

Babasaheb Ambedkar and the Neoliberal Economic Reforms

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When the International Monetary Fund and World Bank-dictated neoliberal policy package was adopted by the Narasimha Rao Government in July 1991, with a false projection to the people that those were homegrown economic reforms, albeit with a Thatcherite apologia that 'there was no alternative', many intellectuals, whether they understood economics or not, vied with each other in supporting it to get into the good books of the government. Economics has by and large been an outcaste in Dalit intellectual universe because it was identified with Communists (economism) with two weird syllogisms propa-gated by the vested interests. One, Communists were materialist; economics related with things material, so it was communist. Second, Ambedkar was against Communists. Dalits are followers of Ambedkar. So, Dalits should keep away from economics. (None of these statements are correct but they are bandied as self-sustaining truth.) They proudly claimed that our struggle is not for bread (alone), it is for dignity. As a result, there was no particular popular appeal among Dalits of discussion on economic policy. Still some ambitious elements from among them had thrust their neck out speaking in support of these anti-people policies. All of them are expectedly duly awarded by the government. I had taken them as an act of opportunism and dealt with as such. But later, these things began coming in a more virulent form, like the campaign for Dalit Capitalism, or Dalit Chamber of Commerce, or mutating Ambedkar as the free-market economist, with due institutional support from abroad like the Misses Institute, the source institution of the neoliberal virus.

Recently an ignoramus feigning to have discovered a profound aspect of Dr Ambedkar presented a paper titled "Ambedkar—The Forgotten Free-Market Economist" [<http://blog.mises.org/16519/ambedkar-the-forgotten-free-market-economist/>] at the Ludwig von Misses Institute. Unfortunately, Dalits, who exhibit their bhakti towards Ambedkar such as by insisting that he should be referred to only as "Dr Babasaheb Ambedkar" each and every time, would not understand that calling him a free-market economist is the worst abuse that can be hurled at him. Rather, it is beyond abuse, and is an attempt at character assassination. Indeed, it is a pity that despite a plethora of writings on Ambedkar, the Dalits have not understood even what he stood for. Framed in this contemporary context, this article will strive to explicate the salient aspects of Ambedkar's thoughts in relation to the current neoliberal paradigm.

Understanding Free Market

MARKET is where things are exchanged with the help of money, the medium of exchange. Obviously, market valorises the customer and in proportion of his purchasing power, that is, the amount of money he has in his pockets. Markets have been around from antiquity as a mechanism for facilitating exchange of goods and services among people in order to satisfy their needs because of the fact that all that is needed for living cannot be produced by any man or family. The villagers produced vegetables but would not have oil or salt necessary

for cooking them and therefore went to a haat (village market) to exchange his excess vegetables against oil and salt. Initially he simply bartered but later money played the role of a facilitator. The advent of money not only facilitated the transaction but also accumulation. One could not amass grains or salts because they needed storage and suffered depreciation but money could be stored without limits and instead of suffering depreciation, it appreciated. More perniciously, it facilitated what is known as the free market, the free play of the purchasing power of people.

Free market basically assumes that seller and buyer in the market are all equal, endowed with equal amount of information and therefore the exchange between them takes place purely on the basis of the perceived value of the thing exchanged. Now in a real world, arguably created by the elements of the free market itself (that allowed accumulation by some beyond their needs and thereby exercise power over others, both money as well as informational) this assumption becomes quite problematic. With the given inequality of the people in the marketplace the free market becomes a mechanism of exploitation. A single or a few sellers coming together and dictating the price of goods or services is commonly known as monopoly and oligopoly, respectively. The markets are flaunted by free marketeers as the most efficient means to allocate resources through the price mechanism that balances out demand and supply. But the demand and supply could be both manipulated by the powerful and the entire mechanism could be used as a means not of allocating resources but of accumulation. Of course, there are many situations known to economics as market failures, which can be viewed as scenarios where the individual's pursuit of pure self-interest leads to results that are not efficient—that can be improved upon from the societal point of view. The people who extend the concept of the market as a simple mechanism to exchange things to the free market, which could be said to be their ideological obsession, are thus either committing a conceptual error or making a deliberate mischief.

