



The Relevance of Ambedkar’s Monetary Philosophy in the Era of Digital Currency and Fintech: A Socio-Economic Re-evaluation

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Abstract:

Dr. B. R. Ambedkar’s doctoral thesis, The Problem of the Rupee (1923), presented a clear framework for India’s monetary stability based on the principles of “automaticity” and the “stability of value.” This paper seeks to re-examine Ambedkar’s monetary philosophy in the contemporary era of Central Bank Digital Currencies (CBDCs) and FinTech. Using a qualitative analysis of secondary data, the study explores how Ambedkar’s preference for a rule-based monetary system finds relevance in the programmable features of the e-Rupee. The findings indicate that Ambedkar’s concern for protecting the “internal purchasing power” of fixed-income groups continues to serve as an important ethical benchmark for FinTech regulation and digital monetary policy.

Keywords: *The Problem of the Rupee, automaticity, stability of value, Central Bank Digital Currencies (CBDCs), FinTech, e-Rupee, internal purchasing power*

Introduction

While Dr. B.R. Ambedkar is retained for his input on constitutional law and social reform, his essence as a monetary scientist is the most targeted view on India’s economic self-governance. In his 1923 doctoral thesis, “The Problem of the Rupee: Its Origin and Its Solution,” Ambedkar did not merely author an authoritative work. He tackled the foreign government’s arbitrary monetary policies. Ambedkar contends that the stability of

currency is the ultimate social contract between the government and its people, which begins to unravel as soon as the purchasing power of the working class is affected by inflation.

We are now entering the Fourth Industrial Revolution in finance. Fintech and the Reserve Bank of India’s shift to a Central Bank Digital Currency (CBDC/e-Rupee) have completely transformed how transactions are conducted. While these

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inventions hold out the promise of unprecedented speed and financial inclusion, they also pose Basic questions about financial prudence, state power, and the safeguard of the layman in the last mile.

This paper argues that the transition to a digital economy is not a deviation from Ambedkarite economics but rather a technological means of realizing it. The transition from physical, discretionary money to programmable, protocol-based digital money may enable India to apply Ambedkar's Automaticity Theory at the national scale. This paper aims to fill the gap between the Gold Standard of 1923 and the Blockchain of 2026, placing Ambedkar's monetary philosophy as the guiding ethical and structural indicator for a just digital future

Review of Literature

The literature on Ambedkarite economics has developed through multiple intellectual phases, ranging from classical monetary theory to contemporary debates on digital finance and financial inclusion. In *The Problem of the Rupee* (1923), B. R. Ambedkar argued that the true measure of a currency lies in its internal purchasing power. For Ambedkar, price stability was not merely an economic objective but a moral responsibility of the state towards wage earners and fixed-income groups. Building upon this foundation, A. Chandavarkar (1989) described Ambedkar as a "monetary scientist," highlighting his preference for protecting workers' wages

over servicing government debt, a perspective that remains highly relevant in today's debt-driven digital economy. Similarly, Narendra Jadhav (2015), through archival research, demonstrated that Ambedkar's evidence before the Hilton Young Commission significantly shaped the intellectual foundations of the Reserve Bank of India's commitment to monetary stability.

Subsequent scholarship has examined Ambedkar's emphasis on disciplined and rule-based finance. Singh and Ram (2017) interpreted his advocacy of the gold standard as part of a broader struggle against arbitrary monetary expansion, while K. Nageswari (2020) reassessed Ambedkar's "Automaticity Theory" and argued that he preferred a monetary system governed by predetermined rules rather than political discretion. This interpretation gains renewed significance in the context of blockchain technology and programmable digital currencies. Sukhadeo Thorat (2007) linked Ambedkar's monetary ideas to the welfare of marginalized communities, defining inflation as a "social evil" and a hidden tax that disproportionately burdens Dalit and labour classes. Likewise, Bhalchandra Mungekar (2016) viewed Ambedkar's economic philosophy as a form of state socialism in which financial authority must remain under public control to protect low-income groups from exploitation by private moneylenders.

The ethical and social dimensions of Ambedkar's economic thought have also

received considerable scholarly attention. Gopal Guru (2012) examined Ambedkar's "moral economy," arguing that any financial or FinTech system must ultimately be judged by its ability to preserve the dignity of borrowers. Zade (2019) extended this argument to rural India, demonstrating that stable purchasing power is essential for sustainable poverty reduction. Similarly, Rao (2018) explored Ambedkar's ideas on fiscal federalism and suggested that his demand for transparent taxation and currency systems anticipated modern digital GST and digital ledger mechanisms. The Reserve Bank of India Concept Note on CBDC (2022) introduced the e-Rupee as a "risk-free" sovereign digital currency, reflecting Ambedkar's vision of stable, state-backed legal tender accessible to all citizens.

