

Economic Ideas of Dr. Ram Manohar Lohia - A Review

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Ram Manohar Lohia was one of our very few indigenous thinkers who tried to apply the contemporary discourses to understand and obtain solutions for typical Indian circumstances. Though he studied and worked for PhD in political economy in Germany under one of the most famous economic historians Sombart, he was not blind to our distinctive social institutions that inhibited socio-economic progress, despite modernization introduced by the aliens. Though he was junior to Dr. Ambedkar who studied in the West, Lohia was very close to him in the intellectual journey and the destiny of the country could have been distinct had they met in 1956 as planned before the demise of Ambedkar? Professional economists and scholars however did not pay much attention to the academic or polemical writings on Economics of both the leaders. They were considered as leaders or thinkers in general but not as experts in the political economy of India. There has been some change in the outlook of few scholars who are trying to reflect on the economic writings of Dr. Ambedkar after his centenary year in 1991 and in 2010 the year of Lohia centenary.

A group of scholars and teachers mostly from Bihar have brought out a volume on, “The Economic Ideas of Dr Ram Manohar Lohia” under the editorship of A.K. Thakur and S.N Pandey. The book is an attempt to highlight the economic writings and speeches of Lohia that have contemporary relevance and has brought to life the statement of Lohia ‘people may not heed to my utterances now but definitely listen to me after my death’. There are 16 papers in the volume with different levels of quality and depth. However, all the papers put together would project a comprehensive vision of the economic ideas of Lohia.

The papers are related to his ideas on Globalization or Westernization, Agricultural development, Industrialization, Socialist ideologues, Economic development of India, Non-Marxist approaches to Socialism, Intermediate technology, poverty, Economic philosophy of Gandhiji etc.

The basic philosophy of Lohia like that of Gandhiji was to promote simple living by reducing wasteful expenditure and produce enough for everyone to endure a comfortable living. This is possible through socialization of industry and production with a ceiling on the incomes of people. He was of the opinion that the income range of rich and poor should not exceed 1:10 i.e. if an ordinary man gets Rs 100, the rich should not be allowed to get more than Rs 1000. In case it is not possible in the given conditions, better socialize property.

Lohia like several of his contemporaries who subscribed to socialism studied Marxism very seriously and his major criticism as some contemporary commentators claim, is about the assumptions of Marx that were purely European where he lived and worked. Like that of Max Muller his country man, Marx never visited India and therefore, Lohia contended that some of his ideas are not relevant to India or need modifications. Lohia was critical about his ideas on Imperialism and said that there are two kinds of circuits of imperialism, one the internal circuit of European exploitation and the other external exploitation of labor of the World. Asia, Lohia said was reduced to half horse and half man. The situation in Russia was similar to that of Europe and pointed out that no revolution took place in Asia that was ripe as per Marxist theory of exploitation and only European nations were liberated or involved in communist revolution that might not last long. The forces of production in Asia were less developed and productivity was low compared to Europe and this should have been given primacy in the theories of Marx that was missing, leading to several problems in communism.

The concepts of Surplus value, use value and exchange value are interpreted by Lohia differently, saying that surplus value is a historical phenomenon experienced by all colonial countries. Lohia was trying to bring in here the experience of India where the British colonialism was extracting surplus from the natives and therefore, revolution should have been originated in India and other colonies rather than in Europe making Marxian prediction lopsided. Thus, Lohia was reading too much in Marx while it was Lenin who developed the theory of Imperialism later in the early part of 20th century. This shows the desire of Lohia that India should have been liberated not only from the British but also from the system of exploitation that the British introduced in India. Lohia said that Marx was insisting on the forces of

production that relate to exploitation and wanted the replacement of such forces. But, according to Lohia the communist countries relied on the same forces of production that helped capitalism to grow. Then how it is possible questioned Lohia, to do away with capitalism. Therefore, he has propounded his famous concept of 'intermediate technology' in the independent nations to provide necessary economic development with limited exploitation of labor and natural resources through socialization. As a Gandhian, he supported the Khadi Gramudhyog in the village economy.

