

**DR. BR AMBEDKAR
AND HIS CONTRIBUTION TO THE SCIENCE OF ECONOMICS WITH REFERENCE
TO AGRICULTURAL AND INDUSTRIAL SECTORS IN INDIA.**



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ABSTRACT.

Dr. BR Ambedkar known to India and the world as the father of Indian Constitution had an illustrious life, illuminating academic credentials and political career in India. He is the undisputed posthumous political leader of the masses in India and his name reverberates in the political firmament of India like never before. This research article is an effort to understand the importance and relevance of his views in the fields of Indian agriculture and Industry. Dr. Ambedkar presented his ideas on land reforms and nationalization of both agricultural land and the industrial sector in India much before India became independent. Later when India became independent, his seminal views on land reforms were incorporated in the program of land reforms adopted after 1948. Similarly, his views on democratic socialism found resonance in the adoption of a socialistic pattern of society in India and the vesting of the commanding heights of the Indian economy to the public sector. Post independent India lacked in honesty to implement the program of land reforms and in consequence what we see is the increasing marginalization of land holdings and the impoverishment of the small and marginal farmers in India who continues to perform subsistence agriculture and hence these land holdings become unit of consumption rather than being unit of production which Dr. Ambedkar thought would happen with land reforms. While land reforms and democratic socialism has become passé since the downfall of the erstwhile Soviet Union, more so in the recent times, evidence of struggling capitalism in the rich capitalist west and its failure to redistribute national income and wealth in favor of the poor offers opportunities to both academics and political leaders to peek into history and once again read the rich literature on economics, society and polity penned by Dr. Ambedkar.

PROLOGUE.

Dr Bhim Rao Ambedkar known as the father of Indian Constitution was an Economist by education and profession in his early days. Dr. Ambedkar got his MA for his thesis on 'Ancient Indian Commerce' and MSc (London) for his thesis on 'The Evolution of Provincial Finance in British India'. He got his Doctoral degree in Science (D Sc) for his thesis on 'The Problem of the Rupee'. He was a Professor of Economics in Mumbai's Sydenham College in the early 1930s.

On December 5, 1956, he completed writing his book 'Buddha' the next morning his servant found him dead when he went in his room to serve him tea. His death came peacefully in his sleep. Dr Ambedkar was conferred posthumously the Bharat Ratna, the nation's highest civilian honor, on his 99th birth anniversary in 1990.

Ambedkar believed that the basic cause of India's backward economy was the retrograde land relations system in India. He said he would put an end to economic exploitation and social injustice. He wanted to abolish the Zamindari system which was the basic cause of agricultural backwardness and India. Although Dr. Ambedkar spent a great part of his life on the emancipation of Dalits or the outcastes or people without a caste in the Indian caste system in India in general and Maharashtra (then Bombay Province) in particular, he has made significant contribution to the field of economics. An effort is made to assess and examine the relevance of his contribution to the field of economics with reference to the agricultural and industrial sectors of India.

INDIAN AGRICULTURE & INDIAN INDUSTRY.

Ambedkar was mainly concerned with the land tenure system, fragmentation and subdivision of land holdings into uneconomic land holdings. He criticized the view that the economic holding of land was a unit of consumption. He wanted that the economic holding must be considered as a unit of production. Indian agriculture was not able to generate surplus and hence there was no capital formation taking place. Absence of capital formation resulted in the inefficient use of resources, surplus labor and superfluous employment (disguised unemployment) and low agricultural productivity. Thus, the process of overall economic growth gets adversely affected. Ambedkar was of the opinion that the process of consolidation of land holding could eradicate the adverse consequences of uneconomic holdings and help the development of the farmers in India. He was in favor of industrialization and described that how agriculture and industry were complimentary to each other. He considered industrialization as a force that will help consolidation of land holdings. Ambedkar believed in the nationalization of agricultural land so that the land system is abolished in its entirety and then land is let out to the cultivators or farmers for cultivation. With regard to agricultural land, he was trying to establish socialist ownership and capitalist production.

Let us look at the distribution of agricultural land in India during the period 1980-81 to 2015-16 (see Table 1).

Table - 1 Distribution of Agricultural Land Holdings in India						
Category	Size (Hectares)	% Share in Land Holdings			% share in Agricultural land in 2015-16	Average Size of land holding in 2015- 16
		1980- 81	1995- 96	2010- 11		
Marginal	< 1	56.4	61.6	67.1	68.45	24.03
Small	1 to 2	18.1	18.7	17.9	17.62	22.90
Medium	2 – 10	23.1	18.5	14.2	13.35	44.00
Large	> 10	2.4	1.2	0.8	0.57	09.08
Total		100.0	100.0	100.0	100.0	100

Source: Table 5.1 Agricultural Statistics of India At a Glance 2023 and Table 2, p611, Dutt and Sundaram, Indian Economy, 72nd Edition.

