Reclaiming the Swadeshi from our economists

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Read earlier dialogue The Rich Soil beneath the Concrete ... In the previous dialogue, you mentioned ancient Indian design principles for us to take inspiration from. Did you mean to draw from texts like the Arthasastra? Yes. Where did you hear of it?

Ever since our conversation about tapping into our cultural memory, I have been listening to some Indic scholars like Rajiv Malhotra and the Swadeshi economists like Gurumurthy and Kanagasabapathi. They all talk about the Arthasastra being the oldest economic doctrine of the world and take great pride in it.

Yes, indeed it is. I have been following the so-called “Swadeshi” economic discourse too. It is very disturbing to me. I find it to be so unIndic in its essence.

UnIndic? I thought they were the voices of our soil and culture!

So then let us examine the Swadeshi economic discourse in this conversation. Now, to give credit where it is due, they are definitely calling out and resisting some of the most explicit forms of parasitism. Like the official front-door entry of genetically modified crops, of international retail giants like the Walmart, Intellectual Property Rights over our own traditional knowledge systems, foreign direct investment (FDI), Regional Comprehensive Economic Partnership (RCEP) and so on. All this is good.

But....?

But the real problem goes much deeper than these. Before we talk about what is unIndic, let me share about what I gather to be the essence of ancient Indic economic thought.

1. Firstly, the Indic mind considered all matter and wealth to be sacred. Annam was considered to be brahmam. Indic economy would consider all matter as sacred gifts belonging to the Divine. We are all mere trustees as long as we are alive. In a real sense, nothing can be owned.
2. Secondly, ‘spiritual realisation was considered to be the primary purpose and end goal of life’ as it clearly lays it out in the four puruṣārthas, dharma, artha, kāma, moksha. A dharmic pursuit of artha (means of living / material pursuit) and kāma (enjoyment) are steps along the way of spiritual realisation. They were all considered to be part of a larger journey. So, economics was not an objective study of ‘goods and services’. The human being was at the centre of it, and wealth was only a means to well-being. All our ancient economic doctrines like the Arthaśāstra (300 CE) and Dharmaśāstra (200-700 CE) (and there were several more) were simultaneously political and philosophical doctrines. Thirdly, dharma was at the core of Indian life, economy and polity. Dharayati iti dharma. Dharma is that which holds, sustains and enlivens me, the other and the larger context, simultaneously. This, to me, beautifully sums up the ideas of Swaraj & Sarvodaya. A dharmic economic system takes care of the material needs of individuals and communities, values and preserves nature and all forms of life, keeps us safe, healthy and together, nourishes and enriches our cultures, builds unity while honoring diversity without resorting to uniformity.

- This is beautiful!
- Isn’t it? It evokes a sense of sacredness to the whole thing. Indic economics was Sacred Economics from its very conception.

- Yes indeed. But I have one question I’m dying to ask before we proceed further. In ancient times, our economies were all really small and local in scale, with potters and builders bartering among themselves and probably some inter-civilisational trade. It’s often hard for me to think of how their practise could be really applicable to us in today’s times when everything has expanded and grown. I mean, it might have been easier to uphold dharma in that scale. But in today’s scale, it’s hard for me to imagine the same.

- Recently, there has been a lot of research about ancient guilds or reñi, organisations that resemble modern corporations. They existed across India from 3,000 years ago up until 300 AD, when they disintegrated. reñi were highly complex organisations and were of two types. There were Trade reñi & Craft reñi, some of them with up to 1000 members.

- 1000 members in one reñi? We are talking about scale now!

- Yes. And just like our doctrines were political, economic and philosophical simultaneously, a reñi was also many things at the same time: a democratic government, a trade union, a court of justice, a technological institution and a charitable endowment. Though it was not mandated, it was honorable to belong to a reñi than to operate by oneself. And reñi, with their rules and regulations which were arrived at democratically, regulated the pursuit of individual aspirations while balancing it with the well-being of the collective. There are many interesting lessons to learn from them about how, at this large scale, they strived to uphold dharma.

- I know that now may not be the time for it. But I’d love for us to have a dedicated conversation on this topic another day, soon.
Definitely! Now that we have seen the essence of the Indic conception of economics, let us examine the following three problematic issues in the “Swadeshi” economic discourse.

