

Relevance of Dr. B.R. Ambedkar's Economic Thoughts in Twenty First Century

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ABSTRACT

Dr. B.R. Ambedkar also known as the father of the Constitution of India is widely recognized and regarded as a great thinker of all time in the history of mankind. His views and contribution on various areas including politics, social issues, economics etc. is widely regarded and is still relevant in the current era. He upheld the equality principle and laid the base for modern India governed by 'Rule of Law'. Apart from his revolutionary social views, his economic views have also been widely acclaimed and are applicable even after a century. Dr. Ambedkar presented different view on exchange rate and public finance. Moreover, his views on industrialization and agriculture are still relevant. The present article aims to analyse the economic views of Dr. Ambedkar in the present era.

Key Words: Currency Exchange, Public Finance, Economy, Industrialisation.

INTRODUCTION

Dr. B.R. Ambedkar known as the father of Indian constitution is known for his radical approach towards various issues. He was known for his logical arguments on various issues and was critical to the British government for its social and economic policies. Dr. Ambedkar is regarded as 'messiah' of the downtrodden and lower strata of society but at the same times his radical views on the other issues created an image of great leader for all. He believed that western outlook is very important for the democracy and to establish welfare state. The base of 'Modern India' in true sense was laid by him. Dr. Ambedkar believed that individuals should be Indian first and must known for their national identity only. He challenged the prevailing caste system and worked for the upliftment of the isolated strata of the society. Dr. Ambedkar believed that freedom in true sense is obtained only after when equity and liberty exists in the society, so that each individual gets equal opportunity. According to him, equality, liberty and

fraternity are the basic requirement for the socio-economic development of a country. Apart from his radical views on the social issues and polity, Dr. Ambedkar is also known for his economic thoughts which are relevant even today.

In his book 'Problem of the Rupee: its Origin and its Solutions', Dr. Ambedkar criticised the ongoing gold exchange system. Over the decreasing value of Indian Rupee, Keynes viewed that 'Nothing will stabilise rupee unless we stabilise its general purchasing power'. On the other hand Dr. Ambedkar criticised Keynes for treating mere symptoms rather than going into the root cause of the problem. Many economists believed that the best way to stabilise rupee is to provide effective convertibility into gold but he disagreed. Dr. Ambedkar favoured gold currency standard over gold exchange system and was of the view that rupee could be kept at fixed ratio with gold to stabilise the Indian currency. He suggested to sell gold bullion and use the proceeds for other developmental activities and was against convertibility of rupee. Moreover he emphasised on circulation of inconvertible paper currency but at same time agreed that this is not feasible in current ongoing circumstances at that point after First World War, so suggested using bullions in place of gold exchange system. Presently we observe that paper currency is in circulation and is not fully convertible into gold which justify Dr. Ambedkar's view almost a century back. India follows Minimum Reserve System for currency printing. Although he was not of the view of deliberate devaluation of currency but at the same time he viewed that if due to any reason rupee devaluates, it will induce exports and help domestic producers. This is observed in present context also as many economies including China peg their currency at a lower rate to promote export known as deliberate unbalancing. India follow managed floating system in which Reserve Bank of India (RBI) intervene if fluctuations in exchange rate is beyond certain

limits and it uses exchange rate intervention according to the needs of economy.

Dr. Ambedkar took keen interest in the public finance and related issues. He laid emphasis on 'Canon of Economy' which suggests rational use of resources. This becomes even more important for poor country like India as they already face resource constraints and wastage of resources which may cause them huge social and economic losses. In present context the Government of India has laid great emphasis on the proper utilization of resources. The present policy of Government of India for fiscal consolidation, narrowing budgetary deficit, Public Private Partnership (PPP) are important steps in this regard. Moreover, the system of Direct Benefit Transfer (DBT) has been initiated in this regard so that the benefit reaches directly to the beneficiaries. Economy in the use of valuable resources does not mean cutting down necessary developmental expenses but minimizing the wastages and irregularities in the use of resources so that these valuable resources may be use in most judicious and efficient manner which will further accelerate the pace of economic development in the country.

