



DR. Ashok Kumar
Srivastava

Vedic Economics

Associate Professor-Faculty of Commerce SMMTPG College, Ballia (U.P.) India

Received- 02.06.2022, Revised- 07.06.2022, Accepted- 10.06.2022 E-mail: tanishkshkhar@gmail.com

Abstract: *Pre classical thoughts that had appeared in Vedas dating a millennium prior to the Greek writings had culminated in their comprehensive coverage in the treatise Arthashastra by Kautilya in the fourth century BCE. In this context, the paper outlines various ancient Indian texts and the economic thoughts expressed therein, delves on the reasons why they have gone unnoticed, brings to the fore the economic policies laid down by Kautilya, shows how these policies exemplify pragmatic application of the modern economic principles, and brings out in bold relief, the contribution of this Pre-Classical literature in the history of economic thought.*

The history of economic thought begins with salutations to Greek writings of Aristotle and Plato. While the fourth century BCE Greek writings may have been the fount of modern economic thought that emerged in Europe starting 18th century CE, there has been a general unawareness of the economic thinking that emanated from the Indian subcontinent.

Key Words: : Ancient Indian Texts, Arthashastra, Economic History, History of Economic Thought, India.

Economics is a relatively young science as compared to other physical sciences. Throughout much of the period of Roman Empire, the Dark Ages in its aftermath and the spread of Inquisition; no significant contribution was made to the subject of economics in the western world. As described by Ingram the long period was characterised by Roman military ambitions, slavery ascending into serfdom, rise of religious crusades, and, lack of an energetic exercise in economic thought. Europe had to wait almost for millennium and half until renaissance, protestant reformation, and enlightenment, in that broad order, created a congenial environment for the new thinking. It was in this new environment that in the late eighteenth century Adam Smith (1776) wrote his treatise, An Inquiry into the Nature and Causes of the Wealth of Nations. In this treatise, Smith could replace the Greco-Christian doctrines with a system that combined moral living and reasonable pursuit of material desires. Of course, Smith and his close contemporaries - philosophers and thinkers of political economy, did not begin to ponder over their new economics, now christened as Classical Economics, out of vacuum. Looking beyond mercantilism and the dark ages, the fount of their inspiration was the pre-Roman Greek thinkers of Europe such as Aristotle, Socrates, and Plato who wrote on political economy matters. The word 'economics' comes from the ancient Greek word oikonomia, where oikos means house and nomos means custom or law. Circa fourth century BCE, Aristotle wrote the treatise titled Oikonomiokos, which roughly translates into English as the rules of or the management of household. Smith was particularly impressed by Aristotle's defence of private property and his critical view on Plato's communism. The continuity of this ancient western legacy, albeit with a millennial gap, gets reflected in current economic writings. For starters, textbooks on principles of economics introduce the prefixes micro and macro referring to their Greek meanings, small and large, respectively. Importantly, literature on development of economic thought acknowledges the contributions of the Greek scholars, and justifiably so. For example, if Cossa (1893) and Ingram (1919). introduce the economic ideas of the Greeks in about ten pages, Haney (1911) spends an entire chapter on Greek contribution. Similarly, Roll (1973) devotes an entire section on Greek antecedents in Chapter I of his book titled, A History of Economic Thought. In recent times, Mark Skousen (2016) makes reference to Aristotle and Plato in Chapter I of his book titled, The Making of Modern Economics. References to ancient non-western antecedents, however, perhaps with the exception of Haney, do not find a mention in the literature on history of economic thought. This is either because the references to non-western contributions were not available; and/or the development of those antecedents happened independently and their link and continuity to modern economic literature did not exist; or simply, the



contributions did not exist. Perhaps, the perception of the latter kind made Skousen write, that until the publication of Smith's treatise, "six thousand years of recorded history had passed without a seminal work on the subject that dominated every waking hour of practically every human being." This sweeping impression may read a bit exaggerated, once we consider some of the ancient writings originating from the Indian subcontinent.

