CHAPTER - I
CHAPTER-I
INTRODUCTION

1.1 Introduction

Economic Science or ‘Economics’ proper, a Social Science, had its origin in Political Economy. Like any other science it has undergone the process of evolution. Economic ideas have been there since time immemorial but they have assumed the form of a system of thought termed as ‘economics’ recently.

Economic thought is “the branch of economics, which is concerned itself, with the development of economic ideas through the writings of the great economists of each period” (HALSON 1965:149). The study of the development of and contribution to economics can be approached in many ways: “One approach could be to take up important personalities, i.e., economist who made great and significant contributions to the advancement of Economic Science or contributed in an important way to the investigation of economic phenomenon and empirical problems” (Bhatia 1998). The study of Economic Thought lends a perspective to Economics involving and enabling the study to assign current controversies and debates their deserving place.

Indian economy had been stagnant until it came in contact with the western forces. During this period of transition economic thought underwent a change and Indian economy assumed the nature of a ‘dynamic economy’ bringing forth-new economic thought in terms of ideas of economic thinkers in the Indian context. But then, the study of economic thought in this context cannot be taken as a fixed set of...
economic theories or tools and techniques of analysis, but it should be taken to cover “the set theory, doctrines, laws and generalization, and analysis applied to the study and solution of economic phenomena and problems” (Bhatia 1998)

1.2 Background

Among 19th and 20th Century economists Dr. B. R. Ambedkar was one of the eminent professional economists who contributed substantially to the history of economic thought. As professor B. N. Ganguli observes, “To treat economic ideas as a given datum of history is a convenient method of analysis. In this exercise one need not stray into epistemological blind alleys. It is useful to know how new economic ideas fitted into those developed by earlier generations and how far the former may be considered a continuation of the latter and their logical sequel” (Ganguli 1977). Thus, the study of economic thought becomes incomplete without the study of the Economic Thought of Dr. B. R. Ambedkar

An Indian who rose to the height of eminent economists of world repute was Dr. B.R.Ambedkar. He was a parliamentarian, scholar and constitutionalist but also a patriot visionary who strove throughout his life to bring about socio-economic and political equality in India. A product of noted universities of the West, an M.A., Ph.D from Columbia University and M.Sc. and D.Sc., from London School of Economic and Political Science, and bar-at-Law he had also studied at Bonn University, Germany. He was conferred the honorary degree of Ll.D and D. Litt by Columbia (USA) and Osmania (India) Universities respectively. His basic concern had always been for Indian Society.
Dr. Ambedkar’s *Caste in India; their Mechanism, Genesis and Development*, (Moon 1979), *Who were Shudras? How they came to be the Fourth Varna in the Indo Aryan Society?*, (Moon 1979), *The Untouchables; Who were they, Why they Became Untouchables?*, (Vol.7, 1990) and *Annihilation of Caste*; (Moon 1979); make a rich contribution to the Indian social thought while his works *States and Minorities What are Their-rights and how to secure them in the constitution of free India*, (Moon 1979:); *Pakistan or Partition of India*, (Moon 1990), *Communal Deadlock and Way to Solve It*, (Moon 1979), *Federation v/s Freedom*, (Moon 1979), *Thoughts on the Linguistic States*, (Moon 1979) and *Maharashtra as a Linguistic Province*, (Moon 1979); have contributed to Indian Political thought. Dr. Ambedkar has also proved himself a great thinker in the field of Economics. A profound thinker with a strong awareness of Indian social ethos, he was a rare recipient of knowledge and degrees in the field of Economics. Dr. Ambedkar’s *Ancient Indian Commerce* (Moon 1993:12) is a work on ancient history and its commerce from pre Christian era to the beginning of the British rule in India. His *Administration and Finance of the East India Company* (Moon 1989) and *The Evolution of Provincial Finance in British India* (Moon 1989) are his solid sustained contributions to the study of administration and public finance. The latter is a substantial work of research and erudition. An exposition of the events that led to the establishment of the is Exchange Standard is Dr. Ambedkar’s yet another work *The problem of the Rupee-Its Origin and Its Solution*, (Moon 1989).
Eminent western economists of world repute have appreciated his works in the field of economics; for instance, in his foreword to Dr. Ambedkar's The Evolution of Provincial Finance in British India-A study in the Provincial Decentralization of Imperial Finance. Edwin R.A. Seligman observes, "The problem discussed by Mr. Ambedkar in his excellent dissertation is one that is arousing interest in all parts of the world... What Mr. Ambedkar call assignments assigned revenue and share revenue is symptomatic of the choice of methods in all countries... The value of Dr. Ambedkar's contribution to this discussion lies in the objective recitation of the facts and the impartial analysis of the interesting development that has taken place in his native country. The lessons are applicable to other countries as well; nowhere, to my knowledge, has such a detailed study of the underlying principles been made" (Moon 1989:55-56). This book's review appeared in the Economic Journal. The Journal of the Royal Economic Society was edited by not less than eminent men like J.M. Keynes and D.H. MacGregor (Moon 1989). The reviewer W.S. Thatcher said "Mr. Ambedkar has the facility of making forbidding subjects attractive and has produced a very readable book... provincial finance in India has so far been almost entirely neglected by writers on finance and little or nothing has been published apart from Government blue books and memorandum. 'The Evolution of Provincial Finance in British India' is a useful introduction written rather from historical point of view. It does not pretend to be exhaustive and is essentially a piece of pioneer work... The author is to be congratulated upon the impartial way in which he has discussed an eminently controversial subject"(Moon 1989:313-314). Professor Edwin Cannan when he wrote foreword for Dr. Ambedkar's work entitled "The Problem of The Rupee-Its origin and Its Solution", said: "I am glad that Dr. Ambedkar has given me the opportunity of saying a few words about his book. As he is aware, I
disagree with a good deal of criticism. In 1893, I was one of the few economists, who believed that the rupee could be kept at a fixed ratio with gold by the method then proposed, and I did not fall away from the faith when some years elapsed without the desired fruit appearing. I do not share Mr. Ambedkar’s hostility to the system, nor accept most of his arguments against it and its advocates. But he hits some nails very squarely on the head and even when I have thought him quite wrong, I have found a stimulating freshness in his views and reasons. An old teacher like myself learns to tolerate the vagaries of originality, even when they resist “severe examination” such as that of which Mr. Ambedkar speaks”. But Cannan agrees when he writes “In his practical conclusion, I am inclined to think, he is right” (Moon 1989:331)

