

## Relative Economics: An Ethical Approach of Economics

**B.R.Dugar**

Department of Nonviolence and Peace, Jain Vishva Bharati University, Ladnun-341306, India

### Abstract

Economists of various persuasions have recognised that quite a few things have gone wrong with both old and new economic theories. There is almost a consensus on the assertion that the subject of Economics is in crisis, though each economist has his own flashpoint to defend or criticize. However, and more significantly, economists do not know how to put things right manner or to sort out differences in order to present a more relevant or consensual theory which has the force of explanation and prediction and can provide a guideline to policy as well.

As has been pointed out that something has gone wrong with the existing economic theories, is abundantly substantiated by general mass poverty in abundance, unemployment, widening gap between rich and poor, alienation, exploitation, etc. hence there is a need for an alternative. We don't have an iota of doubt that the alternative is possible.

The idea of Relative Economics is a radical departure from the mainstream thoughts of economics. It is not only ill-comfortable or un-satisfied with the prevalent philosophy of man as '*homo economicus*' envisioned in main stream economics but also it raises several questions on this foundational assumption.

**KEYWORDS:** Meta-economics, Wantlessness, Desires/Wants, Sustainability, Peace.

### Introduction

The idea of Relative Economics<sup>1</sup> is a radical departure from the mainstream thoughts of economics. It is not only ill-comfortable or un-satisfied with the prevalent philosophy of man as '*homo economicus*' envisioned in main stream economics but also it raises several questions on this foundational assumption.

The relative economics, following the Indian tradition in general and jain tradition in particular, does not consider human being as only economic man and its nature is self-interest. Rather, there are four elements of human nature: faith in religion, acquisition of wealth, passion and freedom. According to Mahavira, the materialistic pleasure, on which mainstream economics is based, is momentary and leads eventually to unhappiness. Yet he does not totally reject the materialistic point of view and echoing the *anekantic* view; says, it is true that our life is based on matter but it is not the whole. It is a one sided view. What we needed is to have a synthesis of both materialism and spiritualism.<sup>2</sup>

### Ethical approach of Economics

But, from the perspective of relative economics, what is the philosophy of human nature especially in reference to matter? Regarding human nature in reference to materialism, we might have a close look in the Indian philosophical tradition. Jain literature refers to four branches of philosophy prevalent then - *kriyavada*, *akriyavada*, *vinayvada* and *agyanvada*. *Akriyavada* did not believe in

soul or its eternity, and therefore, did not hold *jiva* responsible for its pains or pleasures. *Akriyavada* seems to be a materialistic school of thought, and references in historical literature relate materialism to the preaching of sage *Brihaspati*, *Charvaka*, or a school of thought called *lokayata*. The famous lines attributed to *Charvaka* seem to epitomize the concept of materialism: as long as you live, live life happily; drinks *ghee* even if you have to borrow money to do so. Once the body is turned into ashes, the chance of its back to the earth? Mahavira was vociferously opposed to this idea of materialism or *akriyavada*. One of the essential vows of a Jain ascetic is that he renounces *akriya* and adopts *kriya*. Jainism believes in eternity of the soul, and holds the self as responsible for all pains and gains. Material possessions are cause and consequence of *karma* and *karma* in turn creates the bondage that makes *atman* bound to the cycle of birth and death. Hence, if economic activity is essentially material, Mahavira seems fundamentally opposed to the idea.

What about the view of wealth creation in relative economics? Is it against the wealth creation? Again, based on *Anekantic* view of Jainism, Acharya Mahaprajna states; "Mahavira's entire thinking proceeds on the transfer of wealth. Mahavira does not give any method of earning. He starts his thinking with disposal. Earning wealth is in the nature of man, it is necessity, and he cannot escape from it. That man would have to do so. The real issue is, after earning, how the disposal of wealth should be accomplished. Mahavira starts from here."<sup>3</sup> Thus it might be inferred that relative economics is economics of transfer of wealth, not against the creation of wealth.

