



ENSURING ENTITLEMENT IN WELFARE ECONOMICS: THOUGHTS AND IDEAS OF DR. B. R. AMBEDKAR

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ABSTRACT

Dr. B.R.Ambedkar is one of the eminent and optimistic scholars for his contribution to welfare Economics. Also he has many credentials such as social and political scientist, omnipotent, and normative economist and the architecture of Indian constitution. His ideas are very ideal in subjects like monetary economics, public finance, and development economic etc. His intellectual contributions to welfare economics can be classified into many categories like the ideas that claims to the need of social transformation, importance of removing cultural, religious and political barriers to growth of an economy, financial, institutional and structural reforms etc. This paper is an attempt to discover and summarize his views on ensuring entitlement in welfare economics. From the content analysis of various works of Ambedkar it is concluded that his ideas are worthy to implement in the under developed and developing economies. In order to achieve the inclusive, sustainable and balanced growth of the economy his ideas of economics realism to be implemented properly.

KEYWORDS: Ambedkar's Economic Thoughts/welfare economics ideas of Ambedkar/ Entitlements to welfare: Ambedkar views, Ambedkar ideas support to Keynes ideas.

INTRODUCTION

Dr.B.R.Ambedkar is one of the eminent and optimistic scholars for his contribution to welfare Economics. Also he has many credentials such as social and political scientist, omnipotent, and normative economist and the architecture of Indian constitution. His ideas are very ideal in subjects like monetary economics, public finance, and development economic etc. His intellectual contributions to welfare economics can be classified into many categories like the ideas that claims to the need of social transformation, importance of removing cultural, religious and political barriers to growth of an economy, financial, institutional and structural reforms etc. This paper is an attempt to discover and summarize his views on ensuring entitlement in welfare economics.

Definition of Welfare Economics:-

According to the International Dictionary-Merriam Webster, welfare economics is "a branch of economics which deals with human welfare, defining of wealth and establishment of guides for social policies aiming at the maximization of every individual utility". So it can be inferred as a subject related to uplifting the welfare of the society as a whole through the optimum distribution of potential wealth and other resources available in the country and attains the full employment equilibrium of the economy. In other words it can be defined as a cost benefit analysis of efficient allocation of resources available in an economy which determine the welfare of entire society.

Definition of Entitlement:-

According to the International Dictionary - Merriam Webster “the word entitlement refers to the condition or the belief or the feeling of having rights or the power to get something which are provided by the government”. In the context of welfare economics the concept entitlement is used to denote the rights to access of welfare of the society which people wish to have. This primarily includes rights to have basic needs such as food shelter, cloth, education, health, sanitation and all other relevant needs to choose objectively. The concept entitlement has forgotten over the decades and gained importance from the revolutionary work of Prof. Amartya Kumar Sen’s entitlement theory of welfare.

The welfare conditions of the society are a dependant factor of the nature of the political economy i.e. whether it is free market or capitalistic economy. In a capitalistic economy or command economy like China the provision and allocation of resource, goods and services are determined by the central authority of the nation. On the contrary to this in a free market or a democratic economy like India, people have freedom to choose among the alternatives available which ultimately determine the fair price of any goods and services. So it is an essential element to ensure entitlement in welfare of the society particularly in the democratic economy like India. It is in this context, based on the content analysis of Dr. Ambedkar’s dissertation works, articles, speeches and his various contributions to form the Indian constitution, his thoughts and ideas on ensuring entitlement in welfare economics are discussed as follows.

ENSURING ENTITLEMENT IN WELFARE ECONOMICS: THE VIEWS OF AMBEDKAR

In this attempt, the existing literature evidences on the views of Dr. B.R Ambedkar on ensuring entitlement in welfare economics is broadly classified into the following categories viz, i) views related to health and education, ii) his thoughts and ideas on equity and importance of reducing income inequalities, regional imbalances, iii) the role of government in provision of welfare, iv) the role of center state relations in determination of social welfare, v) the views related to labour welfare and employment and ,vi) the views related to the need of agriculture reforms in determining the entitlement to welfare of agricultural labor etc. Furthermore the policy framework proposed towards attaining these above goals is also briefly presented at the end of this work.