Humans have accumulated economic wisdom over millennia. Of course, one does not expect literature dating back at least three millennia or more to espouse refined and modern economic theories, for both the technological and social context of those periods was far different than what it has been in the 18th to 21st century CE. Nonetheless, guided by their wisdom, the maturity of economic thought that has found expression in ancient Indian writings is worth reviewing. Here I narrate economic ponderings from some of the earliest ancient texts. 3a. Pursuit of Material Desires, Money, and Wealth Rig-Veda, composed within its 1028 hymns, 10,600 verses, and ten books (mandalas) is the world's oldest religious text in continuous use till date (Klostermaier, 1984; Kurtz, 2015). There are many hymns which relate to matters on material prosperity, prices, bargaining, and taxes. For example, Hymn 112 of Book IX (Griffiths, 1886) of the Rig-Veda tells us how we follow our desires and wealth. To paraphrase in short, it reads: "We all have diverse hopes and plans. We strive for wealth in different ways. We follow our desires like cows follow one after the other. A frog looks forward to a flood, an arrow-smith seeks someone who will pay him in gold, a craftsman seeks something that is to be restored, and a priest seeks worshippers."

"Most statements of fundamental facts acquire importance only by superstructures they are made to bear, and, are commonplace in the absence of such superstructures," said Schumpeter (1954, p. 54) in his book, History of Economic Analysis. It must be remembered that the economic thoughts I have presented in the earlier section are from literature that probably belongs to a period of both pre-and-post Sarasvati-Sindhu Civilization that flourished more than 2 millennia ago. If this civilization was trading in branded products with Mesopotamians, in later periods it also showed strong cultural and trading relations with the Southeast Asian world, which is known today by countries such as Cambodia and Indonesia to name a few. Janapadas (Republics) existed in the Vedic period from about 1200 BCE concluding with the rise of sixteen Mahajanapadas (Great Republics) at around 600 BCE (Singh, 2008, p. 261). Advances in metallurgy, mathematics, and grammar were of high order then for that time period. Thus, the economic statements emanating from the ancient texts had a context of the superstructure they were made to bear. Indian thought may have placed less emphasis on unique events due to a belief in cyclical nature of time; however, it had a strong sense of the past, and, its social institutions manifested a remarkable continuity, strongly influenced by a mass of literature.

This is a simple explanation of how we should view economics according to the principles of Vedic Dharma. First of all, the higher vision of Vedic understanding is that we see everything as the energy of the Supreme Being. If we can see the Divine in all of life, meaning in all beings, we must understand that there is a way of conducting business between each other that upholds and advances our perception of this. Conducting business or managing economics in a way that deliberately cheats or exploits others will harden our hearts and our sensitivity so that we become unable to perceive the Divine in all living beings and even in ourselves. Otherwise, if we see another person as only another object to exploit for our own benefit, then such a negative attitude and consciousness will only reflect back on us like a dark cancer waiting to infect us with our own just deserts. And if this spreads throughout society, the pitfalls become rampant.

The point is there must be integrity in all transactions and business relations. If we use the above mentioned principle, then by seeing the Divine in all living beings we must realize we are not merely doing business with another person, but we are also doing business with the Divine within that person. This means that the Supreme is also observing our every act, not only from within us but from within the person with whom we are dealing. If the relationship has integrity, then that is fine. We will continue in our spiritual development even while doing our



business. But if there is dishonesty and cheating in our involvement, then the quick profits we make will only pave our way downward. This will not be helpful. So we must conduct ourselves, even in business, with the foundation of the Dharmic principles.

These days we have easily seen that companies with power may produce various foods, drugs, beverages or devices that are said to be of great benefit or are healthy for us, or help us solve our problems with no side effects or unexpected problems. Yet time and time again we learn that different kinds of products have indeed been pushed on the public that have caused harmful side effects, much to the dismay, suffering and frustration of the people. The company or even our government may deny any such possibility of injury. However, you must always bear in mind that a story presented as factual from an entity or company whose purpose is power, control or profits is often a story not to be trusted. This was meant to be avoided in a truly Vedic society.