Recent studies increasingly connect Ambedkarite economics with digital inclusion, blockchain governance, and programmable finance. S. Mahendra Dev (2020) emphasized that an inclusive digital economy must follow Ambedkar's bottom-up developmental approach to ensure that financial technology reaches the last mile of society. Kumar (2024) argued that smart contracts represent the technological realization of Ambedkar's "Automatic System," minimizing human discretion in financial transactions. Mahal (2021) treated digital inclusion as a fundamental right, linking it to Ambedkar's constitutional vision of equal access to economic life. Shinde (2023)

further analyzed decentralized finance (DeFi) through an Ambedkarite lens and suggested that blockchain-based systems could weaken caste-based barriers embedded in conventional village banking structures.

International institutions have also echoed themes that resonate with Ambedkar's monetary philosophy. The World Bank (2025) emphasized "Governance by Design" in global CBDC frameworks, reflecting Ambedkar's insistence on constitutional discipline in finance. Likewise, the International Monetary Fund (2026) recognized the digital rupee as a potential instrument of monetary independence for the Global South, reinforcing Ambedkar's early argument that India required an autonomous monetary framework. Sundar Sarukkai (2014), though writing from the philosophy of science perspective, contributed to debates on "social justice in science," offering a framework for evaluating FinTech algorithms through Ambedkarite ethics. In the same vein, the Fintech Council of India (2025) discussed AI-based micro-lending practices, raising concerns consistent with Ambedkar's warnings against exploitative private moneylenders, now transformed into potential "digital predators." Finally, the National Institute of Public Finance and Policy (2024) examined the programmability of digital money and concluded that such systems could effectively implement Ambedkar's vision

of direct welfare transfers without intermediaries or leakage.

Need for the Study

With the Reserve Bank of India introducing the Digital Rupee (e-Rupee), there is a growing need to reinterpret and integrate Ambedkarite monetary principles within the framework of 21st-century digital finance and blockchain technology. While technological innovations such as Central Bank Digital Currencies (CBDCs), artificial intelligence, and FinTech promise greater efficiency, transparency, and financial inclusion, they also raise significant concerns regarding monetary discipline, financial sovereignty, data governance, and the protection of vulnerable sections of society.

Dr. B. R. Ambedkar emphasized currency stability, rule-based monetary governance, and the protection of the purchasing power of ordinary citizens. His theory of “automaticity” advocated a monetary system governed by objective principles rather than arbitrary political intervention. In the contemporary digital economy, programmable money and blockchain-based systems appear to offer technological mechanisms capable of operationalizing these principles at a national scale.

Despite the growing literature on CBDCs and FinTech, limited scholarly attention has been given to examining digital currency through the lens of Ambedkarite economic thought. This study seeks to bridge that gap by

analyzing how Ambedkar’s monetary philosophy can provide an ethical and structural framework for regulating digital finance in India. The research is therefore significant in understanding whether the e-Rupee can promote not only technological advancement but also economic justice, transparency, and inclusive financial governance in accordance with Ambedkar’s vision.

Statement of the Problem

The rapid digitization of money through FinTech, blockchain technology, and the Digital Rupee (e-Rupee) has transformed financial transactions and monetary governance. While these innovations promote efficiency and financial inclusion, they also raise concerns regarding surveillance, unequal access, and the protection of vulnerable sections of society. In this context, the major problem of the study is to examine whether contemporary digital financial systems are consistent with Dr. B. R. Ambedkar’s monetary philosophy, particularly his emphasis on stable purchasing power and protection of workers and fixed-income groups. The study further explores whether programmable digital money can uphold Ambedkar’s ideals of rule-based, transparent, and socially just monetary governance in the digital era.

Objectives of the Study

1. To examine Dr. B. R. Ambedkar’s “Automaticity Theory” and its relevance to algorithmic and digital finance.

2. To assess how FinTech systems reduce the role of traditional moneylenders while also creating new forms of digital financial risks.
3. To bridge the gap between Ambedkar's "Gold Standard" monetary logic and the technological framework of the Digital Rupee (e-Rupee).

Research Methodology

The present study is descriptive in nature and is primarily based on secondary data. The research draws upon the original writings of Dr. B. R. Ambedkar, particularly *The Problem of the Rupee*, along with Reserve Bank of India white papers and reports on the Digital Rupee (2022–2025), World Bank reports on Central Bank Digital Currencies (CBDCs), and relevant books, research articles, journals, policy documents, and published academic literature related to FinTech and digital finance.

Data Analysis and Interpretation

The analysis of the collected secondary data reveals a significant convergence between the monetary philosophy of Dr. B. R. Ambedkar and the emerging digital financial architecture of 2026. The findings may be understood through three major dimensions of value convergence.