Lohia's views on Agricultural development are relevant even today. Though some of his contemporaries like Ashok Mehta and others expressed views on agriculture, Lohia was forthright in demanding abolition of Zaminadari system and distribution of land to the tiller. Like the communists, he wanted the land to be placed in the hands of the tiller and not in the hands of absentee land lords. He wanted that the personality of the farmers should be enhanced and agricultural wages be increased. No share cropper is to be eased out and the legal share of the sharecropper be fixed at 2/3 of the produce and abolition of rent on non-economic holdings. He wanted three important measures in agriculture. He wanted: 1. Essential manufactured commodity prices should under no circumstances be more than one and half times that of its cost of production. 2. Prices of food grains should not exceed 16 per cent between two harvests, and 3. Parity between agricultural prices and industrial prices need to be maintained to give equal importance and status to the farmer. He has given the programme of action in transforming the feudal economy into socialist in his 1965 Lok Sabha speech as follows. A) A uniform primary school for all children irrespective of the background of the child. b) there should be only one class, third class in railway compartments, c) No one should be allowed to spend more than Rs 1000 per month (at 1965 prices) d) English language should be abolished (he wanted it only as link language) e)all agricultural land should get irrigation water without any tax or cess. He thought that this would bring Socialism. He wanted an agricultural prices commission to judge the remunerative prices with parity , was later appointed by the government, that takes care of MSP now and not to maintain parity with industrial prices as desired by Lohia. He supported cooperative farming and village communes like what Mao implemented in China. There should be "Food Army" in the villages and the purpose of the

activist group is to improve food production by bringing waste land under cultivation, developing small irrigation net works, cooperative farming etc. He wanted that village and cottage industries are to be promoted to provide income to the farmers and agricultural workers during leisure time and wished that something like a village commune to be developed.

Lohia was one of the few statesmen who wanted that public sector be encouraged to strengthen the Indian economy and to reduce inequalities in society. Jawaharlal Nehru and Ambedkar were equally committed to the commanding heights of public sector in the Indian economy. It is in this context Lohia supported the nationalization of banks along with the abolition of the Managing Agency system that promoted crony capitalism and concentration of wealth. However, he wanted a separate agency like a corporation to manage the nationalized banks. He was concerned about the efficiency in the public sector units and proposed the following criteria to evaluate their performance.

1. Public enterprises should be more subservient to and conducive for the process of industrialization. They need to make surpluses to invest for the process of industrialization.
2. Distribution in the form of wages and dividends should help enhance the principles of equality and socialism.
3. The relationship of the management and the labour in the enterprises should be based on democratic principles.
4. Public enterprises are supposed to serve the interests of the public through reasonable and affordable prices of its products.
5. The management of the units must be entrusted to efficient and transparent managers who care for the people and the nation.

Lohia opined that “industrialization is impossible so long as there is no ceiling either on consumption or on income or on expenditure. If a question is asked from me regarding the nationalization, I would have preferred nationalization as soon as possible provided government machinery is competent and conscious of the duties entrusted to it. But at present I am of the opinion that there should be ceiling on personal consumption, big industries should be nationalized positively and restrictions and controls be lifted from small industries”.

Lohia firmly believed in decentralization and his slogan of charkambha or four pillars of village, district, state and centre to be involved in all decision making bodies is well taken by his followers. His Sapta kranti programme is well-known and is considered to be radical for the circumstances, as he was one of the very few leaders who considered the caste system was playing an important role in Indian politics and economic opportunities. He realized that opportunities to lower castes were not available as per the proportion of the population of each group and introduced reservations in the party to conquer it. He was advocating for the equality of opportunity, reduction in income inequalities, reduction of poverty (his famous speech in Parliament about Nehru and Poverty) and democratic participation of people in the process of development. He was critical about the centralized planning of Nehru.

Lohia's publication, 'Marx, Gandhi, Socialism' along with his other works have elucidated his profound understanding about the problems of Indian economy and the solutions offered by him are found to be socialistic in nature based on Indian characteristics . That is why one can simply refute that he was a social democrat, but was a strong votary of democratic socialism where the means of production is under the control of a state. Therefore all his analytical writings in Economics are directly or indirectly touch upon the principles of democratic socialism with freedom and choice, as against a totalitarian state where he alleged freedom was curtailed.

The book under review is definitely a welcome addition to the limited literature on the economic ideas of Lohia. But, there seem to be still dearth of serious reflection on the economic theories advocated by him by bringing Marx and Gandhi together in offering solutions of his own to a country like India. Did he succeed or failed need to be assessed in the present position of India? Let us hope that someone would definitely echo his thought in future in the context of changing economic scenarios both in the capitalist world and in the socialist block.