



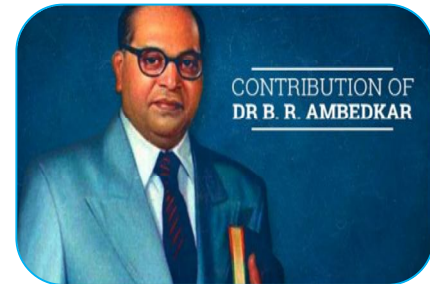
CONTRIBUTION OF DR. BABASAHEB AMBEDKAR IN THE ECONOMIC DEVELOPMENT OF INDIA

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ABSTRACT:

Dr. Babasaheb Ambedkar was a great Indian economist. Along with his educational, political, religious, cultural work, there is also an important contribution in the economic sector. The main subject of his studies was economics. He has presented many economic ideas. Dr. Amartya Sen is an Indian economist who won the Nobel Prize in Economics. Dr. Babasaheb Ambedkar is considered as the Guru of Economics. Dr. Babasaheb Ambedkar's economic thoughts can be seen expressed in his books on economics and his speeches from time to time. The interest of the common man remained the central point of his economic thoughts.



Development is an important part of national development. It depends on the strategic change in the social and economic life of the people. The development of any country is based on holistic value system policy. Social, cultural, educational, economic, religious values have special influence in it. Dr. Babasaheb Ambedkar's thought of social, cultural, economic, political and industrial policies are leading India towards development in today's context. He has formulated India's development policies in such a way that they will become a guide to the world. The present research paper has studied the contribution of Dr. Babasaheb Ambedkar in the economic development of India.

KEYWORDS: *Currency, Industry, Revenue, Budget, RBI, Development.*

INTRODUCTION:

Dr. Babasaheb Ambedkar being a philosopher, economist and anthropologist, his aim was for the advancement of development and prosperity of human life. He has always respected high values such as human and social values. Dr. Babasaheb Ambedkar's policies were complementary to development. He was confident that there is no sustainable development unless the human being is developed. Gross differences between people are the main obstacle to sustainable development. There will be no social development until man leaves his backwardness and comes to a prosperous life. So Dr. Babasaheb Ambedkar knew that there is no sustainable development without social development. Therefore, he enlightened human action by encouraging social goals and giving individual and self-reflection within them, thereby shifting the human perspective towards sustainable development.

RESEARCH OBJECTIVES:

1. To study the contribution of Dr. Babasaheb Ambedkar in the economic development of India.

REVENUE CONSIDERATIONS:

Dr. Babasaheb Ambedkar's Ph.D thesis at Columbia University discusses how the relationship between the central and state governments has evolved. During the period from 1833 to 1921, revenue was centralized. There was a need to collect maximum revenue for the government to fulfill the increasing responsibility through taxes. In a poor country like India, there are financial restrictions on raising money by raising taxes. For that, it was suggested that the responsibilities should be divided between different levels of government i.e. central government, state government and local bodies. Dr. Babasaheb Ambedkar has presented a broad and nuanced picture of the economic relationship between the central government and the state government.

The Finance Commission of India is constituted every five years. It distributes the revenue between the central and state governments. According to the ideas of Dr. Babasaheb Ambedkar, the revenue from both is distributed. According to Dr. Babasaheb Ambedkar, regional finance management in British India developed in three distinct areas. Each region had a different system of central government assisting the state government. Rather than Justice Ranade's (five-yearly) division, it was found more convenient to divide the development of regional finance into three parts, and Dr. Babasaheb Ambedkar divided it into three parts namely fixed budget, fixed revenue based budget and revenue distribution based budget.

CURRENCY CONSIDERATIONS:

Barter system existed in India earlier. In this method we have to give another thing in exchange for the thing we want. Also, goods were given as compensation for work. In this way, earlier transactions were completed by exchanging goods. But with the passage of time many hurdles were felt while transacting in this method and hence humans started to advance towards currency. In the later period, both gold standard and silver standard were introduced in India. But these two different methods had some problems. For example, because gold and silver coins of different sizes and weights were used in different states and provinces, barriers to transactions arose. Earlier, the rulers used to give wages and emoluments to the army and officials in the form of grain, land. But with the passage of time, the demand for money started to increase as money was used for everyone. India's trade with other countries increased during this period. The increase in India's international trade, especially with England, led to an increase in India's exports. As India's exports increased, the demand for money also increased. All these had an effect on the supply and demand of the country and created an imbalance between supply and demand. Paper currency was introduced in 1864 to address this supply and demand imbalance. But since it was difficult to keep the gold-silver exchange rate stable, this raised new questions and Babasaheb felt that India had to bear a huge loss due to this.