Misreading "The Problem of Rupee"

THE sole source of Ambedkar's characterisation as a monetarist or free-market or neoliberal economist is the misreading, or, shall we say, mischievous reading, of his D.Sc thesis—The Problem of Rupee. Here Ambedkar presents his analysis of the contemporary problem of currency standards, namely, gold standard versus gold exchange standard. He forcefully makes a case for the former (gold standard), going against the mainstream economists' opinions, including that of John Maynard Keynes. Ambedkar basically makes the case for the stability of currency in the gold standard and marshalls arguments that unstable currency could lead to unbridled inflation because of the fiscal profligacy of the government, which disproportionately burdens the lower strata of the society through consequential price rise. This is the central point of the thesis. There are stray observations in the thesis against the wastefulness of the public servant vis-à-vis the private agent or such statements as market mechanism for value determination. The central thesis being rooted in the then situational context, it is really no place to seek his ideological proclivities towards or against socialism. To do so is utterly foolish.

If one looks beyond to the kind of influences the young Ambedkar carried, we get rather a better picture. In Columbia, some of his teachers were American Fabians. John Dewey, who

had left a particularly deep impression on young Ambedkar, was a famous American Fabian. Prof Dewey particularly endeared Ambedkar because of his anxiety to help the downtrodden, to do away with oppression in America and elsewhere, and to propose the instrumentality of education in their emancipation. The influence of Dewey on Ambedkar was so deep that as late as in June 1952, in a letter written to his wife Mrs Savita Ambedkar from America, where the honorary degree LL.D. was conferred upon him by the Columbia University for drafting the Constitution of India, he acknowledged it saying: "I owe my whole intellectual life to Prof John Dewey." He variously acknowledged this intellectual debt to Dewey in his later life.

Fabianism, born in 1884 along with the foundation of the Fabian Society, a British socialist movement whose purpose was to advance the principles of democratic socialism via gradualist and reformist, rather than revolutionary, means, had attracted many liberal thinkers beyond England. Fabians as such were the quintessential socialists but did not subscribe to the revolutionary theories of Marxism. Instead, they believed that socialism could be brought about in an evolutionary manner. The London School of Economics, in which Ambedkar studied and wrote "The Problem of Rupee", his thesis for his D.Sc. degree, was founded by the Fabian Society and was acknowledged as the fortress of Fabianism. The key figures of the Fabian society like Bernard Shaw, Sydney and Beatrice Webb were among the founders of the LSE and they were the faculty in the LSE. Therefore, the intellectual context in which Ambedkar carried out his research was also socialist. The slogan "Educate, Agitate, Organise", that he chose as the motto of the Bahishkrit Bharat and later gave to his disciples as his mantra, was actually a famous Fabian slogan. It bespeaks poor of the quality of research on Ambedkar that this important aspect of his ideology still remains largely submerged. If one objectively looks at his entire life, one would see the Fabian influence informing much of his ideological position.

To read in his thesis monetarism—that was formally born in 1960, nearly four decades later and after he had left the world—is simply preposterous. It is true that before the advent of Keynesianism, the economists belonged to the classical school that believed in the self-adjusting market mechanism and saw no role for the government, either in terms of monetary or fiscal policy. There should be little doubt that all economists, including Ambedkar, operated in this larger context of classical economics prior to the 1930s. In order to respond to the great depression of the 1930s, Keynes came out with theories that proposed an important role to the government through fiscal policy to create aggregate demand in the economy. Keynesianism saved capitalism from its imminent collapse and became a default economic creed for the post-war world. It not only saved capitalism but also gave it its 'golden era'. But when capitalism began to face another bout of crises in the 1960s, the monetarist counterrevolution took place against the ruling Keynesianism, led by Milton Friedman, an economist from the Chicago School, arguing against the fiscal policy and proposing instead monetary policy as an instrument for altering the output and employment levels in the economy. It mainly modified some aspects of the classical theory to provide the rationale for his non-interventionist policy recommendation in favour of free market. It should be noted that the belief in the self-adjusting market of classical economics is not the same as the monetarist position of the free market. It is simply mischievous to see Ambedkar as a proponent of the free-market economy and particularly against socialism.

A Socialist to the Core

I think anybody who claims to know Babasaheb Ambedkar even superfluously is familiar with his statement:

“My social philosophy may be said to be enshrined in three words: liberty, equality and fraternity. My philosophy has roots in religion and not in political science. I have derived them from the teachings of my master, the Buddha.”

Indeed, these three words constituted his vision for the human destiny and the biggest rationale for his conversion to Buddhism. What could they mean? The world knows that these words constituted an inspiration, a veritable slogan of the French Revolution and also that they are nowhere to be found in Buddhism, where Ambedkar claimed to have taken them from. The import of his claim lies in the fact that in the French Revolution they remained mere slogans for the bourgeoisie but in Buddhism they are found with their spirit and full content. He envisioned human society to reflect them in full measure as Buddha did. It could be imagined only as an ideal, a utopia. Marx imagined the ultimate destiny of humans in the form of communism, where the most familiar contra-dictions would have been overcome and humans will contribute as per their capacity and get what they need. Do these visions not coincide? If so, socialism, as the Marxian historical materialism guides us, is the penultimate stage to communism. Ambedkar's ideological position may have to be reckoned as beyond socialism quite like Marx's.

