

IMPACT OF DR. BABASAHEB AMBEDKAR'S ECONOMIC THOUGHTS ON INDIAN ECONOMY

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Abstract:

Dr. Babasaheb Ambedkar is known more for being the architect of the constitution, but basically, he was most educated economist of country. He was among the first group of Indians who were trained in economics systematically and practiced it professionally. Dr. Ambedkar studied many subjects, wrote on them. But he was mainly an economist and this is evident through various economic provisions made in our constitution. Ambedkar thought of economics have made a significant impact on the social movement he led for downtrodden in the country and they were way ahead of his times. It is distressful that he is just portrayed as a leader of dalit community and nothing else. This status marginalizes his solid contributions in economics. So the main objective of this research paper is to throw light on impact of Dr. Ambedkar's thoughts on Indian economy.

KEYWORDS:

Impact, Agrarian Economy, Taxation, Currency, Exchange Rate.

1.INTRODUCTION:

Dr. B. R. Ambedkar was a nationalist, jurist, leader, activist, philosopher, thinker, anthropologist, historian, orator, profile writer, world class economist, eminent scholar, editor, revolutionary and revivalist of Buddhism. He was also the chief architect of Indian constitution. He has undoubtedly been the central figure in the epistemology of Dalit universe. Dr. Ambedkar said, "As an economic system it permits exploitation without obligation, untouchability it not only a system of uncontrolled economic exploitation. That is because there is no independent public opinion to condemn it and there is no impartial machinery of administration to restrain it. There is no appeal to public opinion of Hindu's who belongs to the exploiting class. There is no check from public and judiciary for the simple reason that they are all drain from the Hindu land take the side of exploitation. Dr. Ambedkar's basic law of social Engineering was that the social revolution must always began from the stand point of the most oppressed or the one's the lowest rung of the society. The extensive critique of the caste system is also based on enlightenment principle of economic efficiency through private, individual, liberties and human equality.

OBJECTIVES:

- 1)To analyze Ambedkar's view on agrarian economy.
- 2)To study Ambedkar's views on, taxation policy. Currency and Exchange Rate policy.

RESEARCH METHODOLOGY AND DATA SOURCES:

For present research paper historical and analytical method is used. Secondary data has been collected from reference books, periodicals, volumes, research articles and internet. A diminutive number of related journal, articles also reviewed.

RESEARCH PROCEDURE:

The main purpose of the research paper is to focus on Dr. Ambedkar's economic thought and its impact on Indian economy. It is necessary that thoughts of Ambedkar should bring to the notice of society and this will guide the economists and social workers.

IMPACT OF DR. AMBEDKAR'S THOUGHT ON INDIAN ECONOMY:

It is something an irony that, though Ambedkar was primarily a professional economist, his achievement in this field was overshadowed by his achievements, in the field of legal theory and practice, political theory and socio-cultural philosophy.

It was unfortunate for the economics profession that Ambedkar decided to "Change over from economics to law and politics." Even at that stage, he hoped to come back to subject by bringing the financial history from 1923 onwards in to volume and wrote. I can give them (readers) an assurance that they will not have to wait long for volume too. I am determined to bring it out with the least possible delay." But, within two months of writing this, India became free and Ambedkar was caught once more in the world of law and politics, and could not keep his promise. When he went abroad for education, he studied rigorously. He studied economics under an eminent teacher like prof. Edwin, R.A. Seligman noted American economist. Ambedkar came under influence of prof. Johan Dewey, he was among Ambedkar's teachers at Columbia University. When Ambedkar went to London, his teacher was Edwin Cannan. Cannan's edition of Adam Smith's 'Wealth of Nation' was the most used edition until very recently the Glasgow edition replaced it. This research article highlights his economic ideas on some aspects of the theme under discussion and considers their impact on Indian economy.

AMBEDKAR'S THOUGHT ON AGRARIAN ECONOMY:

In his paper 'small holding in India and their remedies' published in 1918, he takes on a problem that is still haunting Indian Agrarian system. At that time, British administrators, and academics in India who were used to their own country where large agricultural land holdings was the norm, were appalled at the low productivity of Indian land. This they ascribed to the minuscule size of the farm land cultivated by Indian peasants. A number of suggestions emanated from sympathetic observers like H.S. Jevons of Allahabad University, Harold Mann and G.F. Keatinge of Bombay, and the committee appointed to make proposal on the consolidation of small and scattered holdings in Baroda state.

