

Contribution of Dr. Babasaheb Ambedkar in Indian Economics

Dr. Santoshkumar B. Yadav Associate Professor in Economics, Devchand College, Arjunnagar (Kolhapur) Member, BoS in Economics & Faculty of Humanities, Shivaji University, Kolhapur

Introduction:

The systematic study of agriculture, industry, trade, various economic problems in India really started from the 19th century. While deeply studying the development of economic thought in India, Dadabhai Nauroji, Mahadev Govind Ranade, R. C. Dutt, Mahatma Gandhi, Dr. Babasaheb Ambedkar, Dr. Amartya Sen along with Dhananjayrao Gadgil, J. K. Mehta, R. B. Shenoy, Brij narayan, V, G.Kale, one has to consider the writings of these experts. It is seen that at that time these experts have done important work on the economic condition of the country, the problems and the role of the government. Bharatratna Dr. Babasaheb Ambedkar has a big and important place in this list of Indian economists. In the early days, Dr. Babasaheb Ambedkar's thoughts on economics in India were very systematic and expert.

Objectives of the paper:

Following are the objectives of the paper:

1. To study the agricultural ideas presented by Dr. Babasaheb Ambedkar in the current situation.
2. To analyze monetary thoughts of Dr. Babasaheb Ambedkar in the contemporary context.
3. To analyze the views of Dr. Babasaheb Ambedkar on public finance in India and the current situation of fiscal health in India.

Research Methodology:

The present article explains the contribution of Dr. Babasaheb Ambedkar in Indian economics and contemporary Indian economy. For this article, Dr. Babasaheb Ambedkar's writings have been studied and the thoughts expressed by him in various articles and speeches. At the same time, various experts have reviewed the views expressed about them. This article is divided into five subsections: It contains (A) Biographical sketch of Dr. Babasaheb Ambedkar (B) Dr. Babasaheb Ambedkar's thoughts on agriculture (C) Dr. Babasaheb Ambedkar's thoughts on currency (D) Dr. Babasaheb Ambedkar's thoughts on public finance in India (E) Other economic thoughts of Dr. Babasaheb Ambedkar.

(A) Biographical Sketch of Dr. Babasaheb Ambedkar:

Dr. Bhimrao Ramji Ambedkar was born on 14th April, 1891 in a poor but well-educated family, who accurately analyzed the socio-economic, political problems of India and suggested and implemented long-term solutions. He got his MSc in 1921. After joining the London School of Economics and Political Science, he also started studying Barrister. He passed the Barrister's examination in 1922 and in 1923; he was awarded the degree of Doctor of Science by the University of London for his thesis 'The Problem of the Rupee'. In 1925, he submitted his Ph. D. thesis, The Evolution of Provincial Finance in British India. From 1942 to 1946, he was Minister of Labor in the Viceroy's Executive Council. During this period, he has done a lot of work for the educational and economic upliftment of the backward classes and is known as the architect of the Indian constitution. In 1990, he was awarded India's highest award, the Bharat Ratna. Such a great economist, educationist, writer, professor, patriot passed away on December 6, 1956.

(B) Dr. Babasaheb Ambedkar's Views on Agriculture and Contemporary Indian Agriculture:

Dr. Babasaheb Ambedkar has expressed his thoughts about the small size of the holding area of Indian agricultural land, the problems arising from it and its solutions, land revenue, collective farming, cooperative farming. In 1918, he published the article on 'Small Holdings in India and Their Remedies', which discusses the economic and social problems arising from India's agricultural problems and their solutions. According to Dr. Babasaheb Ambedkar, agriculture is the key production activity and it is wrong to determine the profitable holding area by applying the criterion of consumption to it. It is necessary to consider agriculture as an economic activity. If this is done, it will not matter whether agriculture is a large

holding area or a small holding area. Farming should be considered as a business and not just a means of livelihood. He explained that, even today there is a large amount of small holding land in India. As a solution, a suitable combination of other materials and holding areas required for efficient cultivation can provide economical holding areas. According to him, small holding area is not the problem of Indian agriculture but the real problem is shortage of capital and other inputs used in agriculture.

