CHAPTER IV

DEMOCRACY AND SOCIALISM

The Constitution of independent India shall include provisions not only of the political structure but indeed the economic structure as well, was the passionate desire of Ambedkar, since he was convinced that Democracy is, “a form and method of government whereby revolutionary changes in the economic and social life of the people are brought about without bloodshed.”¹ According to him, true democracy must assure and implement radical transformation without destruction. Ambedkar’s firm belief, therefore, was that through democracy, fundamental changes in the social and economic life of the people might be brought about peacefully. It was a difficult task but “that is the real test. It is perhaps the severest test. But when you are judging the quality of a material, you must put it to the severest test. And this is how I propose to define democracy...”²

Actually, Ambedkar’s political ideas reflected his response to the socio-economic situation in India. He regarded social progress as the necessary prerequisite of people’s political emancipation. The enjoyment of political rights and privileges postulated a social system based on justice, liberty, equality and fraternity. This was the main reason why Ambedkar wanted a close coordination between politics and socio-economic problems in the country. There cannot be a good political system unless and until people enjoyed all social and civic rights, nor can there be a just social system unless people have equal political rights and privileges.

². Ibid.
Similarly, the soundness of political and social system depends on a good economic system. While incorporating the spirit of socialism in his memorandum with its subject title, ‘States and Minorities’, he depicted the blueprint of his model of economic development. He argued that:

‘The main purpose behind state socialism is to put an obligation on the state to plan the economic life of the people on the lines which would lead to the highest point of productivity without closing any avenue to private enterprise and also provide for equitable distribution of wealth.”

No human life or society for that matter, according to Ambedkar, can be divided into watertight compartments. In fact, unless there is a close co-ordination among all aspects of human life - social, political, economic, moral and religious, the ideal of democracy, viz. liberty, equality and fraternity, cannot be made into a practical programme.

Duties of the State

Perhaps in strict ideological categorization, Ambedkar may not be socialist, yet his main concern was to change the socio-economic situation in independent India for ensuring better status and opportunity to the deprived masses. His was not a doctrinaire socialism but a concrete proposal to ameliorate the conditions of the Indian people. For him, socialism was not merely a economic doctrine; it was also rooted in socio-political reality. And as such, socialism in Indian situation will eliminate social evils like caste and untouchability, fundamentalism etc. To fulfill the conditions of equality and freedom, he laid emphasis on economic democracy along with social democracy. During Ambedkar’s times, there was socialist thinking on party lines prevalent in India, which did not attract him personally. In his writings (particularly in his presentation in the form of memorandum ‘States and Minorities), he focused on economic development strictly in the Indian context.

Most of the democratic countries in the world mapped out only their political structure. The proposal offered by Ambedkar distinguished itself from Constitution of other countries in the world by insisting on the inextricable connection between the political and economic structures. He was not quite convinced of the prescription of the form of political structure of society, leaving the economic structure untouched resulting in the dichotomy between the political setup and the economic situation because political structure is completely set at naught by the forces which emerge from the economic structure which is at variance with the political structure. He strongly argued that the State should take a bold step and carve out the economic structure. The emerging independent nations should take a lesson from the experiences of others. In this context, he said:

“Time has come to take a bold step and define both the economic structure as well as the political structure of society by the law of constitution. All countries like India, which are late comers in the field of constitution making, should not copy the faults of other countries. They should profit by the experience of their predecessors.”

Salient Features of Ambedkar’s State Socialism

Ambedkar depicted a clear picture of the economic structure to be included in the constitution. The salient features of state socialism proposed by Ambedkar are as under:

(1) Industries which are key industries or which may be declared to be key industries shall be owned and run by the state.

(2) Industries which are not key industries but which are basic industries shall be owned by the state and shall be run by the state.

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5. Ibid.
or by corporations established by the state.

(3) Insurance shall be the monopoly of the state and the state shall compel every adult citizen to take out a life insurance policy commensurate with his wages, as may be prescribed by the legislature.

(4) Agricultural industry shall be state industry.

(5) The state shall acquire the subsisting rights in such industries as well as in insurance and agricultural lands held by private individuals, whether as owners, tenants or mortgages, and pay them compensation in the form of debentures equal to the value of his or her right in the land.

(6) The state shall also determine how and when the debenture holder shall be entitled to claim cash payment.

(7) The debenture shall be transferable and inheritable property, but neither the debenture holder nor the transferee would be entitled to claim the return of the land or enter in any individual concern acquired by the state or be entitled to deal with it in any way.

(8) The debenture holder shall be entitled to interest on his debentures at such rate as may be defined by law, to be paid by the state in cash or in kind; as the state may deem it fit.

(9) Agricultural industry shall be organized on the following basis:

(i) The state shall divide the land acquired into farms of standard size and let out the farm for cultivation to residents of the village as tenants (made up of groups of families) to cultivate on the following conditions:

(a) The farm shall be cultivated as a collective farm.
(b) The farm shall be cultivated in accordance with rules and directions issued by government.

(c) The tenants shall share among themselves, in the manner prescribed, the produce of the farm left after the payment of charges properly leviable on the farm.

(ii) The land 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 no landless labour.

(iii) It shall be the obligation of the state to finance the cultivation of the collective farms by the supply of water, draught animals, implements, manure, seeds, etc.

(iv) The state shall be entitled to:

(a) Levy the following charges on the produce of the farm:

(i) a portion for land revenue.

(ii) a portion to pay to the debenture holders, and

(iii) a portion to pay for the use of capital goods supplied, and

b) to prescribe penalties against the tenants who break the condition of tenancy or wilfully neglect to make the best use of the means of cultivation offered by the state or otherwise act prejudicially to the scheme of collective farming.

(10) The scheme shall be brought into operation as early as possible, but in no case shall the period extend beyond the tenth year from the date of the Constitution coming into operation.6

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Prevailing Socialist Ideologies

It seems that Ambedkar’s socialism was not specifically Fabian, or Marxist, or Socialist, and much less Gandhian. His writings reflect that he drew upon all these ideological moorings selectively to fit in his own thinking. Ambedkar’s idea of equality was a conception and stamp of its own making though the ideas of equality, liberty and fraternity resounds vocally in every strand of his equalitarian thought. He, in fact, drew copiously from different sources such as French Revolution, the Declaration of Rights of Man, 14th Amendment of American constitution, Government of Ireland Act, 1920, United States Civil rights Protection Act of 1866 and 1875, Marxist and Buddhist egalitarian thought, yet not subscribing to any particular ideology except the last one.

Two major issues, which concern the goals or ends for which socialists should strive, have divided competing traditions and tendencies within socialism. Firstly, Socialists have held very different conceptions of what socialistic society should look like; in effect there have been competing definitions of ‘Socialism’. C.E.M. Joad, in his “Introduction to Modern Political Theory”, significantly observes, “Socialism proves to be a different creed in the hands of its exponents, varying with the temperaments of its advocates and the nature of the abuses which have prompted their advocacy. Socialism, in short, is like a hat that has lost its shape because everybody wears it.”

Secondly, Socialists have disagreed about the appropriate means to achieve their ends, they seem to believe that there are variations in the ‘roads’ that lead to socialism. This concern with ‘means’ follows from the fact that socialism developed as a radical or revolutionary ideology that was critical of its vast society: industrial capitalism in the west and colonialism in the

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developing world. Socialists have consequently been concerned with change: to reform or overthrow existing society. Which particular ‘road to socialism’ is chosen is of crucial significance because it both determines the character of the socialist movement and influence the form of socialism eventually achieved. In other words, ‘means’ and ‘ends’ are often very difficult to distinguish. The nature of socialism in the 20th century was deeply affected by the choice between the revolutionary and evolutionary roads to its achievements.

C.E.M Joad argued that as far as objects are concerned, there is a general agreement among socialists, but the various methods that are advocated with a view to their realization in practice are the subject of acute controversy. The following are the most important points, and they are those to which socialists of any school subscribe. Joad said in this regard:

1. The private ownership of the means of production to be abolished, and, with this object, important industries and services to be brought under public ownership and control.

2. Industry to be carried on for the purpose of ministering the needs of the community and not with object of making profits for individuals; the extent and character of production to be determined, therefore, is not by anticipation of profit but by considerations of social need.

3. The motive of social service, which is at present thwarted by the capitalization of industry, to be substituted for the incentive of private profit.8

**Revolutionary Socialism**

Some early socialists believed that socialism could only be introduced by the revolutionary overthrow of the existing political system and accepted

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8 Ibid, p. 54.
that violence would be an inevitable feature of such a revolution. One of the earliest advocates of revolution was the French socialist, August Blanqui (1805-1881), who proposed the formation of a small band of dedicated conspirators to plan and carry out a revolutionary seizure of power. Marx and Engles, on the other hand, envisaged a ‘proletarian revolution’ in which the class-conscious working masses would rise up to overthrow capitalism.

**Scientific Socialism**

By the middle of the 19th century, Utopian socialism began to give way to ‘Scientific Socialism’ (1818-83) of Marx, and of Engles (1820-95). The central idea of Marxism can be described as a theory of value and exploitation combined into the study of progress of history and prophecy regarding the collapse of the capitalistic system through a ‘proletarian revolution.’ “The first successful socialist revolution did not, however, take place until 1917, when a dedicated and disciplined group of revolutionaries, led by Lenin and the Bolshevik, seized power in Russia in what was more a coup d’etat than a popular insurrection. In many ways, the Bolshevik revolution served as a model for subsequent generations of socialists revolutionaries.”

**Marx and Ambedkar**

One finds that like Karl Marx (1818-1883), Ambedkar (1891-1956) was very much concerned with the problem of the exploited humanity. However, their perception of the society, their philosophy of emancipation of the suffering masses and ways and means to attain the objective, were different. Marx scientifically analyzed the socio-economic, political, moral and cultural system of capitalism, and proved its exploitative character. He also pointed out the revolutionary way of changing the exploitative system, and replacing it with communist society. Ambedkar studied in depth the creed of Marxism and

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pointed out, "Marx was more interested in proving that his socialism was scientific. His crusade was as much against capitalists as it was against those whom he called the Utopian socialists."  

