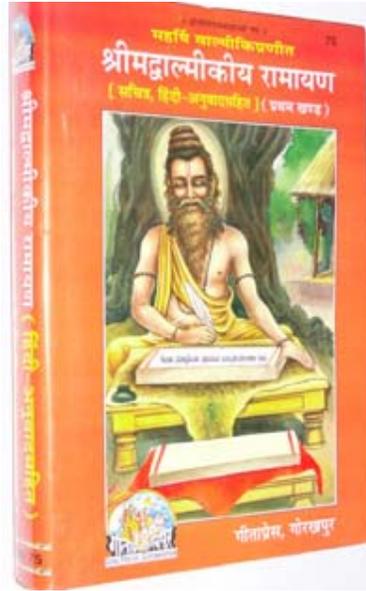


Ramayan and Hindu Economics

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A. Overview

Sacred books of Hindus are meant to help one choose the right path when faced by a dilemma. With a large number of books, avatars and deities, it is not uncommon to hear the question - what does it mean to be a Hindu.

According to the author¹, Hindu is interpreted as one who spreads cool light like moon in the sky. The word Hindu is also interpreted to mean the complete universe from ocean to the sky. It can be said that a Hindu is someone who believes in the holistic totality extending from depths of ocean to the heights of sky.

A Hindu sees himself as a part of the grand totality of the Universe or Cosmos. A Hindu's belief, faith, actions, lifestyle and thoughts must be in accordance with the rules of the Cosmos. Development of a paradigm of economics in accordance with the rules of the Cosmos and also the fundamentals of human nature has been an achievement of ancient Hindu thinkers.

It is important to reaffirm that Hinduism is not a geographical or regional phenomenon. Hinduism is a philosophical system that was accepted with some variations in large parts of

the world including Asia, Americas and Europe before 1000 AD when the one-book religions started spreading globally using barbarism and genocide like the world had never seen before.

Without going into the details of history, this article attempts to understand the paradigm of economics that formed an essential building block of the philosophical system called Hinduism and which contributed in large measure to the popularity of the system across the globe.

This article makes use of Shrimad Valmikiy Ramayan² (SVR), the oldest epic of mankind, along with the story of Dev-Danav conflict that appears in almost all ancient Hindu books in some form or the other to understand the key constituents of the paradigm of Hindu economics.

Before understanding the paradigm of Hindu economics, we take a brief look at the concept of paradigm as explained by Thomas Kuhn in his famous book³. After understanding the nature of paradigms, we also try to understand the essential characteristics of the paradigm of economics as practiced in the twentieth century by economists. To differentiate it from the Hindu paradigm of economics, we call it the Twentieth Century paradigm of economics (called here as “TC economics”).

TC economics has on one hand imitated the physical sciences and on the other tried to steer clear of the space traditionally occupied by the Church in Europe and America. This led to TC economists claiming that economics is descriptive and not normative in nature. Notwithstanding such claims, economists often advise everyone who cares to listen. This article discusses the abrupt and ill-prepared jump from descriptive to normative made by TC economists.

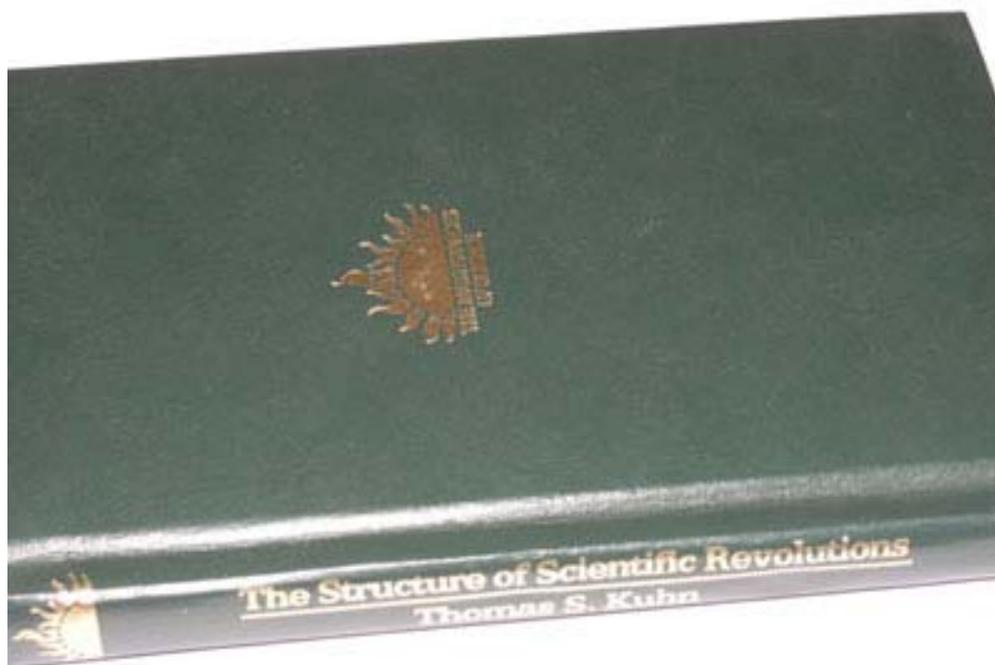
In contrast with the confusion prevailing in TC economists over descriptive vis-à-vis normative, Hindu economics is unabashedly normative. TC economists treat human being as a machine incapable of learning or growing. TC economists have chosen to ignore the existentialist philosophers and the issues raised by them. It is indeed surprising to note that thousands of years ago, Hindu economists treated man with much more respect and analyzed the factors that motivate a human being to action. They also tried to understand the issues of meaning and alienation to build their paradigm of economics.

Hindu economics is based on the concept of *Trivarg* - the three categories of reasons that are considered appropriate grounds for actions by an individual. This article looks briefly at the *Trivarg* of *Dharm*, *Arth* and *Kaam* while also looking at inappropriate grounds for action.

Moving from an understanding of the *Trivarg*, the article attempts to understand the objectives that Hindu economics tries to achieve. The process of understanding is guided by the stories of *dev-danav* conflict and of Ramayan. We also try to understand healthcare, food, education and justice in Hindu economics. Contracts and prices are fundamental to TC economics while they are not as critical in Hindu economics. Lastly we examine taxation and state expenditure in Hindu economics.

B. Kuhn's Definition of Paradigm

The word “paradigm” acquired its present status after the pioneering work of Thomas S. Kuhn³ who postulated that the growth of science is a non-cumulative process.



Kuhn defines paradigms as “ ... some accepted examples of actual scientific practice – examples which include law, theory, application and instrumentation together – provide models from which spring particular coherent traditions of scientific research. Men whose research is based on shared paradigms are committed to the same rules and standards for scientific practice”.⁴

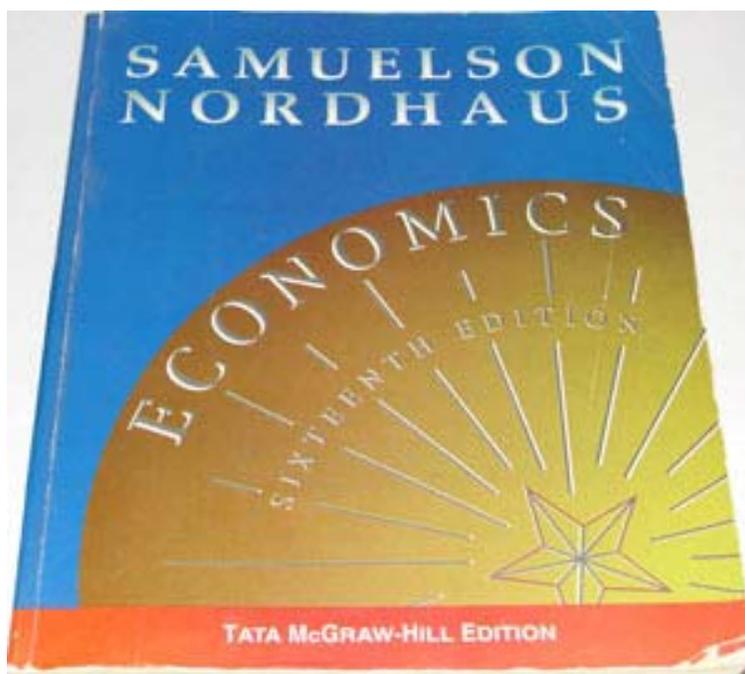
“A paradigm is what the members of a particular community share, *and*, conversely a scientific community consists of men who share a paradigm”⁵ A paradigm provides a “ ... ‘disciplinary matrix’: ‘disciplinary’ because it refers to the common possession of the practitioners of a particular discipline; ‘matrix’ because it is composed of ordered elements of various sorts, each requiring further specification.”⁶ Constituents of the matrix include “symbolic generalizations”, “shared commitments to beliefs”, “values”, “tacit knowledge” and “exemplars”⁷.