1. Pretty much all of their discourse begins by stating how India used to be an economic superpower from the pre-historic times until a few centuries ago. She was the largest exporter contributing to 33% of the global GDP. After colonization, it came down to 1% in 1900. So, they say, let us revive the strength and glory of ancient India by ‘Making in India’.

2. The Swadeshi economy values relationships and is built on the family and the community as the primary unit. It is a savings-based economy, unlike the western model which is a consumption-based economy that thrives on individualism. This means that a very high percentage, i.e. 35% of all our GDP goes into investment, the highest anywhere in the world. India also loves to save gold. We are the largest buyer of gold in the world (buying 32% of the global production) and have about 20,000 tonnes in our savings.

3. We are a culture of creative entrepreneurship. We have thriving small and medium enterprises. Only 3 crore people are employed by the formal economy. 10 crores are employed by small businesses. Tiruppur in TN, Surat & Morbi in Gujarat are touted as the success stories.

Connecting back to the strength of ancient India, promoting small enterprises, valuing relationships and savings over consumption all seem to be great ideas to me. Wonder what you see as problematic in them!

And for that, I want us to look at the ideas of ‘wealth & money’, ‘savings’, ‘trade & export’ and ‘entrepreneurship’ in the current and ancient Indian contexts. Let us start with the idea of wealth.

In today’s society, when we say wealth, we mean three things: money, gold and land possession. But ancient India looked at wealth in multiple forms – whether it is the aatgalami representing eight different forms of wealth, or the 16 forms of wealth that are mentioned as part of a blessing in the Tamil culture even today. Roughly they represented social, cultural, health, natural, knowledge, spiritual and material wealth.

The growth of money was never the object of ancient economics. Money was seen only as a means to exchange, circulate and increase all other forms of wealth. But all our economic discourse today, however alternative and Indic they claim to be, are only focused on growing money, which is extremely problematic.

Why is it problematic to grow money? Why is it alien to India?

What does it mean to grow money? Firstly, money is tied to the idea of debt. So, growing money in a way means growing debt in a very direct sense. It is also tied to debt in another, and more important way. Growing money actually means increasing extraction and conversion of all forms of wealth into tradeable commodities. For instance, if we let the trees and mountains be, allow families and communities to take care of our young ones and the elderly, stay healthy, share knowledge freely and turn to spirituality and become content with very little, we will not have economic growth. But, if we fall sick, cut down our trees for timber, blast our mountains for the minerals, break down families and outsource the care of children and the elderly to the industry, remain addicted to external means for our own sense of validation, money will grow! And the moment we commodify an aspect of life, it has lost its sacredness. It is interesting to note that, in ancient India, vaidyas were paid based on how healthy the people were, and not how sick.

A total reversal of the logic!

And GDP is a unidimensional number that represents quantity and says nothing about anything else. And when we use it to describe the prosperity of ancient Indian economy, we are basically signing up for a game that is fundamentally alien to us.

The green revolution, a subject I have studied, is an excellent example to illustrate this. With it, we lost our crop diversity (we once had about 2,00,000 paddy varieties in India!), fodder for our cattle, nutrition and health, our soil and water. Farmers lost their sovereignty over seeds, which are the very basis of life. All of this for the unidimensional ‘quantity’.
I remember what we discussed in the previous conversation about how multidimensional the Indic understanding of ‘abundance’ was.

Let’s now take a look at the idea of the savings-based economy. Apart from eroding all other forms of wealth by design, money is the only one that can be accumulated infinitely. Our sastra did talk very highly of frugal living and saving, and celebrated well-endowed treasuries. But saving money without any limit in a consumeristic culture, amounts to hoarding. It blocks the circulation of wealth, concentrates political power and creates excellent breeding ground for corruption, greed and mistrust.

But just a while ago you said our sastra talked highly of saving. How did they ensure it remained dharmic?

To prevent this kind of a situation, the Arthasastra has laid down certain rules. It stipulates a cap for how much every community can accumulate, the lowest cap being for the Brahmins, the guardians and upholders (in those times) of knowledge, both secular and religious. To ensure that money does not corrupt the purity of knowledge, Brahmins were allowed to save only for the next three years of their lives. And whatever was in excess had to be donated to building temples, stupas, creating water harvesting structures, educational institutions, and so on. So, being in circulation was considered to be the primary dharma of wealth. And excess money was periodically released to invest in creating other forms of wealth. It was not allowed to grow itself.