According to Ambedkar, the basic tenets of Marxism are as follows:

(i) The purpose of philosophy is to reconstruct the world and not to explain the origin of the universe.

(ii) The forces, which shape the course of history, are primarily economic.

(iii) Society is divided into two classes, owners and workers.

(iv) There is always a class conflict going on between two classes.

(v) The workers are exploited by the owners who misappropriate the surplus value, which is the result of the workers labour.

(vi) The exploitation can be put end to by nationalization of the instruments of production, i.e. abolition of private property.

(vii) This exploitation is leading to greater and greater impoverishment of the workers.

(viii) This growing impoverishment of the workers is resulting in a revolutionary spirit among the workers and the conversion of the class conflict into a class struggle.

(ix) As the workers outnumber the owners, the workers are bound to capture the state and establish their rule, which we call the dictatorship of the proletariat.

(x) These factors are irresistible and, therefore, socialism is inevitable.  

11. Ibid.
Marxian thesis proclaims that economic forces determine history, i.e., the economic determinism is the truth of all social evolution. The socialists in India, having been influenced by Marxist’s socialism, sought to apply the economic interpretation of history to the Indian social reality viz., human behaviour is determined by economic realities. That is why property was the only source of power and, therefore, economic reforms must have precedence over all other advancements. To quote socialist, Narendra Deva:

“We can perform the task before us only if we try to comprehend the principles and purposes of socialism and to understand the dialectical method propounded by Marx for the correct understanding of the situation and make that understanding the basis of true action ... Nothing short of a revolutionary transformation of the existing social order can meet the needs of the situation.”\textsuperscript{12}

Ambedkar, however, neither accepted the Marxists’ view nor of the Indian socialists’ view that economic change shall alter India’s social system for he maintained that its roots lay in religion, not in property equation. In his address prepared for the Jat Pat Todak Mandal, Lahore in 1936, he stated that the socialists of India following their fellow brethren in Europe were applying the economic interpretation of history to the facts of India. But he maintained that exploitation and inequality in India were not only due to economic exploitation and inequality but also due to social exploitation and degradation. As he wrote:

“I can’t see how a socialist state in India can function for a second without having to grapple with the problems created by the prejudices which make Indian people observe the distinction of high and low, clean and unclean.”\textsuperscript{13}

\textsuperscript{12} Narendra Deva: Socialism and the National Revolution (Bombay: Padma Pub.), 1946, p. 148.
\textsuperscript{13} Dr. Babasaheb Ambedkar, op.cit., Vol. 1, p 47.
He further argued that men will not join in a revolution for the equalization of property, unless they know, that after a revolution is success, they will be treated equally and that there will be no discrimination of castes and creed.\textsuperscript{14} “The caste system is the biggest hurdle in the way of proletariat revolution in India.”\textsuperscript{15}

Moreover, Ambedkar had indomitable faith in democracy. He believes that dictatorship is dictatorship, whether it is by proletariat or capitalists as it denied liberty of thought and expression.

**Buddhism – Ambedkar’s Response**

Towards the end of his life, Ambedkar was drawn towards explore tried to the possibility of finding solutions to problems of caste system and also, of course, economic exploitation. He wanted a complete answer to Marx and his communism.”\textsuperscript{16}

Although he felt that the foundations are similar and that there is exploitation in the world and the resultant suffering, sorrow or ‘Dukkha’, and poverty. In the Buddhist literature at many places… the Buddha has used the word ‘Dukkha’ in the sense of poverty.\textsuperscript{17} Regarding the question of property, Ambedkar found it a common issue to Buddhism and Marxism, as both treat private property as a source of exploitation. However, there lies a fundamental difference of means in order to obtain the cherished objective. Marxism does not forbid violence if it is necessary whereas Buddhism maintains that real reforms come through the reformation of the mind of the man. The Buddhist means of making people adopt the principles are persuasion, moral teaching and love. These are effective to conquer the opponent, by inculcating in him the doctrine that love and not power can conquer anything. “One of the greatest things in Buddhism is that its system is a democratic system … The Buddha, of
course, was a great democrat.”18 Ambedkar points out that the Russians are proud of their communism. But they forget that “wonder of all wonders is that communism which the Buddha established, in so far as the Sangha was concerned, without dictatorship. May be that it was a communism on a very small scale, but it was communism without dictatorship, a miracle which Lenin failed to do.”19

In his speech at the International Buddhist Conference at Kathmandu, Ambedkar stated:

“All after comparing the two, I came to the conclusion that Buddha’s advice with regard to the great problem of the world, namely that there is Dukkha and that Dukkha must be removed, and the Buddha’s method was the safest and the soundest.20 “Any religion that cannot provide an answer to communism will not survive. The only religion, in my view, that can serve as an antidote to communism is Buddhism.”21

Violence and dictatorship of proletariat are the only two means outlined by commintern to establish communism and both violate the principles of liberty and fraternity. Man cannot live by bread alone, he must grow spiritually. Ambedkar advocated State socialism tempered by a democratic base and also state ownership of land and other means of production.

**Evolutionary Socialism**

In popular parlance, the term ‘socialism’ usually refers to a social evolutionary process aimed at gradually establishing egalitarian society and not revolution of society in a single stroke. Infact, evolutionary socialism admits an attitude of ‘compromise’ – compromise between capitalism and socialism, so

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that the capitalist system is allowed to continue with some changes here and there in the socialist direction; it, therefore, belongs to the liberal tradition relying on the democratic method, parliamentary reform and even economic planning, so that the interest of the underprivileged sections might be represented and taken care of by their representatives and leadership.

In the western world, Capitalism had lost its revolutionary character and been integrated into society by the late 19th century. Wages and living standards had started to rise, partly as a result of colonial expansion into Africa and Asia. Furthermore, the gradual advance of political democracy and the extension of the franchise to the working classes i.e. a limited number of working class men were enfranchised in the U.K. in 1867. Their number expanded in 1884. Universal manhood suffrage, together with limited female suffrage, was achieved in 1918. “The combined effect of these factors was to shift the attention of socialists away from violent insurrection and to persuade them that there was an alternative evolutionary, or ‘democratic’, road to socialism.”

**Forms of Evolutionary Socialism**

State Socialism or collectivism is a school of thought that regards state as a welfare agency. According to C.E. Joad, collectivism is –

“that policy or theory, which aims at securing by the action or the control of a democratic authority a better distribution and, in due subordination thereto, a better production of wealth that prevails.”

As collectivists belonged to evolutionary school, the methods, which they proposed to adopt, in order to accomplish the social transformation, were strictly constitutional and executed through the existing state. They believed

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23. Ibid, p. 54.
that the power of vote was more effective and influential power than that of the bullet.

Later on, the Fabians may be regarded as having set the pace for the collectivist socialists, and pressed for a policy of continual and unceasing state interference in and regulation of economic processes and engaged in an extensive propaganda with the object of influencing public opinion on socialists' lines.

**Fabian Socialism**

Marxian socialism was formulated in the United Kingdom. However, Fabian socialism was the mainstream trend in the leftist politics in the 19th century. In 1884, Beatrice Web, Sidney Web, George Bernard Shaw and H.G. Wells founded the Fabian society. They looked upon socialism 'as an inevitable outcome of the “full fruition of democracy”' but this “inevitability of gradualness” was sharply different from the Marxian inevitability of revolutionary, catastrophic change. Fabian socialists sought to make use of the services of the middle class for developing the technique of bringing about a new social order. They started from the assumption that “there could be no progress towards a just social order in Britain unless the middle and upper classes could be shown the reasonableness and equity of the basic claims of socialist thought and policy.” Thus, the Fabian socialists sought to use the democratic method of a slow and gradual turning of the popular mind to the new principles of social re-organization; advocating that important 'organic changes' could only take place under four conditions:

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“First, such change must be democratic, acceptable to a popular majority, and “prepared in the minds of all”;

Second, they must be gradual causing no dislocation;

Third, they must not be regarded as immoral by the people;

Fourth, they must be constitutional and peaceful.”

Syndicalism and Guild Socialism

The early years of the 20th century witnessed a growing dissatisfaction with the state. The experience of state control during the war has reinforced rather than removed the dissatisfaction with the state. Two schools of socialism, the Syndicalists and the Guild Socialists have taken lead in the attack upon the collectivist state. They denied that the state is the agency through which a better distribution of wealth is to be effected, or that it provides the basis upon which the future socialist society will be constructed.

Syndicalism was a line of thinking, which received great sympathy in France. It may be defined as:

“that form of social theory, which regards the Trade Union organizations as at once the foundation of the new society and the instrument whereby it is to be brought into being. It is frankly socialistic in the sense that it adopts the general socialist view of capital as theft, endorses or rather extends the notion of the class war as fundamental in capitalist society, and proposes to abolish the private ownership of the means of production and to substitute private ownership by the community.”

26. Ibid.
27. C.E.M. Joad, op.cit., p. 63.
In UK, at the same time, Guild Socialism attracted more attraction. It originated in England purely based on English political philosophy, which may be said to have attracted attention for the first time in 1906 with the publication of a book by A.J. Penty, entitled “The Restoration of the Guild System”. In 1915, the National Guild League was founded, with the objective of initiating propaganda in favour of the Guild idea; seeking the abolition of the wage-system, the establishment by the workers of self-government in industry through a democratic system of National Guild, working in conjunction with other democratic functional organizations in the community.

Thus, Guild Socialism was a compromise between complete State socialism on the one hand and complete control by trade unions as in Syndicalism on the other hand. Guild Socialism recognized all the three important interests like –

1. Consumers
2. Managers, technicians, intellectuals as well as manual workers
3. The state.

**Democratic Socialism**

Democratic socialism is a modern version of Fabian socialism. Democratic socialism provides a significant link between democracy and socialism. To quote Ebenstein:

“The link between democracy and socialism is the most important single element in socialist thought and policy.”