“Paradigms gain their status because they are more successful than their competitors in solving a few problems that the group of practitioners has come to recognize as acute. To be more successful is not, however, to be either completely successful with a single problem or notably successful with any large number.

Closely examined, whether historically or in the contemporary laboratory, that enterprise seems an attempt to force nature into the preformed and relatively inflexible box that the paradigm supplies. No part of the aim of normal science is to call forth new sorts of phenomena; indeed those that will not fit the box are often not seen at all. Nor do scientists normally aim to invent new theories, and they are often intolerant of those invented by others. Instead, normal-scientific research is directed to the articulation of those phenomena and theories that the paradigm already supplies.”⁸

Talking of paradigms, Kuhn describes scientific research as “a strenuous and devoted attempt to force nature into the conceptual boxes supplied by professional education.”⁹ This is surely as true of TC economics as it is for any other scientific discipline.

C. Present Discipline of Economics



A popular textbook defines economics in this manner:-

“Economics is the study of how societies use scarce resources to produce valuable commodities and distribute them among different people. Behind this definition are two ideas in economics: that goods are scarce and that society must use its resources efficiently.”¹⁰

One can also look at Lionel Robbins’s famous all-encompassing definition of economics, still used to define the subject today: “Economics is the science which studies human behavior as a relationship between given ends and scarce means which have alternative uses”¹¹

Looking at the above definitions, the following observations can be made:

- a) **Study** – Economics has been defined as “study” making it a descriptive rather than a normative discipline. Robbins drew a bright line between positive and normative issues. Positive issues are questions about what is; normative issues are about what ought to be. Robbins argued that the economist qua economist should be studying what is rather than what ought to be. Economists still widely share Robbins’s belief.¹¹
- b) It is assumed by TC economists that societies and individuals act in a manner that can be studied without the study affecting the behavior. This is certainly true in physics, where one can say without an iota of doubt that the act of observation does not cause the observed to change its behavior. For example, if one looks at electrons in an atom, the electrons do not get conscious about someone looking at them and hence, do not change their behavior. What holds true in physics obviously does not hold true in the world of humans. Yet, the paradigm of TC economics makes this assumption and imitates the physical sciences.

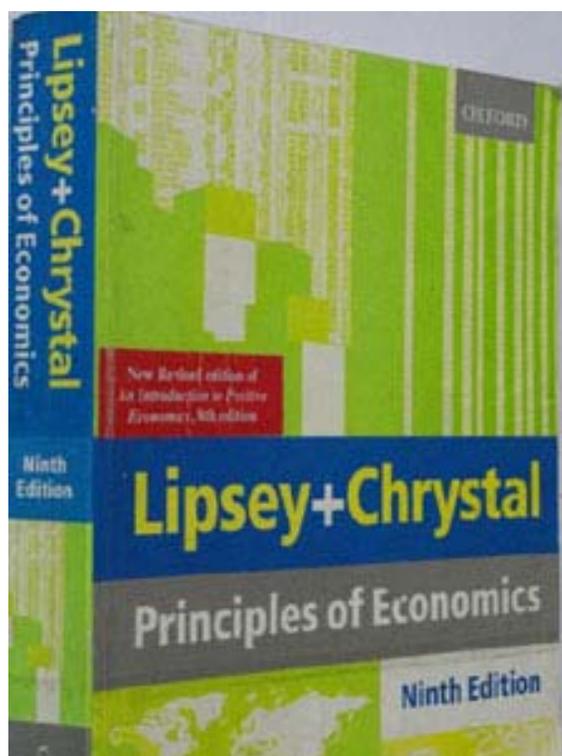


It is also important to note that Lionel Robbins thought “economics is a system of logical deduction from first principles. He was skeptical about the feasibility and usefulness of empirical verification.”¹¹ In this respect, Robbins was only following the philosophical traditions of Europe during the post-Christian era. Europe came under the iron grip of the Church during the period from 1000 AD onwards. With the Church controlling the minds of the people, the philosophers across Europe could do nothing more than indulge in dazzling the nobles with their display of intellectual powers. The philosophical questions of this period were abstract to the point of losing all touch with human realities. Empirical verification was anathema to the philosophers of the period. It is hence not surprising that early economists were skeptical of empirical verification even though they claimed economics to be a science.

Development of the paradigm of TC economics occurred at a time when two major currents of thought were present in Europe and America. First and foremost was the influence of physics and chemistry. Physical sciences were displaying great achievements. Every academic discipline, wanted to be called a science and wanted to imitate the physical sciences. The methods of physics and mathematics were thus seen as the most desirable ones for the new emerging discipline of economics. The second current of thought was more complex than that. In the post-renaissance period, there was on one hand a revolt against the iron grip of the Church and on the other a fear of prescribing any moral values. Inquisitions, witch-hunting and crusades were still fresh in the minds of people when Voltaire talked of freedom. The excesses of Church had made people yearn for freedom. At this point, we must differentiate between the desire for independence expressed by slaves and subjects of colonialism from the yearning for individual freedom that found popular expression through much of twentieth century in Europe and USA. The latter was not a revolt against any external power. It was an attempt towards liberation of one’s mind from the clutches of someone internal who was often more brutal and more unforgiving than any external power.

In this environment, TC economics found it convenient to evade the normative questions. This suited the Church because their authority to deliberate on moral issues was not being questioned. It also satisfied the popular mood because the economists seemed to favor the concept of individual freedom. It helped the TC economists to model their new-found discipline on the lines of physical sciences with laws, theories and large dosage of mathematical equations. That, all this helped departments of economics gain a respectable foothold in universities and corridors of power was, of course, incidental.

The disciplinary matrix of TC economics, while shying away from normative role, has some fundamental assumptions (called 'truths' by economists) that are summed up as follows in a textbook called Principles of Economics¹².



“By following their own self-interest, doing what seems best and most profitable for themselves, and responding to the incentives of prices set on open markets, people produce a spontaneous social order. In that order, literally thousands of millions of transactions and activities fit together to produce the things that people want within the constraints set by the resources that are available to the nation.”¹³

This belief in “spontaneous social order” is an article of faith for TC economists. It is elaborated further by the authors of the textbook as follows:

- “Individuals pursue their own self-interest, buying and selling what seems best for themselves and their families.

- People respond to incentives. Other things being equal, sellers seek high prices while buyers seek low prices.
- Prices are set in open markets in which would-be sellers compete to sell their wares to would-be buyers.
- People earn their incomes by selling the services they own to those who wish to use them – their labor services, things they have produced, the services of the land and buildings that they own.
- All of these activities are governed by a set of institutions largely created by the state. The most important are private property and freedom of contract. The nature of private property and contractual obligations are defined by the legislature and enforced by the police and the courts.”¹⁴

It is clear from the above that individuals, in the view of TC economics, are no better than Pavlov’s dogs (or laboratory rats, if you prefer) responding to stimulus. One must at this stage mention that various schools of economics have a different way of looking at this. Neoclassical economics assumes a person to be, "a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shift about the area, but leave him intact. (Thorstein Veblen)¹⁵. Rational expectations school of thought takes into account the expectations of people. Notwithstanding the differences among various schools, the assumption that one cannot change or educate human beings and thus no advice should be given to people is fundamental to TC economics.

This assumption is also present in Behavioral Economics, which puts in efforts to study the behavior of individuals. According to Behavioral economists, “The standard economic model of human behavior includes three unrealistic traits—unbounded rationality, unbounded willpower, and unbounded selfishness—all of which behavioral economics modifies”.¹⁶ Behavioral economists believe that human beings are not always rational and are prone to such human weaknesses like giving away for charity or procrastination or laziness or getting drunk. Having accepted human fallibility, the behavioral economists get busy with studying the human traits and resulting behavior. The objective of such studies must however not be normative. A behavioral economist will not venture into the field of giving advice to people to improve their life. Of course, no behavioral economist has any moral objections to helping sponsors or employers achieve their objectives of selling more financial instruments or insurance policies or do something else for commercial gain.

The irony is that while TC economists are almost afraid of advising individuals or of developing their discipline into a normative discipline, they routinely sell their valuable advice to governments and corporations. The most important role that TC economists have played in the twentieth century and continue to play in the present century is as advisors to various governments. In this capacity, the TC economists make the jump from descriptive to normative in a manner that is truly astounding. This jump is also seen in some other sciences. For example, theory of evolution and principle of survival of the fittest have been used to justify a morality of might is right, even though the indisputable fact is that the species that have strong intra-species cooperation have displayed higher success rate compared to the species with intense intra-species rivalry. Ants are surely more successful

as creatures than tigers or crocodiles. Yet, Darwin and his theories have been used to build social structure models that resemble those of the large cats facing extinction than of the happy ants.

