

## **SIGNIFICANCE OF DR. BABASAHEB AMBEDKAR TO INDIA'S ECONOMIC PROSPERITY**

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### **ABSTRACT**

The first Indian to receive a Ph.D. in economics, Dr. B. R. Ambedkar, also known as Babasaheb, was an economist. Ambedkar was trained as an economist, and was a professional economist until 1921, when he became a political leader. He wrote three scholarly books on economics: Administration and Finance of the East India Company, The Evolution of Provincial Finance in British India, The Problem of the Rupee: Its Origin and Its Solution. The significance of Dr. Babasaheb Ambedkar to India's economic prosperity is discussed in this article.

### **Introduction**

It is clear that Dr. B. R. Ambedkar was a master economist. He consistently put the welfare of people at the forefront of his programmes and had practical solutions for even the most challenging issues. He championed the idea of including both positive and negative rights under the tenet of Fundamental Rights in the Indian Constitution in addition to advocating for labour welfare in the Constituent Assembly. Many of Dr. Ambedkar's proposals, however, were incorporated into the non-justiciable Directive Principles of State Policy because few others shared his radical and reformist views. His policy stance was less constrained by preconceived notions or dogma and more based on empirical data, historical precedents, and instances from the real world. Babasaheb pushed for rapid industrialization while simultaneously promoting collective farming. Ambedkar supported urbanisation, but he also cautioned against the dangers of unrestrained capitalism and argued that important industries and agriculture should be owned by the government to protect the general public from exploitation. That his ideas and vision were not given the proper credit is, in fact, a loss for the area of economic policymaking as a whole. His contributions to so many different areas of economics are evidence of his brilliance and intelligence. We do need to comprehend Ambedkar's function as the head of the vision of democracy and the reality of the situation there. We should evaluate committee that drafted the Constitution of independent India as well as the deft way he "piloted the draught" in the Constituent Assembly today. But that is insufficient. We are well aware of how, over the course of his extensive political career, he gave us "a variety of political and social ideas that fertilised Indian thinking," which in turn significantly influenced India's choice to adopt the parliamentary

system of government. The distinction between what he called "political democracy" and "social democracy," which he defined as "one man with one vote" and "one man with one value," and his warning that political democracy built on the divisions, asymmetries, inequalities, and exclusions of traditional Indian society would be like "a palace built on cow dung," may be more crucial for the discussion to follow. We also need to examine the current state of affairs in the nation to determine whether there is a growing resonance or dissonance between Dr. Ambedkar's our contribution to meeting the issues before us via this lens. Although Bhimrao Ramji Ambedkar received his education at some of the most prestigious universities in the world, it is ironic that these were the words of one of the most educated Indians of his time, if not the most. They likely give us a good idea of his insight and understanding about the ground realities of India. Most people remember Babasaheb Ambedkar, as he was affectionately known, for his immeasurable achievements as the chairman of the committee that drafted the Indian Constitution. He is hailed as the primary architect of many of the progressive clauses in the Constitution and delivered some of the most passionate and well-spoken arguments in the Constituent Assembly in support of them. One of the most influential thinkers of his era, Dr. B. R. Ambedkar made significant contributions as a lawyer, scholar, journalist, advocate for education, and social reformer. He became a representative of the oppressed and backward masses while advancing the cause of human rights. The fact that so many people are unaware of Dr. Ambedkar's groundbreaking work as a great economist, however, is startling at best and regrettable at worst. The mammoth book Babasaheb wrote as part of his DSc dissertation, *The Problem of Rupee: Its Origin and Solution*, which demonstrates his grasp of the financial system. Even the Hilton Young Commission heard his remarks, which were taken into consideration when the Reserve Bank of India was established (RBI). At that time, John Maynard Keynes, one of the most well-known economists of the era, was a target of Ambedkar's opposition in the debate over the gold standard versus gold-exchange standard. Keynes supported the gold-exchange standard, while Ambedkar favoured a modified gold standard. Ambedkar's main justification for opposing the idea of the money supply being linked to gold was that the gold standard offered some degree of currency stability for a rising nation like India. For the greater good of the poor, he emphasised the significance of price stability over exchange rate stability. Another bone of contention for him was that the gold-exchange standard provided the government unrestricted power and completely uncontrolled discretion to the currency issuer. Thus, he recommended that a law be created to fix the rupee to gold coin ratio and prevent the former from being converted into the latter. *The Evolution of Provincial Finance in British India*, Ambedkar's PhD dissertation that examined the financial ties between the Center and the Province, is another important piece of his work. Each administrative unit should be given the freedom to raise its own funds and arrange its own expenditures without being overly reliant on another, Ambedkar unambiguously declared. The provinces were the primary administrative

units until 1871, but they were only permitted to plan their outlays and were reliant on the Center for their revenue. As a result, the State's finances were unbalanced, which increased financial strain. To solve the Centre-provincial fiscal connection, which lasted for nearly five decades, later methods such as "budget by assignment," "budget by assigned revenues," and "budget by shared revenues" were devised. A committee was established in 1917 to address the issue of low land productivity in Indian agriculture, and it recommended that land holdings be combined. Ambedkar suggested that the consolidated land should be state-owned and handed equally to the original cultivators without any discrimination in his study, *Small Holdings in India and their Remedies*. He maintained that land was only one of the components of production and that other factors like capital and labour must be considered in order to make efficient use of land. Both a dearth of capital and an overabundance of labour were issues, and Ambedkar offered industrialization and collective farming as potential solutions. While the latter would address the issue of covert unemployment and raise the capital stock, the former would increase productivity. Dr. Ambedkar shared Karl Marx's ideas on the exploitation of the masses and believed that eradicating poverty and inequality as well as ending the exploitation of the rich would be the best way to advance India's economy. He did not, however, support communism as an economic system. In his essay, *Buddha and Karl Marx*, he makes the case that, contrary to Marx's theories, economic motivation cannot be the only driver of all human activity. As a result, exploitation might also be motivated by religious or societal factors, particularly in India. Ambedkar was a fervent advocate for democracy and human rights, thus he did not agree with communism's propensity for autocracy and disorder. He disagreed with Marx's notion of a stateless society because he favoured reformation within the bounds of the constitution. Ambedkar favoured the role of the state in promoting the nation's economic development as opposed to Marx's totalitarian philosophy. Ambedkar founded the Indian Finance Commission in 1951. He was against low-income groups paying income tax. He helped with strategies involving excise taxes and land revenue taxes to stabilise the economy. He was crucial to both the state's economic growth and the land reform movement. He claims that the caste system impedes the flow of labour (upper castes would not engage in lower caste occupations) and movement of wealth since it divides labourers and has a hierarchical structure (assuming investors would invest first in their own caste occupation). State ownership of agricultural land, state maintenance of resources for production, and a fair distribution of these resources to the populace comprised the three pillars of his idea of state socialism. He promoted birth control as a means of boosting the Indian economy, and the Indian government has adopted this as its official national family planning policy. He emphasised the importance of women's equal rights for economic development.

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