For example, in today's world, the use of paper currency, which only represents a value rather than being a tangible item like gold or silver coins, may be convenient to the user. But those in positions to set the value on such currency can also more easily manipulate it. This creates abstractions in the link between the paper representation and the actual gold it is supposed to be representing. At other times the combined confidence that people and governments place in a currency may fluctuate greatly, making it especially vulnerable to times of political upheaval or war. Such currency can then become completely worthless.

The fluctuating character of this type of currency also helps separate society from nature. Nature requires balance in the environment to operate properly, while currency that only represents what is supposed to have tangible value is more easily manipulated and takes us away from such balance. It is the adjustments in currency and interest values which often create stressful fluctuations for the ordinary consumers and for the general mass of people. People who are most implicated in these fluctuations are less likely to advance economically as those who are in positions to claim profits from the same adjustments or manipulations in the markets and economy. This is the difference between those involved in the global monopoly game, which is artificially propped up, and those that depend on real value, such as the gold standard or genuine real estate values.

In this way, the lack of a true gold-standard currency is based on falsehood because the currency does not accurately represent the reserved gold. Or it is disconnected from any standard at all and becomes fiat money, which is fake money. Because the money value is inflated, prices on commodities rise. The only way to reduce inflation and have an honest currency is to use that which has intrinsic value, such as when trading something of equal value as in bartering or using real currency like gold and silver coins. That is an honest system.

Real prosperity flourishes on the natural gifts of nature, or God's gifts to us. Villages and towns and their local economy will flourish when there is plenty of grains, vegetables, herbs, trees full of fruits, rivers flowing with fresh and clean water, and hills full of minerals. When this is the situation, there will be plenty for everyone. If society has sufficient natural resources in this way, then why should it endeavor for huge industrial complexes that require the labor of numerous men by sending them into dark factories where they spend their lives in exchange for inflated dollars, and then have to pay a sizable portion of their earnings for government taxes?

Industry produces so many items that are in demand only because of the advertising they show to convince people that they need to purchase the item in order to be happy. Essentially, the more society depends on artificial necessities, the more vulnerable it becomes to artificial crises. Thus, civilization suffers and the economy slows whenever there is fear of the economic state of things, or when there is not enough oil, gas, electricity, or when the prices of such modern commodities become too high. When there is a loss of oil, gas, and other such necessities, or when there is an electrical blackout, so many activities are forced to stop. But these are only recent conditions of the past 100 years or so. These are not natural vulnerabilities. Plus, so many machines and appliances are but recent inventions, but now we have become so dependent on them that without them we think we can no longer function.



Thus, people become trapped ever more deeply in the struggle to earn more money to buy more things that they are convinced they require to live happily and comfortably. In this way, they are tied and enslaved to a system whose goal is profits rather than really benefiting society. In such a system, humanity loses its sensitivity for their finer intellectual development and has no time and no taste for any spiritual pursuits, except possibly for the most elementary levels of moral standards.

Today's economic system is a means of keeping you under control, preoccupied by the bills you have to pay. This is an old system of stifling people's ability to make choices, sometimes against the present establishment, policies, or whatever it might be. It limits your ability to choose options of various lifestyles or alternative ways of doing things. It limits your field of possibilities. How? By forcing you to confine yourself to a system wherein you work for the almighty dollar to pay for the basic necessities of life. And you often are usually forced to do this by working for the profit of others in whatever business or industry that will hire you. And even if you are your own boss or a professional like a doctor or lawyer, you still have to be licensed and work within the system under the fear of losing your license if you do not cooperate or act as they expect. In other words, the time you have to think about and engage in alternative lifestyles, higher levels of philosophical thought, alternative forms of government, or spiritual practice, is quite limited when you have to make sure you have the money to pay for everything you need to exist. And these may include money for the payments on your mortgage or rent, your phone bill, your heat, your food, your tax payments, your car payments, property and health insurance for the unexpected, your children's care and education, your business license, and your electricity so that after a long and hard day at work when you want to simply come home and rest, you can do so with some pleasant or even brainless entertainment on your television. That can add up to a lot of money that you need to earn just to live.