There are some who capitalise on his contention with Communists and communism paint him as anti-Marxist and anti-everything that Marx stood for. In doing so, they do not hesitate pushing him into the enemy camp. To say that he was pro-capitalist, pro-globalisation, and pro-free-market system is equivalent of doing so. As explained, Ambedkar was influenced by his Professors at Columbia and the London School of Economics at the impressionable age; while wanting socialism, he had reservations with the Marxian prescription of revolution. While Ambedkar reflected a similar attitude towards Marxism, he regarded it as the benchmark, a veritable measure to assess the superiority of his methods. Whether one agrees with this observation or not, there is absolutely no space for doubt that he was a socialist. Not in ideological orientation alone but also in practice he had openly pursued socialist objectives all through his life. His first political party, the Independent Labour Party, was fashioned on the lines of the Labour Party in England, which was again a Fabian political outfit. Even before that he famously identified two enemies of the Untouchables: Brahmanism and Capitalism. In fact, at the symbolic level, the class characterisation of our society by the radical Left, as “semi-feudal, semi-colonial”, could echo this declaration. The ILP, as a matter of fact, was admittedly a workers' party, which had adopted a red flag, inspired by the socialist objective. It was the ILP which demonstrated on roads how caste and class could be collapsed into a struggle.

Despite its success, he had to abandon the overtly Left politics of the ILP mainly because politics was taking a purely communal turn. The Cripps Mission report, published in February 1942, which, while conceding most demands of other minorities, had totally ignored the interests of the Untouchables as they had remained unre-presented, became the direct trigger. It compelled him to rethink his strategy, dissolve the ILP and found the

seemingly caste-based party, the Scheduled Caste Federation in June 1942. It coincided with his inclusion in the Viceroy's Executive Council. Although striving to emancipate the Untouchables in the contemporary communally charged politics, it should be remembered that he penned a remarkable document, meant to be the memorandum to the Constituent Assembly on behalf of the SCF. This document, later published as "States and Minorities", by his own definition proposed state socialism in post-colonial India.

One of the arguments in support of how Ambedkar was against socialism, the pseudo-scholar, who abused Ambedkar as the free-market economist, proffered was that he was against the inclusion of the word 'socialism' in the Constitution. He ought to have firstly understood that the Constitution is not a book authored by him; it was a document representing the consensus of the Constituent Assembly. It was his job to bring about that consensus. All his arguments in the Constituent Assembly should be read within this role boundary. With regard to the inclusion of socialism in the Constitution, there is fortunately a direct statement from him, which distinctly dispels such doubts:

"What should be the policy of the State, how the Society should be organised in its social and economic side are matters, which must be decided by the people themselves according to time and circumstances. It cannot be laid down in the Constitution itself, because that is destroying democracy altogether. If you state in the Constitution that the social organisation of the State shall take a particular form, you are, in my judgement, taking away the liberty of the people to decide what should be the social organisation in which they wish to live. It is perfectly possible today for the majority people to hold that the Socialist organisation of society is better than the Capitalist organisation of society. But it would be perfectly possible for thinking people to devise some other form of social organisation which might be better than the socialist organisation of today or of tomorrow. I do not see therefore why the Constitution should tie down the people to live in a particular form and not leave it to the people themselves to decide it for themselves." [Dr Babasaheb Ambedkar, Writings and Speeches, Vol. 13, p. 326]

After explaining why he was not in favour of inclusion of the word socialism, he himself explained that in other ways the Constitution has already embodied the socialist principles: "...apart from the Fundamental Rights, which we have embodied in the Constitution, we have also introduced other sections, which deal with directive principles of State policy. If my Honourable friend were to read the Articles contained in Part IV, he will find that both the Legislature as well as the Executive have been placed by this Constitution under certain definite obligations as to the form of their policy. Now, to read only Article 31, which deals with this matter:

"It says: 'The State shall, in particular, direct its policy towards securing—

- i) That the citizens, men and women equally, have the right to an adequate means of livelihood;
- ii) That the ownership and control of the material resources of the community are so distributed as best to sub serve the common good;

iii) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

iv) That there is equal pay for equal work for both men and women;.....’ “There are some other items more or less in the same strain. What I would like to ask Professor Shah is this: If these directive principles to which I have drawn attention are not socialistic in their direction and in their content, I fail to understand what more socialism can be.