While there is no quantitative definition of an economic holding available in the literature on agricultural landholdings in India, medium land holdings above four hectares are considered economic holdings where modern means of cultivation can be employed. Table 1 clearly reveals that small and marginal land owners constitutes more than 80% of land holders in India whose average size of land holding is 0.89 hectares and clearly these holdings by classification are uneconomic in nature where no surplus can be generated. These farmers are also alternatively known as subsistence farmers and hence the classification of these holdings as units of consumption is not misplaced. The data also reveals that the number of marginal farmers in India over the period has only increased whereas in the rest of the cases, the numbers of small, medium and large farmers have declined over the period under reference indicating growing subdivision and fragmentation of agricultural land in favor of marginal holdings which has negative consequences in terms of agricultural productivity, production and immiserization of the rural people in India.

The question therefore remains that whether marginal and small land holdings can be converted into economic holdings based on income criterion rather than size of the land holding. Today, given the range of technology and techniques available in the field of agriculture, this may become possible but clearly in the age before independence this was not to be. Nonetheless, the idea of considering economic holding of land as a unit of production was welcome even in the days of Dr. Ambedkar given the fact that in even in the present times, medium land holdings in the range of 4 to 10 hectares are considered economic land holdings.

Dr. Ambedkar was right in saying that consolidation of land holdings was a solution to convert uneconomic land holdings into economic land holdings. Unfortunately, the effort at consolidation of land holdings have clearly failed given the growth of marginal farmers during the given time series. Similarly, the prescription that industrialization was complementary to agriculture and that the problem of uneconomic land holdings will be solved through industrial development and consequent consolidation of land holdings was right. However, we know that

the process of industrialization in India has practically failed given the dominance of the service sector in the GDP of India and the relatively small share of the industrial sector (see Table 2). The program of land reforms which was undertaken immediately after independence has also failed in achieving its objectives. As a result, problems of surplus labor, superfluous or disguised unemployment and low agricultural productivity as identified by Dr. Ambedkar continue to plague the agricultural sector in India to this day.

Table - 2 Gross Value Added at Basic Prices (Base Year 2011-12) In Current INR Crores 2024-25			
1.	2.	3.	4.
S.No.	Sector	GVA	% Share
1.	Agriculture, Livestock, Forestry and Fishing	5358291	17.94
2.	Industry	5517181	18.38
	a) Mining and Quarrying	540788	1.80
	b) Manufacturing	4169419	13.89
	c) Electricity, Gas, Water Supply and other Utility Services	806974	2.69
3.	Services	19119561	63.68
	a) Construction	2627009	8.75
	b) Trade, Hotel, Transport, Communication and Services related to Broadcasting	5257396	17.51
	c) Financial, Real Estate and Professional Services	6881866	22.92
	d) Public Administration, Defense and Other Services	4353290	1450
4.	GVA a Basic Prices	30022033	100.0

Note: Provisional Estimates.
Original Source: National Statistics Office.
Source: Table 3, p7, Handbook of Statistics of Indian Economy – 2024-25, RBI.
Column No.4 computed from Column No.3 by the author.

Manufacturing is the core of the industrial sector and its contribution to the GVA in the year 2024-25 was only 13.89% whereas industry total had a share of 18.38% which is almost equal to the share of the agricultural sector with a contribution of 17.94 per cent. Clearly the industrial sector failed to rescue the agricultural sector over the last eight decades since independence.

Let us now examine the prescription of nationalization of agricultural land and State Socialism which he saw as a panacea for lifting a backward economy like India along with her impoverished masses. Ambedkar believed that nationalization of agricultural land would lead to abolition of the then existing exploitative land relation system. Although, Independent India did

not adopt State Socialism but laid the foundation for developing a socialistic pattern of society. Accordingly, the commanding heights of the economy were to be vested in the hands of the public sector or the State sector. The words 'Socialist' and 'Secular' so much dear to Dr. Ambedkar were added to the preamble of his Constitution in the year 1976 under the 42nd Amendment Act under the leadership of Mrs. Indira Gandhi. His idea of nationalization of agricultural land took the form of the program of land reforms in India. Unfortunately, the program of land reforms was not honestly implemented and hence it did little to the land relations system in India albeit the exploitative land tenure system called Zamindari or Landlordism was abolished.

Later day history of the world reveals the demise of socialism with the dismemberment of the erstwhile Soviet Union in the year 1990, triumph of Capitalism and the adoption of free market economic policies around the world with India adopting the New Economic Policy in the year 1991 paving the way for handing over the commanding heights of the economy to the private sector. Thirty five years since the adoption of the new economic policy and in spite of the program of disinvestment, today both the public and private sectors are thriving in India. Both the Ambedkarite and the Nehruvian world view of socialism persists in the Indian economy and society even today with Ambedkar assuming unavoidable mention in the regular political discourse of India. At the height of right wing political authority, the political party in power since 2014 do not command the political strength and political will to delete the words 'Socialist and Secular' from the Constitution of India which was drafted by Dr Ambedkar and adopted by the government of free India on 26th November 1949 and put into force on 26th January 1950 when India became a Republic.

EPILOGUE.

Dr. BR Ambedkar passed away in the year 1956 and seven decades since then, his legacy has become more important than any other political figure of India belonging to the 20th century before and after India's independence. He has become the undisputed posthumous political leader of the masses in India who largely constitute more than 80% of India's population. No political party worth its salt would dare to ignore him in the everyday political and social discourse in India. His contribution to the field of economics, law, political economy, jurisprudence, religion and his successful efforts in the emancipation of the poor and backward people of India will always be read, reviewed and remembered for many more decades and even centuries to come.

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