Interesting to see how our current society’s design encourages and rewards hoarding (i.e. saving in banks or as property). Especially the Brahmin caste has also become the upper class, hoarding enormous amounts of money. And you say that in ancient India, hoarding was discouraged!

Not just discouraged, but looked down upon and severely penalized. And there is a whole other dimension to banking these days. International banks are heavily investing in fossil fuels and weapons deals, in a way funding the wars of our times. So, our money that we think is quietly sitting in there reproducing itself, could be fueling enormous suffering in ways that are not visible to us. And gold mining is one of the most inhumane and destructive industries.
employing child labour in appalling working conditions, many of whom die in the mines, or are severely affected by mercury pollution.

This is sad and revealing! I had never thought that the simple benign-looking currency note or the beautifully crafted gold had so much violence built into it! Talking of all this, a quote by Gandhiji that I had heard earlier is suddenly making sense to me.

“We are dazzled by the shining lustre of our chains and look upon them as symbols of our freedom. This state (of mind) bespeaks of slavery of the worst kind.”

Yes indeed.

Ok, now what is unIndic about trade and export? It seems like ancient India did a lot of that. Trade in modern India is fundamentally different from trade in ancient India on three counts. One, what was/is exported. Two, how much was/is exported. Three, How it was/is exported.

What?

In ancient India, usually our unique products, crafts and items of luxury (like the fine Bengal muslin and spices) were exported after satisfying local needs. So, exporting actually meant ‘sharing one’s gifts and surpluses’. Today, we are exporting essentials like grains, fruits, vegetables and cotton. Common people are made to believe that generally, we export our surplus and import what we don’t have enough of. But today’s international trade has almost nothing to do with any of this data. It depends on ‘export’ and ‘import’ subsidies, which are manipulated by those in power. And when we export things into an economy where it is already being locally produced, we are destroying the local economy there. Precisely what was inflicted on India by the British destabilizing our economy, we will be paying forward in the name of ‘Swadeshi’ if we became successful in the game.

How much?

? In ancient India, things were soulfully made by hand using simple tools and machinery. Today, we have massive machinery unstoppably producing things that have been stripped of their souls, and looking to ‘capture’ markets outside the country. How is this different from what the British did? Think about it. It is only during the industrial revolution, when their machines started producing excessive quantities of cotton textiles, that the British needed to forcefully create a market in India by destroying her own indigenous textiles. I personally know of a sales manager of a leading biscuit
company in India, whose primary job was to go into small pockets of rural India and close down local biscuit-making units so their biscuits could be sold there. Gandhian Economist J.C.Kumarappa calls this model of growth-based modern economy, an economy of war. It is extremely violent by its very design. How? In ancient India, products were carried mostly in caravans by road or boats and shared with other cultures in a mutually respectful way, and in the process both enriching and being enriched by the cultures we interacted with. Look at all the rich stories of the Silk Road. Today, we have mass-produced products, being shipped far away in large containers and airplanes which are adding to the climate crisis. Instead of enriching cultures, we are only destroying them!

Wow, this is indeed so fundamentally adharmic! So, were ancient Indian people so evolved to not be greedy? I doubt that! But what I know is that the norm in the society was to aspire for collective well-being. And our rishis and knowledge creators who were looked up to and authored these stra, had a very nuanced understanding of the nature of money, trade, asuric tendencies and so on, and created checks and balances in the design. For instance, Arthastra prohibited and highly regulated the entry of non-local Sreni in order to safe-guard the local economy. It also prohibited and penalized the export of essential products like grains and cattle. Sreni were allowed to issue their own currencies, apart from the state currencies issued by the Kings, in order to keep wealth circulating locally. There are many local currency experiments across the world today. I wonder what we can learn from the Sreni-issued currencies as well. Now, let us come to the last point about entrepreneurship and the leading examples touted by the “Swadeshi” economists as success stories. Tirupur, Surat and Morbi. Tiruppur is a leading textile manufacturer and exporter with an annual turnover of Rs.40,000 crores. But the groundwater there has turned toxic. The people there are sick. Noyyal river is a dead river with dead fish floating on its surface!
Noyyal river Surat is where 90% of all the diamond traded in the world is cut, with a turnover of Rs.70,000 crores. But these very enterprises are witnessing an increasing rate of suicides among workers, due to really poor working conditions and low wages.

