land for it: Few Twined Issues Involved in Rural-Urban Transformation", paper presented in two days National Seminar at Giri Institute of Development Studies, Lucknow, Nov. 17-18,
 - ❖ Zhu, Y. 1992. "The Role of Export Processing Zones in East Asian Development: South Korea, Taiwan, China and Thailand", PhD thesis, Department of Geography, The University of Melbourne.