



RELATIVE ECONOMICS: A MODEL FOR BETTER TOMORROW

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Abstract

Life is a drama. All religions agree to this view that we are here to play a part as directed by some invisible greater force. We come into this world with no material possession and so do we go out. Yet, we spend nearly the entire life in pursuing the worldly possession knowing well that it's of limited use. Limited, because these possessions cannot give us everything we want. In spite of increasing GDPs and huge advances in both science and technology, end to mankind's sufferings are nowhere in sight. It is now amply clear that science and technology alone cannot provide us a prosperous and sustainable world to live. Though they may provide us with many comforts, it is finally the values of human beings that matters. In our endeavour to do better, we have lost sight of the end and myopically focus on the means. An alternative model of economic development is need of the hour. The new mantra should be peace, happiness, sustainability and spirituality. The concept of "Relative economics" based on balanced spiritual and material development, change in education system by including spiritualism, morality and emotional control will save the society from conflicts, tensions and will protect the environment. Relative economics will be model for lasting peace to the mankind.

Keywords: *Alternative model of economics, Relative economics, Spiritualism, Development, Peace.*

INTRODUCTION

The world is progressing at a breakneck speed and we are moving towards an era of 'Internet of Things'; a scenario in which objects, animals or people are enabled to transfer data over a network without requiring human-to-human or human-to-computer interaction. In fact we are experiencing a great divide – the first took place when we moved from barbarism to civilization and the second is taking place now when we are moving from civilization to 'technologization' – an era where technology is all pervading. Yet, Poverty, hunger and unemployment are still major issues confronting many economies around the world. As if these are not enough, global warming, deforestation, depletion of ozone layer and emergence of concrete jungles are also plaguing us. It is incumbent on us to come up with a solution. These are the problems which have originated predominantly due to unsatisfactory handling of the earth's limited resources. Vasudhaiva Kutumbakam is a Sanskrit phrase which means "the world is one family". The statement is about the truth that somehow the whole world has to live together like a family harmoniously. Economics is one force that binds each and every one of us. If we were to live in peace and harmony, as we are supposed to be, we need look beyond the models in vogue. 'Relative Economics' seems to provide us the path.

Any development or growth in a society is expected to better the living standards and bring happiness. But are we achieving this or at least moving towards this goal? "Modern economic development has opened opportunities of rapid growth for human beings in the universe. But it appears that it has given rise to complex problems of unbridled and uncontrolled exploitation of nature and mankind, with the result that we find extreme inequality, poverty, hunger and destruction around us. Time has come to give a u-turn to the prevalent economic thinking so that mankind may find lasting peace, solace, safety and security", said Late Acharya Shri Mahapragyaji, a great saint, thinker and 10th Jain Acharya of Terapanth.

For successful co-existence and development of the societies, many economists forwarded different solutions such as: Capitalism, Socialism, Communism, Mixed economy, Keynesian to name a few. Of all the models, Capitalism seems to have survived and served the society. In spite of having helped humankind to develop and move forward, it has left us with many perils such as excessive consumerism, materialism and competition. It has accentuated the problems such as 'Externalities', 'Tragedy of the Commons' etc. The greatest of all the evils is that it has left behind a majority in hunger, utter poverty. The richest 85 people have the same wealth as the bottom 3.5 billion people (Polman, 2014). We have over exploitation of earth's resources to the extent of taking us to the brink of extinction. The world is witnessing increased corruption and terror. Corruption may be the single most significant obstacle to both democratization and economic development. (Rose-Ackerman, 1999) Economists have gathered enough evidence of the toll that corruption wrenches out on economic growth. (Mauro, 1997) Corruption also corrodes democracy (Johnston, 1997; Rose-Ackerman, 1999), undermining the most fundamental principles of democratic governance. Thus till date, the success seems to have eluded us.



ALTERNATIVE MODEL OF ECONOMICS

Presently, in economics the focus is on study of choice making and wealth creation alone. In his most influential book 'Principles of Economics' Alfred Marshall's said "Thus it (economics) is on one side a study of wealth; and on the other, and more important side, a part of the study of man." (Marshall, 1890). The later part of the statement seems to have been forgotten by us and our focus steadfastly has been only on money. Our peace and happiness do not depend on the wealth we possess but by upholding the values in our lives. Revered Swami Vivekananda said: "If there is any land on this earth that can lay claim to be the blessed *Punya Bhumi* ... the land where humanity has attained its highest towards gentleness, towards generosity, towards purity, towards calmness, above all, the land of introspection and of spirituality—it is India. ... the Indian race never stood for wealth. Although they acquired immense wealth, perhaps more than any other nation ever acquired, yet the nation did not stand for wealth. It was a powerful race for ages, yet we find that the nation never stood for power, never went out of the country to conquer. Quite content within their own boundaries, they never fought anybody. The Indian nation never stood for imperial glory. Wealth and power, then, were not the ideals of the race".