While TC economists shy away from any debate on moral, ethical and philosophical questions, they presume that the appropriate model of society is no different from that of the large cats. Market forces and survival of the fittest are something that a TC economist is supposed to swear by. The only justification for this article of faith is TINA (there-is-no-alternative). Failure of communism is often cited as the reason to justify the TINA.

TC economists gloat over the failure of communism. But, they do not wish to look at the dynamics of the failure. In communist countries the state and therefore the bureaucracy became very large and all powerful. The failure of communism was caused by the failure of the bureaucracy and hence of the state. Yet, TC economists continue to put their faith in the state as the only institution that should intervene in the lives of people. One can see from the elaboration of "spontaneous social order" put forth by Lipsey that the only institution that is allowed to interfere in the spontaneity is the state, and no one else. TC economists continue to believe in the power of the state to the exclusion of all other institutions even when faced by clear evidence of its limitations. The irrational faith is the natural result of blinding caused by working in the disciplinary matrix of a paradigm.



Of course, one must take into consideration the enormous power that the state has acquired with the introduction of paper money. At no other point in the history of mankind, the state or the king enjoyed so much financial power as today. The right of the state to print as much currency as it wishes without any restraint and without any link to any real thing of value has handed over enormous powers in the hands of the state vis-à-vis the people. Inflation, deficit financing and such other monetary jugglery – all results of paper money – can create illusions of prosperity and can also impoverish the people without any fault of theirs. TC economics considers paper money and all the jugglery that is a part of the so-called exercise of monetary

management as a reality beyond question. Surprisingly, the definitions of economics as well as descriptions of various schools of economics make no mention of paper money, even though paper money (as removed from any real peg) has acquired its present status less than a century ago. This is something that one must keep in mind when one studies alternative paradigms of economics which developed when the monster of paper money had not yet taken birth.

Coming back to the role of state in the eyes of TC economics, it is worthwhile to also mention about constitutional economics and about rule-of-law economics. Constitutional economics studies the "compatibility of effective economic decisions with the existing constitutional framework and the limitations or the favorable conditions created by that

framework." It has been characterized as a practical approach to apply the tools of economics to constitutional matters¹⁷.

As an economic concept, rule of law emerged during the 1990's after the dual collapses of Asian currencies and former Soviet economies. "People routinely use two quite different definitions, which they call 'thick' and 'thin' for rule of law. Thick definitions treat the rule of law as the core of a just society. In this version, the concept is inextricably linked to liberty and democracy. Its adherents say a country can be spoken of as being ruled by law only if the state's power is constrained and if basic freedoms, such as those of speech and association, are guaranteed. Thin definitions are more formal. The important things, on this account, are not democracy and morality but property rights and the efficient administration of justice. Laws must provide stability. They do not necessarily have to be moral or promote human rights. America's southern states in the Jim Crow era were governed by the rule of law on thin definitions, but not on thick."¹⁸ Both, rule of law as well as constitutional economics, have grown out of the need of the developed world (read USA and Western Europe) economists to be able to give some advice from their high pedestals to the not-so-fortunate countries. Both ignore the role of differences in cultures as well as people. Both treat the present society in USA and Western Europe as some sort of ideal, without explicitly stating it. The fact that incidence of rape in the USA is at least thirty times more than in India is ignored. (What has rape got to do with rule of law?) In almost every city of India, one can go fearlessly for an evening walk after sunset. My friends visiting from USA tell me that it is not so in most cities of USA. Does India have better rule of law than the USA? Most rule-of-law as well as constitutional economists evade such uncomfortable questions.

Nevertheless, the fact is that rule-of-law as well as constitutional economists do not treat a society as a "spontaneous social order" as orthodox TC economists profess in the first chapter of their textbooks. Of course, one will be hard pressed to find a true-to-the-core orthodox TC economist today. When viewed from the perspective of paradigm theory, it can be said that the paradigm of TC economics is experiencing crises and rise of such concepts like behavioral, rule-of-law and constitutional economics are indicative of the anomalies that are being encountered. The response of TC economists is no different from what scientists usually do when faced with such a situation. Quoting again from Kuhn:- "Let us then assume that all crises are a necessary precondition for the emergence of novel theories and ask next how scientists respond to their existence. Part of the answer, as obvious as it is important, can be discovered by noting first what scientists never do when confronted by even severe and prolonged anomalies. Though they may begin to lose faith and then to consider alternatives, they do not renounce the paradigm that has led them into crisis. They do not, that is, treat anomalies as counterinstances, though in the vocabulary of philosophy of science that is what they are."¹⁹

TC economists today are in a state where they can feel the limitations of their paradigm, yet, they cannot renounce it – primarily because, in their view, no alternative paradigm is available. Once again in the words of Kuhn, "The decision to reject one paradigm is always simultaneously the decision to accept another, and the judgment leading to that decision involves the comparison of both paradigms with nature *and* with each other".¹⁹

Talking of crises, TC economists are already face-to-face with two serious problems that are not caused by what they perceive as their domain, but that are upsetting their calculations and models very drastically. The first problem is caused by democracy. When one looks at human history through the past five or ten thousand years, one notices that experiments with

democracy failed very quickly – always in less than a century, except in the recent past. Modern experiments with democracy started just about two or two and a half centuries ago. It is not a coincidence that democracy grew in countries where resources were flowing in from colonies. In any democracy, elections are critical. People make their choices in an election not on the basis of qualities of the competing candidates / parties, but on the basis of the promises made by different sides. It is easy to make promises and fulfill them when resources are flowing in from some poor countries. When politicians have to resort to imposing taxes to deliver goodies, the people get angry. This is something that is understood by politicians of every democratic country. Even in a so-called mature democracy like the USA, pressure is continuously on the President to deliver more and more (say, good healthcare to all citizens) without increasing taxes. Politicians in a democracy are in the business of raising expectations and desires of people. This works when resources are flowing in from other countries either in form of cheap raw materials, or as payments for outrageously expensive armaments / aircraft or as bank deposits or as investments in treasury bonds or in some other form. Modern democracy has not yet encountered a long downturn (of say, a century or so) in any major country. We do not know how democratic institutions will cope with frustrations of people in a society where living standards keep falling without any hope of revival. As the technological gap between countries reduces, and with Asian countries slowly learning the means to utilize their own surpluses, it is becoming more and more difficult for politicians of present-day developed countries to satisfy expectations and desires of their people. In this hour of crisis, the politicians are turning to economists for easy solutions. Used as they are to monetary tinkering or paper money jugglery, TC economists are offering short-term solutions which in the long run may do more harm than good. No, there is no economist who says that our job is descriptive and not normative. And it will be utterly unimaginable for an economist to advise the President to say in his address to the nation that people have to learn to live with hard times and be prepared for harder times.



The second serious problem faced by TC economists has its roots at the level of an individual. TC economics always took some traits of human beings as granted and unchangeable. Human beings worked to earn money and to take care of their families. One only had to pay more to make them work more. A new generation has grown up in America and large parts of Europe, which is defying these basic axioms of TC economics. This is the cool, fun-loving generation of today. They want to have fun, more fun and nothing else but fun. Sure, they want to have money, but they want to earn it the easy way. Going through

the pain of learning complex formulae in physics and mathematics is not for them. Giving up today's pleasures for tomorrow's richness is not something that they have ever learnt. In the sixties and seventies of last century hippies and flower children talked of dancing, rock-n-roll, jazz, free sex, drugs and doing one's own thing. Children and grand children of hippies and their contemporaries make today's youth in USA and Europe. This youth sees no value in hard work or entrepreneurship or taking risks. It surprises us in India when we hear about the US President telling American school children to study mathematics or when we hear the British Prime Minister talk about promoting entrepreneurship. Many tourist spots in India are full of young men and women from US and UK. These young people receive unemployment benefits from their governments and live in shanties in India as long as their visas permit, enjoying cheap alcohol, drugs, food and sex. While TC economists were busy polishing their mathematical models and equations, they forgot that economics is about people. The most important resource of a country is her people, their minds and their determination. If people of a country lose their drive to create and run businesses or to produce the best possible goods, there is nothing that can be done to make such people prosperous. A study of resources of society that ignores the most valuable resource – human mind – is obviously incomplete. Monetary jugglery, interest rate management, fiscal policies, central bank policies etc. cannot create wealth. The real, and in fact the only, creators of wealth in a country are her people. TC economists of USA and Europe are in the process of waking up to this challenge. Are they?

TC economics is facing a double pincer attack. On one hand, political leaders are confronting rising expectations of people and on the other hand young people are losing the will to work hard and earn more. Economists of the present century are called upon to find a solution to this obviously insolvable problem. They continue to use the tools that were developed for a different set of problems to search for a solution, little realizing that the problem is partly a creation of the tools that they have used for too long. This is a classic case of situation being ripe for what Kuhn described as “transition from a paradigm in crisis to a new one from which a new tradition of normal science can emerge”²⁰. Time is now ripe for “a reconstruction of the field from new fundamentals, a reconstruction that changes some of the field's most elementary theoretical generalizations as well as many of its paradigm methods and applications”²⁰.