Democratic socialism means that brand of socialism in which the socialist principles and policies are sought to be enforced gradually through the democratic means and processes. It stands for the welfare of the community as

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29. C.E.M. Joad, op.cit., p. 75.
a whole - provision of equal opportunities to all, principle of co-operation, collective ownership of the important means of production and extension of the principle of democracy to all the fields of nation’s life. The democratic socialists advocate peaceful methods and the establishment of a new social order through the means of ballot rather than through bullet or revolution. It would be appropriate to mention that Nehru’s democratic socialism means the substitution of cooperation in place of acquisitiveness, equal opportunities for development of personality for everyone and the democratic process of peaceful and legitimate methods to achieve these two goals. After the World War II, the Socialist Party of India first adopted the terminology of democratic socialism in 1947 that was in vogue in the British socialist circle. Although the economic and political theory of democratic socialism has been borrowed mainly from England yet, nevertheless, some indigenous thinkers and writers prepared the intellectual background for the reception of this ideology.

Jayaprakash Narayan had elaborated a democratic and non-violent social order in which the ‘people’ were described as the real fountain of power and the Constitution supreme. In his article, ‘My Picture of Socialism’, he wrote, “The State in Socialist India must be a fully democratic state. There can be no socialism without democracy.” Summing up the total picture of Swaraj, he observed:

“Thus my picture of a socialist India is the picture of an economic and political democracy. In this democracy, man will neither be slave to capitalism nor to a party or the State. Man will be free. He will have to serve society, which will provide him with employment and the means of livelihood, but within limits, he will be free to choose his avocation and station in life. He will be free to express his opinions and there will be opportunities for

him to rise to his full moral stature. There will be no great difference between man and man.”32

The above observation clearly outlined the socialists’ democratic vision, i.e., economic as well as political freedom.

Ashoka Mehta has probably been one of the most consistent men in his exposition of the concept of democratic socialism emphasizing democracy as the very ‘heart of socialism’. Democracy and socialism together, and only together, constituted the ideal of democratic socialism. Mehta further explained that the economic equality, the pluralist theory of state, the negation of totalitarian philosophy, the acceptance of the moral values of human nature and the vision of ‘a society of integrated and fully responsible individuals united in liberty and free harmony’ constituted the fibres of democratic socialism.33

**Gandhi and Socialism**

During the development of Ambedkar’s political ideas, Gandhi as a political phenomenon was the all-pervasive reality. It would, therefore, be appropriate to compare their views on socialism. Their notion of socialism was indeed rooted in the Indian philosophy. Yet, Gandhi was influenced by the Hindu tradition of Upanishads and Bhagwad Gita, whereas on Ambedkar, the predominant Indian influence was that of the Buddhist philosophy. Gandhi’s concepts of Khadi, Non-Possession, etc are said to advocate a traditional concept and Ambedkar believed that his approach was scientific and modern for the simple reason that in the latter, western modern socialist ideas found a reflection. Nevertheless, both developed their models keeping in mind basically the needs of the contemporary society.

For Gandhi, socialism was a mode of personal conduct and a form of social service having highest virtues - belief in God, truth and non-violence. If

33. Asoka Mehta: Democratic Socialism, (Bombay, Bharatiya Vidya Bhavan), 1959, p. 177.
Gandhi was a socialist, then he was a moral socialist and not a Marxian socialist, as he did not advocate nationalization of the means of production, exchange and distribution, or the establishment of a centralized socialist state. Gandhi believed in decentralization and dispersal of power. He wanted to establish an autonomous self-governing society, based on the village republics. He loved villages and idealized them. His symbol was the spinning wheel and not the machines. Gandhi sought to bring about large-scale social changes not through the coercive power of the state but through a change of heart of the individual. He said,

"I look upon increase of the power of the state with the greatest fear because, although while apparently doing good by minimizing exploitation, it does the greatest harm to mankind by destroying individuality which lies at the root of all progress."

Gandhi’s economic thought emphasized trusteeship. The Socialists advocated doing away with the privileged classes. The theory of trusteeship was based on non-possession and limited wants. The essence of the theory of trusteeship is that suppose one has a fair amount of wealth either by way of legacy or by means of trade and industry, he must know that all that wealth does not belong to him. He said:

“But understand that your wealth is not yours.... Take what you require for legitimate needs, and use the remainder for society."

What belongs to him is the right to a honourable livelihood, no better than enjoyed by millions of others. The rest of his wealth belongs to the community and must be used for the welfare of community. Thus, the emphasis in this conception is not on what one earns, but how one spends.

35. Harijan, 1 February, 1942.
Gandhi was of the firm belief that, “if the people mediate over it constantly and try to act up to it, then life on earth would be governed more by love than it is at present. Absolute trusteeship is an abstraction like Euclid’s definition of straight line and is equally unattainable. But if we strive for it, we should be able to go further in realizing a state of equality on earth by other method.” 36

Gandhi’s idea of trusteeship was supposed to be a panacea for all problems. However, Ambedkar had reservation doubting if ‘the moneyed class will hold their properties in trust for the poor’.

“All that one can say about it is that if anybody else had propounded it, the author would have been laughed at … who had not known the hard realities of life and was deceiving the servile class by telling them that a little dose of moral rearmament to the propertied classes, those who by their insatiable cupidity and indomitable arrogance have made and will always make this world a vale of tears for the toiling millions, will recondition them to such an extent that they will be able to withstand the temptation to misuse the tremendous power which the structures give them, over servile classes.”37

Jawahar Lal Nehru was skeptical of validity of trusteeship and regarded it as a ‘religious’ attempt ‘to improve the individual internally, morally and spiritually and then change the external environment.’38 To Nehru, Gandhi’s economic ideas were out-dated and impracticable. He wondered, “with all his keen intellect and passion for bettering the downtrodden and oppressed, why does he support a system, which is obviously decaying, which creates this misery and waste? He seeks a way out, it is true, but is not that way to the past

barred and bolted? And, meanwhile, he blesses all the relics of the old order, which stand as obstacles in the way of advance—the feudal states, the big Zamindars and Talukdars, the present capitalist system. Is it reasonable to believe in the theory of trusteeship - to give unchecked power and wealth to an individual and to expect him to use it entirely for the public good? Are the best of us so perfect as to be trusted in this way? Even Plato’s philosopher-kings could hardly have borne this burden worthily.39 Thus, in no uncertain terms, he repudiated Gandhian trusteeship as an alternative to socialism. For himself, Nehru remained a Westernized socialist and described his objective as the establishment of a socialist order, with a controlled production and distribution of wealth for the public good.

T.V. Parvate interestingly analyzed Ambedkar’s views on Indian socialism as Gandhian. Once he asked Ambedkar if socialist revolution would ever come in India. The latter expressed his doubt saying that Congress party was not really a revolutionary body.

It is appropriate to quote Ambedkar:

“It is an unsatisfactory state of things that most human beings should be required to sweat for fourteen hours a day like beasts of burden just to be able to keep body and soul together, being wholly deprived of opportunity to make use of the brain and mind that were the precious passion of every human being. The scientific and technological advances have made this quite possible whatever may have happened earlier. It is because there is no social ownership of the means of production i.e. land and factories; men are subjected to exploitation by a few. When improvement in this system will be made possible, I shall regard that as the advent of a

genuine social revolution. Man has been waging war against nature and conquering her in order to be happier and happier, and less and less handicapped. This process must go on until mankind becomes entirely happy and the poetic paradise is realized on earth. As I understand it, Gandhism is against this. Gandhism only wants to reduce man only to the position of two bullocks he yokes to his plough, to shut up his women in the cottage to make her cook and procreate and ply on the Charkha and deprive both of them of all culture that can develop only by using the brain and mental faculties. This is Gandhism... Whatever movement Gandhi may start, its roots will be found in this line of thought and so Gandhi is not acceptable to me."\(^{40}\)

However, both Gandhi and Ambedkar are undoubtedly concerned with similar problems such as exploitation of the weaker people, who are all the time engaged in fulfilling their basic necessities; have no concept of leisure and are not able to think of improving the quality of their lives. Ambedkar is hopeful that scientific and technological advances will make mankind happy. He dismissed Gandhi’s views as primitive and traditional for Gandhi was in favour of small-scale industries based on self-management whereas Ambedkar was in favour of industrialization through the state.

Moreover, Gandhi spent most of his time organizing protest movements for political independence, and Ambedkar’s main campaign directed towards the eradication of social and economic slavery of the downtrodden.

Jawaharlal Nehru on Democratic Socialism

In Nehru’s, ‘Autobiography’, one reads about his preference for socialism.\(^41\) He was of the view that poverty and misery of the Indian people are not only due to the Britishers’ exploitation but also due to the economic structure of society. In order to remove this poverty and poor conditions, it is essential to make revolutionary economic and social changes removing the gross inequalities. In his Lucknow Congress Presidential address in 1936, he categorically said;

“I am convinced that the only key to the solution of the world’s problems and of India’s problems lies in socialism, and when I use this word, I do so not in a vague humanitarian way but in the scientific economic sense. Socialism is, however, something even more than an economic doctrine; it is philosophy of life and, as such, also, it appeals to me. I see no way of ending the poverty, the vast unemployment, the degradation and subjection of the Indian people except through socialism.\(^42\)

The foregoing account explains that, for Nehru, socialism is a way of life and not another economic doctrine. No doubt, he wanted that Congress party should adopt socialist policies to deal with the problems such as unemployment, poverty, mal-distribution and deprivation. Under his leadership, the Indian National Congress accepted the ideal of a socialistic pattern of society at the Avadi Session in January, 1955.