The need of the hour, in my opinion, is an economy with a large dose of spiritualism for inclusive growth and sustainability. With spiritualism I mean thinking beyond the materialistic benefits. Businessmen are required to evolve and think differently from what they have been doing or have done before. They are to rise above the sectarian interest of profit making and money making. 'The life of money-making is one undertaken under compulsion and wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else.' (Nicomachean Ethics) Money is only a means to living and not the end we seek. Business people need to develop a feeling of contentment, non-possessiveness and ethics. They should not only make profit but also give to the society as much as they take, if not more. They should not just keep on accumulating wealth. If the idea that the poor could have the greatest impact through creating profitable businesses is radical (Pralhad, 2006), the idea that business or that business people should be spiritualistic is even more radical.

In the present situation – where the great economic scholars and Nobel laureates have not succeeded in resolving the issues such as poverty and hunger, to name a few, we need to seek answers at a different level. Albert Einstein opined that problems cannot be solved at the same level at which they are created. I think we need to move on to the level of Intuition. This does not mean a total disregard for science and rationality; the author means reasoning should be illuminated by spirituality. Acharya Shri Mahapragyaji called this kind of economics as 'Relative Economics' i.e. economics with a large dose of spiritualism.

SPIRITUALISM IN THE RELATIVE ECONOMICS CONTEXT

Spiritualism is not limited to metaphysics as many understand; rather it includes material, economic and commercial activities. To be spiritualistic, it would suffice if one were to follow his 'Dharma' (righteousness). Tulsidas has defined the root of dharma as compassion. This very principle was taken up by Lord Buddha in 'Dhammapada'. In the Atharva Veda, symbolically it is said: *Prithivim dharmana dhritam*, that is, "this world is upheld by dharma". Manu, the ancient sage, in his book 'Manusmriti' prescribes 10 essential rules for the observance of dharma. He adds, "Non-violence, truth, non-coveting, purity of body and mind, control of senses are the essence of dharma". In 'The Theory of Moral Sentiments' by Adam Smith, he writes, "man, according to the Stoics, ought to regard himself, not as something separated and detached, but as a citizen of the world, a member of the vast commonwealth of nature and to the interest of this great community, he ought at all times to be willing that his own little interest should be sacrificed" (p.140). Trusteeship as propounded by Mahatma Gandhi where the people with plenty of wealth are to think that "all that wealth does not belong to me; what belongs to me is the right to an honourable livelihood, no better than that enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community." Both Adam Smith and Mahatma Gandhi are pointing towards spiritualistic tendencies that are required for good living. Being spiritualistic is the way of living and acting in ways without injuring or hurting the people who oppose or compete. This may sound strange and out of place today.

The present day education has neglected the role of intuition, value and social responsibility. A lot of emphasis is being placed on the knowledge content. Moral and spiritual knowledge find no place in the curriculum. Swami Vivekananda had opined that true education is not the amount of information that is put into one's brain and had suggested that the ideal of all education, all training, should be man-making. In a large empirical research project McCabe and Trevino (1995) found that business school students placed the least importance on the significance of developing a meaningful philosophy of life. R. Warren and G Tweedale (2002) blamed business schools for their negligence in historical and ethical dimensions of corporate ethics, the social responsibility of companies, disclosure, the environment, the actions of multinational companies overseas, the dilemmas of whistle-blowing, the impact of lobby groups and health and safety issues. However, being ethical alone does