Pollution from coal gasifiers in Morbi

Diamond cutting unit in Surat Are these the
small enterprises, which are pushed to externalize their social and ecological costs so that they can compete in a market of imposed scarcity, what we need? Well to me, it does not even make sense to call them small enterprises, if they have no real freedom to create something out of their will and creativity? They sound like outsourced sweatshops.

Now there is another dimension to it. When the entire population of a town mass-produces a single product catering to a non-local need, the industry and economy become extremely vulnerable. For instance, in Morbi which is celebrated by the “Swadeshi” economists as having the highest per-capita income in India, when companies had to cut down production due to reasons beyond their control, 75,000 workers went jobless at one stroke. Like monoculture farms, where one pest can knock down the entire crop overnight. This design goes against the law of nature!

I’m reminded of what happened in Bengal in colonial India, when all the farmers growing food crops were forced to cultivate indigo for the British textiles. When the chemical dyes were invented, indigo couldn’t be sold, and thousands of farmers lost their livelihoods and died of poverty. Isn’t this the same phenomenon?

The exact same.

How are these decisions made? Don’t people learn from previous experiences in history?

This is where polity and propaganda come into the picture. We all know that today polity is more about power than governance. And our entire modern education system and the mainstream media serve as the machinery of propaganda of this economy-polity (or, as we call it today, the military-industrial) complex! Look at this Vedanta ad. “The answer to youth’s aspirations may lie with India’s bountiful unexplored natural resources” and the message of the youth of Dongria Kondh, for whom the mountains are not resources to be ‘explored’ but their soul as they call it. And when they stand or speak up to protect the mountains, they are met with brutal police firing! All in the name of Vedanta. Can there be a worse form of sacrilege?

Very sad and infuriating! I am reminded of Ramdev claiming exclusive rights to the use of the name ‘Patanjali’. This sacrilege comes very close to, if not equals, this one.

I agree. From the micro to the macro, political manifestos are full of promises to the people about making everything bigger and faster, and GDP
stands as its symbol. Our schools seem to be preparing young minds to believe that, in order to be happy with little means is to be unsuccessful. To be ahead of the rest in this aharmic game, is to be successful. Adharma has become the norm in this yuga. So, what were ancient Indian polity and education like? ■ Those are topics for another day. For the purpose of this conversation, the following piece of information might be relevant.

According to the Arthastra, an ideal way to divide a farmer’s production is as follows: 70% was to be kept aside for the village consumption, 25% was to be given for village administration, and only 5% was to be sent outside the village to the King to either create infrastructure or into the treasury. Now, this means a very high level of decentralization in governance. ■ The reverse is what seems to be the case now! Only 5% probably remains in the village and 95% leaks out, partly to be doled out back so poorly to the farmer through the PDS, midday meals scheme and so on, making it all seem like some act of charity by the Government. Why centralise all these in the first place? ■ Why centralise? Because that’s when corruption and plunder become possible! ■ Then, if we can dismantle the economic system where hoarded money has no value and only money in circulation and all other forms of wealth have value, will our politicians lose interest in their positions and will anarchy naturally restore order? Just thinking aloud! ■ That’s an interesting thought. And yes, very likely! There is another extremely important Indian concept that is relevant to us today. All economic and political decisions that affected the people in ancient India were made within the context of kaala (time) and desha (place). This means that though there were principles and guidelines in place, the more specific things like taxation rates were decided contextually, based on the condition at that time and at that place. This kind of contextual decision-making can happen only if there is a strong local government which intimately knows the local context. In the truly Indic spirit, we then cannot have a uniform number imposed on an entire country as was done for GST or anything of that nature. And naturally, it triggered a nation-wide protest demanding exemption for certain vulnerable sections of the economy.