Ambedkar’s thinking seems to be close to that of Nehru’s concept of socialism. Democratic socialism, according to Nehru, attempts to bring about socialistic pattern of society, and the state socialism attempts to bring both


\(^{42}\) Nehru on Socialism (selected speeches and writings), (New Delhi, Perspective Pub. Pvt. Ltd.), 1964, pp. 66-67.
socialistic pattern of society as well as of the State together. Democratic socialism widely depends upon legislative measures, whereas State socialism depends solely on constitutional measures in respect of establishing a socialist society. Democratic socialism considers land reforms absolutely essential for bringing about economic equality, whereas State socialism demands the nationalization of agricultural land and collective farming. Ambedkar, like Nehru, favours mixed economy and planned development. However, Ambedkar finds Nehruvian socialistic ideas based on merely economic pattern of society leaving the social structure of the society unchanged, because, Ambedkar thinks unless the caste system, untouchability, servitude, superstitions and other ills of the society are removed, mere economic reform will not be of any avail, the social ills will eat into the vitals of the economic system. Therefore, it is necessary to remove the social ills and undertake economic development simultaneously for bringing into reality the socialistic pattern of society.

**Land Reforms and Socialism**

The fact that India is agricultural society and so is its economy determined Ambedkar’s line of thinking. The article written by him in 1918 entitled “Small Holdings in India and their Remedies”\(^{43}\) is a reflection of Ambedkar’s plan for land reforms, stressing on measures for stepping up of agricultural production, analysing the problem of small size holdings and backward conditions in the agricultural sector, suggesting development of industrial sector as vital solution.

The article also deals with the problem of sub-division and fragmentation of agricultural land holdings, also offering a scientific definition of an economic holding. He tried to iron out the misgivings and misconceptions

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43. Journal of Indian Economic Society, Vol. 1, 1918 (Quoted in Dr. Babasaheb Ambedkar: Writings and Speeches, Vol. 1, (Bombay, Govt. of Maharashtra), 1979, pp. 455 to 479.)
about the concept of economic holdings by de-linking it with geographical size and integrating it from the application of capital in farming operations.

**Problem of the Consolidation of Agricultural Land Holdings:**

Ambedkar found that the enlargement of land holdings in India is purely a theoretical question. The excessive sub-division and fragmentation of holdings is due to the law of succession and population pressure on land. To quote Ambedkar “Every heir desires to secure a share from each of the survey numbers composing the entire land of the deceased instead of arranging the distribution that each may get as many whole numbers as possible i.e. the heirs instead of sharing the land by survey numbers, claim to share in each survey number, thus causing fragmentation.44 He held such fragmentation results in waste of labour, cattle, land in hedges and boundary marks and of manure and renders impracticable the watching of crops, sinking of wells and use of labour, implements; makes change difficult in cultivation, laying of paths, water channels, etc. and ultimately increases the cost of production.

The main issue was how to unite small and scattered holdings and, once these are consolidated, how to maintain them at that size. The underlying assumption obviously was that small and scattered land holdings were too small and insufficient to provide the minimum income to farm households. The prevalent methods of consolidation were:

(i) The voluntary exchange of owned land to reduce the parceling and to increase the size.

(ii) Resort to compulsory consolidation of farms of village by the government including restricted sale of right of occupancies.

These compulsory or voluntary restrictions were to be decided on the principle of “economic holdings”. The latter was to be fixed with adherence to the acreage of land owned because it was believed that the large land holdings

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were somehow economic holdings or units, a unit or holding was to be fixed in such a way that it would be “a parcel of land necessary to keep one family fully engaged and support it”. The view as that a “holding which allows a man chance of producing sufficient to support for himself and his family in reasonable comfort, after paying his necessary expenses should form a standard parcel of land. This, in sum, was the solution put forward by the academic economists to overcome the problem of small and scattered holdings.”  

Reflecting on the recommendations of the Baroda Committee and the views of Professor Jevons and Mr. Keating on consolidation and keeping in mind the law of inheritance among the Hindus, Ambedkar opined that they failed to recognize that a consolidated holding must be an enlarged holding as well. Although the consolidation may obviate the evils of scattered holdings, yet it will not obviate the evils of small holdings unless the consolidated holdings is an economic, i.e. an enlarged holdings. “The Baroda Committee as well as Mr. Keating has entirely lost sight of this aspect of the question. Prof. Jevons alone keeps it constantly before his mind that consolidation must bring about in its train the enlargement of holdings.”

**Definition of Economic Holding**

Prof. Jevons determined the size of economic holding between twenty and thirty acres.  The Baroda Committee said about it as: “An ideal economic holding would consist of 30 to 50 bighas of fair land in one block with at least one good irrigation well and a house situated in the holding.” In contrast to Jevon’s view, Mr. Keating held, “A holding which allows a man chance of

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producing sufficient to support himself and his family in reasonable comfort, after paying his necessary expenses."\(^49\)

These definitions seem to look at economic holding from the standpoint of consumption rather than production. For Ambedkar, consumption did not seem as a right standard for determining the economic character or efficiency of a holding. It would be perverse accounting to condemn a farm as not paying because its total output does not support the family of the farmer even when pro-rata return for each of his investments is the highest.\(^50\) So, there is no true economic relationship between the family of the entrepreneur and the total output of his farm or industries. "True economic relation can subsist only between the total output and this investments."\(^51\)

Thus, one could only speak of the farm as an economic unit, paying in the sense of production and not in the sense of consumption. Any definition, therefore, that relies on consumption mistakes the nature of an economic holding, which is essentially an enterprise in production.

**Agriculture as an Economic Enterprise**

Having conceptualized the economic holding on the basis of production, Ambedkar tried to analyse the underlying economic principles of production related to land holding as follows:

(i) Production from agriculture was not based on the sole consideration of land as it is the result of the combination of land, capital and labour "What is important for the purpose of production is process of combining them"\(^52\)

\(^{49}\) Ibid, p. 466.
\(^{50}\) Ibid.
\(^{51}\) Ibid, p. 467.
\(^{52}\) Ibid, p. 467.
(ii) A law of production governs this combination of necessary factors of production.\textsuperscript{53}

(iii) It follows that a certain volume of one factor has the capacity to work only with a certain volume of another to give maximum efficiency to both, as excess or deficit in the volume of one factor in comparison with other factors would tell upon the total output by curtailing the efficiency of all.

(iv) Further, given this interdependence of factors, the chief object of an efficient production consisted in making every relative factor to contribute the largest.

Therefore, he made it amply clear that if agriculture is to be treated as an economic enterprise, then there could be no such thing as large or small holding.

"An economic holding, therefore, if it is not to be a hollow concept, consists in a combination of land, capital and labour etc. in a proportion such that the pro-rata contribution of each in conjunction with the rest is the highest."\textsuperscript{54}

Thus, it was the right or wrong proportion of other factors of production to a unit of land (and not the size of land alone) that rendered the latter economic or uneconomic. A small farm might be economic as well as a large farm; for being economic or uneconomic did not depend upon the size of land alone but upon the due proportion of all factors, including land. In order to create an economic holding, it would not do for a farmer solely to manipulate the piece of land, he also had to ensure the supply of other factors in the right proportions.
"This view of Ambedkar was fully in consonance with the modern concept of an economic holding, i.e. a farm of the size of 2 hectares would be economic if it is supported by irrigation, hard labour and sufficient capital coupled with new production technology but a farm of 5 hectares will not be economically sound if it depends on the gamble of the monsoons, inadequate capital, little labour and poor input management." 55

To ensure progress, Ambedkar believed that farmer should have full freedom to decide the size of his holdings, he would do well to remember that the size of his holding will vary in time, consequently to the changes in his equipment with which he has to adjust the size of his farm, at one point of time he will decide in favour of small, and at another time, he will decide in favour of a large holding. 56 To fix a permanent size of the holding through law would reflect a poor economic theory. The size of the holding that is in the interest of production must be left to vary when variation is demanded. Since fixing size of a holding, for economic holding, is not a matter of a size of land alone but is a matter of the adjustment of a piece of land to the necessary equipment for its efficient cultivation. 57 Thus the significance of Ambedkar’s thought lies in his exposition of the futility of legally fixing the size in terms of the geographical size of farm holdings. Rather the size of farm holding should bear relation with the necessary capital, not size alone. Therefore, Ambedkar suggested that:

1. Facts such as these interpreted in the light of our theory force upon us the conclusion that the existing holdings are uneconomic, not, however, in the sense that they are too small but that they are not large enough.

2. For, from our premises, we can with prefect logic and even with

56 . Ibid, pp. 469-470.
57 . Ibid, p. 470.
more cogency, argue for increase in agricultural stock and implements, which, in turn, will necessitate enlarged holdings, which will be economic holdings as well.

3. Consequently, the remedy for the ills of agriculture in India does not lie primarily in enlarging holdings but in increasing capital and capital goods. That capital arises from saving and that saving is possible when there is surplus, is a common place of political economy.⁵⁸

Problem of Idle Labour

Ambedkar realized that deficient economy was not due to the evil of small holdings in India, but it was derived from the parent evil of the mal-adjustment of social economy,⁵⁹ i.e., manifestly not withstanding the vastness of land under tillage, so little land is cultivated in proportion to population. A large agricultural population with the lowest proportion of land in actual cultivation means that a large part of the agricultural population is superfluous and idle, not performing any productive activity for considerably long period of the year. More than three decades ago, similar opinion was expressed by Nurkse through his concept of ‘disguised unemployment’. Ambedkar talked about ‘superfluous employment’, which is, in reality, endowed in the essentials of Nurksian theory of vicious circle of poverty and underdevelopment.

The estimated idle labour, according to the report of Sir James Caird, the first person to notice in 1884, is that ‘one third of the population was lying idle instead of performing any sort of productive labour.’⁶⁰ The idle labour had two-fold adverse effects on economy:

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⁵⁹. Ibid.
Firstly, it adds to the tremendous amount of pressure that our agricultural population exerts on land. This enormous pressure is the chief cause of the sub-division of land.

From the above report, Ambedkar inferred that the law of inheritance causing sub-division of land gives a false view by inverting the real situation. On this point, he said:

“It is not, therefore, the law of inheritance that is the evil, but it is the high pressure on land which brings it into operation... It is, therefore, easy to understand how the universal prevalence of the small farms or petit culture is due to this enormous pressure on land.61

Secondly, the depression on the national dividend is an important effect of this idle labour; it creates idle capital, which does not earn. Thus, according to him, idle labour is a parasite.