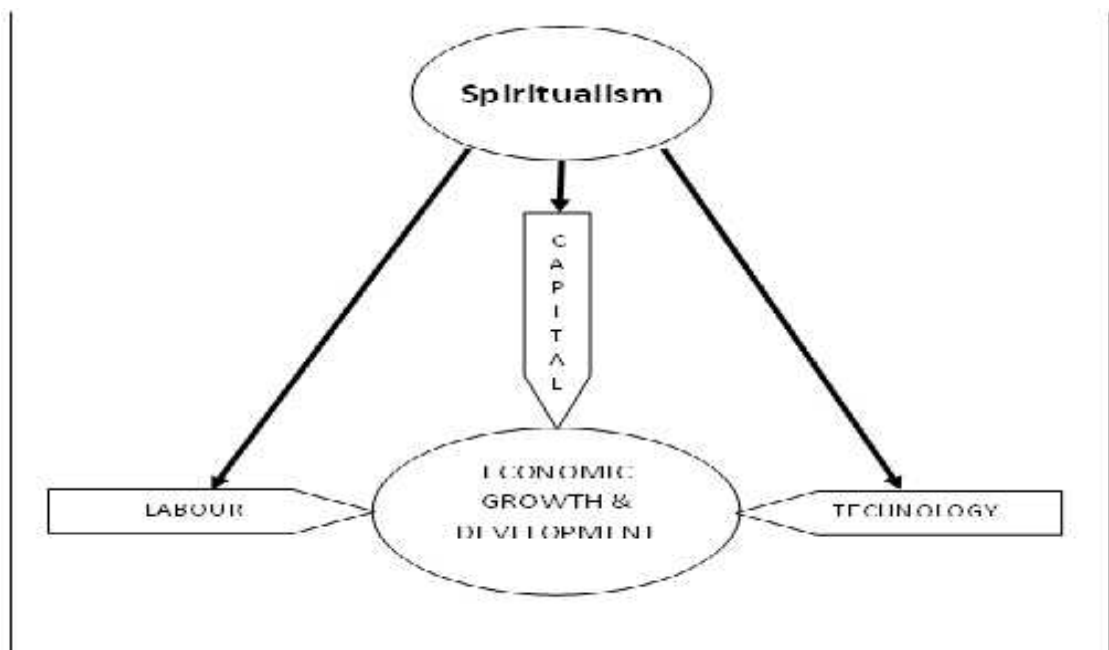


not qualify as being spiritual. Non-violence, truth, non-coveting, purity of body and mind, control of senses are essential to be spiritual.

RELATIVE ECONOMICS

Relative Economics is economics with spiritualism built-in (See Fig 1). Relative Economics lays emphasis on self-restraint, non-violence, truth and other virtues, which should be followed in actions so that there may be lasting peace in society. If people fall prey to self-indulgence, violence and falsehood in their actions, they will not find peace and happiness. Relative Economics therefore stresses on raising standard of life rather than the standard of living. It underlines 'sharing and caring' rather than on 'possessing and accumulating'. Human beings are still evolving and have to progress to the spiritual level, the highest level of human development. For attaining that level, people have to act – act morally and spiritually. The personal development of man will directly affect the society and consequently the economy. As Sri Aurobindo remarked, "In the next stage of human progress it is not a material but a spiritual, moral and psychical progress that has to be made...and whatever race or country seizes on the lines of that new evolution and fulfills it will be the leader of humanity." Relative Economics, as proposed by Acharya Shri, is based on balanced spiritual and material development. The present economic problems created at the materialistic level cannot be solved by ordinary human beings. One has to move over to the spiritual level to solve them.

Figure – 1, Model of Relative Economics



It is argued that self-interest is the root cause of many of the economic evils and plays important role in decision making. In contrast, Amartya Sen says, "It would be extraordinary if self-interest were not to play quite a major part in a great many decisions and indeed normal economic transactions would break down if self-interest played no substantial part at all in our choices. The real issue is whether there is a plurality of motivations, or whether self-interest alone drives human beings". It is agreed that there will be some amount of self-interest in decision making, the objective then is to subdue it if does not augur well for society. This is the value that needs to be inculcated amongst the young by exposing them to 'man-making' education by imparting the importance of non-possessiveness and nonviolence.

CONCLUSION

This alternative model of economics is called 'Relative Economics' because it is juxtaposed with the present economic system. Relative Economics can be defined as, "A social science that studies how individuals, governments, firms and nations make choices on allocating scarce resources to satisfy their wants which are based on spiritualism". At the cost of



repetition, Relative Economics lays emphasis on self-restraint, non-violence, truth and other virtues, which should be followed in actions so that there may be lasting peace in society.

A few of the broad recommendations are:

1. Restrict accumulation of wealth beyond a limit (the limit may be worked out after a broad consultation) at one place.
2. Prevent generation of black money; one might think of having an expiry date for high denomination currency. (Rs 1000 with one year validity, Rs 500 with three years and Rs 100 & Rs 50 with five or seven years validity).
3. Stop spawning of firms/businesses which do not add any value the society. (Of course this raises the question of who is to decide whether a firm is adding value or not and if committee is to decide, how do we and what kind of experts are to be selected?)
4. Control corruption.
5. Teach values, morals, compassion and ethics right from childhood.

Presently, Relative Economics may appear as a utopia as similar as the thought of gaining independence through nonviolent actions against British. Today we live to see the thought having turned to reality. The example of Narayana Murthy's personal leadership driven by his philosophy of "compassionate capitalism" stands in good stead for Relative Economics. It is clearly understood that the path to achieve Relative Economics is long. But it is hoped that the seed of 'Relative Economics' has been planted now and plenty of work has to be done.

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