

# THE ECONOMIC THOUGHTS OF DR.B.R. AMBEDKAR-A REVIEW

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## ABSTRACT

This paper deals with the economic ideas which were anticipated by the father of Indian constitution Dr. B.R.Ambedkar. Dr. Babasaheb Ambedkar is one of such great intellectual, leader and thinker of its time in India who he has changed not only 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 known that Babasaheb was a great scholar who made outstanding contributions as an economist, sociologist, legal luminary, educationalist, journalist, Parliamentarian along with social reformer and human rights. He was a scholar modern economist and his thoughts background of current scenario. Now the days need to upliftment of real economical backwards to build economically powerful nation. He also recommended 'Industrilisation' as a helpful and effective solution for both farming and Indian economy. In his early life he scholarly contributed Indian Economy with his writings. Key words: Constitution, Untouchables, Economy, Currency, Land Reforms, Labour.

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## INTRODUCTION

Dr Bhim Rao Ambedkar is renowned as the "Father of Indian Constitution," and found economics closest to his heart. Ambedkar was a keen student of economics. Bharat Ratna Dr. B. R. Ambedkar was vibrant person in Indian history. He was contributed as an economist, sociologist, legal luminary, educationalist, journalist, Parliamentarian, editor, social revolutionist, height of the human rights etc. He was a first highly complicated intellectual within vulnerable community in India. as he was the foremost draftsman of Indian constitution which was adopted on 26th November 1949 and got implemented on 26th January 1950.Given that of his significant works and assistance in the various fields he is also known as a great leader of freedom movement, a high-caliber lawyer, a great dalit leader and a famous economist. Prof. A. K. Sen has also said, "Ambedkar is my Father in

Economics. He is true eminent campaigner of the abandoned. He deserves more than what he has achieved today. However he was highly famous figure in his home country, though it was not the reality. His contribution in the field of economics is wonderful and will be remembered forever..!” Ambedkar supposed that the fundamental cause of India’s backward economy was the delay in changing the land system. The solution was democratic collectivism that entailed economic effectiveness, output and overhauling the village economy. He said he would wipe out essentials of economic exploitation and social injustice. He did not want landlords, tenants, or landless labour. His idea of economic realism sought both freedom and welfare

### **Objective**

To know the Economic beliefs and thoughts of Dr.B.R. Ambedkar.

**Research Methodology:** This paper is based on the role of Dr.BabasahebAmbedkars in economics with the help of secondary data collection. The secondary data is gathered from various published Journals, Books Internet (websites) and research papers.

### **Dr. Babasaheb Ambedkar-A Great Economist**

**Land Reforms** - Ambedkar main concern s were the nature of land holdings, especially their disintegration and division into infertile and economically in viable structure. He criticized the existing definition of economic holding which was defined from the point of view of utilization rather than that of production. He remarked, “any definition, therefore, that leans on consumption mistakes the nature of an economic holding which is basically an activity in production. What is more significant for the purpose of production is the process of combining the factors of production.” The basic problem of Indian farming was that it was unable to make surplus which finally led to scarcity of capital. This resulted in the fruitless use of resources, surplus labour and redundant employment which by raising the cost of production culminated in low agricultural productivity. Thus the progression of on the whole profitable growth gets adversely affected. Ambedkar was of opinion that the process of consolidation of holding could wipe out the sick effect of uneconomic holding and usher in the progress of the cultivators. He favored successful growth of industrialization and described that how agriculture is improved by the reflex effect of industrialization. He stated “Industrialization facilitates consolidation. It is a obstruction next to future part and consolidation.”Ambedkar was of the opinion that the state should obtain all the agricultural land held by private

individuals like the owners, tenants or mortgages and pay them damages equal to the value of land. The state should provide the land compulsory into farms of regular size and should let out the farms for farming to the people of the villages.

### **Economics of Caste System**

Dr. Ambedkar played a momentous responsibility for the upliftment of browbeaten. He was careful as messiah for suppressed class as he belongs to untouchable's community. He knowledgeable caste favoritism right from the early days, that's why he raises the issues related to untouchability there are many leaders who raise their voice for the down trodden of India, but the most considerable, famous actions were in use by B R Ambedkar because he himself faced such problems . After noticing the difficulty of existing caste system and its impacts on suppressed human being optimistic opening father of the Constitution of India to create an independent society wherein justice, social, economic and political right prevails which includes fairness of status and chance may be obtainable to everyone regardless of caste formation.

No hesitation India has got political freedom and has political democracy, but it must be the concerned of everyone that real freedom cannot be esteemed without accomplishment of social and economic democracy. It is unfortunate that the Indian society is sharply divided into various caste and sub caste which is obstacle due to rigidity segregation and division of the society based on rigid caste consideration. B R Ambedkar was frightened adequate by the conduct and humanism of the immense social reformers like Budhha, Kabir and Jyotiba Phule. He confirmed that Untouchables must leave the Hindu traditions and accept another religion instead, and he himself embraced Buddhism.

According to Ambedkar the caste classification in India was a major obstruction to economic growth and progress. The caste classification didn't permit people to teach their expert skills to any individual belonging to other caste. Merely the members of their own caste were permissible to learn the profession. Thus if a person had the skill necessary for a particular occupation he would not accept the profession of a caste lower than his own. In an energetic industrial set up the individual must be free to choose his profession. But due to social religious restriction on inter work-related mobility has following consequences:

*Firstly*, by not permitting readjustment of profession, caste become a direct cause of much of the being without a job in various groups, as a religious Hindu would prefer to be unemployed rather than getting employed in profession not assigned to his caste.