Then, by plugging into the media, like television, that becomes the trigger in your mind for the kind of material desires that you wish to achieve. What you see on television and other forms of media then becomes the motivator for your preoccupation for the standards and desires for what are often unnecessary needs and wants you feel you cannot live without. Then you are psychologically locked into the present modern economical system, working mostly for someone else's profits, while getting a few things that make you feel you are accomplishing something. Yes, sir, you are trapped for your whole life. Anyway, that is how it works for most people in the world today. That is called the middle class, or consumer class. While the poorer class cannot even do what has just been described.

For so many people, once they have a job that allows them to pay all of their bills and keep some apparent balance in their life, they do not want to change. They are afraid of change. They want to make sure they can continue with what they have. It is the path of so-called security... which often leads to stagnation rather than to one's higher potential. This is what leads to the repetitious pattern that is often called "making a living but hardly living." Or it is having a JOB-Just Over Broke. But that is the nature of today's economic system for most people.

In this kind of economic system, it gives people opportunity for little else than the struggle to survive. This is why many people have to have two or even three jobs just to get by, under the fear that unless they have enough money to make all the payments they need to make, they may lose their house, or apartment, or car, or something else. There is an abundance of stress and anxiety in this kind of lifestyle, and some people begin to act in desperate ways, which leads to a rise in crime. It also keeps people away from attaining their spiritual potential, and society then becomes more godless and chaotic, misguided by leaders who either do not know what they are doing, or who purposefully keep people stifled by design. This is not the purpose of human existence.

The point is, as I previously mentioned, the more dependent you become to artificial necessities, the more vulnerable you become to artificial crisis, which is the basis of what we have today. Let's refer to one example, and that is years ago everything went on without the fiat money system that we have today. As it is now, the fiat money,



which is not based on anything truly tangible, is falsely propped up until it cannot go on, like the pyramid scheme that it is, and then the media makes everyone think that everything will collapse without more centralization, more bank bail outs, and more financial contributions from participating countries to keep things afloat, based on the taxes that are forced out of the citizens to meet these debts and bail outs. Is this real? No, it is all fake. And that's the only thing that will fail, that which is fake, that which is false. Everything else will continue. But this is the system that keeps you slaves to your limited choices, and to the elite, those far above the middle classes, who seem to make the decisions. Until the present system does collapse or change, and we can put something else in its place, we remain the slaves of those who keep this system going.

The Vedic system, however, was for freeing people from this repetitive cycle of working for few rewards and unnecessary requirements. It was to free you to work for your main necessities while still having the time and energy to reach your higher potentials through contemplation and inquiry and spiritual development, without being forced to work for the profits of someone else.

In the natural form of economy, which is the purpose of the Vedic system, the basic principle of economic development is land and its produce. Whoever controls land controls food. Whosoever controls food and fuel controls the world. This is why land should always be in the hands of local farmers, so everything is shared and all people can prosper. Once large industrial or national complexes take it, such large tracts of land are no longer in the hands of a local economy, but are controlled by large companies who have their own globalist concerns and plans for their own proceeds. Then land becomes another element to manipulate profits, resources, people, and even other communities and global markets. History has also shown that such companies are often connected with crooked politicians, or their networks that want more and more power.

However, by developing the land properly for vegetable and grain production, society can solve its eating problems. By producing enough cotton, wood, minerals, and additional resources from the land, humanity can work out its economic problems without depending on an artificial economic or political system.