“Therefore my submission is that the socialist principles are already embodied in our Constitution and it is unnecessary to accept this amendment.” [Ibid., pp. 326-327]

In his one of the very last public addresses at Kathmandu, he had compared Buddhism with Marxism. It reveals that he had regarded Marxism as just the second best to his choice. In this comparison, he clearly states that while the goal of both was the same, the Buddha’s prescriptions were superior to those of Marx, in terms of non-violence and democracy. The goal was to bring about equitable society sans oppression and exploitation which was only possible in a socialist society. Rather both, Marx as well as Ambedkar went beyond and sought a utopia beyond socialism. In any case, such a state of society was inherently impossible in capitalism which is premised on the accumulation drive, the unbridled greed of a man. Capitalism or its contemporary extremist version in neoliberalism, advocating the free-market economy, does not have any pretension to social justice. Rather it justifies injustice saying that people occupy various positions in societal hierarchy purely in accordance with their capabilities or that inequality is desirable because it acts as the prime mover of progress. Nothing can be more preposterous than saying that Ambedkar supported such inequality-justifying systems such as capitalism or neoliberal globalisation. Even the argument that capitalism being more progressive than caste-feudalism, that it basically freed labour from the feudal bondage, which had impelled Marx to predict that advent of capitalism in India will destroy the caste system, would not hold because Ambedkar saw capitalism and Brahmanism not only coexisting but also cohabiting, mutually complementing. Ambedkar explicitly said more than once that he was a socialist. If someone feigns ignorance of this he should not be speaking about Ambedkar.

Ambedkar and Globalisation

AT the outset, to speak about Ambedkar in relation to globalisation, which represents a paradigmatic transformation of global capitalism into its extremist version, is fundamentally speculative. But there are enough fools who rush in where angels fear to tread. Since they cannot rationally justify their support to globalisation, they have been awkwardly invoking Ambedkar, speculating that if he had lived, he would have supported globalisation. In any case, there being so little knowledge about economic policies, the gullible listeners tend to believe these tricksters, who pretend intellectual prowess and already enjoy some social reputation. It is futile to engage with them at such a speculative level. However, if we understand what globalisation is, we can objectively assess where Ambedkar would stand vis-à-vis globalisation.

Globalisation is an extremist version of resurgent liberalism in retaliation to its century-long marginalisation by the communist challenge and Keynesianism. It is basically premised on

extreme individualism, competition as the prime mover of progress, and the free market as its prototype. Pitching every individual thus in competition with the rest of the world, it follows the social Darwinist justification for inequality, exploitation, and social injustice. While it is thus biased in favour of the rich and powerful in relation to the poor masses, in its ruthless logic it favours the winner and discards the losers. Therefore, in its proclivities it is absolutely unsustainable. Translated into an economic policy package, it is familiarly known as privatisation, deregulation, liberalisation without any concern for the weak and poor. It has been a veritable strategy of global capital enabled by the information and communication technologies and emboldened by the collapse of the erstwhile Soviet regime. It manifests itself in the form of the process of accumulation by dispossession, unmindful of the consequences to the survival of the human race itself. People are being denuded of their meagre possession all over the world, bringing everything into the market net. While the state is being used to facilitate these processes of accumulation of global capital, it is being withdrawn as the provider of the social goods such as education, health care, etc. to the people.

If this is the character of globalisation, would Ambedkar, whose vision was to see human destiny in the ideals of liberty, equality and fraternity, support it? If anything can be conceived as ideologically opposite to Ambedkar, it would rather be globalisation.

Globalisation and Dalits

PERHAPS Dalits, who are fed on the identitarian diet, would not be impressed by the picture of devastation globalisation created the world over. For instance, there is no dispute that inequalities have risen with unprecedented rates everywhere in almost direct proportion to the degree of free-market policies the countries followed. Loss of jobs, democratic spaces, habitat, environment and social security for vast masses of people are rampantly observed everywhere. But identity-obsessed Dalits would not relate with it. They will still argue that they are a different people faced with the unique problem of caste and all the heaps of contra-evidence do not mean any-thing to them. Although it is most unfortunate that Dalits should be so sectarian in their attitude, one is impelled by these arguments to focus on the specifics of the problems Dalits faced.