D. Philosophical Background of Hindu Economics

Paradigm of Hindu thought has its foundations in a holistic cosmic view even while it remains centered on human existence. Oneness of the whole cosmos or universe (called *Brahm*) is the first principle on which Hindu thought is based. In any oneness or whole consisting of many parts, the whole is neither a simple addition of the parts nor is it a random jumbling up of the parts. A whole becomes what it is by the relationships between various parts and also by the relationships between different sub-parts. It can be said that a complex multi-layered web of relationships is an integral part of every whole. The parts and sub-parts that constitute the whole owe their importance to the relationships that exist between them on one-to-one basis, on one-to-many basis and also on one-to-whole and vice-versa basis.

We human beings, with our limited sensory and mental capabilities, may not be able to see or explain various relationships. Yet that cannot be a reason for denying the relationship. For example, no one knows how inanimate objects calculate the force of gravity using the law of gravitation. Yet, that cannot be any reason for denying the existence of law of gravity.

Similarly there are many phenomena about which questions of “how” and “why” are beyond the limits of human knowledge. Notwithstanding the inability to answer these questions, we still accept the relationships as truth – the first part of the fundamental triad of *Satyam Shivam Sundaram*, which forms the core of Hindu *Dharm*, and appears as the classical triad of virtues of truth, beauty and goodness in early Christian authors and also in the Augustinian synthesis of Christ and Plato¹.

The key principle that forms the foundation of the holistic thought is that whole is more important and valuable than any part. A Sanskrit verse, which occurs in Mahabharat as well as in many other texts, may be reproduced here – “*Tyajekam kulsyarthe gramsyarthe kulam tyajet, gramam janpadyasarthe atmarthe prithiveem tyajet.*”²¹ (Sacrifice an individual for a family, sacrifice a family for a village, sacrifice a village for a state and sacrifice land for the soul / conscience). This is the fundamental principle based on which any country fights a war. A country is willing to sacrifice lives of some of its citizens because the whole is more important than any part.

The last part of the verse quoted above is very profound. The whole (*Brahm*) exists in each individual's soul or conscience and this part of the whole that exists in inner being of a person committed to the fundamental triad is the final touchstone for all matters about Hindu *Dharm*. Of course, for using this touchstone one has to rise above one's own self and see from the perspective of the whole or *Brahm*. The key point here is about non-duality between *Brahm* and individual.

In Hindu view, each individual is part of *Brahm* and is *Brahm*. Let me explain with a mundane example. I was showing my car to a friend. He touched the steering wheel and asked me if that was car. The steering wheel of my car is as much my car as are its seats and its engine. Yet, each of these removed from the relationships in which it is bound is not my car, while as long as the part is playing the role assigned to it the part is my car. The same way, each one of us is *Brahm* when we are playing the roles assigned to one by the cosmic scheme.

The non-duality or oneness of individual and *Brahm* is an important foundation block of Hindu thought. The attempt in each individual's life has to attain this oneness using one's own deepest conscience as a touchstone while using all scriptures, sacred books and gurus as guides.

E. New Terms

A new paradigm needs new language since new concepts need to be defined by new terms, which form essential building blocks for the disciplinary matrix. The most important term in this context is *Trivarg – Dharm, Arth and Kaam*.

Before we begin to look at *Trivarg*, let us have a look at reasons for a person to do any action. Hindu thinkers, much before Ramayan and Mahabharat, had divided the reasons into two distinct compartments – the ones that are appropriate reasons and the ones that are not suitable or correct justifications for action. *Trivarg* are the three categories of reasons that have been approved as suitable reasons for action. However, let us first look at reasons that

are not approved. Such reasons may be called the Negative List. Some important entries on the Negative List are as follows:



- ✦ **Anger** – One is never supposed to act out of anger, though anger can be used to help one gain some extra push when one is engaged in a war or war-like situation. All through the war in Lanka, Ram often gets angry. The anger is justified in this case since anger is not the primary purpose of the action of war.
- ✦ **Greed** – Greed is defined as desiring more of something that one already has. One does not have a house and desires to have a house – this is not greed. But a person already has one and he desires two more – this is greed and is not justified.
- ✦ **Moh** – There is no equivalent word in English. *Moh* is a type of delusion, whether temporary or permanent. It arises from attachment, from possession and it seeks to possess. It is often confused with love. In this context it may be worthwhile to quote from another article by the author – “Love is giving while *moh* is holding and being held. Love gives and lets go, while *moh* gives with one hand and tries to tie up with the other. Love liberates while *moh* enslaves. Love has no expectations while *moh* is full of expectations. Love does not possess, *moh* is based on a sense of possession”.²²
- ✦ **Ahankar** – The word that comes close to it in English is ego. *Ahankar* means the feeling of I being important. *Ahankar* is when a part starts feeling that it is not a part of the whole subject to the rules of the whole. It is when a person sees himself as larger than everyone else.
- ✦ **Revenge** – In Mahabharat, Draupadi, who had faced the insult of being stripped in public, wanted her five husbands to fight a war as an act of revenge. Krishna did not want a war based on revenge. He made sure that the war was for other reasons.

- ✚ **Jealousy** – Neighbor's house is larger than mine – this is not a justified cause for any action. This is a negative emotion that must be suppressed.



- ✚ **Hatred** – Hating people for whatever reason cannot be an acceptable ground for any action.

Having looked at the bad reasons, it is time we look at the three good reasons, called *Trivarg*. The usual order is *Dharm*, *Arth* and *Kaam*. However, for sake of convenience, let us examine these in opposite order.

Kaam – This literally means desire. Very often, in common usage, the word refers to erotic desire. But in its true sense, it refers to all types of desires. Sita saw a golden deer in the forest and asked Ram to get it. This was a case of *kaam*. Sita (SVR 3:43:21) acknowledged that she was sending Ram on a mission inspired by *kaam* and also said that it was not the best of reasons for a wife to send a husband for some act. A person affected by *kaam* has desire which forces him to do something or the other. Hindu books have a very open attitude to a man seeing a woman (or vice versa) and the arousal of *kaam*. Even when Shoorpnakha, sister of Ravan, came to Ram and declared arousal of *kaam* in her heart (SVR 3:17:8), Ram took no offence at it and in fact humored her asking her to choose his brother instead of him (SVR 3:18:3-4). Subsequent disfigurement of Shoorpnakha was not done because of her expression of *kaam*, but because she had assaulted Sita and was on the point of killing her (SVR 3:18:16-17). The acceptance of *kaam*, whether as sexual desire or as desire for something else, as a justified reason for action is seen in many instances of SVR as well as Mahabharat.

Arth – The word *arth* when used in this context refers to all types of resources including material, human, animal, land etc. Examples of material resources include house, grains, foodstuff, vehicles, furniture, equipment, clothing, jewels, ornaments, etc. Human resources in the eyes of ancient Hindu thinkers included servants, sons, wife (wives), younger brothers, soldiers and even friends. Animal resources include cattle, horses, elephants and other domestic animals. An example of *arth* is seen when Sita is affected by *kaam* for the golden deer (SVR 3:43:21) and Ram tells Lakshman that valuable leather of the deer will be good

for his beloved Sita to sit on (SVR 3:43:35-36). At this point Ram defines *arth* as all that is desired and which makes someone act with the intention of acquiring it (SVR 3:43:34). It is clear that the desire itself is *kaam*, while the object of desire is *arth*. Importance of resources in human life cannot be denied. Resources are necessary for all human activities. There can be no *kaam* or *dharm* without *arth*.

Dharm – *Dharm* is often translated as duty. However, connotations of the word “duty” are limited, while the word “*dharm*” has wider meaning. It can be best understood as obligation that falls upon one due to the existence of a relationship. It is what links one to everyone else and to the whole cosmos. Let us take an example. The first relationship that one has is to one’s own body. So, the first *dharm* one must fulfill is body-*dharm* (called *deh**dharm* in Sanskrit) (SVR 4:35:9). Body-*dharm* includes food, water, sleep, sex etc. Moving beyond one’s own body – one is born with some *vriti* (aptitude, discussed below). There are obligations cast upon one by virtue of one’s *vriti*. Satisfying one’s own *vriti* is one’s *dharm*. A person is born to parents. One’s relationships to parents, siblings, spouse, children, grandchildren, other family members, teachers, employer, colleagues, neighbors and friends also cast obligations upon one. Each of these obligations created by virtue of the relationship concerned is a *dharm*. Often, there may be conflict between two *dharma*s. For example, it is a person’s *dharm* to take care of his body and one is required to sacrifice one’s life when the situation so arises in a war field. Such dilemmas between two conflicting obligations are challenges that every human being faces at various points of his life. Ram faced such a dilemma when his beloved brother Lakshman had fallen in the war-field and there seemed no hope of Lakshman’s revival. Ram even considered giving up his life if Lakshman did not recover. Ram was in a state of doubt whether he had followed the correct course in putting his brother at risk for the sake of his wife (SVR 6:49:4-22). This is often cited as the classic case of conflict between *dharm* to one’s brother and to one’s wife.