Thus the land and capital being in short supply, they were relatively expensive compared to the labour and are major constraints on the growth of resources and the raising of farm production. The solution was to increase capital in the form of capital goods and implements. The question for Ambedkar is how to reduce low productivity labour and, at the same time, increase the stock of capital?

**Utilization of Surplus Labour and Capital Formation**

The problem of idle labour could be tackled by using it for some other purpose; surplus labourers be moved to the cities and towns and employed somewhere in the industries. The idle labour must be put to use in businesses other than agriculture. Ambedkar further added that if we succeed in sponging off this labour in non-agricultural channels of production, we will at one stroke lessen the pressure and destroy the premium on land in India. Besides, this

labour, when productively employed will cease to live by perdition as it does today. Labour will not only earn its keep but will give us surplus; and more surplus is more capital. In short, strange though it may seem, industrialization of India is the soundest remedy for the agricultural problems of India.\textsuperscript{62}

He was hopeful that the cumulative effects of industrialization would lead not only to an increase in labour productivity and capital investment in agriculture but also they would create the economic necessity of enlarging of average land holding. Industrialization, by destroying the premium on land, would give rise to fewer occasions for sub-division and fragmentation. Thus, the problem of agriculture in the nature of tendency towards fragmentation would be curbed by the reflex effect of industrialization. Industrialization is a natural and powerful remedy to cure ill-conceived agricultural projects.

The way out, therefore, was located in the inter-sectorial transfer of labour from agriculture to industry. Such transfer of surplus labour from agriculture was expected to increase the productivity and hence the income of the labour remaining in agriculture and also that of the labour productivity employed in the industrial sector. The reduced pressure of population would encourage the enlargement of the size of the farm by reducing the premium of land. For agricultural development, improvement in the productivity of land and labour, increase in the farm income of the cultivating households and the expansion of the domestic capacity to save for productive investment were the steps suggested.

**Collective Farming**

To solve the problem of landless labourers, Ambedkar suggested taking over the uncultivated lands and giving them to landless labourers. He was doubtful if consolidation of holdings and the tenancy legislation can help the untouchables, who are landless labourers. Therefore, he advocated to set up

\textsuperscript{62} Ibid, p. 477.
collective farms, as such farms could help them to some extent. He expressed
that he was too eager, that after abolishing landlordism, the state must be the
owner of the land. The natural consequence of the abolition of landlordism
must be collective farming or co-operative farming. The peasants, though
useful in improving production, regard the co-operative farming as an
aggression on the system. This is due to individualistic tendencies of farmers.
Although landlordism was abolished yet it would not be able to build our
economy on sound basis by such methods. The whole outlook of peasants must
be changed to be able to reap the fruits of our revolutionary attempt to throw
off the yoke of the landlords

In his theory of State Socialism, agrarian problems are clearly
addressed as follows in his own words:

(1) Agricultural industry shall be state industry.

(2) The state shall acquire the subsisting rights in such industries,
insurance and agricultural land held by private individuals,
whether as owners, tenants or mortgagees and pay them
compensation though the instrument debenture equal to the value
of his or her right in the land.

(3) The state shall also determine how and when the debenture
holder shall be entitled to claim cash payment.

(4) The debenture shall be transferable and inheritable property, but
neither the debenture holder nor the transferee would be entitled
to claim the return of the land or enter in any individual concern
acquired by the state or be entitled to deal with it in any way.
(5) The debenture holder shall be entitled to interest on his debentures at such rate as may be defined by law, to be paid by the state in cash or in kind, as the state may deem it fit. 63

On Labour Problems

The labourer is treated with utmost respect in Ambedkar’s economic programme. He worked to see an end to the exploitation of labour. He held that caste system is not merely division of labour, it is also division of labourers. 64 It is an hierarchy in which the labourers are graded one above the other. Those who were at the bottom were known as untouchables and denied all basic civil rights. This division of labour brought by the caste organization is not division based on choice. Yet for a greater economic efficiency, Ambedkar regards division of labour as an indispensable condition. He says:

“Civilized society undoubtedly needs division of labour.” 65

The division of labour in the economic context is derived from Adam Smith’s concept of free labour in a free society. To quote Adam Smith:

“The greatest improvement in the productive powers of labour and the greatest part of the skill, dexterity, and judgment with which it is anywhere directed, or applied, seem to have effects of the division of labour.” 66

The belief in pre-destination that is the divinely ordained origin of the caste system determines the profession of each person – no question, whether one is capable of doing that profession or whether one is keenly interested (or not interested) in that work. This division of labour is not spontaneous. This division of labour did not also recognize the natural aptitudes. The need for social and individual efficiency requires developing the capacity of an

64. Ibid, p. 47.
65. Ibid.
individual to the point of competency, to choose and to make his own career, caste system is a direct violation of this principle.

For the economic emancipation, interchangeability of occupation is essential and “by not permitting readjustment of occupations, caste becomes a direct cause of much of the unemployment we see in the country.” Ambedkar is convinced that caste system definitely led to vast unemployment and thereby decline in the economy.

Untouchability worse than Slavery

To explain the nature and magnitude of problem of economic exploitation of labour belonging to lower castes, Ambedkar compared it to the serfs in Europe and pointed out that Indian evil is greater than the latter as the slave labour of the ancient Rome comprised of war refugees, soldiers of the defeated army, debtors and others punished for different crimes and the untouchables were deliberate outcastes from the Hindu caste system. He further adds:

(1) Slaves in ancient Rome were trained labourers in different industrial crafts and arts as well as personal services meant for the pleasure of the elite and the upper classes.

(2) Slaves were deployed as agents of trade and commerce and industry by their Roman owners. Land, industry, bank, business shops etc., were leased to the slaves by their masters through various forms of lease and business contracts.

(3) The Roman slaves were free to retain their earnings and use it either for consumption and/or productive investment.

The Roman slaves were also engaged in very respectable professional pursuits like teachers, grammarians, philosophers, doctors and artists.68

The labourers from Scheduled Castes in India did not have any of these rights or opportunities. Ambedkar has rightly argued that western ancient slavery did possess some degree of freedom, liberty and more importantly, the Roman slaves had the opportunity to become free citizens by repaying their purchase price to their masters. The dalit labourer is the least preferred in production operations and low paid in rural India. Therefore, the social and economic practices together have led to the bonded labour system. Ambedkar elaborated the economic deprivation of ‘dalit labour’ as follows: -

“In an agricultural country, agriculture can be the main source of living. But this source of earning a living is generally not open to the untouchables. There are reasons for all this. In the first place, purchase of land is beyond their means. Secondly, even if an untouchable has the money to purchase land, he has no opportunity to do so. In most parts, the Hindus would resent an untouchable coming forward to purchase land thereby trying to become equal to the touchable class of Hindu... In some parts, they are disabled by law from purchasing land. The result is that in most parts of the country, the untouchables are forced to be landless labourers. As labourers, they cannot demand reasonable wages. They have to work for the Hindu for such wages as their masters choose to give...”69

Ambedkar rightly points out that on account of the seasonality of agricultural operations, the Scheduled Caste labour will be subject to seasonal unemployment. But worse is its impact on them for they do not possess any

other alternative means of earning a living. So “Industrialization of India is the soundest remedy for the agricultural problems of India.”

Class Discriminations

If socialism is a practical programme and is not merely an ideal, distant and far off, the question for a socialist is not whether he believes in equality, but whether he minds one class ill-treating and suppressing another class as a matter of system, as a matter of principle and thus allow tyranny and oppression to continue to divide one class to another. A true socialist would not tolerate ill treatment and oppression, because these are opposed to socialism. To Ambedkar, the present social system - economically, socially, politically and morally - is not suited to create a socialist spirit among the people. It requires radical changes in all spheres, because socialism also stands for social participation, whereas the present social structure is opposed to social intercourse and equality.

Social reforms, according to Ambedkar, fall in different categories. There is a category of reforms, which does not relate to the religious notion of people but is purely secular in character. There is also a category of reforms, which relates to the religious notions of people. A socialist society would require secular and non-secular reforms. A living political and economic philosophy, to Ambedkar, is that which attends to all social, religious and moral affairs of a man as a whole. This is why economic reform alone is not sufficient. Socialism is a dynamic concept – an attitude of life towards all human problems.

The Employer-Employee Relationship

Employer and employee relationship in industrial set-up is of considerable importance in socialist order. Constructive and harmonious
relations can develop only if the parties concerned are able to appreciate and respect the legitimate concerns, needs, interests and aspirations of each other. “While in one sense and, indeed, in a fundamental sense, industrial relations are basically a matter between employers and employees, the state becomes involved because of two factors:

1. Employer-employee frictions in industry have far-reaching and extensive consequences on the state of the economy, on community well being and social stability.

2. Industrial strikes can cause immense loss to the parties concerned, in terms of production and wages.73

Ambedkar was well aware that in a developing country like India, which is struggling against formidable odds to accelerate the pace of economic growth, combined with social justice, the state has to remain specially vigilant about the state of industrial relations in the country, because without industrial harmony, the country cannot achieve progress. Giving his views on the possibility of achieving industrial peace, he observed that industrial peace on the basis of power was no longer a possibility. On the basis of law, it was possible, but not certain. Based on social justice, he considered, it was a hopeful proposition. It evolves a triangular approach. The workers must recognize on their part the duty to work, which was the same as elimination of shirking. The employer on his part must pay reasonable wages which was another name for exploitation and provide comfortable conditions of work which was another name for labour welfare; and thirdly, the state and the society must realize that the maintenance of proper industrial relations was a public affair and not a mere matter of a contract between the employer and the employee.”74

Ambedkar’s pragmatic approach towards socialist policy did not favour nationalization of all the industries in the country. He upheld the idea of nationalization of only key industries as well as basic industries. S.K. Sarkar, in his article ‘Socio-economic ideas of Ambedkar regarding State Socialism’ very correctly points out the importance of the State socialism in order to bring about socio-economic transformation. Ambedkar’s “advocacy of State socialism amounts to an advocacy of the mixed economy. He does not want annihilation of any class, but the actual reformation of class structure, so that economic benefits may reach the doors of all persons. Ambedkar was against complete nationalization of economy and state monopoly. He favoured state ownership in the fields of insurance, industry and agricultural land only. He did not want the suppression of private property.

