

# Dr. B. R. Ambedkar's Economic Philosophy: A Special Focus on the Indian Economy

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## **ABSTRACT**

Bharat Ratna Dr. B. R. Ambedkar was a significant figure in Indian history. He made contributions in the domains of economics, sociology, law, education, journalism, editing, social revolution, and human rights, among other things. India's mixed economy reflects the effects of social, political, and economic shifts that occurred both before and after independence. He used his movements to highlight the problem of the rural poor being exploited both physically and financially. Indian economics now have a new sociopolitical viewpoint thanks to Dr. Ambedkar. "Changeover from economics to law and politics" was the decision made by Dr. Ambedkar. He was in favour of keeping the currency's gold standard steady. He claims that a depreciating currency boosts exports and drives up local prices. Furthermore, he promoted "Industrialization" as a useful and workable solution for the Indian economy and agriculture. The goal of the current study is to clarify Dr. B. R. Ambedkar's economic views in light of the Indian economy.

## **Introduction**

Bharat Ratna One of the most important figures in Indian history was Dr. B.R. Ambedkar. India will never forget him for all of his social, political, economic, and religious efforts to improve the lives of the most vulnerable people in the community. Untouchables are a well-known concept in Indian society. Among his many accomplishments are his roles as an economist, sociologist, legal scholar, educator, journalist, parliamentarian, editor, supporter of human rights, and social revolutionist. He advocates for equality on the social and economic fronts.

On April 14, 1891, he was born in a military cantonment and town that was constructed by the British. This was a poor and oppressed household. With the help of multiple scholarships, he graduated from Bombay University with degrees in politics and economics in 1912 and from Columbia University with a postgraduate degree in economics in 1913. The London School of Economics and Political Science awarded him a Ph.D. in Economics in 1922, making him the first Indian untouchable to receive a high degree of education.

His first and third books, which analyse the East India Company's financial status from 1792 to 1858, contain his contributions to public finance. The second book is a seminal addition to the discipline of monetary economics. In this paper, Dr. Ambedkar discussed the problem of choosing an appropriate monetary system for India in the early 1920s and examined the evolution of the Indian rupee as a medium

of exchange from 1800 to 1893. The third looks at the evolution of Centre-State financial ties in British India from 1833 to 1921.

### **Techniques**

The researcher used secondary data in study papers and articles. The researcher studied Dr. B. R. Ambedkar's economic ideas for the Indian economy and their applicability to the current scenario using the collective observation approach.

### **Dr. B. R. Ambedkar's Observations on the Indian economy**

Dr. Ambedkar illustrated the problem of the financial and physical exploitation of rural poor people via his movements. The easiest way to understand his theories about equilibrium is to look at his struggle against the Khoti land tenure system that was in place at the time. India's mixed economy was influenced by the social, political, and economic shifts that took place both before and after the nation gained its independence. Dr. Ambedkar has brought a new socio-political viewpoint to Indian economy. A 1947 foreword to the Indian translation of *The Problem of the Rupee* quotes Dr. Ambedkar as saying that he decided to "changeover from economics to law and politics."

"Continuous depreciation of the Indian currency, while beneficial to Indian exports, was detrimental to the Indian economy," he declared categorically. Determining the exchange rate has become challenging due to fluctuations in the prices of gold and silver. During that time, money was represented by coins composed of silver and gold. Establishing the parameters for exchanging gold coins for silver coins or other money is difficult.

It is hard to set a standard for exchanging gold coins for silver coins or foreign cash because of the volatility of these metals' prices. Ambedkar considered all of this when he wrote his works and fiercely opposed the gold exchange standard, which was supported theoretically by all of the leading experts at the time, including John Maynard Keynes. Whether or whether deliberate devaluation was planned, Ambedkar was not in favour of it. According to him, a depreciating currency boosts exports and drives up domestic prices. The two biggest economic influencing elements at the moment are globalisation and privatisation. More exports are being encouraged by the government. This benefits the trade classes at the expense of the less fortunate.

His principal contention is that one cannot reasonably expect a foreign government to allocate its resources in a way that best serves its people. He made it very clear: "The Executive in India failed to take certain actions that would have aided progress because of its impersonal nature, character, motives, and interests. It was unable to empathise with the forces at work in Indian society, was unaccountable for their needs, wants, and desires, was antagonistic towards their goals, did not promote education, did not favour Swadeshi, and became enraged at anything that seemed out of place.

It was as a result of everything being against its nature. This suggests that using the funds to enhance people's quality of life is imperative. Inaction on the part of the government will lead to wasteful spending and a sluggish pace of social progress. Political unrest and corruption are currently becoming more of an

issue for Indian economy. When a state or federal government starts a programme to aid the impoverished, politicians and middlemen pocket the majority of the funds.

