



## Role of Dr. Babasaheb Ambedkar in Economic Development of India

Harigopal Agrawal, Ph.D., Department of Economics

Shri K. R. Desai Arts and Commerce College, Dt. Jhalod, District – Dahod, Gujarat, INDIA

### ORIGINAL ARTICLE



Author

Harigopal Agrawal, Ph.D.

shodhsamagam1@gmail.com

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### ABSTRACT

*Dr. B. R. Ambedkar, popularly known as Babasaheb, was an economist and in economics. He was the first Indian to be awarded a Ph.D. He holds a Master's degree in Economics and a Ph.D. from Columbia University in 1915 and 1917 respectively. In the three years he spent at university pursuing higher education, he completed 29 courses in economics. He received a Doctorate of Science from the London School of Economics (LSE), which was awarded to him in 1923. This article is about Dr. in India's economic development. Discusses the contribution of Babasaheb Ambedkar.*

### KEY WORDS

*Indian economy, Economic thought, Indian rupee, Economic policy.*

### INTRODUCTION

Dr. Babasaheb Ambedkar, mostly known as the father of the Indian Constitution and a leader of Dalits, was born on 14 April 1891 in the town and military camp of Mahona in Madhya Pradesh (now Madhya Pradesh), India. Dr. Ambedkar is the first holder of a Ph.D. in Economics and the first person from South Asia to hold dual doctorate qualifications in the same field. He was an expert economist who oversaw the financial issues of the Indian economy and the financial issues of the nation during the period 1923-1956. He was one of the best-educated economists of his generation in India, earning doctorates in economics from Columbia University in the United States and the London School of Economics. Dr. Before Ambedkar became a political leader, he trained as an economist until 1921 and was a professional economist. He has written three books on economics, (1) 'Administration and Finance of the

East India Company', (2) 'Evolution of Provincial Finance in British India' and (3) 'The Problem of the Rupee: Its Origin and Solution'. After the end of World War II, India faced many difficulties related to trade, agriculture, needs etc. Dr. Ambedkar's strategy helped overcome the misfortunes and his strategy played an important role in creating enterprises, improving agriculture and building the economy of India.

## Objective of the Study

1. To Understand the economic ideas of Dr. B.R. Ambedkar.
2. To Study Ambedkar as an Economist.

## Study Methodology

This study has been conducted with the help of secondary data like online research papers, books, websites etc.

## Management of Rupees

Dr. B. R. Ambedkar's London doctoral thesis, later published as a book, was on the management of the rupee. At that time, there was much debate about the relative quality of gold as well as the gold exchange rate. The gold standard refers to a convertible currency in which gold coins are issued and can be supplemented with paper money, which promises to be completely disposable in gold. In contrast, under the gold exchange standard only paper money is issued, which is exchangeable with gold at a fixed rate and the authorities return it with the foreign exchange funds of such countries which is based on gold standard. Dr. B. R. Ambedkar argued in favor of the gold standard and opposed John Maynard Keynes' suggestion that India should adopt a gold exchange standard. Dr. Ambedkar argued that gold exchange standards allowed the issue more freedom to deal with the money supply efficiently and did not threaten the stability of the monetary unit. Dr. Ambedkar argued that mercantile money (mercantile money) should be tied to the cycles of nature and stated that the gold exchange standard lacked stability, a currency that was a major concern for developing countries like India. Instead of implementing the gold standard, he drafted recommendations and submitted them to the Royal Commission on the Currency of Finance (Hilton Young Commission).

## Centre-State Fiscal Relations and Tax Policy

Dr. Ambedkar's dissertation submitted to Columbia University was on Centre-State Fiscal Relations under Edwin Seligman. who is one of the leading authorities on public finance in the world. Dr. Ambedkar argued that under a good system of governance, each political unit should be able to prepare its own resources and meet its own needs without over-dependence on others. He recognized that the provinces in British India depended on grants-in-aid from the home Government. He considered it a fiscal inequity and argued in favor of provincial Governments retaining sales tax power as it was an important source of their revenue. Dr. Ambedkar opposed the land acquisition system and other taxes as their burden mainly fell on the poorer sections of the society. He clarified that the principles of tax payment should be based on the ability of the payer and not on income. He said that tax should be progressive if exempted from tax cap henceforth.

## Problem of Small Lands

Dr. Ambedkar's academic publications are of great importance to contemporary economic discourse. Dr. Ambedkar did extensive research on the problem of small landholders in agriculture. He wrote an essay on agriculture and landholding which was published in the Journal of the Indian Economic Association. In that essay, Dr. Ambedkar has discussed the problem of small landholders in India and its fragmentation. After examining various proposals to consolidate and increase such land, Dr. Ambedkar came to the conclusion that such proposals were fundamentally flawed. Dr. Ambedkar argued that land is only one of the factors of production necessary for crop production, and unless it is used to the maximum extent along with other factors of production, it will remain inefficient. Therefore, landholdings should not be fixed, but should ideally

vary with the availability of other factors of production, increasing with the availability of agricultural implements and then shrinking thereafter.

### **Importance of Industrialization**

Dr. B. R. Ambedkar argued in favor of industrialization that raising capital reserves was the real challenge and would only be possible if there was more savings in the economy. He said this was not possible as long as a large community of people remained dependent on the land for their livelihood. He presented industrialization as a solution to India's agricultural problems. Industrialization of India is the best solution to India's agricultural problems. The combined effect of industrialization would be to reduce pressure or burden on agricultural land and increase the amount of capital and capital goods needed economically by the country. When Dr. Ambedkar spoke in favor of industrialization and urbanization, he alluded to capitalism and suggested that innate capitalism could turn into a power of oppression and exploitation.

### **Water Management**

Dr. B. R. Ambedkar suggested creating water hotspots for India's rapid economic development before independence. He underlined that the water board should be an integral part of the nation. He outlined the Damodar Ghat Scheme (Kolkata, January 3, 1945), which was based on the Tennessee Valley Authority of America. He said that the Damodar Waterway Project is a major undertaking and will be a multi-purpose venture for economic development. The main objective of his initiative was to protect the common man from floods as well as provide infrastructure for water supply, roads, power generation and much needed systems for the needy to thrive in the country.

### **CONCLUSION**

Not all of Dr. Babasaheb Ambedkar's economic analyzes may hold true in the Indian economy today, but some of the principles he proved, such as price stability and fiscal responsibility, are still relevant today. Dr. Ambedkar appears to have significantly influenced the decision on economic development strategy. He emphasized the need for industrialization for overall economic development. The Reserve Bank of India (RBI) was founded on the ideas presented by Ambedkar before the Hilton Young Commission. His economics has become a battleground between the ruling party and the opposition in India today, with both sides claiming that he is actually on his side.

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