Within the *trivarg*, one must always give priority to *dharm* over *arth* and to *arth* over *kaam*. More about this will be discussed later. At the moment, let us discuss one key word which finds its echo even in Christian theology.

Vriti – Aptitude or vocation best describes the word. *Varn* (often confused with caste, but a distinctly different concept) owes its origin to *vriti*. In his article on vocational education²³, the author has discussed the concept of vocation in Christian theology – “The word vocation comes from the Latin *vocare*, to call. Its usage originates in the biblical calling of God to Abraham, Isaac, and Jacob, and to the New Testament calling of disciples by Christ”. In the same article, the author writes, “Hindu concept of ‘*Varn*’ is almost identical to the concept of vocation as defined by Protestant theologians. ‘*Varn*’ has often been wrongly confused with caste. Shrimad Bhagwad Gita discusses the concept of ‘*Varn*’ in detail. As per Gita, a person is born into a ‘*Varn*’ but it never says that only a Brahmin’s son can be a Brahmin. Some of the greatest sages of India were born to non-Brahmin’s. For example, Ved Vyas was the son of the daughter of a fisherman. ‘*Varn*’ is related to ‘*Guna*’ and ‘*Swabha**v*’ which mean the essential characteristics of a person. One’s aptitude and basic nature is what one is born with and these determine one’s ‘*Varn*’ or vocation.”

The two critical concepts that we must understand before we conclude the glossary are *dev* and *danav*. Many western writers have often translated *dev* as god and *danav* as devil. This causes confusion and should be avoided. The two terms can be explained as follows:



Dev – *Dev* or *Devta* is someone who gives without any direct expectations in return. A *dev* becomes divine by his selflessness. Sun, moon, fire and water are represented by their respective *devs*. A tree is a *dev* because it gives us shade, fruits, wood etc. But the phenomenon of being a *dev* is not restricted to just these natural bodies or forces. Every human being, as and when he or she, indulges in giving selflessly, acquires the property of being a *dev* (or *devi*, for a woman). A mother is a *devi* because she gives love and care to her child. A wife may be a *devi* for her husband and a husband may be a *dev* for his wife²⁴. Ram was a *dev* because of the way he served his father, but for the world at large he exhibited the qualities of a *dev* when he killed a woman named Tataka who was destroying the people of two towns called Mald and Karush (SVR 1:24, 25, 26). Ram had nothing to gain from the killing and yet he risked his life to fight the woman who was supposed to have the strength of 1000 elephants (SVR 1:24:25, 26). This was the first defining moment in the life of Ram.

Danav – “In contrast to the *daivik* (derived from *dev*) relationship, a *danav* is self-centered and tries to maximize what he can grab. A *dev* gives out of love, compassion and because giving is a pleasure. A *danav* does not derive any pleasure from giving. For him the pleasure is from acquiring or possessing. He gives only when he is forced to”²⁴. Ravan was a typical *danav* (also called *rakshas*). “Ravan had built a city (Lanka) of gold. This could not have been possible without a massive flow of resources from a large territory. In a way, Ravan was the first colonialist, who had converted most of India into his colony.”²⁴ For Ravan, grabbing extended to not just material resources, but also to humans – women. Ravan had thousands of wives – mostly abducted from across the whole of India (SVR 5:9:33, 68, 69). Abduction of Sita was the proverbial last straw on the camel’s back.



For Ravan and his court-members, rape was not something to be looked down upon. Ravan was advised to rape Sita by his court member Mahaparshv (SVR 6:13:2-4). Ravan had no moral conflict with the advice and in fact praised it (SVR 6:13:9). Ravan only regretted that he could not do so because of a curse caste upon him. This is the typical *danav* view, which is self-centered, where one's desires or pleasure are all important and one is constrained only by external factors. It is not unusual to see this view of life in today's so-called cool mean generation.



It may be worthwhile to mention at this point to mention about love, which is truly *daivik*. Love involves transcending one's own self and giving without any thought of getting something in return. Jesus and Krishn both talk of love – a favorite subject of this author too. However, in this article primarily devoted to economics we shall steer clear of love.

Before we close this glossary, let me just mention a concept that finds extensive reference in all discussions on Hindu philosophy. *Moksh* refers to liberation of soul from the cycle of birth and death. The focus in SVR is entirely on *trivarg*. References to *Moksh* in SVR, if there are any, have escaped me. Without denying the importance of *Moksh*, I shall restrict this article to the concepts discussed above to the exclusion of *Moksh*.

F. Fundamental Hindu laws

Let us quickly and in brief look at the three fundamental laws that constitute the foundation of all Hindu thought in the views of the author. The three laws are as follows:

First law – Universe is ONE and Man is part of the ONE.

Second Law – Law of *Karm* - What you sow is what you reap.

Third Law – The Divine Paradox - In a war between *Dev* and *Danav*, though apparently *Dev* might appear to be weaker, the ultimate victory will always be of *Dev* only.

The whole of SVR is a reaffirmation of the above three laws. Victory of Ram over Ravan is a classic example of the Divine Paradox. Every person, howsoever small or big, receives due result of his actions. Even the mighty *Indr*, the King of *devs*, is not spared. This illustrates the Second Law. The First Law has been discussed in detail in the section on philosophical foundations of Hindu economics.

As a Hindu, one must have faith on the above three laws, which collectively are referred to as the truth. The faith in this truth makes it possible for a system of society where people abstain from doing actions on the basis of the Negative List and constantly strive for a balance with regard to *trivarg*.

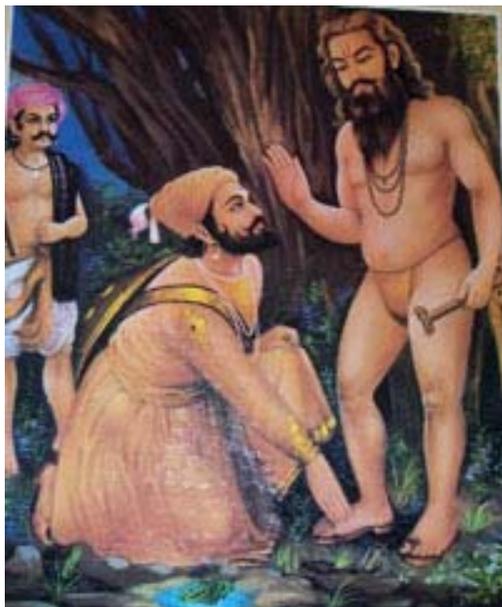
Ram described the divine path followed by good people (SVR 2:109:31) as consisting of truth, *dharm*, action with strength, kindness towards all creatures, sweet words for all, and worship of *devs*, guests and learned ones. The edifice of Hindu economics cannot be built without this. It may be mentioned here that there is no requirement of a faith in God or even in Ram as per the SVR.

G. System of Governance

Before we proceed with understanding the paradigm of Hindu economics, it is necessary to understand the socio-political context in which the paradigm grew. Here is a paragraph from my article, "Republic in Ancient India – Need for a New Paradigm in Political Science"²⁵.



"No King had any legislative powers in ancient India. Legislative activity or Law making was done only at the Centers of Learning which can well be called the Universities of that time. Varanasi, Ujjain, Nalanda, Rameshwaram and almost all major temple towns were such centers of learning. The word *Rishi* used in Indian texts has often been translated as ascetic or sage but this creates confusion and lends to the term a super-human aura, a sort of mysticism. An impression has often been created in public mind that the *rishis* who framed laws did nothing else but sit meditating under a tree or in some cave in Himalayas. Nothing can be more removed from truth. Almost all *rishis* were married and lived a healthy family life. The best comparison of a *rishi* can be to the modern day university professor who lives in his university campus far removed from the din of the city and devotes himself to intellectual pursuits".²⁵



"A king was prohibited from becoming a law-maker or even interpreting the law. However after the 10th century, when the invasion of Islam led to a destruction of the famous Universities of India, some kings, as an attempt to safeguard knowledge, either took upon themselves or encouraged their ministers to take up the task of writing Commentaries and Digests of the *Smritis*".²⁵

The fact that kings in ancient India had no legislative powers is confirmed even by SVR. Ram, even though he is an incarnation of Vishnu, does not attempt to make any laws. Neither a king nor the people are permitted to follow their own sweet will (SVR 2:109:9). The instruction to follow the directives of the learned ones is for every one including the king (SVR 2:109:35).