Even Nehru did not identify socialism with wholesale nationalization. Nehru felt that as far as the basic and heavy industries were concerned, they would be kept in the public sector so that the concentration of power, political or economic, might be avoided and equitable distribution of wealth might follow. In the Karachi Resolution on Fundamental Rights that Nehru had formulated and piloted, he emphasized, “The State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport, which the state shall own or control; the private sector was to dominate the rest.”

Thus Nehru also believed in the concept of a ‘mixed economy’ with separate yet complimentary roles for ‘Public’ and ‘Private’ sectors as did Ambedkar which was partly public sector and partly private. Ambedkar’s concept of ‘mixed economy’ stresses the three economic processes of human society as under:

75 J.L. Nehru., The Unity of India, Collected Writings, 1937-40, (London, Lindsay Drummond), 1948, p. 408.
1. Adaptation of the key industries and agricultural land to meet the demands of the poorer sections of society.

2. Maintenance of the productive resources by the state.

3. A just distribution of the common produce among different people without any distinction of caste or creed. Further, Ambedkar’s economic realism stresses that:

1. Nationalization of industries is necessary, if the interests of the public at large are to be safeguarded adequately. This is the only way by which economic order can be profitable to all men and women.

2. The objective of nationalization is to better the lot of the workers. Wages should be sufficient to enable workers to live happily and to allow development of mind, body and character. The number of working hours should be reduced and all workers be given equal pay for equal work. It is the responsibility of the state to prevent unemployment and exploitation.

3. Economic realism stands for the best utilization of natural resources. Natural resources should be conserved for the present and future happiness of all men and should not be destroyed by individuals whose only concern is their own private good. A socialist state should be guided purely by service motives.

4. The idea of economic realism wishes a complete transformation of society under the new set-up.

5. Ambedkar’s economic thought prescribes that all factors of production should be nationalized. Some of them should be put under democratic control, i.e. in the hands of private organizations. It is the will of the people, which should determine whether a particular

thing has to be realized through democratic control or through state control.77

Nationalization of Life Insurance

“That the insurance shall be a monopoly of the state and that the state should compel every adult citizen to take out a life insurance policy commensurate with his wages as may be prescribed by the legislator.”78 His objectives were; (1) National Insurance gives the individual greater security than a private Insurance firm does inasmuch as it pledges the resources of the state as a security for the ultimate payment of his insurance money. (2) It also gives the state 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 a high rate of interest.79

“Today, the Government of India has accepted the policy of a dominant public sector in respect of industries. All important industries are under the control of government. Heavy engineering, ship building, manufacturing of defence ammunitions, etc. belong to public sector. Some of Ambedkar’s ideas have been converted into state policies.80

According to Ambedkar, labourers are to be given their due wages besides many other social and economic facilities. They should not feel that they are mere servants of propertied classes. Speaking at the seventh Indian Labour Conference in 1945, he observed: “Labour may ask the moneyed classes a pertinent question that is:

‘If you do not mind paying taxes to meet the expenditure on war, why do you object to raise funds when their purpose is to raise labour standard? How many uneducated persons could

79. Ibid, p. 408.
have been educated and how many sick persons could have been restored to health, if the money spent on war had been spent on public welfare?\(^81\)

The moneyed classes should spend their money on the welfare of labour classes and also develop a sense of social responsibility and social philanthropy in the use of their money. Ambedkar felt Brahmanism and Capitalism were two enemies of the working classes. He said:

"By Brahmanism, I mean the negation of the spirit of liberty, equality and fraternity. ... So omniscient is Brahmanism that it even affects the field of economic opportunities."\(^82\)

Economic Reforms and the Spiritual Aspects

To Ambedkar, economic reforms alone cannot create a socialist society in India. The socialists and any other advocates of change cannot ignore the problem arising out of the prevailing social system. He gives historical evidence that, "political revolutions have always been preceded by social and religious revolutions. The religious reformation started by Luther was the precursor of the political emancipation of the European people in England Puritanism led to the establishment of political liberty... Before the Arabs became a political power, they had undergone a thorough religious revolution started by the Prophet Mohammad."\(^83\)

Ambedkar would cite examples from Indian history to support his arguments, i.e., the political revolution led by Chandragupta was preceded by the religious and social revolution of Buddha. The political revolution led by Shiva Ji was preceded by the religious and social reforms brought about by the

\(^81\) Dhananjay Keer, op.cit., pp. 373-374.
\(^82\) Ibid, pp. 303-304.
\(^83\) Dr. Babasaheb Ambedkar, op.cit., Vol. I, p. 44.
saints of Maharashtra. The political revolution of the Sikhs was preceded by the religious and social revolution led by Guru Nanak. 84

So, the emancipation of mind and the soul is a necessary preliminary for the political expansion and the economic well being of the people. He, thus, believes in adjustment among the social and economic forces of the times if a true socialist revolution is to be brought about. His socialist analysis also includes an observation of social evils and ceaseless efforts to eradicate them. Socialism cannot ignore them either now or at any time. Therefore, to him: “If socialists are not to be content with the mouthing of fine phrases, if the socialists wish to make socialism a definite reality, then they must recognize that the social reform is fundamental and for them there is no escape from it… the social order prevalent in India is a matter which a socialist must deal with.” 85

**Sound Democratic Socialism**

Ambedkar wished that socialism should be peacefully introduced and developed here through people’s efforts and cannot be secured through political system alone. Under the system of parliamentary democracy, the policy of the legislature and of the executive is the policy of the majority for the time being. He said –

“Under the system of parliamentary democracy, the majority in one election may be in favour of State Socialism in industry and in agriculture. At the next election, the majority may be against it. The anti-state socialism majority will use its law-making power to undo the work of the pro-state socialism majority and the pro-state socialism majority will use its law-making power to doing over again what has been undone by their opponents. Those who want the economic structure of society to

84. Ibid, p. 44.
85. Ibid, p. 47.
be modeled on State Socialism must realize that they cannot leave the fulfillment of a fundamental purpose to the exigencies of ordinary law which simple majorities – whose political fortunes are never determined by rational cause – have a right to make and unmake.”

Ambedkar would retain parliamentary democracy and prescribe State Socialism by the law of the constitution so that it will be beyond the reach of a parliamentary majority to suspend, amend or abrogate it. He held:

“It is only by this that one can achieve the triple object, namely, to establish socialism, retain parliamentary democracy and avoid dictatorship.”

Thus, Ambedkar’s theory of State Socialism marks a departure from the existing democracies. He proposed harmonizing economic and political interests of the people through the laws of the land. It is also evident that he stands for both democracy and socialism and avoids dictatorship. Logically democracy demands individual property and freedom for individual work and socialism demands social justice for the whole of society. In this sense, he is a strong advocate of Lockean political and economic liberalism. To link democracy with socialism is the most important element in Ambedkar’s thought. He said:

“Looking at the history of socialism, it can be quickly seen that successful socialist movements have grown up only in nations with strong democratic traditions such as Great Britain, the Scandinavian countries, Belgium, the Netherlands, Switzerland, Australia, New Zealand and more recently in India.”

86. Ibid, p. 411.
Ambedkar visualized democracy not only as a form of government, but a way of life. Democracy does not mean only one man, one vote, but also one man, one value. “Ambedkar was conscious of the intimate connection between individual liberty and the shape and structure of the economic aspect of social life. Therefore, in order to make the principle of one man, one value real and operative, he wanted political democracy to be reinforced by economic democracy. At a time when the Indian National Congress had not even thought of formulating a definite programme of action, it was Ambedkar who forcefully put forward the principle of one man, one value.”

The following quotation from his memorandum submitted to the Constituent Assembly appropriately describes his concern for giving a practical shape to the doctrine of one man one value:

“The soul of Democracy is the doctrine of one man, one value. Unfortunately, democracy has attempted to give effect to this doctrine only so far as the political structure is concerned by adopting the rule of one man, one vote which is supposed to translate into fact the doctrine of one man and one value. It has left the economic structure to take the shape given to it by those who are in a position to mould it. This has happened because constitutional lawyers have been dominated by the antiquated conception that all that is necessary for a perfect Constitution for Democracy was to frame a Constitutional Law which would make government responsible to the people and to prevent tyranny of the people by the Government. Consequently, almost all laws of Constitution, which related to countries, which are called democratic, stop with adult suffrage and fundamental rights. They have never advanced to the conception that the

89 . G.S. Lokhande, op.cit., p. 38.
Constitutional Law of Democracy most go beyond adult suffrage and fundamental rights. In other words, old-time Constitutional lawyers believed that the functional scope of Constitutional law was to prescribe the shape and form of the political structure of the society. They never realized that it was equally essential to prescribe the shape and form of economic structure of society, if democracy is to live up to its principle of one man, one value. Time has come to take a bold step and define both the economic structure as well as the political structure of society by the Law of the Constitution. All countries like India, which are late comers in the field of Constitution-making, should not copy the faults of other countries. They should profit by the experience of their predecessors.\textsuperscript{90}

**Freedom and State Socialism**

Ambedkar wanted to include the provisions of State ownership of agriculture in the Fundamental Rights, as these provisions are unalterable by any act of legislature and the executive. It is generally held that socialism of any kind stands against individualism, i.e. individual liberty, and favours the conditions for authoritarianism. To Ambedkar, it is not entirely true. It depends upon the people of a country how far they establish and develop a system of social economy. He wants that constitutional law should prescribe the economic structure of society. It has some vital purpose; to protect the liberty of the individual from invasion by other individuals, which is the object of enacting Fundamental Rights. The connection between individual liberties and the shape and form of the economic structure of society may not be apparent to everyone. Nonetheless, the connection between the two is real.\textsuperscript{91}

\textsuperscript{90} Dr. Babasaheb Ambedkar, op.cit., Vol. I, p. 412.
\textsuperscript{91} Ibid, p. 409.
Ambedkar’s memorandum (States and Minorities) reveals that political democracy alone cannot serve the purpose. People cannot get relief from political democracy alone. He says: “Political democracy rests on the following four premises;

(i) The individual is an end in himself;

(ii) That the individual has certain inalienable rights which must be guaranteed to him by the constitution;

(iii) That the individual shall not be required to relinquish any of his constitutional rights as a condition precedent to the receipt of a privilege.

