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## **GRT** ECONOMICS OF DR. BABASAHEB AMBEDKAR

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**Abstract:-** Dr. Babasaheb Ambedkar was the great architect of the constitution of India. He was also a custodian of social justice and a champion of socialism and state planning. Though Dr. Ambedkar analyzed various social and political problems, the thoughts were based on economic dimensions. Dr. Ambedkar studied economic issues like agrarian reforms, small holdings and their remedies, problems regarding Indian currency, problem of provincial finance and planning. He wrote various books such as, 'Ancient Indian Commerce', 'National Dividend of India: A Historical and Analytical Study', 'The evolution of provincial finance in British India', 'Provincial Decentralization of Imperial Finance',

**Keywords:** Economics , social justice , economic dimensions , Indian society .

### **INTRODUCTION**

The Problem of Rupee' etc. The present paper deals with various economic thoughts of Dr. Babasaheb Ambedkar. Dr. Ambedkar argued that the solution to the agrarian question lies not in increasing the size of farms, but in having intensive cultivation that is employing more capital and more labour on the farms such as we have. Further on, he says: "The better method is to introduce cooperative agriculture and to compel owners of small strips to join in cultivation. Ambedkar's commitment was internal stability and he was convinced that only an automatic system based on gold standard with gold currency could achieve this desirable end. He was of view that governments should spend the resources garnered from the public not only as per rules, laws and regulations, but also to see that faithfulness, wisdom and economy.

Dr. B. R. Ambedkar, affectionately known as Babasaheb, was one of the most illustrious sons of India. He appeared on the Indian socio-political scene in early 1920s and remained in the forefront of all social, economic, political and religious efforts for upliftment of the lowest stratum of the Indian society known as untouchables. Babasaheb was a great scholar who made outstanding contributions as an economist, sociologist, legal luminary, educationalist, journalist, Parliamentarian and above all, as a social reformer and champion of human rights. Babasaheb organised, united and inspired the untouchables in India to effectively use political means towards their goal of social equality. Born in 1891 to an untouchable school teacher in the British Army, he was highly educated – Ph.D. from Columbia University (1917), D.Sc. from London School of Economics and Bar-At-Law from Gray's Inn in London (1923). These achievements spectacular by in standard were truly incredible for an untouchable.

Dr. Ambedkar was an economist by his basic training. His career was characterised by two distinct phases: the first one up to 1921 as a professional economist contributing scholarly books and the second one as a political leader thereafter until his demise in 1956, during which he made pathbreaking contributions as a champion of human rights for the untouchables. Dr. Ambedkar wrote three scholarly books on economics: (i) Administration and Finance of the East India Company, (ii) The Evolution of Provincial Finance in British India, and (iii) The Problem of the Rupee: Its Origin and Its Solution.

The first two represent his contribution to the field of public finance: the first one evaluating finances of the East India Company during the period, 1792 through 1858 and the second one analysing the evolution of the CentreState financial relations in British India during the period, 1833 through 1921. The third book, his magnum

opus in economics, represents a seminal contribution to the field of monetary economics. Dr. Ambedkar examined the evolution of the Indian currency as a medium of exchange covering the period, 1800 to 1893 and discussed the problem of the choice of an appropriate currency system for India in the early 1920s. On his return to India, Dr. Ambedkar did not write any book on economics per se, though several of his other contributions during that period carry a distinctive imprint of the economist in him. It is proved by a recently conducted survey by History TV 18 and CNN IBN in June 2012. Who is the greatest Indian after Mahatma Gandhi? is the question asked from the people of India. The contestants include, First PM Jawahar Lal Nehru, Singer Lata Mangeshkar, Industrialist J.R.D.Tata, A.P.J.Abdul Kalam, Indira Gandhi and Vallabh Patel etc. The final cumulative ranking was conducted following the three ways poll; ranking by jury (online and on ground), ranking by popular votes and ranking by market research. Finally, Dr. B.R.Ambedkar declared as winner.

Dr. Ambedkar was cleared that only 24 percent people are sharing the national economic growth. Depressed classes SC, ST and OBC and Minorities have strong feelings that they are being excluded from the process of economic growth and they are denied their share in national income. So they oppose New Economic Policy at large extent. Since the beginning of NEP 1991 Government of India, continuously reducing its share from the public sector industries. It creates number of issues related to the life of depressed classes as the issues of unemployment and uncertainty. It was told that government will increase the expenditure on social overheads particularly education and health. However, government data shows that this is not happening.

Ambedkar believed that, State can play important role in economic development of people. His book "States and Minorities", this was as much an economic manifesto as a social one. It proposed a united States of India without right of secession. It called for separate electorates, separate village settlements and strong measures against social boycott of untouchable and put forth a program for what Ambedkar called "State Socialism", the nationalization of basic industries, and the nationalization of land and its organization in collectives.