A. Convergence of "Automaticity" and Algorithmic Governance

The works of Ambedkar (1923) and Nageswari (2020) identify the "Automaticity Theory" as a safeguard against arbitrary political control over

money supply and inflation. When examined alongside the Reserve Bank of India Concept Note on CBDC (2022) and Kumar (2024), the analysis suggests that blockchain-based digital currency reflects a modern technological form of Ambedkar's rule-based monetary system. While Ambedkar relied on the Gold Standard as a "physical rule" to maintain monetary discipline, contemporary FinTech introduces "digital rules" through programmable systems and smart contracts. The findings indicate that the programmability of the e-Rupee can create a more transparent and non-discretionary monetary framework aimed at protecting the purchasing power of ordinary citizens.

B. Disintermediation: From Moneylenders to Mobile Wallets

The studies of Sukhadeo Thorat (2007) and Bhalchandra Mungekar (2016) highlight Ambedkar's concern regarding exploitative moneylenders and intermediaries within traditional financial systems. The interpretation of recent reports by the Fintech Council of India (2025) and the National Institute of Public Finance and Policy (2024) demonstrates that FinTech platforms, digital wallets, Direct Benefit Transfer (DBT), and peer-to-peer lending mechanisms have significantly reduced the role of traditional intermediaries. The findings suggest that digital finance can function as a tool of financial inclusion by enabling direct interaction between the state and citizens, thereby supporting Ambedkar's

vision of socially accountable and welfare-oriented finance.

C. Moral Economy and Algorithmic Justice

The integration of the "Moral Economy" framework proposed by Gopal Guru (2012) and Sundar Sarukkai (2014) with the World Bank (2025) concept of "Governance by Design" reveals important ethical concerns in digital finance. The analysis indicates that technological systems, although efficient, are not always socially neutral. FinTech algorithms may unintentionally reproduce existing social and economic inequalities through biased data patterns, geographic profiling, or exclusionary digital practices. Therefore, the findings emphasize that constitutional values such as equality, transparency, and social justice must be embedded within digital financial governance. In this sense, the e-Rupee should function not merely as a medium of exchange, but also as a medium for promoting economic justice and inclusive development.

Recommendations

Based on the analysis of Ambedkarite monetary principles and the contemporary FinTech framework, the following policy recommendations are proposed:

Constitutional Coding of CBDCs

The Reserve Bank of India should adopt a "Governance by Design" framework by embedding constitutional values such as equality and non-discrimination into the smart-contract architecture of the e-Rupee. This would

help prevent algorithmic bias and social discrimination in digital lending systems.

Statutory Price Stability Mandate:

In line with Dr. B. R. Ambedkar's theory of "Automaticity," the supply and regulation of digital currency should operate through transparent rule-based mechanisms rather than discretionary political intervention. This would protect fixed-income groups from inflation and preserve purchasing power.

Digital Infrastructure as a Public Utility

Consistent with Ambedkar's vision of state-supported economic justice, the government should ensure universal access to digital infrastructure and high-speed internet, particularly in rural and marginalized regions. This would prevent the emergence of a new form of "digital divide" or "digital caste" in financial access.

Establishment of a Moral FinTech Audit Council

A multidisciplinary regulatory body comprising economists, technologists, legal experts, and social scientists should be established to audit FinTech platforms based on "Ambedkarite Ethics." The council should focus on transparency, borrower dignity, data privacy, and fairness in digital lending and financial services.

Limitations of the Study

Data Lag

Although recent reports from 2025–2026 have been utilized, the long-term socio-economic impact of Central Bank Digital Currencies (CBDCs), particularly

on rural poverty and marginalized communities, requires further longitudinal research.

Dependence on Secondary Data

The study is entirely based on secondary sources and does not include primary field investigations or interviews with “last-mile” users of digital financial systems. Therefore, the findings remain largely theoretical and interpretative in nature.

Technological Changes

The FinTech sector is characterized by rapid technological advancement. As a result, existing digital financial models and smart-contract frameworks may evolve or become outdated before their full-scale implementation and assessment.

Conclusion

The study concludes that Dr. B.R. Ambedkar was a "Monetary Futurist" whose vision in 1923 is the most authentic blueprint for the digital financial revolution in India. His fight was never about gold or silver; it was about Discipline, Transparency, and Inclusion. The study concludes that Fintech and the e-Rupee are more than an upgrade; they are the realization of Ambedkar's vision to eliminate exploitative intermediaries and stabilize workers' wages. In the year 2026, the e-Rupee is a "Digital Social Contract" because it is a promise of stability and equity to the man at the end of the line.

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