His other works such as Small Holdings in India (Moon. 1979) and the ‘Present Problem in Indian Currency’ throw light on his concern for the Economic development of Indian Society. A fearless and powerful speaker, he pronounced his opinions and arguments in the Bombay Legislative Assembly to which he returned three times, on the abolition of proprietary rights of landlords viz., Khoti and Mahar Vatan, and on rights of laborers and on small holders relief bill. The profundity of his thoughts on the economic aspect of Indian society of pre-independence days does place Dr. B. R. Ambedkar among eminent economists.

1.3 Review of Literature

Several studies have been carried out on Dr. Ambedkar. Biographical studies on Dr. Ambedkar have been brought out more importantly by Dhanjaya Keer and W.N. Kuber. Dhanajya Keer’s Dr. Ambedkar, Man and Mission (1990) is a study of the history of this
great man based on exhaustive research. It describes how Dr. Ambedkar rose from the lowest rung of Indian society to the position of a liberator and constitutionalist, making lasting contribution to Indian socio-economic and political thought. It provides an inspiring account of Dr. Ambedkar's perseverance and eternal search for knowledge, his incredible industry and his unflinching aim despite most depressing and destitute circumstances to raise the downtrodden to human dignity. The work carries with it considerable authenticity and has given credible eminence to the author. Ambedkar - a Critical Study (1979) by W.N.Kuber is an abridged version of his Ph.D thesis consisting of 15 chapters. It presents an overall estimate of Dr. Ambedkar's social and political thought briefly, comparing him to his contemporaries. The study discusses Dr. Ambedkar's economic thought in Chapter-14; it highlights his views on leading economic problems, such as Indian currency, finance, collective farming and nationalization of industries. The work explores ground for further research in different fields. D.C.Ahir's The Legacy of Dr. Ambedkar (1990) depicts important events in the life of Dr. Ambedkar. It narrates his education, his social struggles, political conflicts, religious conversion etc., It also deals with important aspects of Dr. Ambedkar's Life and Mission. Asha Damle's translated work Dr. Babasaheb Ambedkar (2002) delineates the multifaceted personality of Dr. Ambedkar. It gives a comprehensive account of the trials and tribulations of Dr. Ambedkar, revealing his personality as a humanist, economist, socio-political scientist, constitutional expert, socio-religious reformer and above all a great patriot. K.N.Kadam's Dr. Babasaheb Ambedkar and Significance of His Movement (1991) presents a chronology of events in the life of Dr. Ambedkar. The work, compiled and edited by K.N.Kadam outlines briefly the principal events dealing with the ancestors of Dr. Ambedkar, the round table conference, Ambedkar's battle for the constitutional rights of the
downtrodden, his quest for the religion for them and his conversion. K.S.Bharathi’s *Foundation of Ambedkar Thought* (1990) provides a comprehensive exposition of the ideals and objectives and the achievements of Dr. Ambedkar; it attempts an insight into the personality of Ambedkar revealing the influences that moulded his character and thinking. Dealing with the socio-economic and political thought of Dr. Ambedkar, the work serves as a source material for general readers. Dinakar Khabde’s *Dr. Ambedkar and Western Thinkers* (1989) is a study, which emphasizes the changed outlook of Dr. Ambedkar due to his education in the western lands. The writer contends that the western liberal philosophy inspired Dr. Ambedkar towards fraternity, equality and humanitarian. The work presents a view that the influences of western liberal thinkers made Dr. Ambedkar think in terms of legislative measure for social reforms. *B.R.Ambedkar-study in Law and Society* – (1997) edited by Mohammad Shabbir is a collection of essays on Dr. Ambedkar’s mission and relevance of his ideas. The anthology comprises key themes of social justice, the Hindu social order, and his philosophy and his action oriented policy-programme to improve the life of the downtrodden. The work also deals with Ambedkar’s reformative strategy and his role as law and constitutional maker. D.K.Baisantry’s (1991) *Ambedkar The Total Revolutionary* deals with some aspects of Dr. Ambedkar’s life and work. It tries to assess him as a social reformer and political thinker highlighting various aspects and events of his life. The study attempts to depict his image as a total revolutionary. K.Raghavendra Rao’s excellent monograph *Babasaheb Ambedkar* (1993) a concise introduction of Dr. Ambedkar, his life and thought, is mainly for the general readers. It presents a comprehensive exposition of his multifaceted life in a most brilliant theoretical manner. Dr. Ambedkar’s contribution to the Indian constitution has also been brought out in several studies. Kusum Sharma’s (1997) *Ambedkar and Indian
Constitution brings forth facts of India's constitutional history. It attempts to analyse and assess Ambedkar's contribution to the constitutional development of India in pre-Independent era with special reference to Government of India Act 1909, 1919 and 1935. The book discusses his participation and influence on major constitutional events of that period.

