

## Relevance of Economics Thoughts of Dr. B.R.Ambedkar in India Jakkavva B. Wathar

UG, Guest Faculty Dept Of Women's Studies, Karnataka State  
Akkamahadevi Women's University, Vijayapura.

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### ABSTRACT:

Dr. B. R. Ambedkar was well educated, trained and more importantly expert of international repute and fame of economics with very concrete contribution in the number of branches and areas of economics He has very radically and substantially contribute here the field of specialisation in economics such as farming economics, monetary economics, manufacturing and labour economics, development economics, economics of irrigate and natural resources, economics of social exclusion and discrimination, women empowerment and gender studies, energy, poverty, inequality and public economics and policy. B.R. Ambedkar on public finance reveals some very important conclusion with mention to fiscal operations of Indian economy. The fiscal operation of the administration in India is not in the view of Dr. B.R. Ambedkar. Taxation in India is not for economic unfairness and social justice. India is excessively depending upon indirect taxes than direct taxes for revenue mobilisation. The cost in India is social development, but not economic development. But in social development also, education and health did not get necessary and desirable attention. The role of Indian government in economic Development in natural development of agriculture and industry in particular is need than what Dr. Ambedkar was expecting.

### KEYWORDS:

Public Finance, Dr. B.R. Ambedkar, Perspective, Public Expenditure, Tax Revenue, Public Debt, Agriculture State Industry, Education Budget.

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### Introduction:

Dr. Babasaheb Ambedkar is one of the a great thinker, leader and intellectual of its time in India who has not only changed the life of millions of untouchables, but shaped India as a biggest democratic nation by writing its constitution. Many of us know Bharat Ratna Dr. B. R. Ambedkar as a social reformer and a person who had fought for untouchables in India. But very few would have know that Babasaheb was a great researcher who made outstanding contributions as an economist, sociologist, legal luminary, educationalist, journalist, parliamentarian

along with social reformer and human rights, Dr. Ambedka, one of the multidimensional personalities having great noteworthy contribution on economics. He led for downtrodden in the country and they were way ahead of his times. Ambedkar thoughts of economics have made a significant impact on the social movement. Dr. B. R. Ambedkar's outstanding contribution in economics and also to consider its relevance to current Indian Economy. His teachers include the best minds of that time like John Dewey, James Shot well, Edwin Seligman, and James Harvey Robinson. His workings on Economics and specially on Indian Economy be significantly thoughtful and relevant even today. His dissertations and works related to Economics are: The Problem of Rupee: Its origin and its solution, The Present Problem in Indian currency, Statement of Evidence to the Royal Commission on Indian Currency and finance, 1924–25, Ancient Indian Commerce, The Evolution of provincial Finance in British India.

Dr.B. R. Ambedkar, affectionately known as Babasaheb, was one of the most illustrious sons of India. Dr. Ambedkar is his fights against Caste system in India, but what is not known is how Dr. Ambedkar had also impacted the Indian history and economy. He studied through the Economic, Social and Political problems facing British–India and provided bold solution to them, which are relevant even today.

#### **STATEMENT OF THE PROBLEM:**

Dr. Ambedkar's principles are very essential to input the policy formation his thoughts economic. Mainly focused on the problem of rupees land public finance, monetary policy reform, l they can improve their financial level.

#### **OBJECTIVES OF STUDY:**

1. To study thought of Dr. B.R.Ambedkar on public Finance.
2. To elucidate ideas of Dr. Ambedkar on development policy.
3. To find out contemporary relevance of economic. Thoughts of Dr. B.R.Ambedkar in India.

#### **THOUGHTS OF DR. B. R. AMBEDKAR ON PUBLIC FINANCE**

Dr. B.R. Ambedkar was a multifaceted personality. Ambedkar has contributed his thoughts and ideas in the subjects. But he was a highly educated and well trained economist, with higher and relevant contribution

to Public Finance or Economics. The thoughts of Dr. Ambedkar on Public Finance “management and Finance of East India” submitted to Columbia University, USA in 1915, his Ph D thesis titled “Evolution of Provincial Finance in India” submitted to Columbia University, USA in 1917, Views on Taxation in Manifesto of Independent Labour Party in 1936, Development Policy for Independent India in his book “ States and Minorities: What are Their Rights and How to Secure Them in the Constitution of Free India” in 1947, is a memorandum of an organisation Scheduled Castes Federation submitted to Constituent Assembly . First of all, an attempt is made here to review thoughts of Dr. Ambedkar on public Finance one by one as mentioned from sources above.

### **Thoughts of Dr.B.R.Ambedkar for Indian Economy:**

The Directive Principles of State Policy are guidelines to the central and state governments of India, to be kept in mind while framing laws and policies. These provisions, contained in Part of the Constitution of India, Welfare schemes for the weaker sections are being implemented both by the Central and state governments. To evaluate various social and economic provisions including Indian constitution and to explain their relationship with Dr. Ambedkar’s ideas with a special reference to the ideas of Dr.Ambedkar. The researcher has studied the various books and articles written by Dr.Ambedkar and to highlight his economic thoughts and ideas which have a continuity and evolution. Further, she has developed a new outlook regarding Dr.B.R.Ambedkar’s social and economic thoughts relevant in context of present scenario.

Dr. Ambedkar’s Economic Ideas Reflected in the Constitution is the backbone of this part.The present research problem is very much relevant in the age of globalization on which the schedule castes, scheduled tribes are suffering great deal. They can be strengthened by understanding Dt. Ambedkar progressive economic ideas, Granville Austin, a constitutional expert has pointed out in the book Indian Constitution: ‘cornerstone of the nation’ Dr.Ambedkar represented problem of physical and economical exploitation of rural poor through his movements. His struggle against the prevailing land tenure system called was best example of his thoughts of equilibrium. Indian economy is mixed financial system and has impact of social, political and economical changes earlier than and after independence.