Those who do become wealthy by honest means can more easily acknowledge his or her opulence as gifts from God. Thus, one's business, if done morally, can be a way of invoking the principle of Dharma. Such gifts or blessings also come in the form of one's own intelligence and ingenuity for devising wholesome ideas and needed products for the benefit of others, and from which one's business will expand. Thus, without the blessings of God in every way, we cannot progress or be happy. All things, from wealth, health, good birth, beauty, good education, etc., are all examples of gifts from God. Therefore, we all must acknowledge our gratefulness, especially those who have become more successful. When a family or society offers such acknowledgment, their success and happiness can increase in a which is not based on anything truly tangible, is falsely propped up until it cannot go on, like the pyramid scheme that it is, and then the media makes everyone think that everything will collapse without more centralization, more bank bail outs, and more financial contributions from participating countries to keep things afloat, based on the taxes that are forced out of the citizens to meet these debts and bail outs. Is this real? No, it is all fake. And that's the only thing that will fail, that which is fake, that which is false. Everything else will continue. But this is the system that keeps you slaves to your limited choices, and to the elite, those far above the middle classes, who seem to make the decisions. Until the present system does collapse or change, and we can put something else in its place, we remain the slaves of those who keep this system going.

The Vedic system, however, was for freeing people from this repetitive cycle of working for few rewards and unnecessary requirements. It was to free you to work for your main necessities while still having the time and energy to reach your higher potentials through contemplation and inquiry and spiritual development, without being forced to work for the profits of someone else.

In the natural form of economy, which is the purpose of the Vedic system, the basic principle of economic



development is land and its produce. Whoever controls land controls food. Whosoever controls food and fuel controls the world. This is why land should always be in the hands of local farmers, so everything is shared and all people can prosper. Once large industrial or national complexes take it, such large tracts of land are no longer in the hands of a local economy, but are controlled by large companies who have their own globalist concerns and plans for their own proceeds. Then land becomes another element to manipulate profits, resources, people, and even other communities and global markets. History has also shown that such companies are often connected with crooked politicians, or their networks that want more and more power.

However, by developing the land properly for vegetable and grain production, society can solve its eating problems. By producing enough cotton, wood, minerals, and additional resources from the land, humanity can work out its economic problems without depending on an artificial economic or political system.

Those who do become wealthy by honest means can more easily acknowledge his or her opulence as gifts from God. Thus, one's business, if done morally, can be a way of invoking the principle of Dharma. Such gifts or blessings also come in the form of one's own intelligence and ingenuity for devising wholesome ideas and needed products for the benefit of others, and from which one's business will expand. Thus, without the blessings of God in every way, we cannot progress or be happy. All things, from wealth, health, good birth, beauty, good education, etc., are all examples of gifts from God. Therefore, we all must acknowledge our gratefulness, especially those who have become more successful. When a family or society offers such acknowledgment, their success and happiness can increase in a balanced and moral way.

In conclusion to this line of thinking, we must recognize that one of the greatest forms of pollution in this world is that of competition--competition for position, power and money. It is natural to work at devising better ways of doing business and producing more effective products. Whoever has what is best will more likely succeed. But competition based on envy, jealousy, and deviousness, or simply for more money, makes individuals and companies resort to dishonorable means to get ahead, to get more market share, more customers, and ways of making products more cheaply. This also adds to social stress by forcing people to increasingly think in terms of growing profits and income, and lowering expenses in any way possible. This takes away from the peace in the world, and often adds to the pollution in the environment by using resources in less eco-friendly ways.

Because we have forgotten our true spiritual nature, our real identity, we are stressed and crying over small and unimportant problems that have little to do with our real identity as spiritual beings. Because such difficulties are not connected to who we really are, they actually have little relevancy to our spiritual nature. But because we are so attached to our temporary and bodily identity, we are affected so much by these ephemeral and superficial troubles. This is not how we are meant to proceed through life. We should not get entangled in such a way in this illusion. It wastes our time and distracts us from the things that matter most.