Scholarly contribution have been made on Dr. Ambedkar's endeavour in social, political and constitutional aspects of Indian society, but not many serious studies have been made by scholars on Ambedkar in the field of economics; P. Abraham's Ambedkar's Contribution for Economic Planning and Development - Its Relevance (2002), succeeds in bringing out the theme of the book indicated in its title Ambedkar's pioneering thoughts and vision of management of water resource and electric power as also industrialisation, and their impact on long-term economic growth of India are elucidated in a lucid manner in this commendable work. O.D. Heggade's Economic Thought of Dr. B.R. Ambedkar (1998) seeks to place Ambedkar as an important economic thinker. The book gives an account of Dr. Ambedkar's ideas and their impact of different aspects of life in India in the field of monetary and fiscal economics, reservation and social justice, agrarian reforms etc...

Narendra Jadhav's Dr. Ambedkar's Economic Thought and Philosophy (1993) introduces Ambedkar as an economic thinker of depth. The author reviews movements initiated by Ambedkar against oppressive systems such as 'Khoti' and 'Mahar' vatan; his contribution to the labour movement in India and his thought on State Socialism and Marxism. The work attempts to trace the relevance of Ambedkar's written works on economics to the present day problems of Indian
economy. The author also discusses Ambedkar's diagnosis of the problems of Indian economy in the pre-Independence era from his seminal research works. Laxman Kasare's *Economic Philosophy of Dr. B.R. Ambedkar* (1996) deals with the contribution of his predecessors and his own relevance today. The scholarly thesis analyses Hindu Social system, the problems of caste and untouchability and the ideologies prevalent in India before the advent of Ambedkar and explains social justice from the perspective of Ambedkar's political and constitutional efforts and socio-economic model of development of the independent India. 'Economic Thought and Policy of Dr. Ambedkar' (1992) by V.D. Nagar and K.P. Nagar is chiefly based on Ambedkar's sources material. Sukhadeo Thorat's Ambedkar's *Role in Economic Planning and Water Policy* (1998) is a study of Dr. Ambedkar which examines the role and contribution made by him in the formulation of post-war economic plan and water and electric power policy and its planned development in the country preceding independence. The book analyses Dr. Ambedkar's views on economic development and planning and brings to light Ambedkar's concerned initiative in this direction.

A host of other scholars have studied different aspects of Dr. Ambedkar's contribution to varied fields of Indian Society-social, economic, political and religious like, A.M. Rajashekaraiah's *Politics of Untouchability* (1977) has contributed remarkably to the literature on Ambedkar; Chandra Bharil's *Social and Political Ideas of B.R. Ambedkar* (1977) and Chandrama S. Kanagali's *B.R. Ambedkar: Writer statesman* (1994), add to this.
1.4 Significance of the Study

