



Economic Ideology Of Dr. B. R. Ambedkar

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Abstract

Bharat Ratan Dr. Bheem Rao Ambedkar, popularly known as Babasaheb, was a dynamic person. He is always remembered as father of Constitution and social reformer but what is lesser-known about him is his expertise in Economics. He had a doctorate degree in Economics from London School of Economics. As an economist, Ambedkar was not beholden to a particular school of thought or -ism. Ambedkar's important economic ideas included advocating for a gold standard, decentralizing government finance to each level of government to raise its own expenses and consolidating land holdings in agriculture to achieve economies of scale. Ambedkar's ideas on India's agricultural economy remain relevant today. Professor Amartya Sen, 6th Indian Nobel Laureate said "Ambedkar is my father in Economics His contribution in the field of economics is marvelous and will be remembered forever . . ."

Keywords

Indian Economy, Dr. B. R. Ambedkar, Economic Thought, Indian Rupee, Economic Policy.

Introduction

Bharat Ratna Dr. Babasaheb Ambedkar was a dynamic person who had the ability to think beyond a common literature. He was born on 14 April 1891 in Madhya Pradesh. Dr. Ambedkar was the first educated Scholar within untouchable community of India who had done his PhD from Columbia University (USA) & undertook his D.Sc degree from London School of Economics. Dr. Ambedkar is the first Ph.D. holder in the Economics subject and first person to earn a twofold doctorate qualification in South Asia in a similar field. He was an expert economist intending to the monetary issues of the Indian Economy and overseeing financial issues of the nation during the time of 1923 – 1956. He was one of the best-educated economists of his generation in India.

Babasaheb Ambedkar is known as the Messiah of the Depressed Classes in India because of his pivotal work for the upliftment of the section of the society. In his opinion, division of society on the basis of caste system would hinder the overall development of our society and economy. He believed in individual freedom. During his lifetime he was conferred with various responsibilities like he became the first law minister of Independent India, he was the chairperson of the drafting committee on Indian constitution; he published various books and research papers. He had image of a great socio-political reformer but his contribution as an economist is often neglected. Before Dr. Ambedkar became a political leader, he was trained as an economist until 1921 and was a professional economist. He published three important books on Indian economy - (1) Administration and Finance of the East India Company; (2) The Evolution of Provincial Finance in British India and (3) The Problem of the Rupee: Its origin and its solution.

After the end of the Second World War, India faced many difficulties related to business, agriculture, needs etc. Dr. Ambedkar's strategy helped to recover from that unfortunate and his strategy was instrumental in creating enterprises, improving agriculture and building the economy of India.

He advocated liberalization, privatization and globalization whose importance was recognized later by the government and implemented these technique in 1991 by the government.

Research Methodology

Research is done by using historical empirical method. For content collection, various books written by Dr. B.R. Ambedkar and his speeches, articles and books written on him are referred. Data is also collected from Dr. B.R. Ambedkar writings and speeches published by govt. of India. Objective of the study is to explore the economic thoughts of Dr. B. R. Ambedkar which are neglected by fellow scholars. Objective of the present paper is to study the economic vision of Dr. B.R. Ambedkar and relevance of his thoughts in present scenario.

Economic Vision of Dr. B. R. Ambedkar:

1. Dr. Ambedkar as an Economist presented the guidelines for establishment of RBI in 1935. His book, 'The Problem of Rupee: Its Origin and Solution' was the maiden attempt to record the entire history of the Indian rupee. The book was his first ever well researched book that argued and proved how British policies were making Indians poor.
2. Dr. Ambedkar also advocated demonetization every 10 years. He believed, "If any country has to eliminate black money and fake currency, then after every 10 years the country's currency should be demonetized." As per the reports of the Indian Express, "Dr. Bhimrao Ramji Ambedkar was among the first political leaders and unsung economists of the country who had recommended that the Indian currency should be changed every 10 years to tackle the problems of hoarding to black money to inflation. But, he had underlined the need for adopting a flawless methodology to ensure the currency change serves the real objective to nab those dodging the system and help the common man." And same was followed by our govt. in November 8, 2016.
3. His role in ending the Khoti system is pivotal. In one of his speeches at Chiplun, Ratnagiri, Dr. Ambedkar said, "I had now come to believe that the purpose of my life was to struggle for the welfare of the downtrodden. I came from a poor family and had lived among the poor in an Improvement Trust Chawl in Bombay. I know your grievances." Dr. Ambedkar continued, "The Khoti system is sucking your blood. This system of land tenure must be abolished. Its abolition will bring you peace and progress. In order to achieve your goal you must keep the agitation going on. India is likely to attain full control of its destinies in the coming four or five years. At that time you must take particular care to send to the Legislatures the right type of men as your representatives who would devoutly struggle for the abolition of this Khoti system."
4. Dr. Ambedkar deserves to be recognised as the pioneer of labour rights in India. Being the member for labour in the Viceroy's council, between 1942 to 1946, he was suggested several labour reforms. One of his biggest step is that he changed the working hours from 12 hours to 8 hours, during the 7th session of Indian Labour Conference, New Delhi, November 1942. Dr. Ambedkar also introduced some other measures for workers such as dearness allowance, employment insurance, leave benefit, medical leave, equal pay for equal work, minimum wages and periodic revision of scale of pay. He played a significant role for establishing 'Employment Exchanges' and strengthening trade unions across India. He said "I want all people to be Indians first, Indian last and nothing else but Indians."
5. Ambedkar's view on public expenditure: Government finances its expenditure through the collection of tax. The revenue which is collected from the public must be spend according to the rules and regulations. People who pay taxes have the view that money must be used in the betterment of their society and country as a whole. But public investment project has long gestation period. So, government must fulfill the expectation and faith of general public that they have on them. They should utilize these revenues in construction of roads, providing medical facilities, maintaining law and order and also provide them public goods. According to Ambedkar it is very important that public spending must go in a planned and systematic way. He emphasized on optimally utilizing the public funds for their welfare.
6. Ambedkar in his paper "Small holdings in India and remedies (1918)" he suggested some remedial measures they are as follows: 1) Industrialization that will absorb the surplus labour (disguised unemployment) 2) State owned co-operative farming that will ensure the productivity of land and will also reduce the cost of

production. The same model was presented by Nobel laureate, Arthur Lewis in 1950 which involves transfer of surplus labour whose marginal productivity is zero to capitalist sector which will absorb them. But baba saheb has given this idea long before Lewis in the year 1918.

7. Ambedkar's view on Indian currency: Dr. B.R. Ambedkar published his book "problem of rupee: its origin and its solution (1923)". This book analyses the problem of Indian currency at the time when there was clash between British colonial government and Indian business interests. He presented this book at his doctoral thesis in London. Under this book he argued for the stability in exchange rate and prices. During that time britishers had overvalued the currency so that they can sell their goods in Indian market and earn a lot of money. This situation created the problem of inflation in Indian economy. That's why Ambedkar came with the idea of price stability instead of exchange rate stability. His idea also lead to setting up of reserve bank of India. His views and ideologies are so insightful that everyone especially today's world economist must go through his work.
8. Ambedkar argued in favour of a gold standard as opposed to the suggestion by J. M. Keynes that India should embrace a gold exchange standard.
9. Ambedkar studied in great depth the works of Karl Marx. He considered him as the father of modern socialism or communism. Karl Marx believed in labour theory of value as the economic basis of class struggle under capitalism and on the basis of his theory of surplus value, he builds the superstructure of his analysis of economic development. Ambedkar didn't favour capitalist economy much instead he was in favour of mixed economy structure and state socialism. In present scenario, India is also following the mixed economic policy for development and its beyond doubt that our Indian economy is one of the fastest growing economy in the World.

Conclusion

Dr. B. R. Ambedkar was a brilliant and sharp economist of that time. He had contributed not only his thoughts but also fought for the upliftment of poor and exploited section of society. His economic vision can be used as solutions of economic problems and measure of development in India.

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