

**AMBEDKAR - AN EMINENT ECONOMIST****Dr.M.Rachappaji**

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Abstract

An important aspect of Dr.Ambedkar's versatile personality dose not, however, seem to have attracted enough attention especially in the light of his achievements in the field of equality and social justice and drafting of the constitution of India, that he was an eminent economist. After long years of neglect, the ideas of Ambedkar's seem to be gaining currency. While his thoughts on Indian society and politics have garnered more attention, some of his economic ideas too deserve greater attention. Known largely as the father of the Indian Constitution and a leader of Dalits, Ambedkar began his career as an economist, making important contributions to the major economic debates of the day. This was also due to the fact that Ambedkar's himself perhaps chose to underplay his role as a professional economist, as he was mostly preoccupied with vital issues of social justice and in the drafting of the constitution. Yet it would be grossly unfair to relegate his economic ideas to secondary status. Ambedkar's was a well trained economist. His thinking as an economist has two dimensions. Firstly, as an economist his contributions relating to The Evolution of Provincial Finance in British India and The Problem of the Rupee are professional in nature. Secondly, his writings on Land Reforms, Socialism, Fiscal System of India, Employment, Capital formation, Industrialisation and Nationalisation are reflections of a political-statesman.

Keyword: *Economics Justics, Equal Rights, Industrialisation, Nationlistion, Eminent Economist*



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Introduction

Ambedkar's held the view that the problem of agriculture labourers could not be solved with



in the ambit of even a reformed and improved agriculture and that industrialisation alone was only ultimate remedy for effecting significant improvement in their condone. However, it must be said that in countries where there is surplus human labour, industrialisation alone is of no use. The divorce of industrial from agriculture is harmful to national economy and the organisation of agriculture with processing industries would help solve the problem of the peasantry. It must be conceded the industrialisation and particularly rural industrialisation, as well as reformed agriculture was necessary to secure redeployment of the labour force so as to reduce unemployment open and concealed.

Ambedkar's concept on nationalisation of industries and life insurance showed his deep study of India's economic problems. The fundamental cause of backward economy was the delay in changing the land system in India's villages. Ambedkar's wanted that then should be no landlord, no tenant and no landless labours. He wanted both freedom and welfare, which were possible in his idea of economic realism. He realised that no proper place was given to landless labours in co-operative farming.

Small Holdings In India And Thir Remedies

Dr. Ambedkar's felt that the agricultural farming is by far the most important among the primary industries. India depends almost wholly upon agricultural farming. The problems of agricultural economy dealing directly with agricultural production are what to produce, the proper proportion of the factors of production, the size of holdings, the tenures of land and other related issues. In spite of various reforms ushered in the country, which are implemented in varying degree in different states, agriculture continues to suffer from the problems which Dr. Ambedkar envisaged in his Article on **small holding in India and their remedies** nearly a century ago takes on a problem that is still hunting Indian agrarian system of small holding and low productivity of lands.

Dr. Ambedkar made a critical examination of the prevailing situation and was of the view that there can be no such thing as a correct size of agricultural holding. As Dr. Ambedkar argued land was only one of the many factors of production and the productivity one factor of production is dependent upon the proportion in which the other factors of production are the combined. In his words: the chief object of an efficient production consists in making every factor in the concern contribute its highest. He further stated that if agriculture is to be treated as an economic enterprise, there could be no such thing as a large or small holding and certainly



it is not due to want of efficiency in utilizing whatever the peasant has. Dr. Ambedkar's answer rests on the inadequacy of other factors of production. The insufficiency of capital which is needed for acquiring **agricultural stock and implements** arises from lack of savings. But as Dr. Ambedkar remarks that saving is possible where there is surplus, is a commonplace of political economy. A large agriculture population with the lowest proportion of land in actual cultivation means that a large part of the agricultural population is superfluous and idle. A consolidative holding should also be an enlarged holding. He advised to keep in mind that the consolidation may obviate the evils of scattered holdings, but it would not consolidated holding is an economic holding i.e. an enlarged holding. Dr. Ambedkar further adds even if the lands are consolidated and enlarged and cultivated through capitalistic enterprise, it will not solve the problem as it will only aggravate the evils by adding to our stock of idle labour.

According to Dr. Ambedkar mere size of land small or large does not determine the land to be economic or uneconomic and the economic holding depended on all the factors of production including land. Consequently, the remedy for the ills of agriculture in India did not lie primarily in the matter of enlarging holdings but in the matter of increasing capital as capital goods. The only way out of this impasse was to take people away from land. This would automatically lessen and destroy the premium that at present wisps heavily on land in India and large economic holding will force itself upon us as a pure gain.

Dr. Ambedkar advised for ponging off this surplus labour for non-agricultural areas, to lessen pressure on land. He concludes that industrialization of India is the soundest remedy for the agricultural problems of India. This cuss 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. It is seen that in spite of best effort it's of the government, it is apparent the rural people still largely depend on agriculture as industrialization is still lagging behind.