Important aspects of his contribution to the economic thought in general and in Indian context too have been studied. "The History of Economic Thought" by H.L. Bhatia (1978) provides a multi-dimensional approach to economic thought and discusses individual contributions of Smith, Ricardo, Malthus, Mill, Marx, Marshall, Keynes and others. However, even in the later part of the book, there is not any attempt to study Dr. Ambedkar which discusses contributions of Indian economists. The Indian Economic Association in 1973 decided to bring out a standard research work on the history and development of Indian Economic thought and assigned the task to B.N. Ganguli (1977). In the volume *Indian Economic Thought: Nineteenth Century Perspectives*, which is brought out by ICSSR, Dr. Ambedkar's name has not even been mentioned. A place for him among Indian economists is completely ignored. Again the ICSSR brought out a volume, second in the series of *Indian Economic Thought: Twentieth Century Perspective* (1900-1950), authored by Bhabatosh Datta (1978). It attempted. It only deals with his monetary economics, while completely ignoring his contributions to public finance, agricultural economics and welfare economics. Therefore, Upendra Baxi observes that; “If the market for discusses contributions of Indian Economists, but even in this significant volume, surprisingly an exhaustive study of Dr. B.R. Ambedkar has not been knowledge also operated on the law of supply and demand, we have to ruefully conclude that Ambedkar's contribution of the Hindu Society, Nationalist movement, and resurgent post-colonial India are cognitive commodities for which there is no organized demand either from epistemic entrepreneurs or by cognitive consumers in India. Further, neither the autonomous
academia nor the substantially funded monopoly of Government knowledge industries, viz., the Indian Council of Social Science Research, the India Council of Historical Research, the Indian Council of Philosophical Research, the UGC; etc. provide spaces-curricular or research-on Dr. Ambedkar. Ambedkar remains a totally forgotten figure". (Baxi 1992:13)

There have been, however, some works on Dr. Ambedkar; more so since the Ambedkar Centenary celebrations in 1991. Some works, serious in nature have been brought out so far on the varied aspects of his contributions, while some serious study has also been attempted on his multifaceted personality.

Despite numerous works of Dr. Ambedkar on economics matters little attention is paid to his contributions. It is found that very little research has gone into the study of his economic thought. Hence the present study is a modest attempt to explore this potential area of research, i.e., The Economic Thought of Dr. B. R. Ambedkar.

1.5 Objectives of the Study

The Objectives of the study are
1. To provide a brief review of works on Dr. B. R. Ambedkar
2. To present a comprehensive, in-depth and distinctive study of the important original treatises of Dr. B. R. Ambedkar on economics.
3. To present his Economic welfare views in different spheres.
4. To project Dr. Ambedkar as an eminent economist in his own right.
1.6 Methodology Adopted

The method that is adopted in the process of this research work is historical descriptive. Dr. Ambedkar's works on economic problems which are historical and descriptive in nature are dealt with in an analytical manner. The study is an in-depth, comprehensive and distinctive analysis of Dr. B. R. Ambedkar's economic thought found in the important primary source. In this sense the study hopes in make a contribution to the field of economics in general and Indian economic thought in particular. In the process of analyses, the study is lent support by Dr. B. R. Ambedkar's original works from which quotations are borrowed at length.

The scope of the study, there fore, is restricted to consider mainly Dr. B. R. Ambedkar's writings and speeches in the field of economics; his works are studied against the back-drop of the current socio-political ethos of the Indian society. In carrying out the objectives of the study Dr. B. R. Ambedkar's original works are taken as the primary source; relevant works on Dr. B. R. Ambedkar are taken as the secondary source material. Hence the sources, the primary and the secondary, helpful in enabling the study to arrive at the conclusion that Dr. B. R. Ambedkar is an eminent economist of world repute in his own right.
1.7 Outline of the Study

The study is divided into seven chapters.

**Chapter I:** It is an introduction. The chapter besides introducing Dr. B. R. Ambedkar as an economist it provides a glimpse of his works in varied spheres of Indian society. It also provides a brief review of literature on Dr. B. R Ambedkar in general.

**Chapter II:** This chapter gives a brief life sketch of Dr. B. R Ambedkar. It provides a backdrop of the socio-political and economic scenario of Indian society during the advent of Dr. B. R Ambedkar.

**Chapter III:** An attempt is made to study the important original works of Dr. B. R. Ambedkar on economics at the early phase of his career viz. *Ancient Indian Commerce,* and *Administration and Finance of the East India Company.*

**Chapter IV:** An attempt is made to study another important dissertation of Dr. Ambedkar on economics i.e. *The Evolution of Provincial Finance in British India.*

**Chapter V:** It brings out a study of Dr. Ambedkar's yet another important economic treatise of world repute *The problem of the Rupee - its origin and its solution* which was originally published in London.

**Chapter VI:** An attempt is made to present briefly the economic welfare views of Dr. B. R. Ambedkar in different spheres of Indian life, especially pertaining to matters agrarian, labour, social, socialistic, women and planning.

**Chapter VII:** An attempt to arrive at the conclusion is made i.e., to establish Dr. Ambedkar as an economist who has significantly contributed to economic thought in general and Indian economic thought in particular.
References:


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