ENSURING ENTITLEMENT ON EDUCATION AND HEALTH

Dr Ambedkar strongly believed that education is the most powerful agent to create desired positive changes in the society he claims that there is a need to restructure it. He thought that the educated society only can eradicate illiteracy, ignorance effectively and can improve the social welfare. It can battle against all form of exclusion, injustice, exploitation and oppression which experienced over the centuries in India. Therefore, he advised that the highest and quality education should be given first priority to struggle for the welfare of the society particularly for of people who at the bottom of the pyramid.

As observed and coated by Biswas, S(2001),Ingoli.,K.S,(2006),Singariya.M.R.,(2013), Dr Ambedkar felt that the government has the responsibility to provide education to all citizens irrespective of caste, religion and gender that too at free of cost. He succeeded in his thought by his definition of education in the Directive principles of State policy reinforces Article 24 which highlights that “no child below the age of 14 years shall be employed to work in any factory mine or engaged in any hazardous employment”. The Constitution also guides that children cannot be abused or forced to work and to enter avocations unsuited to their age or strength (Article 39(e) and (f). To protect the disadvantaged group of peoples particularly SCs and STs from social, economic injustices and exploitations special emphasis were also given in article 46 of the Directive principles of State policy.

ENTITLEMENT IN WELFARE WITH EQUITY IN THE CLASSICAL CASTE SYSTEM

Over the centuries the caste system in India was a major obstacle to economic growth and development. In his work titled “*Who were Sudras?*” he observed that in the Hindu social order which prevailed in those days, certain classes of people called Shudras were not permitted to accumulate any kind of property like land, fixed capitals, and other assets which caused people locked with unequal distribution of wealth and existence of greater income inequality in the country. From his famous work titled “*Caste in India - Their mechanism, genesis and Development*” he revealed his thoughts that the caste system had prevented lower class people to teach and to learn the professional skills to or from any person belonging to other caste; only the members of a list of caste were allowed to learn and teach the profession as they wish. Even though if a person had the skills necessary for a particular job, he had not only banned to market his

knowledge and also a considerable section of the population had not accepted the professional shift of a lower caste. He protested to convey the concept that “Everyone in the society must be free to choose his occupation so as to improve their welfare”. Thus the existence of social, religious, cultural and caste restrictions on the occupational mobility results in the inefficiency lower class population which caused to income inequality, social insecurity, which consequently leads to uneven welfare of the society. This restriction of caste system affects the efficient resource allocation in the country. Because the laborers are restricted to mobilize into another occupation in which the wage rate or rate of return on investment is higher. Due to this restriction on inter intra-occupational mobility of labor, capital and entrepreneurship across different caste groups the caste system creates segregation of people and caused to market failure, in efficiency in labor market and in turn it caused to greater level of inefficiency in resource allocation. So in order to preserve the welfare of the whole population, he emphasizes to ensure entitlement in welfare of society. For this he claimed for the need of cast free society. He warned against the practitioner of un touchable and their impact on the economy.

CENTER STATE FINANCIAL RELATIONS AND THE REGIONAL WELFARE

Ambedkar thought that any kind of regional growth imbalances leads to income inequalities and affects the entitlement to welfare of the society as a whole. From the period of early eighteenth centuries to near pre-end eighteenth century the system of imperial finance was used by East Indian Company. During this period the imperial or the dominating government i.e. East Indian Company was in the power to control over the law and order while the local government i.e. the Government of India was in the compulsion to administer the country in collecting the taxes and finding the sources of revenues.(Ingoli, K.S,(2006),Singariya.M.R,(2013).

Ambedkar discovered how centralized financial system which prevailed in India during eighteenth century was a failure. Under this system budgets were prepared by the provincial government but the responsibility for the finding the ways and means for financing the proposed budget handed over to the Government of India. This restriction caused to realize the provincial government to prepare revenue and expenditure budgets in their own.