(iv) That the state shall not delegate powers to private persons to govern others.”92

Thus, any one who studies the working of the system of social economy based on private enterprise and pursuit of personal gain may easily realize how it undermines, if it does not actually violate, the laws of the land, the individual liberty and Fundamental Rights of the people, on which rests social and political democracy. Many persons have to relinquish their constitutional rights in order to gain their livelihood. The poor are always subject to governance of private employers. And many others do not have courage to argue with the master employer for their legitimate demands, because they may lose their jobs. He suggests those who are unemployed whether what are called Fundamental Rights are of any value to them. ... The fear of starvation, the fear of losing a house, the fear of losing savings, if any, the fear of being compelled to take children away from the school... are factors too strong to permit a man to stand out for his Fundamental Rights.93

92. Ibid.
The unemployed are, thus, compelled to relinquish their Fundamental Rights for the sake of securing the privilege to work and to subsist. Even the employed persons become victims of private enterprise. They do not have human treatment from their employers and their liberty is, thus, jeopardized. They always face the threats of retrenchment. In this way, they are coerced. They do not have full liberty of work. But some persons argue that where 'the state refrains from intervention in private affairs - economic and social – the residue is liberty. The need is to make the residue as large as possible and state intervention as small as possible. Ambedkar agrees with them “where the state refrains from intervention and then what remains is liberty.”

This liberty is “liberty to the landlords to increase rents, for capitalists to increase hours of work and reduce rate of wages. This must be so. It cannot be otherwise. Far in an economic system employing armies of workers, producing goods en masse at regular intervals. Someone must make rules so that workers will work and the wheels of industry run on. If the state does not do it, the private employer will. Life otherwise will become impossible. In other words, what is called liberty from the control of the state is another name for the dictatorship of the private employer.”

Evidently, Ambedkar favours the protection of employed as well as unemployed persons. He wants that they should not be coerced and cheated out of their Fundamental Rights to life, liberty and pursuit of happiness. He said:

“The useful remedy adopted by the democratic countries is to limit the power of government to impose arbitrary restraints in political domain and to invoke the ordinary power of the legislature to restrain the more powerful individual from

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95. Ibid.
imposing arbitrary restraints on the less powerful in the economic
field."96

But Ambedkar did not accept it as quite practicable, because successful
invocation by the less powerful of the authority of the legislature is a doubtful
proposition. The fact that even under adult suffrage, all legislatures and
governments are controlled by the more powerful, an appeal to the legislature
to intervene is a very precarious safeguard against the invasion of the liberty of
the less powerful.97

Ambedkar follows a different method which seeks to limit not only the
power of government to impose arbitrary restraints but also of the more
powerful individuals, or to be more precise, to eliminate the possibility of the
more powerful having the power to impose arbitrary restraints on the less
powerful by withdrawing from the control he has over the economic life of
people.98

It seems that of the two remedies against the invasion by the more
powerful of the rights and liberties of the less powerful, the one contained in
Ambedkar's proposal is more effective. His proposal essentially reflects his
faith for safeguarding the liberty of the individual in his own socialistic pattern
of society. "So far as the plan has been considered purely as a means of
safeguarding individual liberty."99

So, in his theory of State socialism, through the law of the
Constitution, individual liberties are well protected, even under State
intervention. It liberates people from the capitalist's coercion and threats and
ensures an equitable distribution of material wealth. It, thus, strives for
relieving man of hunger, unemployment, crisis of over production, fear from

96 Ibid.
97 Ibid.
98 Ibid.
exploitation and other social evils that infringe on his freedom of work, thought and expression. State ownership under Ambedkar’s socialism, permits rational organization of society’s political and economic life. His socialism does not restrict man’s free choice of living and movement in society. It essentially permits man to make the best of his talents and abilities. The state is not an evil but is something, which is a positive good. His programme of socialism can easily bring justice, leisure, honesty and fair play into society.

Ambedkar placed much value on democracy and individual liberty that he thought could be preserved by judicious state action. In a sense, this conforms to the classic Smithian position. The causal chain that Adam Smith envisaged was that economic and social freedom and equality will propel the society towards political equality and freedom. And this is long lasting than the other way round where first you get political freedom and strive to achieve economic and social equality and freedom. In almost all his writings, Ambedkar, while fighting for political emancipation, does not forget the need for social and economic reforms. Again, it was Ambedkar’s strong belief in the primacy of rationally directed social and economic development that he advocated nationalization.

Evidently, Ambedkar’s views on Democracy and Socialism imply that he reposed faith in the Constitution, although earlier he did not consider it an effective instrument of social change. As late as 1946, he seemed to believe that the constitution may not be able to provide the necessary conditions for ‘either establishing socialism or liberation of schedule castes’. He wrote;

“I must state that I am wholly opposed to the proposals of a Constituent Assembly. It is absolutely superfluous …. there are hardly any big and purely constitutional questions about which there can be said to be much dispute among Indians. It is agreed what in the future Indian Constitution should go to the Centre and what to the Provinces. There is no quarrel over the division of
Revenues between the Centre and the Provinces, none on Franchise, and none on the relation of the judiciary, the Legislature and the Executive .... The only function which could be left to a Constituent Assembly is to find a solution of the Communal Problem”. 100

Yet, two years later, he submitted a memorandum to the Constituent Assembly that sought to make the Constitution a means for the establishment of Socialism for the independent India and sought therein social and economic measures apart from political framework to establish equality and economic freedom for his community, the untouchables and the downtrodden – the dalits. The Memorandum was submitted on behalf of his party - Scheduled Castes Federation. It was published later under the title, “State and Minorities”. The re-assessment of the environment and an estimate of the future scenario including the lukewarm support from the Congress Party to the proposal for separate electorate for the untouchables brought about a shift in the views of Ambedkar. It transpires from his writings and speeches and the interactions he had with other leaders that Ambedkar was a realist particularly in politics and believed in ‘real politics’. However, in his case, the term ‘real politics’ precludes any personal aggrandizement. It was entirely for safeguarding the community’s interest that he accepted the Chairmanship of the Constitution Drafting Committee. Hence it will be unfair to charge him of any contradictory stance or inconsistency in this particular context.

Initially, his name did not figure in the list of members of the Constituent Assembly. As it was contrary to his expectations, he was quite disappointed. The fact that he was not considered for nomination hurt him and gave him frustration, jolt to his ambition but his reason motivated him to address the radical note, which attracted attention towards him. Inclusion of his name proved a well-deserved and rational decision just after two years when he

laboured to produce draft after draft on various contentious issues of permanent value to be made part and parcel of the Constitution. This was the result of, to repeat it for emphasis, his radical note that could find the support of the vast majority of the have-nots, which might then have created some pressure either for his inclusion in the Constitution Drafting Committee or for his entry into the Constituent Assembly. It was indeed a tactical move on his part. “Ambedkar was after all a political realist. States and Minorities was, it must be concluded, not intended as a serious political document outlining a programme but as a manifesto designed to be extreme and provocative, not so much to achieve the implementation of the points it set forth as to draw attention to its author. Its focus was social equality, not a plan for organizing the economic production of a society. Whether or not he thought it was ‘superfluous’, a constituent assembly was being called, and Ambedkar had not been included though he wanted to be there, if only to ensure the continued provision of safeguards for the Dalits. States and Minorities was designed to achieve this goal mainly, and secondarily to throw some ideas for the future of India before the public. It was a radical, idealistic manifesto aimed at some very partial but highly political goals.”101

Nevertheless, it was a memorandum that sought to make the Constitution of Independent India a means for the establishment of Socialism. The economic section of ‘States and Minorities’ deals particularly with “State Socialism”. It recommends nationalization not only of basic industries but also of land. It is envisaged that the operations on land would be in the form of collective farms, with peasants treated as tenants of the state, who would work in accordance with rules and directives issued by government, with the produce to be distributed in shares among the tenants. Stressing the need for industrialization, Ambedkar followed not only his radical but also a rationalistic and modern approach to general economic and social development.

Reposing his belief in the guiding role of the state as inherently progressive, he relies on the ‘State’ for materialization of socialism. Thus the role he assigned to the state in the specific area is not merely interventionist but also undertaking monitoring of policy implementation, programme evaluation and also taking remedial mid-course corrections, where warranted. Accordingly, the state is under the obligation to plan the economic life of the people. Actually, the social order, which he visualized, is based on the concept of Liberty, Equality and Fraternity in which everyone is at liberty to hold any public office or exercise any trade. But the perpetrators/practitioners of caste system do not provide them the opportunity and much less the liberty to choose their profession. He strongly held that:

"The connection between individual liberty and the shape and form of the economic structure of society may not be apparent to everyone. Nonetheless, the connection between the two is real."  

The constitutional provision regarding right to earn livelihood does not in reality mean much for the oppressed in terms of choice or liberty to choose as the society offers or concedes them very little. He was, therefore, of the opinion that it is not enough to enumerate Fundamental Rights in the Constitution, but to ensure necessary economic and social situations, which enable the individual to exercise the liberty to choose.