According to Dr. Babasaheb Ambedkar, industrialization was the only effective and sure way to solve the problems of Indian agriculture and dependent population. Share of agriculture in national income has not been accompanied by falling share of it in employment. In 1951, 69.5 per cent of the working population was engaged in agriculture. This percent fell to 67 per cent in 1991, 56.7 per cent in 2001 and 46.5 percent in 2021-22. There is much more disparity in per worker income between agriculture and non-agriculture. It is due to low productivity of agriculture in the country and failure of non-agriculture sector to absorb the extra workforce. Therefore, industrialisation plays a significant role in the development of Indian agriculture. It contributes to agriculture through mechanization, improved infrastructure, agro-based industries, and access to technology and employment opportunities. In this ways, industrialization supports and accelerates agricultural development. Dr. Babasaheb Ambedkar was the opinion that levying land revenue on income from land is unfair.

According to Dr. Babasaheb Ambedkar, those whose income is below a certain amount should be exempted from land revenue. According to him, agriculture is the basis of the Indian economy and for increasing the production in agriculture, mechanized agriculture, extensive agricultural cooperatives and community farming should be adopted. Considering the problems of today's Indian agriculture, it is necessary to strongly adopt the above solutions. Bringing the waste land under cultivation in the country can solve the problem of the landless. By abolishing zamindari, the government should own the land instead of giving the individual ownership of the land to the farmer. In this regard, he emphasized on community farming. He considered cooperative farming as a solution to the problem of distraction in Indian agriculture and small size of holding area. He believed that agriculture should be a government industry.

(C) Dr. Babasaheb Ambedkar's Monetary Thoughts and Indian Monetary System:

Dr. Babasaheb Ambedkar published his dissertation 'Problem of Rupee' in 1925, which he submitted for the degree of Doctor of Science at the London School of Economics. In 1947, he elaborated on what should be the ideal monetary system for India in the Indian edition.

Before the administration of India was taken over by the East India Company, the country had both a gold standard and silver standard method in the country. After some time the East India Company introduced its own coinage for transactions in India, it was found insufficient to meet the growing demand for currency in the country. Paper currency was introduced in 1864 to eliminate the imbalance between the demand for currency and the supply of domestic currency. But this raised some questions. It was difficult to keep the gold-silver exchange rate stable, causing huge economic losses to India. This led to differences on what should be the ideal monetary system for India. Two options were available at that time. A gold coin is meant to be used as currency i.e. using a gold standard and two paper notes as currency and taking paper rupees as a government guarantee to give gold at a fixed rate i.e. gold exchange. Dr. Babasaheb Ambedkar showed that gold standard system is the right one for India and how prices were stable in India by providing historical evidence.

Keynes and other economists asserted that the gold exchange rate system was appropriate for India. It was thought that the system was suitable for India as the gold exchange rate was flexible and currency creation in this system was not dependent on the country's gold reserves. But Dr. Babasaheb Ambedkar opposed the gold exchange quantitative system. According to him, since currency creation in this system is flexible, it can become unrestricted. It can create many financial problems in the economy. The price of rupee may fall due to rise in prices in the country. He made a simple analysis of how prices

rose when there was initially gold exchange rate system in the country. He was of the opinion that the gold standard is the right one for keeping domestic prices stable.

(D) Dr. Babasaheb Ambedkar's Thoughts on India's Public Finance and Indian Fiscal Health:

Dr. Babasaheb Ambedkar's views on public finance and fiscal health found in his research papers and thesis. He wrote thesis on 'Administration and Finance of the East India Company' (1915) for the degree of M. A., and for Ph.D. degree, he wrote the thesis 'The Evolutions of Provincial Finance in British India'.

