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Research · August 2017

DOI: 10.13140/RG.2.2.32673.30561

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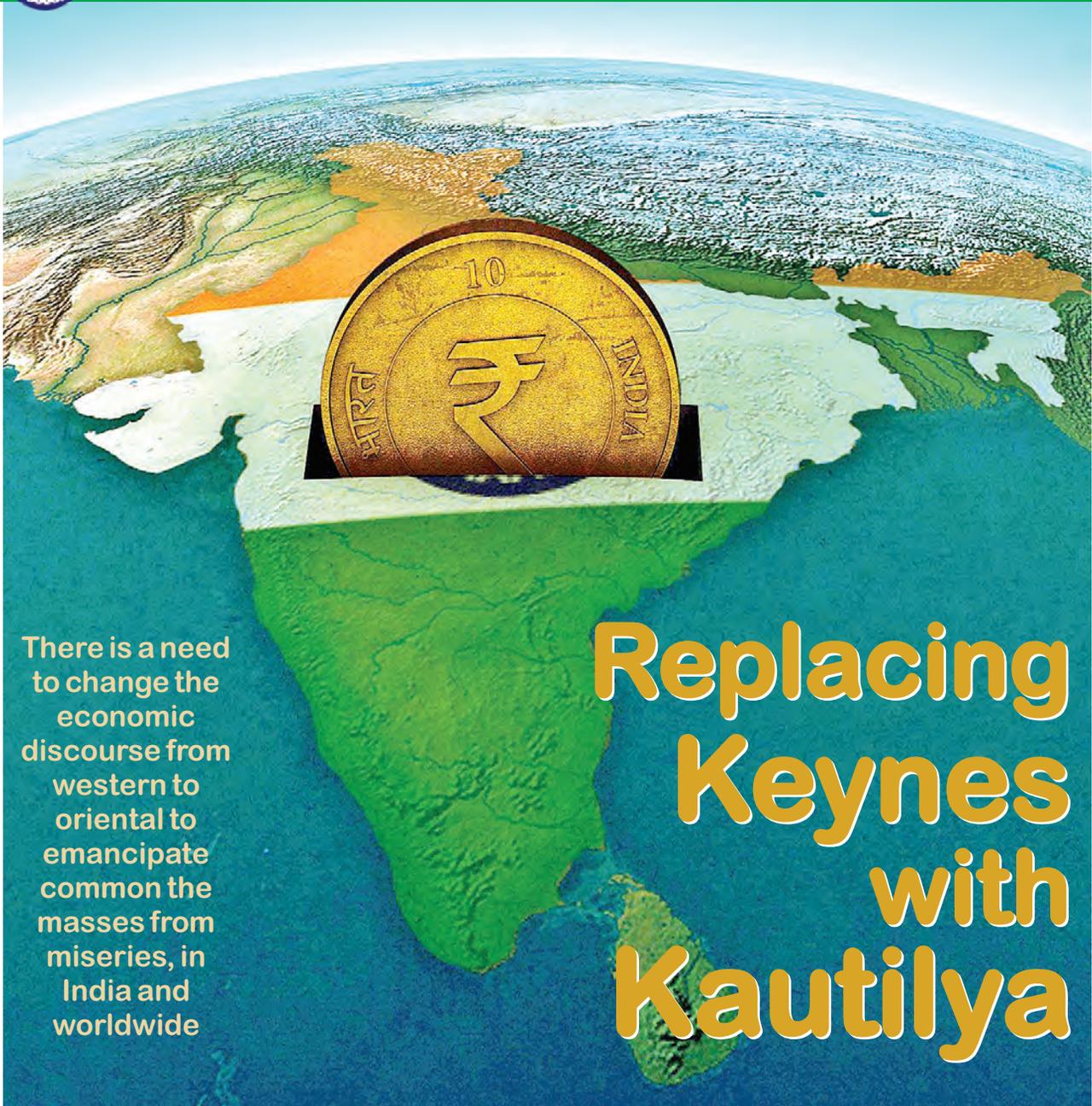
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INDEPENDENCE DAY SPECIAL



There is a need to change the economic discourse from western to oriental to emancipate common the masses from miseries, in India and worldwide

Replacing Keynes with Kautilya



Prof. Bhagwati Prakash

The rich heritage of India, encompassing marvellous socio-cultural and geopolitical traditions, has been endowed with a perpetuating legacy of being the most thriving economy in the world, from the ancient times till the turn of the 18th century. It is attributed to our advanced 'School of Hindu Economic Thought'. The scholarly work entitled, "The World Economic History—A Millennium Perspective", researched and authored by

the legendary British economic historian, Angus Maddison, is replete with immense empirical support that India has perpetually contributed almost one third of the global GDP from zero A.D to 1500 A.D. and around one fourth of the global GDP till 1700 A.D. The post-colonial economic decline and the contemporary economic evils of post-Independence era, plaguing the economy, with cyclical recessions, joblessness, frequent meltdowns, rampant economic disparities, trade without



corresponding growth in production or value addition, deficits in current account, vast fiscal deficits, addictive dependence of several economies over external or foreign capital for survival, subsistence and growth were all unheard of so long as we pursued the ancient Hindu economic thought.

Even in the first four decades of socialistic restrictions via reservation of majority of industry verticals for public sector, compulsory capacity licensing under the license-quota-permit raj, highly progressive income tax rates up to 97.3% in the 70s, which led to huge black money generation, had all crippled our intrinsic potentials to prosper economically till the end of 80s. Subsequent indiscriminate opening up of the economy for imports and foreign investment promotion to the extent of rendering emerging market economies, including that of India, badly dependent on foreign capital in the name of globalisation, has led to the aforesaid economic evils.