I am feeling really intrigued and curious to read our Arthastra to see how to run our economies. ■ Please do. But I must also tell you that there is much in it that doesn’t resonate with me at all, and in fact, evokes strong reactions. For instance, its allegiance to the varnrama (the degenerated version of it that was in practise at that time), patriarchy and its prescription of severe capital punishment in its attempt to uphold dharma, etc. are absolutely unacceptable to me. But there again lies the beauty of the Indic way. The Indic psyche looks at tradition also from an evolutionary lens. Kaulitya mentions at least 14 authors who have written previous versions of the Arthastra. Kaulitya looks to have disagreed with them on certain things, which he updated based on his own experience and wisdom, and the need of his times. We also come to hear of an ancient Indian practice where scholars and practitioners came together periodically in large numbers to debate, update themselves with cutting-edge knowledge in their fields. ■ And that means, we can rewrite Arthastra? ■ We can, and we must. A new Arthastra that is aligned with our yugadharma (the dharma of our times), where gender roles have been redefined, laws are firm yet flexible, and gentle in dealing with lawbreakers, and where all humans are urged to integrate the qualities of all the varna. Most importantly, a Arthastra that understands and responds to the urgency of the climate and other ecological crisis challenging our very survival. ■ I can sense the urgency! ■ And in that urgency, we need to be extremely careful not to dilute and compromise on our values. Like Aurobindo’s third point about the role of Indian Renaissance in the world says “an original dealing with modern problems in the light of the Indian spirit and the endeavour to formulate a greater synthesis of a spiritualised society is the third and most difficult.” ■ I really like that he stressed on the words ‘original dealing’. If we do not see how to run our economies.

■ You mean that Indic knowledge wealth will be converted into money to be accumulated in the most unindic way! ■ Yes. And Being a student of yoga, I found the five yama to give us an excellent framework to undertake the work ahead of us. ahimsa (non-violence): Can we build a truly non-violent economy which doesn’t commoditise and destroy life for money? aparigraha (non-hoarding): Can we build a society where wealth is in circulation, and banks are used to park our currencies for us to access them when needed, and not to accumulate our money? asteya (non-stealing): Can we build a society where we don’t steal from nature; where we honour each other’s boundaries, and help, inspire and collaborate with each other, rather than compete?brahmacharya (responsible engagement with and deployment of our vitality): Can we build a society which gives adequate space and opportunity for individual’s creative expression and enterprise, while making sure it works in harmony with the collective wellbeing.

satya
Can we build a society where truth & integrity are celebrated, and all machinery of propaganda are dismantled and penalized. The basis of this would be to reimagine education based on the Indic approach of beginning with the student’s original questions, encouraging critical thinking and building it all on the foundation of spiritual enquiry.

I had never thought of applying yam to our economic design. They indeed sound like a comprehensive framework for reimagining a dharmic economy! Not just economy. One can try to apply them to any form of organisation of life. They work great as a framework! And it’s really wonderful that we are having this important conversation in Auroville, because the Mother who initiated this human experiment, has given us the vision and guidelines based on precisely these life-affirming principles. She said “All wealth belongs to the Divine and those who hold it are trustees, not possessors… Auroville belongs to humanity as a whole, its residents are only its caretakers. For a conscious use of matter, there is no need for the sense of personal possession… Auroville is the ideal place for those who want to know the joy and liberation of no longer having any personal possessions… All is collective property to be used for the welfare of all.” “The spirit of competition is to be replaced par the spirit of cooperation based on a sense of mutuality, coming from a sense of inner unity. It is the responsibility of each individual to give sense in his life and work to the notion of “change of consciousness”. Work would not be there as the means of gaining one’s livelihood, it would be the means whereby to express oneself, develop one’s capacities and possibilities, while doing at the same time service to the whole group, which on its side would provide for each one’s subsistence and for the field of his work.” “Money is not meant to generate money; money should generate an increase in production, an improvement in the conditions of life and a progress in human consciousness. This is its true use… [Money won’t be used in Auroville] Auroville will have money relation only with the outside world. And one does not have to pay for one’s food, but one must offer one’s work or materials; those who have fields for example, should give the produce from their fields; those who have factories should give their products; or one’s labour in exchange for food. That in itself eliminates a lot the internal exchange of money… In reality, it should be a township for study and research in how to live in a way which is at once simplified and wherein the higher qualities will have more time to develop. Those who produce food will give what they produce to the town and the town is responsible for feeding everyone. That means that people will not need to buy food with money; yet they must earn it.” She also asked us to figure out governance collectively; make space for individual enterprise and creativity, and collective well-being at the same time. She asked us to not make rigid rules, but to keep them contextual and flexible. This reads to me like the Mother’s attempt at rewriting Arthastra. I feel that way too. She has given us a great starting point. We need to develop this further, drawing from not just our own Arthastra but also all the experiments of the world cultures. First published on Sangeetha Sriram’s blog