We may have made so much technological progress and have numerous facilities added to our comforts of life, yet we can still see so many people suffering in this world. This is primarily because money, and people who are greedy for money, rule the world. Not everyone is cruel, but who cannot see how the misery of many people in this world is caused by the greediness of others? The corrupt politicians and rulers in various countries have created so much trouble that most all of the torment of people who are poor, starving, or even being slaughtered or tortured as political prisoners, or enslaved into prostitution to do the wicked bidding of others, has been due to the unending selfishness and greed for money and power. Do you think this is the way of a truly progressive world? We can plainly see that it is increasingly becoming more godless and thus more hellish. If this trend continues, society will lose its moral values and respect for life. People will become progressively more desperate and the world ever more lost. A new influence must rise to purify this world from the rulership of money, dirty politics, and a false and misguided economic system. We must feel the influence of spiritual knowledge, for only then can society know what is real



peace and happiness, and live together cooperatively. It is knowledge and awareness of our spiritual identity and our connection with the Supreme Spirit that will fill our hearts with the deep inner peace and contentment that we are looking for. If we can progress in this way, our own happiness and peace can spread to others. That's how we can become the peacemakers and help fill society with the tranquility of such self-sufficient happiness and contentment. Then our only concern will be how to relieve the suffering of others. The more people who reach this state of consciousness, the more society will be beautiful and the world will be wonderful. Then the tendency for war and the manipulation over others because of greed for money and power will cease, and the world will live in peace. We have to be strong enough to make such a change, and then put to use the principles of Vedic Dharma to create a balanced and spiritually uplifted society.

REFERENCES

1. Banerjee, B. P. (2005). Foundations of Ethics in Management. New Delhi: Excel Books.
2. Bhatia, V. P. (2016). Ethical and Spiritual Values in Indian Scriptures. Chennai: Notion Press.
3. Bhattacharjee, A. (2011). Modern Management Through Ancient Indian Wisdom: Towards a More Sustainable Paradigm. Purushartha: A Journal of Management Ethics and Spirituality Vol. IV, No.1, 18-19.
4. Jeste, D. V. (2008). Comparison of the Conceptualization of Wisdom in Ancient Indian Literature with Modern Views. Psychiatry, 3-6.
5. Knapp, S. (2006). The Power of the Dharma: An Introduction to Hinduism and Vedic Culture. Indiana, United States: iUniverse.
6. Nigal, S. G. (2009). Vedic Philosophy of Values. New Delhi: Northern Book Centre.
7. Pattanaik, D. (2015, September 12). Revisiting Vedic management. The Economic Times, pp. 1-2.
8. Prasad, R. (2004). Vedas A Way Of Life. New Delhi: Pustak Mahal.
9. Saraswathi, C. (2016). The Vedas. Chennai: Sri Amritha Associates.
10. Sharma, A. K. (2007). Evolution of "Universal Business Excellence Model" Incorporating Vedic Philosophy. Measuring Business Excellence Vol. 11 Iss 3 Emerald Group Publishing Limited, 5.
11. Steingard, D. S. (2005). Spiritually-Informed Management Theory Toward Profound Possibilities for Inquiry and Transformation. JOURNAL of Management Inquiry, Vol. 14 No. 3, 227-228.
12. Talwar, B. (2009). Comparative Study of Core Values of Excellence Models vis-à-vis Human Values. Measuring Business Excellence Vol. 13 No. 4, 37-42.
21. Udipi, M. P. (2016, June 15). Modern Vis-à-vis Vedic Approach To Management. BW Business World, pp. 1-2.
13. Ahluwalia, M. (1995). Economic Reforms for the Nineties, First Raj Krishna Memorial Lecture, Department of Economics, University of Rajasthan, Jaipur, accessed from <http://planningcommission.gov.in/aboutus/speech/spemsa/msa033.pdf>, on 15/08/2017
14. Basham, A. (1954). The Wonder that was India, p. 215, London: Sidgwick and Jackson
15. Billington, R. (1997). Understanding Eastern Philosophy, p. 43, Routledge
16. Datta, B. (1927). "Discussions: On the Origin and Development of the Idea of Per Cent," American Mathematical Monthly, Vol. 34 (10), Dec, p. 531
17. Deodhar, S. (2015). "Trapping India's CSR in Legal Net: Will the Mandatory Trusteeship Contribute to Triple Bottom Line?," Vikalpa: The Journal of Decision Makers, Vol. 41, No. 4, October, December, pp. 267-274.
18. Hanson, T. (1997). "Inside the Romanticist Episteme," Thesis Eleven, 48, pp. 21-41