It is in this context that one should look at the role of a Hindu economist (*arth-shastri*) in ancient India.

H. Purpose of Arth-Shastr

Hindu economics, unlike TC economics, is normative. The objective of Hindu economics, (called *arth-shastr* in Sanskrit and all derivative languages), is to guide individuals to lead a meaningful satisfying life complete with all types of resources in abundance as well as to direct the king (or head of state) to take all the right steps which will ensure availability of suitable resources and environment to help the citizens of the state lead a meaningful and satisfying life.

The above statement of purpose is vastly different from the definition of TC economics. Without going into the differences, let us quickly look at some key features.

- ✓ **Purpose** – Science is not supposed to have any purpose. TC economics imitates science and shuns being normative. Hindu economics does not have any such historical baggage on its shoulders. A Hindu *arth-shastri* (economist) was supposed to advise a king. In fact, a king was under pressure to respect them (SVR 2:100:14) and was not supposed to do any act without consulting *arth-shastris* (SVR 6:63:13). Given this clear role and responsibility, Hindu economics must have a clear sense of purpose and is, hence, unabashedly normative.
- ✓ **Advice to individual as well as to king** – For a TC economists, advising is a taboo and if he must (which they usually do) he must advise only the state and never to the individual. The obsession of the post-renaissance western world with freedom has reached a point where any form of advice is treated as almost a crime. It is a classic case of the pendulum having swung to one extreme from the other. In contrast with TC economics, Hindu economics is built on the principle of freedom within limits. Acting on basis of any of the Negative List reasons is forbidden and can invite rebuke or punishment. A person has the freedom to make his own life choices maintaining the balance between *trivarg* (SVR 2:21:58 2:100:62). The job of an *arth-shastri* is to advise an individual as well as a king in the matter of maintaining a balance between the three reasons of *trivarg* while giving primary importance to *dharm*, secondary to *arth* and tertiary to *kaam*. The job of an *arth-shastri* is also to ensure that the ones whom he advises make efforts to increase the resources without affecting the *trivarg* balance.
- ✓ **Meaning** – In Western thought, issues of meaning in life have been raised by existentialist philosophers, but economists have shunned the subject. Ancient Hindu sages deliberated on the fundamental issues about meaning of life and also about the situations that lead man to see his life as meaningless. *Arth*, which in one context means resources, in other context can be understood as a synonym of meaning. Resources (*arth*), when acquired, used and given away in a manner that is in conformity with *dharm* and *kaam*, provide true meaning and purpose to life. In this way, *arth-shastr* is the subject that provides meaning to life. Feelings of meaninglessness, ennui, boredom and alienation among any section of people can be extremely harmful for a state. An *arth-shastri* is supposed to advise his king as well as the people to avoid such a situation.
- ✓ **Resources** – We must keep in mind that resources include human resources. Employee, son, brother, friend and spouse are all resources. With this definition of resources, the domain of *arth-shastr* becomes very wide indeed. In the Hindu

weltanschauung, a person who has huge reserves of gold but no friends or family is very poor. Such a person will be living a life which can be called meaningless. Teaching persons to appreciate the value of all resources and thus lead a balanced life is also an essential part of the duties of Hindu economists.

- ✓ **Abundance** – Hindu economics is not based on the theory of perpetual scarcity as in the case of TC economics. The aim here is abundance which is possible because of the strong insistence on the Negative List. As Mahatma Gandhi said, the earth has enough to satisfy everyone's needs but not to satisfy everyone's greed. An *arth-shastri* in conjunction with *dharm-shastris* and the support of the state is supposed to ensure that people do not do any actions motivated by the Negative List. When one gives up greed, jealousy and such negative feelings one's needs become limited. This creates abundance and removes scarcity.
- ✓ **Holistic** – The Hindu world-view is essentially holistic with its focus on Brahm, as opposed to individual. Hence, the focus of an *arth-shastri* has also to be holistic. No individual is important compared to the whole. The war of Ramayan (between Ram and Ravan) appears to be a war for a woman (Sita). This apparent perception is not true. The war was for a principle that taking away of a woman without her consent is a crime that must be punished. Ram did not want it to be recorded in history that he caused the death of thousands or millions of soldiers for one woman. His hesitation in accepting Sita after the end of war should be seen in this context (SVR 6:115). When no one individual is important, holistic considerations have to be the guiding principles.
- ✓ **Absence of Quantification** – TC economics, in its desire to imitate physical sciences, has lost its way in the maze of figures, graphs, formulae and equations. Hindu economics, with its clear focus on the second element of triad of *satyam*, *shivam* and *sundaram* – improvement of people and society – did not need to dazzle the academic world with its mathematical prowess. The king and the *arth-shastri* had to show in qualitative terms their achievements. In this context it is interesting to read the questions that Ram asks his younger brother Bharat about the state of affairs in Ayodhya when Bharat goes to meet him in the forest (SVR 2:100:12-75). The questions relate to every aspect of economic life in the state. The questions do not include any demand for hard financial data like GDP growth. The paradigm of Hindu economics is based on the premise that if all qualitative indicators are pointing in the right direction, the final result will be undoubtedly good.

I. Danav Attitude and Colonialism

Ravan had won wars with large number of states of India. The defeated states were obliged to pay huge amounts to Ravan. This flow of resources made Ravan's Lanka golden. In addition to siphoning material resources, Ravan considered it his right to pick up any beautiful young woman he fancied (many invaders of India during the past millennium had the same tendency). Abduction of Sita was not a one-time act. It was a usual practice for Ravan and his associates, family members and soldiers. Sita, in addition to being a woman, symbolizes agricultural produce since she was a product of the earth and was found by her father Janak when he was tilling a field. To carry out his loot of the large Indian sub-continent, Ravan had set up a cantonment (or army base camp) at Jansthan near Panchwati

(somewhere near today's Nashik) with a force of 14,000 ferocious soldiers. The force, in addition to other duties, took pleasure in destroying the campuses of learning that existed in that area.



Ravan's behavior was typical of a *danav* / *rakshas*. His belief system can be summed up as follows:

- a) A victorious king takes all that he wants.
- b) Might is right / a king has the right to make laws as he pleases.
- c) No right of choice should be given to a woman.
- d) Learned people deserve no respect or consideration.
- e) Protection to the weak is ludicrous.
- f) Kindness is touted as a virtue only by the weak.
- g) The powerful have a right to enjoy life as they please. If it tramples upon the weak, so bad – but nothing can be done about it.

The above belief system was an anti-thesis of all that Ram stood for. It is what colonialism or imperialism is all about. It will not be an exaggeration to say that Ravan was the world's first colonialist.

It may be mentioned here that there were emperors before Ravan's time. However, the emperors before Ravan limited themselves to collecting nominal revenue as prescribed by the universities and also provided services in return. The services provided by emperors included support to centers of learning and other institutions. Ravan, in contrast, symbolized a one-way street for resources. He supported destruction of the centers of learning. His associates, Mareich and Subahu, (who were killed by Ram early in his life) were actively involved in destroying centers of learning (SVR 1:20:17-19).

India experienced similar destruction of libraries and centers of learning from 1000 AD onwards after the invasion by various Islamic armies, when major universities like Nalanda were burnt down. Flow of resources from India to the invading countries did not take place in any significant manner during the period of Islamic rule in India since the invaders decided to settle down here. The invaders had settled in cities and therefore we see growth of cities like Delhi, Lucknow, Allahabad etc. during this period. Outwards flow of resources from villages, which form the backbone of India, started during this period. Siphoning of resources picked up momentum enormously during the subsequent British period when ruthlessness of rulers knew no bounds.

Hindu economics is essentially *dev* and is fundamentally against *danav* way of life. The classical example of shunning of the Ravan mindset could be seen when after the victory, Vibhishan (Ravan's younger brother who was crowned as king of Lanka by Ram) came to Ram and asked about the service that he could do for Ram (SVR 6:122:2). Ram advised Vibhishan to give money, gem and jewels to various soldiers in appreciation of the services provided by them (SVR 6:122:4, 5, 6). He even advised Vibhishan about how and why a king must be liberal in taking care of people who fight for the king (SVR 6:122:7, 8, 9). Yet, Ram did not ask Vibhishan anything for himself or for his city of Ayodhya. Ram only requested that Vibhishan arranged for his trip back home. This is the essence of anti-colonialism which is deep rooted in Hindu psyche.