Dr. Ambedkar's evidence before the royal commission on Indian currency and finance on 15th December 1925. Dr. Ambedkar important financial thinking and views can be seen in the **PROBLEM OF RUPEE**. Here were he has described deeply from how money value has emerged and developing constantly. In 1893 Indian rupee depended on silver proportion. After



1941 gold coins came into transactions. In 1853 govt stopped minting silver coins. In 1899 under H.F.Flower leadership, currency committee directed to mint gold coins. In 1906 Gold exchange process came in to existence. Dr.Ambedkar observed closely all these development and expressed his views in his writings. He opposed the theory of major financial scientist J.M.Kaynes ie Gold exchange.

Established and History of Reserve Bank of India

The Reserve Bank of India was founded on 01 April 1953 to respond to economic troubles after the First World War. It came into picture according to the guidelines laid down by Dr.B.R.Ambedkar. Reserve Bank of India was conceptualised as per the guidelines, working style and outlook presented by Dr.Ambedkar in front of the Hilton Young Commission. When this commission came to India under the name of **ROYAL COMMISSION ON INDIAN CURRENCY AND FINANCE**, each and every member of this commission were holding Dr.Ambedkar's book named **THE PROBLEM OF THE RUPEE- IT'S ORIGIN AND IT'S SOLUTION**. The bank was set up based on the recommendations of the 1926 Royal Commission. The original choice for the seal of Reserve Bank of India was The East India Company Double Mohur, with the sketch of the Lion and Palm Tree. However it was decided to replace the lion with the tiger, the national animal of India. The Preamble of the Reserve Bank of India describes its basic functions to regulate the issue of bank notes, keep reserves to secure monetary stability in India and generally to operate the currency and credit system in the best interests of the country. The Central Office of the Reserve Bank of India was initially established in Calcutta, but was permanently moved to Bombay in 1937. The Reserve Bank of India also acted as Burma's central bank, except during the years of the Japanese occupation of Burma (1942-45), until April 1947, even though Burm seceded from the Indian Union in 1937. After the Partition of India in 1947, the Bank served as the central bank for Pakistan until June 1948 when the State Bank of Pakistan commenced operations. Though originally set up as a shareholders' bank, the Reserve Bank of India has been fully owned by the Government of India since its nationalisation in 1949.

States And Minorities

Dr.Ambedkar prepared a memorandum *States and Minorities* in 15th March, 1947 submitted it to the constituent assembly on behalf of *All India Scheduled Castes Federation*. This memorandum is unique and depicts the blueprint of Dr.Ambedkar's model of economic



development.

It proposes state socialism in important fields of economic life and it does not leave establishment of state socialism to the will of agriculture. It establishes state socialism as the law of the constitution and thus makes it unalterable by any act of the legislative and executive.

Salient Features Of State Socialism

Some salient features of socialism proposed by Dr.Ambedkar are;

1. Key industries shall be owned and run by the state.
2. Industries which are not key industries but are basic shall be owned and run by the state or by corporations established by the state.
3. Agricultural industry shall be state industry.

The scheme shall be brought in to operation as early as possible, but in no case shall the period extend beyond the tenth year from the date of the constitution coming into operation.

Dr. Ambedkar had argued for state socialism involving nationalization, insurance and basic industries. He desired that there would be neither a landholder nor a landlord. The objective behind his nationalization policy was to put squarely in the shoulders of the state the duty to supply necessary capital brought to the industry and agriculture, which would improve the productivity, rapid industrialization and equitable distribution of wealth. He had emphasized nationalization of key and basic industries and agriculture to prevent exploitation of socially and economically deprived classes.

Dr.Ambedkar was quite disappointed, when his views on collective farming were not accepted. Instead, the government of India has opted a more soft measure of land reforms. As the state could not solve the problem of landlessness government had opted for redistribution of surplus land in favour of scheduled caste and scheduled tribes acquired through the implementation of land ceilings act.

The Land and the Scheduled Castes

The scheduled castes and scheduled tribes even today continue to be mostly landless poor. The state policy to redistribute surplus land acquired from implementation of land ceilings act has not made substantial progress since there is no surplus land acquired. The fallow lands unoccupied by others were distributed in many states to the scheduled castes. These fallow lands being qualitatively very poor have no access to canal water supply and also do not have adequate ground water potential.



Further the employment needs of the landless rural poor, small and marginal farmers are met, after 1970's through the implementation of schemes like National Rural Employment Programme (NREGP), Integrated Rural Development Programme (IRDP) etc.

In the socialist economies in some countries, the state ownership of industry and agriculture is slowly giving away to privatization of industry and agriculture. Dr. Ambedkar's economic views, how're, shod third of population of the country, if not more, still live below poverty line and substantial reamer of people are landless and the state must therefore, continue to play a dominant role to bring in economic equality. Dr.Ambedkar's economic thought stood for the progressive Trans formation of society, removing glaring social and economic inequalities.

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