They all proposed to consolidate and enlarge the holdings in the hands of individual farmers through interesting administrative measures. Ambedkar made a critical examination of the above, and in the process arrived at some very advanced conclusions. To begin with, he struck at the very root of the proposals by arguing that there can be no such thing as a correct size of agricultural holding. As he argued land is only one of the many factors of production and the productivity of one factor of production is dependent upon the proportion in which the other factors of production are combined. In his words, "The chief object of an efficient production consists in making every factor in the concern contribute its highest, and it can do that only when it can co-operate with its fellow of the required capacity. Thus, there is an ideal of proportions that ought to subsist among the various factors combined, though the ideal will vary with the changes in proportions."

The focal point of Ambedkar's philosophy is to uplift the oppressed and the depressed people in an unjust society. The brief synthesis of Ambedkar's idea towards land reforms and allied matters provides an insight into his thought on economic development, planning and role of the state etc. The philosophy aims at giving life to those who are disowned in uplifting those who are suppressed and downtrodden and providing liberty, equality and integrity to all irrespective of caste, creed and races.

Ambedkar was of considered view that problems of agriculture may not be resolved merely with consolidation of holdings, but manual increase of the capital and capital goods. The insufficiency of capital, which needed for acquiring "agricultural stock and implements", arises from savings. But as Ambedkar remarks "that saving is possible where there is surplus in a commonplace of political economy."

He concludes that "Industrialization of India is the soundest remedy for the agricultural problems

of India.” This can generate adequate surplus that will also eventually benefit the agricultural sector. Indeed a shift from primary industry to secondary industry is vital and it must be attempted seriously to prevent the present enlargement of the rural population that was being witnessed and remedies based on what he calls “faulty political economy” were being advocated.

ECONOMIC THOUGHT ON TAXATION:

According to Dr. Ambedkar, the socio-economic development of an economy depends primarily upon the availability of adequate finances and their proper utilization. Dr. Ambedkar vehemently criticized the revenue system of British Government. His main criticism of the revenue pattern of British Government of India was on the ground that it was against the interests of the poor people of India. Further, there was no justice or equity in the tax policy. According to him, land revenue was highly oppressive. Therefore, he argued that the govt. should undertake legislation to make the tax policy more equitable and elastic. According to him, the first and most essential requirement of good tax system is that it should be reliable. It does not matter whether that revenue system brings in large revenue or small revenue but whatever it brings it ought to be certain in its yield. The main features of taxation policy as advocated by Dr. Ambedkar were as follows;

Tax must be levied on taxable capacity or income

It must be progressive i.e. the rich must be taxed more and the poor less

Exemptions to tax payers should be allowed to those who have income below a certain limit.

Land revenue item must not be rigid but elastic and subject to variations.

There should be equity in taxation.

No taxation system should be manipulated to lower the standard of living of the people.

There should be efficiency in taxation.

Dr. Ambedkar emphasized the necessity of changing the attitude towards the taxes. Therefore, he suggested taking immediate efforts to rectify the inequalities in the general system of taxation.

DR. AMBEDKAR'S VIEW ON INDIAN CURRENCY :

In his evidence before Royal commission of Indian currency and finance, 1925, Ambedkar offers the following as the components of his plan for the reform of Indian currency.

Stop coinage of rupee by absolutely closing the mints to the govt. as they are to the public.

Open a gold mint for the coinage of a suitable gold coin.

Fix a ratio between the gold coin and the rupee

Rupee not be convertible in gold and gold not to be convertible in rupees but both to circulate as unlimited legal tender at the ratio fixed bylaw.

EXCHANGE RATE POLICY:

Ambedkar believed that the progress so trade depends on stability of exchange rate and price stability. To maintain exchange stability, Ambedkar suggested that since all important countries in the world moved towards the gold standard, the silver standard countries should move in favour of gold or, they should establish fixed ratio of exchange so as to make the two metals into a common standard of value.

CONCLUSIONS:

Dr. Babasaheb Ambedkar was among the most outstanding intellectuals of India in the 20th century. He was a strong advocate of land reforms and of a prominent role for the state in economic development. He recognized the inequities in an unfettered capitalist economy. Dr. Ambedkar stresses the need for thorough going land reforms, nothing that smallness or largeness of an agricultural holding is not determined by its physical extent alone but by the intensity of cultivation as reflected in the amounts of productive investments made on the land and the amounts of all other inputs used, including labour. He also stresses the need for industrialization so as to move surplus labour from agriculture to other productive occupations, accompanied by large capital investments in agriculture to raise yields.

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