To solve the above issue Ambedkar referred revolutionary ideas called provincial budgets (Ingoli, K.S, (2006), Singariya.M.R, (2013). Under this financial system,

certain departments of administration were allocated to the states and the receipts accruing from the imperial services were handed over to them with fixed lump sum assignment from the treasury.

Ambedkar was realized that the earlier budget systems were defective as the sources of revenues assigned to states had little rights for its progress over the time and introduced the schemes called shared revenues and specific revenues which were collected either by the imperial government or by provinces and a portion of the proceeds was allotted to the other. Thus by this revolutionary guidance to financial decision of the government he tried to clear the regional disparities and opened the doors for entitlement of regional welfare.

ROLE OF GOVERNMENT INTERVENTION

B R Ambedkar favors for the nationalization of economy. He felt that government should have the control over the economy in order to make the national production at maximum level and the benefits must not be wiped out by the capitalist or by the rich (Moon, V. (1979), Sontakke, Y. (2004), Damji B. H., and Jamma A.P.,(2012). He thought that the economic benefits must be distributed equally to everyone and every section of the population. He argued in favor of the progressive transformation of society, by removing social and economic inequalities that created by the capitalistic system.

Based on the history and experience of world economies, he cautioned that “state socialism is essential for India’s industrialization: private economy cannot do anything as expected and if it makes an attempt it would give way to economic disparities, as it can be visualized in the case of European countries . It is a warning bell for India” (Ingoli, K.S, (2006), Singariya.M.R,(2013).

Through the explanation of the importance of nationalization of industries and relevance of life insurance he claimed for the welfare of the public through insurance organizations an ensured the welfare of the public through insurance corporation like LIC. As a result the Government of India formed the public sector enterprises and established the Life Insurance Corporation of India. He further suggested that industrialization should be initiated and at the same time the principle of state management and state ownership of industries must be adopted gradually. In addition he demanded that amenities like personnel and social insurances, control over industrial development, employment, social security and equal access to education, health, and sanitation are to be given importance and the lower class of society must be protected to ensure the sustainable progress of economy.

He remarked the value of entitlement in the welfare of the society as a whole as, "we have attained political freedom and equality but without economic and social equality this is quite insufficient". Ambedkar emphasized more on economic and social freedom and equality to attain optimum welfare of the economy. He highlighted the importance of reorganizing the existing social and political economy which is characterized by birth based discriminatory practices which ultimately leads very poor condition of welfare of the poor classes, inequality, unemployment and backwardness in education, social insecurity of the people who are already marginalized. As the Indian society is graded inequitably, he introduced a framework of the order of provision of equal rights and legal safeguards and proactive measures against discrimination, exclusion and isolation of certain group who are marginalized and excluded from the growth process of the economy.

AMBEDKAR'S VIEW ON LABOR WELFARE

Ambedkar felt and claimed that the formation of labor, trade union movement is a pre requisite to protect the welfare of the laborers. He supported to the rights of the laborers and signaled to protest strike against capitalist. By realizing the importance of participation of laborers in industrial management he recognized the laborers to joint industrial management councils, employment exchanges and fights to avail leave for permanent workers, welfare activities, conciliation, and trade disputes. His optimistic views are based on economic growth with industrial peace which can be achieved through labor and social justice. He introduced 5% to 6% reservation for Schedule castes in Central government jobs and administration and emphasized that the untouchable students should be given priority to take technical education in India and abroad.

His optimistic views on preventing the industrial disorder show his dedication towards ensuring the entitlement in welfare of the society. During an inaugural address at the conference of labor commission, he argued that "three things are necessary to mitigate or prevent industrial disorder" via Machinery for Conciliation, amendment in the Trade Disputes Act, and Minimum Wage Legislation. From his above words it is clear that he realized the importance of implementing the minimum wage system to protect the labour welfare. Similarly he favors the ideas such as provident fund for employer's liability and workers compensation, health insurance, including pensions which should be open to all sorts of laborers irrespective of whether it was industrial labor or agricultural labour.