With the heuristic that the adverse impact of globalisation is felt by people in inverse proportion to their placement in the social hierarchy, it would not be difficult to see that Dalits are the most affected people. But such things also may not appeal to Dalits. In order to assess its impact therefore, we could consider a comprehensive framework, what I would call a project of their emancipation. This project can be conceived in terms of four empowerments: 1. individual empowerment, 2. socio-economic empowerment, 3. socio-political empowerment, and 4. socio-cultural empowerment. If these four empowerments are accomplished, one would reasonably say that the emancipation of Dalits is achieved. We identify the salient proxy variables mapping each of these four empowerments: education and health for individual empowerment, land reforms and jobs for socio-economic empowerment, democratisation for socio-political empowerment, and modernity for socio-cultural empowerment. Now we can meaningfully assess the impact of globalisation on each of these proxy variables in a systematic and somewhat scientific manner.

The greatest impact on the people comes through the withdrawal of the state from its obligation towards the people and privatisation of what was public. Education, marked as the greatest enabler, is getting increasingly out of the reach of Dalits. One sees rampant commercialisation of the sector with multilayered quality catering to different segments of the education market. It quite corresponds with the caste hierarchies that existed in olden times. Health services were already one of the most privatised sectors in the country; now they have almost disappeared from the public domain. As regards land reforms, the entire discourse has vanished and is rather replaced by corporate land grab in the garb of development. It has verily manifested into significant land loss and increasing landlessness of Dalits in villages. Jobs are fast disappearing. The public sector jobs, which were accessible to Dalits, have been fast decreasing since 1997, effectively marking the end of reservation there. As regards democracy, it has only remained in its symbolic façade of elections, offering little real choice to the people. Outside elections, there is no space for the people to express their opinion or dissent. The slightest indication of dissent invites a Naxal or Maoist tag which is being stuck on the Dalit youth with impunity to destroy their life. The last one, modernity, which means transcending the decadent traditions and customs whatever their source may be, and adopting the scientific outlook, could be complex in explanation because of the dominant discourse that associates cultural universalisation in globalisation. That has not been true however. The true processes can be characterised by hybridisation; globalisation and such likes, which means that globalisation rather assimilates what is valued by the elite in their locale with the dominant global cultural resources. As such, all the old traditions and customs of Hindus including castes, which were apologetically spoken about until the 1980s, have resurged with a vengeance. The neoliberal generation now speaks about them with pride. If caste atrocities are taken as the indicator of casteism (and I would take it as the best indicator), one will have to infer that casteism is on definite rise during the period of globalisation.

Thus, we can see that globalisation has damaged comprehensively what could be called the emancipation project of Dalits. There will certainly be stray Dalit individuals who have immensely benefited from it. Globalisation is structurally oriented to benefit stray elements, creating an impression that individuals can achieve anything if they possess the wherewithal to compete. The campaigners of Dalit capitalism, Dalit bourgeoisie, or Dalit Chambers of Commerce and other such things do not have a simple understanding of the size of the problem; leave apart the principle that adopting the enemy ideology is simply suicidal.

Conclusion

BABASAHEB AMBEDKAR occupies an important space in the Dalit psyche. He represents their ideal, ideology and supreme. Nothing that is not compatible with him could be considered by Dalits. But this assessment is mediated by the vested interests in various garbs. They have already iconised him in reactionary ways among the masses. The assessment of anything then tends to take place with reference to this icon. It follows that if it is not attuned to this icon, it is summarily rejected and vice versa, even in the face of contrary experience of the masses. Globalisation is one such phenomenon that has been around for nearly two decades and a majority of Dalits have actually suffered its ill-effects. But still they do not reflect summary abhorrence for it simply because it is shown to be something supportable by the Ambedkar icon. Dalits need to primarily understand this fact

and extricate the real radical Ambedkar as their guide and beacon. The radical Ambedkar is surely the socialist Ambedkar, who was in relentless search of truth, of the way which will lead the world to sustainability and humans to their utopia marked by him with three ideals, liberty, equality and fraternity. Even if this is squarely internalised by Dalits, they would have extricated him from the reactionary marsh created by the vested interests.

Globalisation has been the euphemistic term for the imperialist strategy of global capital. In essence it is capitalism, but an extremist version of it, which disregards its own sustainability in pursuit of unbridled profits. Capitalism had internalised the limits of exploitation of surplus value from labour insofar as the latter needed to be provided with the wherewithal for reproduction and also the purchasing power to buy his finished products. Globalisation, intoxicated with technology, completely undermined labour and has been out to discard it or dispossess it of whatever little it had. It basically desires extermination of the majority of people, the rejects of the market, that parasitically consume the planet's resources. There is no intellect required to assess that such a creed or a system would be an anathema to Babasaheb Ambedkar.

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