Sensing the perils of the indiscriminate opening of the economy most of the leading economies are now embarking on the path of de-globalisation, with the genesis of an, even more, fateful road map of reglobalisation for the emerging economies.

In the last 26 years of the so-called globalisation, comprising the elimination of geopolitical barriers from cross border trade and investment, the Indian economy has witnessed 40 fold widening of trade deficit to \$ 105 billion in 2016-17 from \$2.66 billion in 1991-92 along with a more grave deficit of \$41.6 billion in the investment income as well.

The exchange value of Rupee too has plunged from Rs 18 a dollar to Rs 65 a dollar as a result of indiscriminate opening up. India had a 22% contribution to the world GDP in 1700 AD. The exchange rate based nominal GDP of India during the colonial era dipped to 3.8% in 1947, 3.2 % in 1991 and less than 3% today.

The rupee dollar exchange rate, since Independence has also tumbled from Rs. 3.5 per dollar in 1947 to Rs 65 per dollar today.

The Kautilyan economics revolves around the creation of jobs and is career-focused. Chanakya says, Arthshastra i.e. the discipline of economics, deals with providing means of livelihood i.e. jobs and decent career to all inhabitants on this planet earth, so gainfully that everyone

can survive and thrive with all his/her family members and dependents with the fulfilment of the essential needs for decent living.

“मनुष्याणां वृत्तिरर्थः। मनुष्यवती भूमिरित्यर्थः। तस्याः पृथिव्या लाभपालनोपायःशासमिति” (कौटिल्य अर्थशास्त्र)

Yagyavalkya Smriti and Shubra Niti say the wages to be paid should be ample enough to cater to the essential needs of a decent living, of the employee and his/her family, comprising food, clothing and shelter for the family and dependents (अवश्योपिष्यवस्य भरः। भृतिकाद्भवेत्।). Moreover, to ensure a decent living for all inhabitants, the Rigved propounds decentralized industry, commerce, trade and agriculture, with every family as the centre of the economic unit. Therefore, instead of stressing centralised capital intensive economic activities, the Rigved defines capital as “the productive assets of the family

as capital,” different from the modern connotation of capital as “the produced means of production”.

Economic disparities arising out of concentration the capital intensive and centralised economic activities were not there, as the Rigved stressed over decentralised enterprise.

Today due to the centralisation of productive capital, mostly with corporate and more in the hands of MNCs, India has become the second most unequal country, where the richest one percent hold 58% wealth.

Japan has least economic disparity where the top 1% holds only 22% of the nation's wealth. With respect to the overall inequality, 71 percent of the world's population holds only 3% of global wealth and top 8.1 % holds 84.6

% global wealth. The ratio of highest and lowest per capita income of countries was 3:1 in 1835, which is now 300:1 today. The richest 1% of world's hold 39.9% of the world's household wealth, a total greater than the wealth of the world's poorest 95%. On top of all, the Indian school of economic thought stresses over utmost honesty and compliance of state laws and norms in all economic affairs.

In Rigved, Yajurved and Atharva-Ved, which describe inter alia, trading worldwide by large ships, ethical earning of wealth and multi-locational enterprises growing in geometrical proportions.

There is a need to change the economic discourse from western to oriental to emancipate common the masses from miseries, in India and worldwide, the

Even the Rigved propounds decentralised industry, commerce, trade and agriculture, with every family as the centre of the economic unit

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INDEPENDENCE DAY SPECIAL

“By enhancing of domestic participation in the flagship programme of ‘Make in India’ also, we may score ever newer heights in the economic arena”



economic indicators or parameters of national and global economic performance, based on averages or aggregate data of GDP, per capita income, economic growth rate, as measured by aggregate GDP growth per annum, rise in market capitalisation, FDI flows, trade volume etc. need to be revisited with stress over by job-focused and vastly decentralised economic activities well integrated and capable to form an eco-system for large scale operations supported by the just an equity focussed cannons of taxation and public finance, in conformity with our ancient and age old provisions and practice.

Likewise, the Shukra Niti, Vidur Niti, Yajnyavalkya Smriti and Mahabharat say that the tax should be levied, the way honey bee collects nectar, without hurting the flower i.e. in collecting tax we should not scuttle the total economic activities in the economy.

Besides, today, especially since the onset of the so called economic reforms, the economic performance is being assessed on the basis of investment brought from outside, leading to foreign ownerships over industry, commerce and trade, instead of internal mobilisation of resources; creation of jobs; farm sector earnings; nutrition levels at grassroots level, quality health care to all,

happiness levels and other human development parameters; quality of environment, conservation of ecology, environment, germ plasm, biodiversity, water, fertile, soil cover like the basic infrastructure and so on. Indeed India has highest 16 crore hectares of arable land and 6 crore hectares of irrigated land, along with highest gross cropped area and India can feed two-third of the global population by harnessing the agriculture.

The large pool of talent can be employed to roll out ‘Made by Bharat’ products, brands and services, by facilitating and encouraging domestic investment, to prosper fast. Promoting ‘Made by Bharat’ is the need of the hour inter alia even in the IT sector as well, wherein, despite our remarkable value addition, most of it is for the foreign brands.

So, by enhancing of domestic participation in the flagship programme of ‘Make in India’ also, we may score ever newer heights in the economic arena.

With micro-focus and elaborate village-level decentralised planning and integral vision for sustainable development with inclusive growth for the wholesome life for every individual the fulcrum for a prosperous Bharat.

(The writer is a Vice-Chancellor of Pacific University, Udaipur)