

***SOLUTIONS TO MODERN ECONOMIC PREDICAMENT- THROUGH  
ANCIENT INDIAN LITERATURE***

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**Abstract**

Modern times have witnessed increased focus on accumulation of wealth and lack of empathy towards weaker sections of society. However, the philosophy of Vedas for businesses to create wealth, functions on the principle of 'Sarva Loka Hitam', which means "Well-being of all stakeholders". According to the 'Bhagwad Gita', sustainable growth comes by gaining income following values and ethics. The Vedic way thus ensures continuous flow of money, knowledge, learning and information like a river for the prosperity of entire human race. This research is a descriptive study. The research paper uses primary and secondary sources of data. The sum has been collected with the help of questionnaire method, books and research papers in journals. This research will be validated by using primary data in the light of secondary data. India is the world's sixth-largest economy with the Gross Domestic Product (GDP) of \$2.597 trillion. India's per capita income (nominal) was \$1670 per year in year 2016 and it was ranked 112th out of 164 countries by the World Bank. Despite being among the top economies, India has a very low per capita income. Large population and very few sustained domestic industries, lower export rate, less agriculture production will lead to greater import of goods, farmer suicides and corruption in a country. The high rates of corruption result in failure of implementation of policies. Hence, the standard of living of the majority of masses is miserably low. Even the basic necessities are beyond the reach of the major number of population due to poverty and unemployment. Solutions derived from ancient scriptures that will lead to sustainable growth of the economy and thus, develop all the sections of economy.

**Keywords**

Sustainable growth, Ancient solutions, Modern economic problems.

### **Introduction**

India is the sixth largest economy in the world. Despite the high national income, the standard of living of the population is very low. Standard of living is also called as per capita income. It is calculated by dividing the total national income by total population of the country. Having the world's second largest population, the per capita income of India is very low. According to Anthony J D'Angelo, when solving the problem, one should dig at the roots instead of just hacking at the leaves. Sustainable solutions to modern economic problems can be found embedded in axioms and principles of ancient Indian literature.

### **Research Methodology**

This research is a descriptive study. The research paper uses primary and secondary sources of data. The sum has been collected with the help of questionnaire method, books and research papers in journals. From the responses received, 31 samples were taken for the study. The MS Excel data analysis tool was used for statistical data analysis. The statistical analysis tools included ANOVA and percentage analysis. Secondary data was collected from various sources throughout the period of this study.

### **Review of Literature**

- 1) Ethics (V01): The thought of maximizing self-satisfaction brought the sense of individualism which was a source of motivation for many. However, this thought gave rise to greed, exploitation and apathy. Primarily, economics and ethics went hand in hand. Later, due to idea of profit maximization, we have economics over ethics as a backbone to life (Badi Shams, 2017).
- 2) Excessive Population (V02): The population of India is growing at the rate of 1.1% per annum (World Bank, 2017). This has resulted in low per capita income, lower standard of living, poverty, burden of unproductive consumers, burden on public utility services and rise of slums. Hence excessive population is like a burden on an economy. (Divisha S)
- 3) Industrial Growth (V03): Recent years have showed a shift of economic power to BRIC countries: Brazil, Russia, India, and China. Growth rate of these countries is more than the traditionally strong economies, such as USA and Germany (Inflibnet).

In India, as many as 1,503 startups have shut down since 2015. The major reason is the replication of western ideas and not lack of investor funding instead (Forbes).

- 4) Corruption (V04): The Corruption Perception Index (CPI) ranked India 81<sup>st</sup> among 180 countries. Country with the 1<sup>st</sup> rank is said to be the most corrupt country (Forbes, 2018). Studies suggest that, a higher level of GDP per capita seems to be associated with a lower level of corruption (Esben Graae Lauritzen).
- 5) Import & Export (V05): India is an agricultural economy. In year 2014-15, export of basmati/non-basmati rice slipped from \$7.8 billion to \$5.8 billion in 2016-17. India is becoming a high-cost economy in agricultural products. In such situation, the fiscal deficit will go up, farmers will suffer and there will be another cycle of joblessness and loan waivers will begin (Financial Express, 2017).
- 6) Agriculture (V06): India is an agrarian economy with 60% of population involved in agriculture related roles. It is the provider of raw material for agro-based industries and it is a market for various capital goods and light consumer goods. However, past years have witnessed several farmer suicides, which is a reflection of problems in agriculture sector (Inflibnet).

## Data Analysis

### 1. ANOVA:

Figure 1: Table of ANOVA

| Source       | SS            | df         | MS    | F    | p-value |
|--------------|---------------|------------|-------|------|---------|
| Treatment    | 30.39         | 5          | 6.078 | 4.80 | .0004   |
| Error        | 243.06        | 192        | 1.266 |      |         |
| <b>Total</b> | <b>273.45</b> | <b>197</b> |       |      |         |

Source: Primary Data – Significant at 5% level (p value ≤ 0.05); NS – Not Significant at 5% level (p value > 0.05)