Ravan symbolizes exploitation while Ram is a symbol of utmost restraint and of living one's life within the resources that are permitted to be one's own as per the norms set by the learned ones. Colonialism is a result of greed and of a lifestyle that admits no discipline or restraint. Non-acceptance by any one of restraints or restrictions imposed by *dharm* is severely criticized at various places in SVR. A person must take only as much as he is permitted and no more while he tries to give away the maximum possible – this is the fundamental *dev*-rule on which Hindu economics stands. This is in sharp contrast to the colonial mindset. What needs to be emphasized is that the colonial mindset is not something that only presents itself in cross-border transactions. It is something that is integral to one's mental makeup and reflects in one's interaction with everyone.

J. Dev Mindset & Exploitation

There are two other instances that bring out the economic perspective of Ram. The first instance is when Ram came to know on the day appointed for his coronation that he had to instead go to forest for 14 years. Everyone was in a state of shock and could not really fathom the unexpected development. Ram was not sure about the new king's attitude and whether he would ever be able to return to his homeland. He had to act quickly to make preparations for his journey. Surprisingly, the only preparation that he decided to make was to donate all the valuables, that he and his wife Sita had, to suitable learned ones and their dependants (SVR 2:31:35-37; 2:32).



The second instance is when Ram started for forest with his wife and brother. On the first night alone in forest they were near the river Ganges and met Guh, the king of boatmen. Guh brought to Ram various types of foods, grains, drinks, savories and also beds etc. Ram accepted all that was offered to him and immediately thereafter returned it all with thanks and nice courtesies saying that he was not allowed to accept free gifts (SVR 2:50:37-43). As a result of returning the free gifts, Ram, his wife and brother had to remain hungry for the night and sleep on dry grass under a tree (SVR 2:87:15-22). They drank only water that Lakshman had brought from the river and went to sleep on an empty stomach, since Ram could not violate the rule of *dharm* and accept food when he was not permitted to do so. His view was that people like him should only give and not take (SVR 2:87:17).

The above two instances illustrate the *dev* aspect of Ram – giving the maximum while limiting what one takes even when it hurts to do so. Hindu economics aims to build a system of society where everyone does so. Exploitation or profiteering by any one at the cost of another must be strictly prohibited. This has to be especially so when the other person is in a weaker position (as Guh was) or is weighed down by some great obligation (as Vibhishan was). Taking advantage of the other person's suffering or weakness or indebtedness is considered as the worst form of crime.



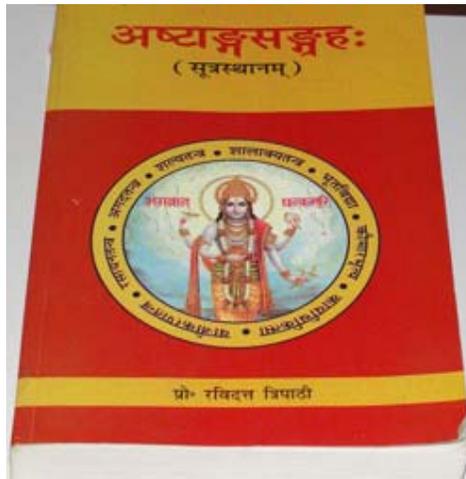
For thousands of years before 1000 AD in India, and probably in most parts of Asia, Europe and Americas the prestige and status of a person was not determined by how much he owned but by how much he donated. Fortunately, this remains deep-rooted in human psyche across the globe even today despite all the glorification of selfishness and mean behavior. It is heartening to read what Thaler and Sendhil report about life in the USA – “In 1998, 70.1 percent of all households gave some money to charity, the average dollar amount being 2.1 percent of household income. Likewise, 55.5 percent of the population age eighteen or more did volunteer work in 1998, with 3.5 hours per week being the average hours volunteered.”¹⁶ The irony is that TC economists have largely ignored such clear evidence of the good nature of man and have chosen to look at only the selfish aspect as worthy of their attention, while ancient Hindu economists designed a system that not only built on the goodness of man but also encouraged the goodness.

It must be clarified at this point that Hindu economics does not involve renouncement of worldly goods. There is often much confusion by the use of terms like mysticism and spirituality in context of Hindu thought. While exploitation and undue advantage is surely prohibited, there is no restriction on collection, use and growth of resources of all types. SVR talks at many places about the balance between *dharm*, *arth*, and *kaam*. Ram talked about not harming *dharm* with *arth* and not harming *arth* with *dharm*, while also taking care that *kaam* does not harm both *dharm* and *arth* (SVR 2:100:62). Ram advised Bharat to divide his time in a proper manner between *dharm*, *arth* and *kaam* (SVR 2:100:63). Ravan met his inglorious end because he gave priority to *kaam* over *dharm*. Even Sita faced the ordeal of living in abduction because she gave priority to *kaam* when she asked Ram to go after the golden deer. Nevertheless, the importance of *arth* was stressed strongly when Ram enquired from Bharat about well-being in Ayodhya and asked him about people engaged in various professions, agriculture, cows, horses, elephants, artisans, machines, arms and armaments etc. (SVR 2:100:40-53).

K. Free for All – Healthcare, Food, Education and Justice

Based on the above principles, ancient Hindu economists decided that health, education and justice must be free for all. Court-fee and advocate fees were unheard of in pre-British India. For dispensation of justice, ancient as well as medieval India had elaborate systems which have been discussed by many books of the period. Without a single exception, all the systems involved free justice. Educational institutions and their support-systems were destroyed mercilessly after 1000 AD. Yet, whatever accounts of pre-1000-AD are available, all point to a high level of literacy in the country as a result of an educational system which was not based on payment of fees on quid-pro-quo basis.

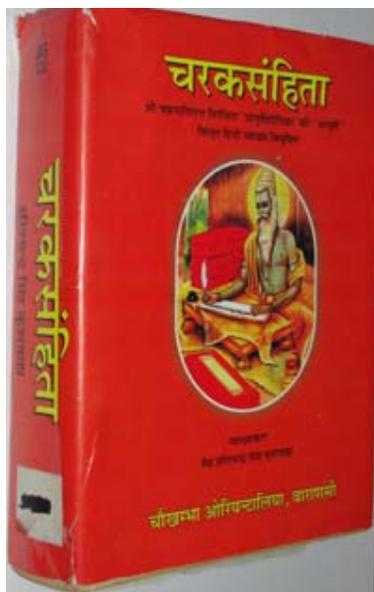
The health care system of ancient India was based on *ayurved*. There are many excellent texts of *ayurved* available even today. The most noticeable part of the *ayurved* system, from the perspective of this article, is the prohibition on doctors to charge for either consultation or medicine. “For a doctor, it is better to eat snake’s poison or a heated iron ball than to accept any food or other valuables from a patient who has come under his protection.”²⁶



“A doctor, who serves his patients with only *daya-dharm* (the *dharm* of mercy) and not with any *arth* or *kaam* feelings, is the best.”²⁶ Charak Sanhita defines characteristics of a doctor as “friendly, compassionate, loving towards curable patients and ignoring incurable patients.”²⁷ Modern allopathic system of medicine survives on profiteering by doctors, hospitals and pharmaceutical industry from the sufferings of people. Friendliness and compassion cannot be the key characteristics of someone who has to gain from disease and pain. It is not unusual for modern hospitals to turn patients away if they do not have capacity to pay. This would have been a crime in ancient India in case the disease was curable.

While a person did not have to pay when he fell sick, there were other obligations cast upon him. He was supposed to obey what the doctor prescribed even when there was no sickness. The focus of *ayurved* is to prevent sickness. *Ayurved* developed an elaborate lifestyle system which included every aspect of life including food, drinks, sleep, emotions and general behavior. Each person was required to follow this discipline strictly. A person was also obliged to give gifts and donations to the doctor when he had a crop and on such other happy occasions. A doctor was not supposed to treat someone who was miser,

ungrateful or was a *nastik* or was a *yadrichhawadi*.²⁸ *Nastik* can be understood as someone who does not believe in the three fundamental laws. *Yadrichhawadi* means some one who believes in doing as it pleases him. A doctor was not supposed to treat a *yadrichhawadi* because the person would be eating, drinking, smoking, having drugs and doing all that pleases him without any sense of responsibility. In this way, healthcare was free for someone who acted responsibly as a part of the whole and not for someone who refused to abide by rules of the whole.



It is also worthwhile to point out in this context the prescribed attitude to food. When one looks at the vast number of culinary books and TV programs today, one can see that the sole focus of food writers and chefs is either taste or aesthetic appeal. As they say it, the food should be sexy in addition to being tasty. In recent times, there has been some stress on healthy diets but that is still a relatively less important area. From a Hindu perspective, *dharm* must get the top priority. So, the food must be good for the body and should be in keeping with the person's *vriti*. Taste is desirable but not an essential requirement. Presentation, or looking sexy, hardly comes into the picture. The focus on food's taste, appearance and personal preference, as opposed to its beneficial aspects, imposes unbearable costs on healthcare system whether of family or of state. If an economic system has to take care of the citizen's healthcare, it can only do so if the focus is on disease prevention and when people are willing to live a disciplined life. In the present system of medicine based on exploitation by the learned, there is a freedom (and even encouragement) to ruin one's health and life because it suits many who profit by exploiting the stupid recklessness of the masses. In the Hindu economic system, the social system cannot afford to provide an individual the freedom to be reckless.