Dr. Ambedkar was a visionary and was aware of the limitation of agriculture sector to provide employment opportunity and accelerate the pace of socio-economic development. So, he laid special emphasis on industrialization as it not just increases the employment opportunity but also reduces pressure from overburdened agriculture. In the present circumstances the vision of Dr. Ambedkar seems quite effective as we witness over pressurized agriculture sector and deteriorating conditions of farmers and disguised unemployment and to reduce this burden, secondary sector including MSMEs are viable option. The recent policies of Government of India including promotion of MSMEs, NIMZ, and target to increase contribution of manufacturing sector to twenty five per cent of Gross Domestic Product are few important steps in this direction. The present policy of Government of India seems in convergence with the view of Dr. Ambedkar.

Dr. Ambedkar was very much concerned about rural poor and was of the view that overall development of the society is possible with participation of all i.e., until and unless the lower strata of society is isolated and not participating freely in socio-economic activities, real development is not possible. If there is no assimilation of all in socio-economic activities, it will lead to increase inequality and social tensions in the country. He has been critical to the upper strata for isolating and exploiting the lower strata

and not providing them equal opportunity for their overall development. Dr. Ambedkar started a movement against then prevailing exploitative land tenure system called khoti system and demanded land reforms to uplift the economic condition of rural poor. The concern of Dr. Ambedkar is reflected in Government of India's present policy of 'Inclusive Development' which is based on development of all. Also government has brought necessary changes in the land tenure system. As two third of the Indian population still resides in rural India, the path for development of India is possible only by uplifting the rural sector which is possible through increasing farm income, creation of alternative sources of employment in rural areas, promoting food processing and agro based sectors and promoting self employment through small and cottage industries.

Dr. Ambedkar held critical view on the British Government of India and its administration. He was of the view that the colonial government is not concerned about the development of India but is mere concerned about their own economic fulfillments and wealth creation. He argued that the colonial government is using the valuable resource of India to create their wealth and are not concerned about the effectiveness and efficiency of administration. He pointed ongoing and increasing corruption and irregularities in government departments and exploitative nature of colonial rule in India. According to him mere making policies are of no use until it is implemented effectively. In the present India, we observe the menace of corruption, scams, economic frauds and irregularities which are acting as an important constraint for the growth of country. Although Government of India has taken many steps such as Fugitive offender bill, demonetization, linking Aadhar with PAN, Direct Benefit Transfers, Lokpal but still the offenders are fearless in their acts. To develop India as superpower we need corruption free India.

Dr. Ambedkar viewed important role of public sector in the economy. He believed every society needs basic amenities including basic infrastructure, codes and laws to operate in an effective manner. It is the responsibility of the government to provide this basic structure for proper functioning of the society. If these basic amenities are not available it creates the environment of uncertainty and individuals do not get the opportunity to operate in a free environment. The overall of development of society is not possible without proper infrastructure. The Indian government is very much concerned about creating and expanding this basic

structure to accelerate the pace of economic growth. Moreover, it is also focusing on good governance to remove the irregularities relating to governance. Dr. Ambedkar also mentioned that it is individual's right to get these services from government as they are paying taxes and at the same time government is responsible as are elected by the people.

CONCLUSION

The basis of modern India is based on the thoughts of Dr. Ambedkar. He emphasised on equality, equity, liberty and fraternity for the harmonious operation and overall development of the society. His political thought is widely acknowledged and acclaimed but at the same time his economic thought are very relevant even in the India of twenty first century. He was an expert of public finance and laid emphasis on the optimum utilization of resources and 'Principle of Economy' which is reflected in the present government's policy of fiscal consolidation, minimizing wasteful expenditure, DBT, reducing and bridging deficit gaps etc. Dr. Ambedkar was very much concerned about the rural development and was of the view that real development is not possible without assimilating the poor strata into the mainstream. He was critical to land tenure system and favoured land reforms to increase farm income. Even in twenty first year of twenty first century we are focusing to improve the economic condition of farmers by various reforms. Government of India's strategy of inclusive development is relevant in this regard. His optimistic view toward industrialization is relevant today to reduce burden from over pressurized agriculture and to drive Indian economy to the path of development. In this regard, Government of India has targeted to increase contribution of manufacturing to one fourth of GDP. Moreover, increasing the pace of industrialization will help Indian economy overcome the current ongoing phase of Jobless Growth as secondary sector has immense potential

to provide employment opportunities. Dr. Ambedkar was very much concerned about the effectiveness and efficiency of administration as he viewed policy making and its implementation is equally important. It is very disappointing that even today we are witnessing high corruption and irregularities which are acting as a constraint in the economic development of our nation. In nutshell, Dr. Ambedkar's economic thought are still relevant in the present economic condition and is very important in India's drive for socio-economic development.

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