VIEWS ON AGRICULTURAL REFORMS

According to Ambedkar the ownership of land system such as rayathwari, mahalwari and jaindhari system are primarily leads to underdevelopment through income inequality and the delay in social economic transformation. So his contents are aimed at protest against the landlords, capitalist and suggest that having a democratic economy that ensures the entitlement and the efficiency in allocation of land to the labor that increase the agriculture productivity and helps in improving the economic growth. He argued in favor of economic realism through welfare and freedom.

He was in the idea that the government intervention is essential to rectify the inefficiency of land holding system prevails in the economy by landlords, and jaindhars. He advised to curb the fragmentation of land holding which divides the land into unproductive. He analyzed the pattern and the definition of land holding and highlights the demerits of inability of India's agriculture to produce surplus production which further leads to inefficient use of resources and factors of production which again leads capital scarcity to the agriculture.

As a result the process of agriculture growth affected adversely. In his thesis titled "small holdings and their remedies" he points out that the reason for low production and productivity in agriculture is caused by inadequate resources available for agriculture production and lack of alternative jobs sources for agricultural workers which create a situation of excess labor force locked within primarily on agriculture sector. In order to overcome the evil effects of these issues, he suggests industrializing and modernizes the agriculture. In his book titled "States and Minorities" he claimed for the nationalization of basic industries, and the nationalization of land accordingly he guides that the organization in collective form can certainly clear the issue. This can be realized from his words "industrialization facilitates consolidation. It is the barrier against the further subdivision of land holding".

He supports to the abolition of dhoti system of land holding and collective method of cultivation to solve the problems of suppression and exploitation of landless labour, small and marginal farmers. He believed that through industrialization only can eradicate the inefficiency of land holding and its negative effects on the economy. Further he recommends that the government should collect the land and fix a maximum ceiling to every

land lord in a standardized size and rest of land should be provided to the landless labors so as to reach the efficiency in agriculture. He also highlighted the importance of state intervention in increasing the production and productivity by optimum use of physical and human capital available in the agriculture.

Contributions of Dr. Babasaheb Ambedkar to ensure entitlement of social welfare

After a brain storming speech at the 7th session of Indian Labor Conference held in New Delhi, on November 27, 1942, he introduced the time limit for labour and reduced the factory working hour of labor from fourteen to eight hours/day. The laws such as Women Labor welfare fund, Women and Child, Labor Protection Act, introduction of maternity benefit for women, mines Maternity benefit Act and Indian Factory Act, were also created. He ensured the welfare of women labors in India through social security programs such as the Establishment of National Employment Agency, Central Technical Power Board Employees State Insurance, and Employees State Insurance (ESI), Dearness Allowance (DA) to Workers, Leave Benefit to Public Workers, Revision of Scale of Pay for Employees, Coal and Mica Mines Provident Fund, Labor Welfare Funds etc.

Also the former of Indian Trade Unions, and the introducer of Health Insurance Scheme, Provident Fund Act, Factory Amendment Act, and Labor Disputes Act. Minimum Wage Act etc he deserved to ensure the welfare of society. In addition he was the creator of many river projects of national importance like Damodar Valley Project, Hirakud project, The Sone River valley Project, etc. The above evidences clearly show that his contribution to welfare of the society is impeccable.

SUMMARY AND CONCLUSION

The recent Nobel laureate economist Prof. A. K. Sen. said "Ambedkar is my father in Economics. He is true celebrated champion of the underprivileged. He deserves more than what he has achieved today. However he was highly controversial figure in his home country, though it was not the reality. His contribution in the field of economics is marvelous and will be remembered forever..!"

His revolutionary ideas and contribution to ensure entitlement in welfare economics is scatted all over the constitutional arrangement. But the responsiveness to his ideas by policy maker and the public is still not attained the level as he deserved although his life. As Ingoly.K.S (2009), suggest every one of us have to monitor, analyze and evaluate the welfare policies of the government, helps to reconstruct the society based on freedom, equality justice and fraternity. It is the only need of the hour to achieve a society for what he dedicated his life.

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