Roads, law and order, defence, infrastructure, disaster management, and other necessities for human habitation are funded by the public coffers. Citizens entrust the government with the authority to decide how to allocate taxes and spending because they believe that the government will carefully provide these public goods and services. In democratic forms of governance, elected representatives of the people pledge to improve citizens' welfare. Because of this, it is relatively easy to mislead the public with false claims because they are unable to comprehend the full implications of government action. Following the government's initial goals is therefore even more crucial.

Dr. Ambedkar emphasised the importance of using public monies to the fullest. According to him, using public funds fairly puts economic sense at the top of the list of requirements. But mere apparent adherence to the original aims and wisdom are not sufficient in themselves for public investment to promote social well-being. In this context, the significance of the third canon of public expenditure is especially highlighted. In terms of public spending, "economy" refers to more than just a low level of spending; rather, it refers to the wise use of resources to maximise the benefit of each and every penny. Those in charge of public finances have an obligation to consider other ways of accomplishing the goals and make sure there are no leaks.

The canons stress that spending decisions should be firmly tied to the stated objectives and their available resources, in addition to guaranteeing economic efficiency and effectiveness in the implementation of government policies, schemes, projects, etc.

Public monies are an important national resource, but they don't always end up where they're supposed to because of political pressure and corruption. Although the establishment of the total level of expenditure is a question of general policy based on the democratic will of the people, the allocation of that total among competing demands and the mode of utilisation are within the jurisdiction of these canons. Lowering the amount of public spending in the current climate of significant budget deficits can be facilitated by strictly enforcing the Ambedkar canons.

In his study from 1981, "Small holdings in India and their remedies," he addresses an issue that still besets the Indian agrarian system. He contended that there are numerous components involved in the production of products and services, and the productivity of one factor of production is dependent on the ratio in which the other factors of production are combined. One of these factors is land. "Getting every stakeholder to contribute their best is the main goal of an efficient production," he says, "and it can only accomplish that when it has the necessary capacity to cooperate with its fellow." As a result, when the different components are joined, there should be a set of ideal proportions; nevertheless, the ideal will vary as the proportions do.

Unfortunately, Ambedkar's 1936 speech titled "Annihilation of Caste" was never delivered. Later, in 1937, this speech was released. He discussed the implications of the caste system in this address. He emphasised that the division of labour in the caste system encompasses both division of labour and division of labours.

His principal argument was that India's caste structure impedes capital and labour mobility, which has an effect on the country's economic growth. The caste structure in India causes work to be fixed by birth, which reduces labour mobility in other industries.

The Mahar people in Maharashtra were forced into slaves of the feudal lords by "Mahar Watan," which was abolished by a bill proposed by Dr. B.R. Ambedkar in the Bombay Legislative Council in 1937. These communities used to reside outside of the villages and carry out tasks such as village watchman, scavenger hunts, messenger services, sweepers, and animal corpse removal. They are given "Watan" a small plot of land for agriculture in order to perform these tasks. As a result, they were at the villagers' and feudal lords' mercy.

Ambedkar's tenure as the Minister of Public Works has been completely disregarded. Dr. B.R. Ambedkar started a new water and electricity policy in 1942–1946. Making the best use of the nation's water resources was the primary goal of this policy. Ambedkar envisioned the schemes with consideration for the Tennessee Valley Scheme in the United States. Being a tremendous visionary, he correctly saw that the only projects with multiple uses could address the issues of flooding, starvation, lack of electricity, and irrigation. Babasaheb proposed the idea of constructing the first multipurpose river valley project in Bengal and Bihar, known as the Damodar Valley Project, for the country's growth.

Dr. B.R. Ambedkar designed three more river valley projects: the Sone river valley project, the Bhakra-Nagal Dam (the highest gravity dam), and the Hirakud Dam (the longest major earthen dam). In order to address issues like water conflicts, water starvation, etc., Dr. B.R. Ambedkar advocated for central control over water resources and their management. He urged the provinces to work together to resolve the interstate river conflicts, and in 1956 he purposefully combined the "River Boards Act" with the "Inter-State Water Disputes Act." The first dealt with ending the state-to-state conflict, while the second dealt with developing and regulating the interstate valley projects.

During his tenure on the Viceroy executive council from 1942 to 1946, he founded the Central Water Commission and the Central Electricity Authority. These two organisations have made significant contributions to the nation's power and irrigation systems. He suggested connecting the principal rivers in South India. The National Power Grid was developed with pride and is still operational now because to the efforts of Dr. B.R. Ambedkar.

### **In summary**

In his day, Dr. B. R. Ambedkar was a well-versed economist. In addition to his ideas, he actively battled for the rights of people who were being taken advantage of. His economic theories have helped India's economy and may be a helpful solution to the nation's present financial problems.

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