In the system of society created by Hindu *arth-shastris*, knowledge whether of law or medicine or of any other type was not allowed to be used as an arm-twisting tool for personal benefit. Knowledge always belonged to the society as a whole. Hence, the concept of intellectual property rights was never present. People who worked for creation, dissemination, preservation and utilization of knowledge were obliged to do their duty (*dharm*) out of compassion, love, mercy and kindness. *Arth* and *Kaam* were not permitted to

be motivators for action for this category of persons. Often they were also prohibited from owning / using agricultural land and other tools, equipments and machines for production of goods. In return of such restrictions imposed upon them, the society took care of them by providing them food, donating resources for their personal use as well as for the institutions run and maintained by them. The earlier-mentioned instance of Ram donating all his belongings to the learned ones before moving to forest should be seen in this context.

L. Contracts & Prices

In the Hindu economic system, which can also be called the *dev* system, any *danav*-like behavior is not only discouraged it is treated as a crime. With this perspective, a contract ceases to have the sanctity that is accorded to it in the Western model. Any contract must satisfy the condition of complying with *dharm*. A signature of any person on any document has no value if the net result is denying someone or the other his rightful due or if it leads to some unfair benefit to one at the cost of another. In the Western view, the contracting parties are independent, while in the Hindu view both are part of one common entity and both are obliged to take care of each other. Both parties are expected to behave in a *dev*-like manner, and a *danav*-like behavior on the part of anyone will render the contract null and void, while also making the person with *danav*-like behavior subject to severe reprimand or even punishment.

When contracts are examined from the perspective of ensuring that no *danav*-like behavior takes place, price cannot be treated as any differently. Price is always only one component of any contract. It must be viewed in the holistic framework to which the buyer and the seller belong. A seller must not charge more than a fair profit irrespective of how badly the buyer wants it.

This might sound utopian but is in fact not so. Till just a few decades ago, it was not unusual to find businessmen in India who had their strict rules about how much profit they will charge. Such businessmen would not charge a high price even when market presented such an opportunity. Many years ago, I had visited house of a traditional businessmen in a town called Indore in Central India. He used to deal with various businessmen from nearby villages and small towns. Everyone with whom he did business used to stay in his house when visiting Indore. He used to provide them hospitality. This practice had continued in his house since many generations. In the process, almost everyone with whom he did business had become related to him in some manner or the other. Since all his dealings were between close relatives, there was never any need for a written contract. There was no way that he could overcharge any of his relatives and obviously he never had any bad debts. This model of business is unfortunately dying even in India but it survived for centuries and continues to be the strength behind many business communities of India even today.

The classical theory of price in TC economics is based on demand and supply. Demand is based on *kaam* or desire. If people stopped desiring something, surely its price will go down. Taking the logic forward, if the society as a whole starts shunning *kaam*, prices of various non-essential commodities will go down. TC economics is based on keeping the engines of *kaam* fired up at full flare using tools like advertisement to ensure scarcity, high demand and so-called prosperity. This is a madness which is non-sustainable and which does not in the

ultimate analysis benefit mankind. Hindu economics has no place for demand-supply theory of price. It is a system built on *dharm* and not *kaam*.

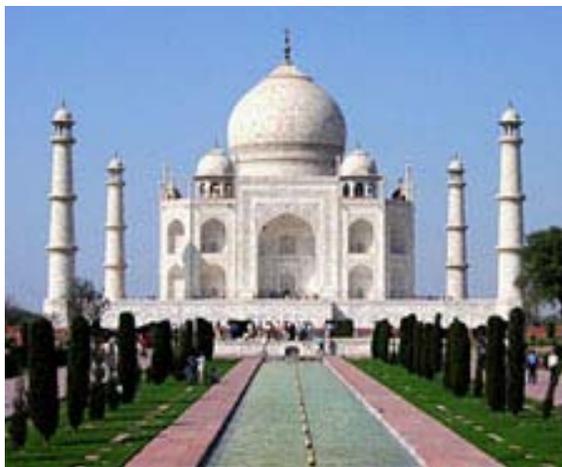
M. Taxation & State Expenditure

Going through SVR, it can be seen that a king was allowed to take only one sixth of income as tax (SVR 2:75:25). This is obviously a very low level of tax compared to what the present-day governments charge as direct and indirect taxes.

The duties of the king were limited to creating the right environment for everyone to engage in his duties as per his own *vriti*. A king was supposed to spend on *dev*, ancestors, learned ones, guests, soldiers and friends (SVR 2:100:55). He was also supposed to spend money for respecting old persons, children and key medical practitioners (SVR 2:100:60).

A noticeable point emerged in the question that Ram posed to Bharat, when Ram asked him whether his income was high and expenditure very low (SVR 2:100:54). A king, in Ram's view, was not supposed to have a large budget surplus, which would indicate that he was involved in hoarding up resources.

All through SVR, while there are many descriptions of gold and other resources being showered on learned people by Ram and others close to him, there is absolutely no mention of any money being spent by Ram on entertainment like music, dances or other performances. On the other hand, we find a reference to a grand party complete with different liquors, meats, musical instruments and probably extensive sex in the palace of Ravan when Hanuman visits the place at night searching for Sita (SVR 5:9-10-11). The contrast between the two ways of spending money is too glaring to be ignored.



In India, it is often said that the Mogul period was marked by growth in architecture – Taj Mahal belongs to that period. One can see the Salar Jung museum at Hyderabad which has on display what seems like the world's largest collection of gems, jewels and such other valuables – all collected by the ruler of the state of Hyderabad in just about one lifetime. What is often ignored is the fact that this growth in riches of kings occurred at a time when the people of the country were being impoverished. One can be sure that behind every architectural marvel and behind every grand collection of jewels, there have been millions of hungry

stomachs. This is what Ramayan advises all kings to avoid.

The Hindu economic policy for government finances can be summed up as – state must take only a small amount from the people as taxes (just as a bee collects honey from flowers), use a significantly large portion of the same for welfare of the people and for supporting the institutions that instill the right values among people and not use any resources under the

influence of the Negative List. This is the path of *dharm* for a king. When a king follows this path of *dharm*, his people are inclined to do the same.

N. Looking into Future

It is likely that some might call the whole Hindu economics as a utopian pipe dream. If one's vision is confined to just about the present and the immediate past, one would not be wrong. Present day scholars are not taught to look beyond a timeframe of a century or at the most of past four or five centuries. For example, most students of history in USA read history as if time started when white men landed on the American soil.

On the other hand, if one accepts that mankind has lived on the planet for many thousands of years and the last millennium is just one of the many that have passed, a different view emerges. The past millennium saw the slow and gradual downfall of Hindu economics accompanied by the rise of a paradigm of *danav* or Ravan economics. Before its decline in the last millennium, Hindu economic system – with many variations and under many different names – was accepted, followed and respected in many parts of the world. This article is not about history. So, we shall skip the part about the countries where Hindu economic system was followed and also about the economic power of India a thousand years ago.

While we skip delving on history, we do not need to exert much to look at the present state of the world economy and life to realize that the present paradigm of economics as a descriptive non-normative science is facing serious problems. There is certainly need for a new paradigm of economics. *Dev-Danav* conflict and Ramayan can help us create and implement a new paradigm of economics which is more human, which is based on love and compassion and which is non-exploitative, non-colonial, non-imperial.

The task of creating a *dev* economic mindset is not a small one. The war between *dev* and *danav* forces has been going on ever since man walked on earth. It took much genocide, many wars, extensive bloodshed and thousand years to demolish the dev economic system and replace it with the present model of economics which we have called in this article as TC economics. The process of undoing the damage of the past thousand years will not be a short one. Yet, it must be done and let us be sure that it will be done. At this point, one needs faith in the old adage – ***Satyamev Jayate*** (Truth and truth alone will triumph).



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Note for Reference to *Shrimad Valmikiy Ramayan*:

Shrimad Valmikiy Ramayan (SVR) consists of six parts called Kand. The parts are as follows: 1. Bal Kand; 2. Ayodhya Kand; 3. Aranya Kand; 4. Kishkindha Kand; 5. Sundar Kand; and 6. Yudh Kand. There is also the seventh part called *Uttar Kand*, which in the opinion of the author, is not a part of the original text and is an addendum. The author has not referred to *Uttar Kand*. References to specific verse of SVR are included in parentheses in the text. For example (SVR 3:15:32) means 32nd verse of 15th chapter of Aranya Kand.

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