Let us discuss in brief. The first thesis of Dr. Babasaheb Ambedkar on agriculture problem namely "Small Holdings and Their Remedies"(1918) he rightly points out that the low productivity and production of agriculture sector was due to lack of inadequate inputs available to producers and non availability of alternative jobs to laborers there is a high pressure of excesses labor force on agriculture sector. Therefore he has suggested increasing the industrial base to absorb these surplus labors. He also demands the abolition of Khoti land holding system to protect the tenant from Khots suppression and exploitation in 1937. However, Dr Ambedkar knew that such measures will not solve the root cause of sorrow of landless labors and small and marginal farmers. So, in 1946 he demands collective methods of cultivation. There are number of advantages of collective farming for our understanding we can classify these in two part as follows. Economic advantages a) Total production and productivity will increase due to plan production and available of inputs such as fertilizers, capital, equipments and skill workers, and those who will work in agriculture sector will get all benefits as other workers in industrial sector. b) Maximum utilization of available land c) Irrigation facilities to all farmers d) Use of modern technology at a large extent.

A distinctive feature of Dr. Ambedkar's scholarly contribution is his perceptive analysis of economic dimension of social maladies, such as, the caste system and untouchability. While Mahatma Gandhi had defended the caste system on the basis of division of labour, Ambedkar came out with a hard-hitting critique in his book 'Annihilation of Castes' (1936), pointing out that what was implicit in the caste system was not merely division of labour but also a division of labours. Dr. Ambedkar's attack on the caste system was not merely aimed at challenging the hegemony of the upper castes but had broader connotation of economic growth and development. He argued that the caste system had reduced the mobility of labour and capital which in turn, impeded economic growth and development in India.

Ambedkar's commitment was internal stability, and he was convinced that only an automatic system based on gold standard with gold currency could achieve this desirable end. Like every economist of his generation, he was a believer in the quantity theory of money and was afraid that governments will tend to artificially increase money in circulation. In his memorandum given to the Hilton Young Commission in 1925 he pointed out: a managed currency is to be altogether avoided when the management is to be in the hands of the government". While there is less risk with monetary management by a private bank because "the penalty for imprudent issue or mismanagement is visited by disaster directly upon the property of the issuer". In the case of the government "the chance of mismanagement is greater" because the issue of money "is authorized and conducted by men who are never under any present responsibility for private loss in case of bad judgment or mismanagement". In short, Ambedkar's conclusion is clearly towards price stability through conservative and automatic monetary management. This is of such current relevance that in these days of burgeoning budget deficits and their automatic monetisation, it would appear that we could do with an effective restraint on liquidity creation through an automatic mechanism.

After Independence, Dr. Ambedkar became the first Law Minister of India. Even while drafting the Indian Constitution (as the Chairman, Drafting Committee) in 1948-49, the economist in Dr. Ambedkar was very much alive. He strongly recommended democracy as the 'governing principle of human relationship' but emphasized that

principles of equality, liberty and fraternity which are the cornerstones of democracy should not be interpreted narrowly in terms of the political rights alone. He emphasised the social and economic dimensions of democracy and warned that political democracy cannot succeed when there is no social and economic democracy. He gave an expression to the objective of economic democracy by incorporating the Directive Principles of State Policy in the Indian Constitution. As the Law Minister, Dr. Ambedkar fought vigorously for the passage of the Hindu Code Bill – most significant reform for women's rights in respect of marriage and inheritance. He resigned in September 1951 when the Bill did not pass in the Parliament.

## CONCLUSION

The results of such unethical transfers are multiple and most of these results are affected adversely on the life of depressed classes particularly, in respect of employment. These industries are now restructuring the pattern of production to increase the level of profit. To earn the profits is not a crime itself but if it is earned by reducing the employment then it becomes serious concern to Dalits as they have no other alternative source of livelihood. What can we conclude from this brief foray into the various economic themes with whom Ambedkar was concerned? The value of his conclusions is substantial precisely because his analysis was based on so und empirical and historical foundations. Key industries shall be owned and run by the state. Basic but non-key industries shall be owned by the state and run by the state or by corporations established by it. Agriculture shall be a state industry, and be organized by the state taking over all land and letting it out for cultivation in suitable standard sizes to residents of villages; these shall be cultivated as collective farms by groups of families. 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. He sees an extremely important role for the state in such transformation of agriculture and advocates the nationalization of land and the leasing out of land to groups of cultivators, who are to be encouraged to form cooperatives in order to promote agriculture.

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