In his research paper 'Administration and Finance of the East India Company', he expressed his views on the changes in the administration and finance of the East India Company between 1792 and 1858 and how they were unfair to the Indians. The East India Company, which had come for the purpose of trade, exploited the Indian people enormously during this period, the total revenue of this company increased from 55 lakh pounds to 317 lakh pounds. Interestingly, 54 percent of this share was from taxes on land. Due to this very regressive tax, the peasant class was suffering a lot. The loan amount increased from 70 lakh pounds to 607 lakh pounds. At this time, the amount of foreign debt was relatively low. Dr. Babasaheb Ambedkar opined that after the dissolution of the company in 1858, injustice was done by burdening poor India with a debt of 693 lakh pounds. Apart from this, while appropriating such huge revenue income, a very negligible amount was spent for the development of the Indian people. But he pointed out that most of the expenditure was being spent on matters not related to India.

Dr. Babasaheb Ambedkar's thesis 'The Evolution of Provincial Finance in India' expresses thoughts about how the financial relationship between the British central government and the constituent states evolved over a long period from 1833 to 1921. During this period, the financial system of India was completely centralized with the central government. In other words, the central government was responsible for raising money and the state had the authority to budget the expenditure. Ambedkar pointed out that half of the revenue received by the government was spent on the military and on the other hand, education, health, roads and canals were neglected.

(E) Other Economic Thoughts of Dr. Babasaheb Ambedkar:

Dr. Babasaheb Ambedkar made an economic analysis of social problems like caste system. In 1926, Maha Parishad held at Rahimatpur in Satara district, he gave a message to the backward class brothers to give up their right to patrimony. So people were started to do other work apart from village work. The caste system is responsible for the unnatural division of labour. He showed that the economic development and progress of India has been stunted due to this. In his book 'States and Minorities', he emphasized on eradication of poverty, elimination of inequality and freedom from exploitation.

Conclusion:

Dr. Babasaheb Ambedkar while presenting his views on Indian agriculture said that industrialization is the only effective and sure solution to reduce unemployment in Indian agriculture. Due to industrialization, the unemployed labor in the agricultural sector will be absorbed in the non-agricultural sector. The ideas presented by him in the case of special small holding areas in the context of agriculture are also useful in today's situation.

Without considering, Dr. Babasaheb Ambedkar's views on monetary matters, role of Keynes were accepted in India and other countries. But considering the present situation of Indian economy and the situation of various sectors, it must be said that his stance was definitely right because then the extremely accommodative policy of money supply led to permanent problems of deficit financing, inflation and consequent increasing economic disparity. In recent times, the budget deficit of the central government has been continuously increasing. Therefore, the economy has to face the problem of inflation and the corresponding rise in prices.

The Government enacted the Fiscal Responsibility and Budgetary Management Act, 2003 in 2003 to institutionalize fiscal discipline, reduce the country's fiscal deficit, and balance macroeconomic

management and overall management of public funds. The fiscal health of India refers to the state of its government's finances, including its ability to manage debt, revenue and expenditure in a sustainable way. India's fiscal deficit for FY 2023-24 was targeted at around 5.9 percent of GDP, which is an improvement over previous years, but still higher than ideal levels (3 percent of GDP). India's public debt is high standing at over 80 percent of GDP, but considered manageable. From this it is clear that Dr. Babasaheb Ambedkar's stance on curbing the currency creation capacity was a visionary one. Dr. Babasaheb Ambedkar's views on public health were very important. Even today, the importance of his ideas has not diminished.

References:

1. Bakshi S. R. (2000): '*B. R. Ambedkar - His Political and Social Ideology*,' edited, Deep and Deep Publication Ltd., New Delhi.
2. Dasgupta (1991): '*History of Indian Economic Thought*', Routledge and Kegan Paul, London.
3. S. Ambirajan (1999): '*Ambedkar's Contribution to Indian Economics*', EPW (Economic and Political Weekly, Perspectives, pp. 20-26.
4. Patil J. F. And Santosh Yadav (November 26-28, 2006): '*Contribution of Dr. Ambedkar in Indian Economics*', paper presented in the 30th National Conference of Marathi Arthshastra Parishad at R. N. Borawake College, Shirampur.
5. Dongre M. R. (1974): '*Economic Thought of Dr. B. R. Ambedkar*', published by Jogendra Kawade, Nagpur.