What is the right or ideal currency system for India now that currency problems have arisen in India? There are two options available to India to overcome or face this problem. The first option is the gold dimension in which gold coins are used as currency and the second option is the gold exchange dimension. In the gold exchange dimension, paper notes are used as currency and the government guarantees gold at a fixed rate by taking paper rupees.

Many intellectuals and economists differed on which of the two available options, gold standard and gold exchange standard, was the right currency system for India. At this time famous economist J. M. Keynes suggested that the gold exchange rate system was suitable for India. Because this method is flexible and currency creation does not depend on gold reserves in the country. On the other hand, Dr. Babasaheb Ambedkar, who advocated the gold standard, opposed the views of the economists who advocated the gold exchange standard. Because according to Dr. Babasaheb Ambedkar, the gold exchange rate system can become unrestricted as currency creation is flexible. Due to this, the price of rupee may fall due to inflation. Babasaheb gave an example to explain how the price of gold rose when there was a quantitative system of gold exchange in India. He clearly opined that the golden ratio is the right method for India.

INDUSTRY CONSIDERATIONS:

Dr. Babasaheb Ambedkar suggested in the book Nation and Minority that how India should plan for the economic development of the country. He said that the plan should be such that it would add maximum to the national product without doing injustice to the private entrepreneurs. At the same time, the economic wealth of the nation should be equally distributed. He made special efforts and laws to free the lower class of society from economic exploitation. He also expressed the opinion that political democracy cannot survive without economic and social democracy. During industrialization, Dr. Babasaheb Ambedkar suggested some solutions as follows,

- 1) Infrastructure industries should be owned by the government for the development of the country.
- 2) Private entrepreneurs should be allowed to set up these industries.
- 3) Basic industries should be under the auspices of the government for the welfare of the people. Because private entrepreneurs ignore the welfare of the public in making profit. Government intervention is very important for that.

In the information sheet of the All India Scheduled Cast Federation which was to be presented to the Constituent Assembly, Dr. Babasaheb Ambedkar stated that the companies or industries designated as major industries should be run by the government and should be fully owned by the government. All the industries which are not designated as major industries should be run by the state or a cooperative society created by the state and the state government should provide all the capital required for the industries.

The rights of companies formed by private individuals should be protected by the government and the government should agree to pay them in the form of a bond. Dr. Babasaheb Ambedkar was of the opinion that companies which have gone bankrupt should not be forcibly recovered. The state should decide when and how the affidavit-submitting industries should make refunds. The heirs of the companies to which the affidavit has been submitted cannot make any claim on the principal interest fixed by the Government or change it. In case of transfer of industries, the State should decide whether the industrial interest fixed by the State should be paid to the original industrial owner or not. The undertakings submitting the affidavit shall be liable to pay interest in the form prescribed by law or as prescribed by the State, whichever is appropriate. According to Dr. Babasaheb Ambedkar, the overall effect of industrialization was on the expansion of producer capital and capitalists. Dr. Babasaheb Ambedkar's opinion regarding the development of industrialization was that industrialization is the natural and best solution.

RESERVE BANK OF INDIA:

A Royal Commission was appointed by the British Government in 1924-25 to study and reform the Indian economy. It is also called (Hilton Young Commission). Ambedkar was invited by this committee to speak on economy. And the special thing is that every member of that committee had this book (The problem of the rupee). Every member wanted to use this book as a reference to improve the Indian economy. Ambedkar was delighted to see this.

Before Dr. Babasaheb Ambedkar, the committee discussed the problems in Indian currency and their solutions, how banking should be done, financial policy, what should be the parameters of currency, collective farming business, economic policy, zamindari system, land tax, the effect of all these on the economy, the most important currency exchange system is 'gold'. He asserted that this criterion should be considered.

After the First World War, in 1935, the Reserve Bank of India was established to keep the Indian economy under British rule running smoothly. And this bank (Hilton Young Commission) was established keeping in mind the details of this committee. The use of all the above three book thesis written by Babasaheb became the foundation of the establishment of 'Reserve Bank of India'. And this central bank came into being.

Even today, this bank stands neutral on the guidelines and operating system suggested by Dr. Babasaheb Ambedkar. The bank was actually established on 1st April 1935 but in 1949 it was actually taken over by Indians. This will show how great an economist Babasaheb was.

CONCLUSION:

Till date, different economists have expressed their views globally. Dr. Babasaheb Ambedkar was an active economist. Dr. Babasaheb Ambedkar's economic, social and political views in India's economic development are being applied in today's situation. Indian economic development has been accelerated due to his economic ideas. His economic thinking has helped reduce the economic disparity in the country and raised the standard of living. Also, the country's economy improved due to his economic thinking by reducing poverty and unemployment in the country. If the challenge of globalization before the country is to be solved, it is necessary to plan and strictly implement the economic ideas of Dr. Babasaheb Ambedkar.

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