### 2. Percentage Analysis:

Figure 2: Table of occupation wise percentage analysis

| Variable | Self Employed |         |          | Homemaker |         |          | Retired  |         |          | Employee |         |          |
|----------|---------------|---------|----------|-----------|---------|----------|----------|---------|----------|----------|---------|----------|
|          | Positive      | Neutral | Negative | Positive  | Neutral | Negative | Positive | Neutral | Negative | Positive | Neutral | Negative |
| V01      | 53.3%         | 26.7%   | 20.0%    | 71.4%     | 14.3%   | 9.1%     | 0.0%     | 0.0%    | 0.0%     | 72.7%    | 27.3%   | 0.0%     |
| V02      | 40.0%         | 20.0%   | 40.0%    | 28.6%     | 0.0%    | 45.5%    | 0.0%     | 0.0%    | 0.0%     | 36.4%    | 9.1%    | 54.5%    |
| V03      | 46.7%         | 33.3%   | 20.0%    | 57.1%     | 42.9%   | 0.0%     | 0.0%     | 0.0%    | 0.0%     | 54.5%    | 18.2%   | 27.3%    |
| V04      | 73.3%         | 13.3%   | 13.3%    | 85.7%     | 0.0%    | 9.1%     | 0.0%     | 0.0%    | 0.0%     | 90.9%    | 9.1%    | 0.0%     |
| V05      | 46.7%         | 20.0%   | 33.3%    | 85.7%     | 0.0%    | 9.1%     | 0.0%     | 0.0%    | 0.0%     | 54.5%    | 36.4%   | 9.1%     |
| V06      | 46.7%         | 40.0%   | 13.3%    | 42.9%     | 14.3%   | 27.3%    | 0.0%     | 0.0%    | 0.0%     | 54.5%    | 36.4%   | 9.1%     |

Source: Primary Data

### Findings and Discussions

- **ANOVA: Null Hypothesis-** There is no significant difference between the opinions of various respondents.

It is found from the above table that null hypothesis is rejected in all cases.

Hence, all the variables taken into study are found significant.

- **Percentage Analysis:**

I. **V02(Population):** From primary data, it is found that respondents have a perception that population is not the only factor responsible for low per capita income.

II. **V04(Industrial Growth):** As per primary data, it is found that corruption is the biggest barrier in India's economic growth.

### Ancient solutions

- 1) **Ethics:** A person should accumulate wealth by fair means. Wealth earned by unfair means results into sufferings in life. One must have the sense of oneness with everyone around and therefore support the weaker ones in the society (Shanti Parva, Mahabharata). Attachment leads to selfish desires, which further turns into endless greed and hence leads to anger. Anger will result into clouding of judgments and later bewilderment of intellect. Once the intellect is destroyed, one gets involved into unethical practices and therefore hurts him as well as others. Only the renouncing of selfish action will bring peace. One should work to complete his duties with equanimity of mind and to serve the society. Leaders must be ethical, only then the society will be ethical because common people follow their leaders (Shrimad Bhagvad Gita).
- 2) **Population:** When Shiva married Uma, the balance of earth was disturbed due to large footfall for the occasion. Then Shiva had to ask sage Agastya to go to south with his disciples, in order to balance the population of earth, promising that shall witness the occasion from south. This story tells us that population issues existed in ancient world and the solution was given to it. That is scattering of population and for that equal opportunities should be provided uniformly. (Puranam)

- 3) Industrial Growth: In Vedic philosophy, business is a legitimate and integral part of society. It focuses on the idea of “Well-being for all stakeholders”. If an organization sacrifices its toady’s profits for the interest of society, it is destined to gain more profits in long run. Individual interest should come last and global interest must be the first priority. In between these two, come profitability, customers, employees, cash flow and total supply chain. Those business that consider this world as a global society, are bound to be successful (Talwar, 2005).
- 4) Corruption: i) Government officials should be chosen not just by their educational qualification but also their integrity, so that they will not fall prey to bribes and administration will be smooth (Mahabharta). ii) Government should give incentive to people who behave morally so that this tendency gets promoted(Kautilya's Arthashastra). iii) There should be a severe punishment on the charges of corruption. This will induce fear amongst and hence discourage corruption (Kautilya's Arthashastra).
- 5) Import & Export: Government should act as a promoter of domestic industry. It should levy heavy taxes on imported luxury goods. Experts should conduct research on import market and manufacture the most demanded goods domestically. Tax exemption and incentive should be given ease domestic production of goods. (Arthashastra)
- 6) Agriculture: i) Government must protect the farmers from heavy burden of taxes and oppressive fines. ii) Prisoners can be employed to sow seeds on crownland which have been ploughed. iii) Prediction of the rain can be done by observing the position of Jupiter, Venus and Sun. iv) According to that, *Sali*, Rice, Paspalum Scrobiculatum, sesamum etc. are to be sown at the starting of monsoon. v) *Phraseolus Mungo*, *Phraseolus Radiatus* and saibya seeds can be sown during the peak of monsoon season. vi) Whereas, safflower, barley, wheat, linseed and mustard are to be sown last (Arthashastra).

### **Conclusion**

From above study we conclude that there is a necessity to decrease corruption in India on a large scale for the overall economic development. Also, there is a need of development in import & export along with industrial growth. Solutions to modern economic problems have

been found in ancient Indian scriptures. However, without ethical conduct by the officials as well as the citizens of a country, no policy measures can eradicate social misery. Therefore, ethicality is the root of a prosperous society. Application of ancient methods will lead to emotional prosperity and overall economic growth. This will increase the national income and subsequently rise the per capita income of the country.

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