Dr. Ambedkar has given new socio and political view to Indian economics. Dr. Ambedkar determined to “overall change from economics to law and politics” as he remarked in the preface of the Indian edition of the problem of the rupee in 1947.

### Monetary Management and Financial Intermediation

**Table 1: Revision in Key Rates set by RBI**

Effective Date	Repo Rate (per cent)	Reverse Repo Rate (per cent)	Ratio (per cent of NDTL)	Liquidity Ratio (per cent of NDTL)	MSF Rate/ Bank Rate(per cent)
06-02-2020	5.15	4.90	4.0	18.25	5.40
27-03-2020	4.40	4.00	4.0	18.25	4.65
28-03-2020	4.40	4.00	3.0	18.25	4.65
17-04-2020	4.40	3.75	3.0	18.00	4.25
22-05-2020	4.00	3.35	3.0	18.00	4.25
27-03-2021	4.00	3.35	3.5	18.00	4.25
22-05-2021	4.00	3.35	4.0	18.00	4.25
06-08-2021	4.00	3.35	4.0	18.00	4.25
08-10-2021	4.00	3.35	4.0	18.00	4.25
08-12-2021	4.00	3.35	4.0	18.00	4.25

**Source:** RBI

**Note:** NDTL: Net Demand and Time Liabilities

In the initial meetings of 2021-22, MPC noted that while the inflation has hovered above the upper tolerance band for some months, it was largely driven by adverse supply shocks which were expected to be transitory. The outlook for aggregate demand was progressive improving but capacity utilisation rates were low. The contact intensive required policy support. In the latest MPC meeting in December 2021, the committee pointed out that the outlook was uncertain owing to global pullovers. Positional resurgence in COVID-19 infections and divergences in policy actions and stances across the world with inflationary pressures increasing across economics. According the MPC decide to continue monitoring the inflationary pressures, Keep the policy repo rate unchanged

at 4per cent and persist with the accommodative stance.

In 2021–22 so far, the overall monetary and credit conditions remained accommodative. However, the growth rates of monetary aggregates including Reserve money, Broad money were lower as compared to the last year. Reserve money (M0) recorded a year-on-year (YOY) growth of 13 per cent as on 7th January 2022, as compared to 14.3 per cent a year ago. However, M0 adjusted for the first round impact of changes in the Cash Reserve Ratio (CRR) recorded a lower growth (YOY) of 7.7 per cent, as compared with 18.3 per cent a year ago.

**The differences between the two monetary systems are summarized in the table:**

Gold Exchange Standard (GES)	Gold Standard (GS)
The currency of one country is converted whose currency is convertible into gold at a stable exchange rate	The standard unit of currency is fixed quantity of gold
The nation maintains its currency parity with gold without gold The reserve the government manipulates the coinage to keep it at par with the value of gold.	The country maintains gold with gold without gold reserve.

The problem of rupee is directly associated with the problem of inflation. A rise in inflation reduces real gross of workers belonging to the earning class. Therefore the rupee should be stabilised which is only possible when the purchasing power of rupee is stabilised because devaluation of currency results in distributional effects and inflation. Stability in purchasing power of the rupee can be achieved only when financial management supports Automatic Monetary Policy (AMP). Ambedkar was in its favour. In his doctoral thesis in the London School of Economics, he argued that gold exchange standard does not have stability in India

## REVIEW OF LITERATURE:

Sunil Kumar: (2019) Ambedkar has discussed the important contributions made by Ambedkar in the field of economics. Babasaheb supported modified gold standard to curb the inflationary pressure in India. He discussed about the evolution of provincial finance under the British rule. While discussing about how to spend the public funds he said that the spending should be based on the rules and regulations. Manjula

Laxman: 2019 Ambedkar told that Comprehensively it can be said that Ambedkar as an economist, researched analytically about the federal finance system of India and established, on the one hand, how British colonialism exploited the Indian people for the attainment of their own interests and, on the other hand, he could see that there cannot be any development of the deprived classes under the regime of Kings and Sardars. Hence, he always emphasized on peoples' welfare with the decentralized system of administration. He remained forever a votary of federal finance system.

### **LIMITATION OF THE STUDY**

The present study is only about on development of Indian economy of Dr. B. R. Ambedkar. The present Paper highlights only Ambedkar and its relevance for Indian economy the public sector in India has not succeeded in public works development as Dr. Ambedkar was expecting.

#### **Suggestion:**

The fiscal position of the local governments is very bad in India, is a thing of serious concern. The development of backward communities in general and SC & ST in particular did not get expected place and scope in the budget. It is adequately proved the failure of the government in tackling the very important problems like inequality, poverty and unemployment. These issues should be the agenda of fiscal operations and development policy of the government of Indian in future.

#### **Conclusion:**

The thorough analysis of Indian public finances in the perspective of thoughts of Dr. B. R. Ambedkar on public finance reveals some very important conclusions with reference to fiscal operations of India. The fiscal operations of the government in India are not in the perspective of Dr. B.R. Ambedkar. Taxation in India is not pro economic equality and social justice. India is excessively depending upon indirect taxes than direct taxes for revenue mobilisation. The expenditure pattern in India is pro social development is good, but not pro economic development. In social development also, education and health did not get necessary and desirable attention and place. The role of government in economic development in general and development of agriculture and industry in particular is insignificant than what Dr. Ambedkar was expecting.

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The Authors have no conflict of interest to declare that they are relevant to the content of this article.

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