*Second*, individual justice and economic efficiency demand that competition exists in factor market. Due to the constraint on inter-occupational mobility of labour, capital and free enterprise across caste groups the caste system creates separation in each of these markets. Labour and capital thus does not flow from one livelihood to another even if the wage rate or rates of return on investments are higher in the substitute occupations. This brings about a high level of inadequacy in resource allocation.

The division of employment is not based on individual choice. Some of the occupations are socially degrading, and people are forced in these occupations on account of their caste origin. Such people cannot obtain job satisfaction. As economic association caste is therefore a destructive institution in as much as it involves the subordination of man's natural powers and favoritism to the exigencies of social rules. This also results in disassociation of cleverness from work. The dignity of labour is nearly absent in the common scheme of theory of caste.

### **Decentralization of Finance**

Ambedkar demonstrates how centralization of government finances which prevailed in India during 1833 through 1871, was a failure on account of flawed fiscal system marked by injurious taxes and unproductive or excessive expenditure. The scheme of royally investment was started in India in 1833. It extended note in 1858 when the crown took over from the East India Company that no territory had any separate power for legislating any separate financial assets. The royally government was liable in law but did not manage the country whereas the local governments administered the country but had no responsibility in law. Under this system budgets were arranged by the local government but the liability for the finding ways and means for financing them rested on the government of India. There was virtually no power of creating or modifying any appointments in service. The restriction involved provided the Government of India with a chance to interfere with all the details of local administration." These led to uneconomical burden and since the government of India did not possess the necessary equipment to evaluate the demands and to control the expenses, it often had to yield. Government finances came under rigorous damage and it was realized that the local government must draw up their own income and expenditure budgets. Accordingly, the rule of local budgets came into effect in 1871. Local finance was introduced in the form of budget by project (as referred by Ambedkar) during 1871-72 through 1876-77. Underneath this scheme financial responsibilities of certain departments of administration were delegated to the provinces and the revenue accruing from the royally from those services were handed over to them with set lump

sum project from the assets. According to Ambedkar this scheme led to high taxes and made taxation more irrational.

The next stage in the development of local finance was the budget by assigned income which was operational during the period 1877-78 through 1881-82. It gave the provinces certain sources the yield of which frequently depends on good management for the growing needs of the local services. The third phase in the process of progression of local administration was the scheme of budget by shared revenues. According to Ambedkar the earlier schemes were missing as the sources of revenues assigned to provinces had little room for exaggeration over the time. But the new scheme of shared revenues specific revenues were collected either by the royal government of provinces and a portion of the proceeds was allotted to the other. The scheme was most flourishing and lasted for 38 years and in 1920-21 major fiscal reforms were introduced in 1921 which in the opinion of Ambedkar were not induced by any intrinsic defects in the system

### **Ambedkar's Canons of Public Expenditure**

In 1945, while discussing about the functions of Comptroller and Auditor General of India Ambedkar critical out that government should dutifully use the public funds. The revenue which is collected from the public should be use according to rules & regulations and due value should be given to accuracy, perception and financial system. This ideology of expenses the public funds are known as Ambedkar's Canon of Public Expenditure. The vocabulary meanings of assurance are responsibility, guarantee and promise. It's the responsibility of the government to supply the fundamental facilities to the tax payers. We know that it is easy to give the wrong impression about the public as the public investment has an extensive growth lag period. So, every government should keep in mind that public has a vast assurance in them and they should be dedicated to provide roads, medical facilities, law and order to its citizens. Ambedkar pointed out that even though the meaning of expenses the public funds may be correct but still if it is not used judiciously then also the arrangement fails. In this context he has talked about understanding of Government to use the public money. By insight he was indicating about the knowledge and practice which should be used while spending the public funds in a better way. Another important principle of Ambedkar's canon was economy. By economy he didn't mean less public expenses, it basically means how the government should spend the public funds so that they are used optimally.

## CONCLUSION

Dr. B.R.Ambedkar with dual doctorate degrees was the utmost scholar an important person of his time. He was a extremely qualified economist but his charity in the economics were not renowned in the main stream economics. The motive behind this was that Babasaheb closed functioning economics after India got independence and devoted most of his time in politics and law. Therefore he was more admired as a political leader rather than an economist. But whatever he has contributed to the ground of economics is extraordinary.

This paper has discussed the important charity made by Ambedkar in the field of economics. Babasaheb was in help of consolidation of small land asset in India by the state and without any bias it should allocate this consolidated land into a regular size to the original cultivators. He pointed out the land is only one factor of production, it the mix of all the factors which is accountable for the low production of land. He wanted that heavy industries should be owned by the public sector and private sector should only fill the gaps. He was a strong supporter of State Socialism. Caste system according to him acts as an obstruction to the labour mobility from one sector to another. This hindrance in the mobility of labour due to caste system honestly impacts the economic progress of India. What can we bring to a close from this brief raid into the various economic themes with whom Ambedkar was concerned? The value of his conclusions is considerable just because his study was based on sound practical and historical foundations. Key industries shall be owned and sprint by the position. Basic but non-key industries shall be owned by the shape and run by the state or by corporations sound by it. Farming shall be a position industry, and be organized by the state taking over all land and letting it out for agriculture in suitable regular 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 excess labour from farming to other productive occupations, accompanied by large capital reserves in cultivation to increase yields. He sees a tremendously.

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