This, according to Ambedkar, calls for state intervention in economic life of the society. He does not agree with the proposition that the state refrain from intervention, due to liberty. When the state refrains from interventions in economic life of the people, respecting their liberty that liberty would be to the capitalist to enslave the poor and nothing more. He thinks, “…in other words,

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what is called liberty from the control of the State is another name for the
dictatorship of the private employer.”

He considered it proper and necessary to constitutionalise state
intervention so that it would not be subject to change any time according to the
whims of simple majority votes in the legislature. Thus, Ambedkar’s theory of
State Socialism marks a departure from the existing constitutions of democratic
countries. The aim of these constitutions is merely to prescribe the form of the
political structure of society leaving the economic structure untouched. The
result is that the political structure is completely set at naught by the forces that
emerge from the economic structure, which is at variance with the political
structure.

He maintained that the aim and purpose of any rational scheme of social
reconstruction is to provide for the economic security and political liberty of
every single individual. His condemnation of arbitrary power and tyranny in
any form was forthright and categorical. It is pertinent to fully know and
appreciate his stand on democracy and dictatorship. Speaking on the
significance of the Directive Principles on 19 November 1948, Ambedkar
observed:

“...The reason why we have established in this
Constitution a political democracy is because we do not want to
install by any means whatsoever a perpetual dictatorship of any
particular body of people... While we have established political
democracy, it is also the desire that we should lay down as our
ideal economic democracy. We do not want merely to lay down a
mechanism to enable people to come and capture power. The
Constitution also wishes to lay down an ideal before those who
would be forming the Government. That ideal is economic

democracy, whereby, so far as I am concerned, I understand to mean, one man, one value.”106

There are various ways in which economic democracy can be brought about. Some hold individualism as the way for establishing economic democracy. Yet another view maintains socialistic state as the best form of economic democracy, there are also others who believe in communistic ideas as the most perfect form of democracy. That’s why Ambedkar has used such type of language in Directive Principles, which is not too rigid or fixed and left enough room for people of different views with regard to achieving of the ideal economic democracy. He thought this was the best way of achieving economic democracy i.e. to give the fullest opportunity to act in the way in which they want to act. He addressed the Constituent Assembly with the following words:

“Sir, that is the reason why the language of the articles in Part IV is left in the manner in which this Drafting Committee thought it best to leave it. It is no use giving a fixed, rigid form to something which is not rigid, which is fundamentally changing and must, having regard to the circumstances and the times, keep on changing. It is, therefore, no use saying that the Directive Principles have no value. In my judgment, the Directive Principles have a great value, for they lay down that our ideal is economic democracy. Because we did not want merely a parliamentary form of government to be instituted through the various mechanisms provided in the Constitution, without any direction as to our economic ideal, as to what our social order ought to be, we deliberately included the Directive Principles in our Constitution. I think, if the friends who are agitated over this question bear in mind that I have said just now that our object in framing this Constitution is really two-fold: (1) to lay down that

our ideal is political democracy, and (2) to lay down that our ideal is economic democracy and also to prescribe that every Government whatever it is in power, shall strive to bring about economic democracy, much of the misunderstanding under which most members are labouring will disappear.”107

Ambedkar desired to incorporate a scheme of socialist economy in the list of Fundamental Rights, Chapter III, of the Indian Constitution. As Shri J.B. Kripalani, the Chairman of the Sub-Committee on Fundamental Rights and Sardar Vallabhbhai Patel, the Chairman of the Advisory Committee did not accept his proposals, he suggested to the Chairman of the Constituent Assembly to appoint a Planning Committee to examine his proposals and other matters related to the planning of the economic life of the community, but in vain.

“Ambedkar strove hard to have it incorporated in the Constitution, but it was ignored and could not find a place in the Constitution on technical grounds. Thus as a result, the so-called democratic socialism adopted in the constitution had hardly any regard to the economic realities. The economic conditions of the landless, mostly consisting the depressed classes, have not changed while absentee landlordism flourishes under this or that garb. Our democracy offered freedom of thought, expression, etc. to the poor masses of this country, but no one cares about the right to live with dignity. In the industrial field, we zealously expanded the public sector, only to end up with free economy, disinvestments in public sector undertakings, privatization euphoria, and so on. The ultimate result is that disparities in rural and urban areas have become glaring. The common man, for whom Ambedkar cared so much, is standing exactly where he was six decades ago. Had we adopted his

plan as a part of the fundamental rights, the situation could have been different."\textsuperscript{108}

Political democracy, being blind towards stark economic realities, is not likely to survive for long for it is the economic structure, which largely dominates the political structure of a society. Unless we pay serious attention to economic reforms and stability, Ambedkar was convinced that no political structure would stand on its own, for a long period. It is all right for a man sitting in an ivory tower to talk of ‘Democratic Scialism’, without pondering over economic domination, exploitation and slavery, rampant in the society. But Ambedkar, with his roots in this soil, correctly insisted that it should be obligatory for the state to carry out a plan of economic reforms for the ultimate success of political democracy. He insisted on the incorporation of his plan in the main body of the constitution. The economic development plan prepared by him suggested substantial structural changes in the Indian economy. It was tantamount to a mixed-economy model with constitutional safeguards for its implementation. He was not against private entrepreneur, nor did he wish to suppress the individual liberty. He was a democrat at heart, who always wished that the benefits of development should reach to the last person.

Ambedkar’s desire to abolish the inequalities in social relationship or ownership is very much clear in his concept of Sate Socialism, but he gave no thought to the problems of economic exploitation involved in the state management. Moreover, the role of state is also doubtful in an atmosphere, which is under the tremendous influence of landlords, capitalists and upper caste Hindus.

But Ambedkar’s strong faith in democracy and individual freedom always restrained him to prefer any kind of dictatorship. His socialism had grown out of his interpretation of democracy rather than any kind of dictatorship. “Thus, while he shared the belief of both Liberals and Marxists of

\textsuperscript{108} M.L. Kasare, op.cit.,, p. 205.
his time in the progressive forces of industrialism, science and ‘modernity’, he distinguished his views from communism both in terms of the means necessary
to achieve them and in terms of stressing democracy over the ‘dictatorship of
proletariat’. In a sense, ‘state socialism’ was aptly named in contrast to
‘proletariat socialism’; it retained the belief in the state as a necessary
phenomenon in even a socialist society and sought a share in powers of
workers and Dalits without seeing this as creating any unique kind of state”109

Moreover, one cannot ignore that Ambedkar formed his views on state
socialism in an atmosphere in which India under Nehru appeared set to adopt
planning and a ‘socialist pattern of society’. Ambedkar’s main thrust was to
look to this state-guided development as a solution.110

One can also see a change in Ambedkar’s attitude towards socialism
as he sat in the Constituent Assembly. “The proposed ‘Constitution of the
United States of India’, which Ambedkar had published in ‘States and
Minorities’ in March 1947, just four months before his appointment to the
Cabinet, is a very different document from actual draft Constitution he ably
defended before Constituent Assembly in November 1948. Gone was the
provision for agriculture as a state industry, which Ambedkar had regarded as
the only solution to the problems of the Scheduled Castes, the majority of
whom were agricultural labourers without land.”111

Similarly, in his speech, while introducing the Indian Constitution, he
refers to ‘Social democracy’ rather than socialism.112 Thus raising doubts
about the value of Socialism. Two explanations are possible:

109. Gail Omvedt, op.cit., p.239.
110. Ibid.
111. Article on The Social and Political Thought of B.R. Ambedkar by Eleanor Zelliot in Thomas
(i) The Constitution, of course, is a reflection of the thinking of Congress leaders particularly Nehru more than Ambedkar’s personal philosophy. This response may be only due to situation “...a summing up of the debate on the Constitution was not a place to talk of socialist ideals since no one had, at that time, seriously proposed that independent India define itself as socialist.”

(ii) Ambedkar also got disillusioned with Marxian Communism. On the one hand, he had an on going struggle with the Indian Communists and on the other hand, the world context was also changing. Though in the beginning, Soviet experiment seemed to be able to achieve both equality and impressive economic growth, yet by 1950s, these conditions had reversed themselves. The proletariat was becoming integrated into the Capitalist system in the West. The Soviet ‘model’ was beginning to tarnish; State was becoming dictatorial with no hope of withering away.

In this context, Ambedkar began to look towards Buddhism as the way to establish an egalitarian society, which was equally devoted to freedom and moral community life. In his essay on “Buddha or Karl Marx”, he wrote that most of Marxists’ propositions have been historically invalidated: the Proletariat has not become increasingly immiserated and revolutionary; the state had not withered away after revolutions. However, Marx’s assertion of private property as the origin of exploitations and of class conflicts remains in Ambedkar’s words, “a residue of fire, small but still very important.” To overcome the exploitation he chose a different way. “Ambedkar rejects state socialism, nationalism and the dictatorship of

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proletariat as solutions to the problem of exploitation and turns to
Buddhism for an alternative.”

And here he came up with what Gail Omvedt called a ‘moral
economy’, a solution to the problems of exploitation. This was not simply a
matter of stress on non-violence as opposed to violence. “Ambedkar had never
rejected Marxism simply because of the role force in its philosophy. Unlike
Gandhi, he did not see non-violence as an absolute or religiously based
principle.”

In his essay on “Buddha or Karl Marx”, he also tried to find out
Buddha’s practical attitude towards violence. “[Buddha] certainly would not
have exempted property owners from force if force was the only means for that
end”. But this kind of force was not necessary, he argues, first because
equality and abolition of private property was achieved in the Bhikku Sangha
through voluntary means, second, because morality and a welfare state could
ensure that private accumulation of wealth did not lead to impoverishment.

Thus, a long Buddhist parable in the essay describes how the rule of
‘righteousness’ rather than the ‘rule of law (force)’ is necessary to maintain the
prosperity of the kingdom. The role of the state (as symbolized by the righteous
king) seems to be two fold: one is the guarantee of property and protection to
all in the kingdom, and the second is direct action to remove poverty by
‘providing wealth to the destitute’. The second is crucial; in fact, it is the failure
to remove poverty, which leads (in the parable) to the downfall of the society.

116. Ibid.