Further, relative economics does not consider that economic activities should be seen as separate activity from society and nature. Going beyond the physical economic factors, it considers the Meta-economic factor as guiding principle for mundane economic principles. Thus, it criticizes the main stream economics for its objective is neither peace, nor non-violence. In a simple term, the goal of main stream economics is economic prosperity. It aims at everyone becoming rich. In order to fulfill the objective of pervasive prosperity, it also expects that desires, needs and production are expanded, and as a consequence thereof, greed promoted. Further, this expanding greed presupposes expanded needs, which calls for expanding production. This, in turn, requires higher economic growth. Economic growth calls for competition. In this context, peace and non-violence are downgraded to a secondary position. But relative economics overturns this logical chain, as the objective of peace becomes primary, the whole approach of economic activities change. Moreover, when peace is primary, then purity of means automatically gains supremacy. Thus, the basic difference between mainstream economics and relative economics is as the former is based on the acceptance of single track materialism and regardless of purity of means while the latter is based on the harmonious combination of both materialism and spiritualism with the purity of means.

Taking nourishments from the philosophy of Mahavira, relative economics maintains that where self-restraint prevails, peace is also ensured. As main stream economics is linked with the fulfillment of wants, what is aimed at is that the people should be able to satisfy their wants. Thus, satisfaction of wants has remained the main targets of economics. But to Mahavira, the question of satisfaction and comfort is secondary; that of peace is primary. Most philosophies, unlike positive social sciences as economics, try to get into the ultimate question of the basic quest

of ultimate happiness. Realizing that ultimate happiness lies inside, not outside, philosophy has always focused on self discipline, curbing of wants, curbing of senses that lead to wants, and so on.

In this regard, among all Indian philosophies, Jain philosophy perhaps presents the stricter side of self control. It treats all desires as arising out of *karmas*, essentially *mohaniya karma* which makes one long for pleasures, and loathes all pains. The Jain path is regarded as quite austere. Jain *agamas* reiteratively preach the virtues of detachment from worldly desires, possessions and all forms of *parigrahas*. It preaches 'freedom from all longings and all shackles of possession'.<sup>4</sup> While to the ascetic, the Jain path is one of complete non-possession; to the householder, the rigors of the rule are much lesser. The proscription seems to be only one of earning wealth by wrong means, and being attached to wealth.<sup>5</sup>

It does not mean that Mahavira rejects the presence of desire in human nature. He says, desire is endless like the sky. He does not say that we should give up needs, but what he advises is to 'control and moderate the needs. Control desires, restrain and limit needs'.<sup>6</sup>

Mahavira also makes distinction between 'real needs' and 'imaginary needs'. Following this, relative economics distinguishes between 'essential' and 'non essential needs' and tries to minimize the non essential as much as possible for true peace as peace is mental or inner states, not the outer. In this connection, one might compare it with post modernist thinker Bauman's view of nature of 'need', 'desire' and 'wish' that shows the shift during last two hundred years that also elaborates the aspects of consumerism which is the driving force of main stream economics.

According to Bauman, the 'need', deemed by nineteenth-century economists to be the very epitome of 'solidity' - inflexible, permanently circumscribed and finite - was discarded and replaced for a time by desire, which was much more 'fluid' and expanded than need because of its half-illicit liaisons with fickle and plastic dreams of the authenticity of an 'inner self' waiting to be expressed. He says, now it is desire's turn to be discarded. It has outlived its usefulness: having brought consumer addiction to its present state, it can no more set the pace. A more powerful and above all more versatile stimulant is needed to keep consumer demand on a level with the consumer offer. The 'wish' is that much needed replacement: it completes the liberation of the pleasure principle, purging and disposing of the last residues of the 'reality principle' impediment.

The wish represents the transformation from the vagueness of wants to a more definite pattern of consumption that converges with the 'aestheticization of everyday life'. The latter term refers to 'the rapid flow of signs and images which saturate the fabric of everyday life in contemporary society'.<sup>7</sup>

It is the liquidity of signs and images that generates seemingly limitless new objects to which consumers respond as their prerogative to choose and to fulfill their wishes. Bauman considers consumers as people who 'live from attraction to attraction, from temptation to temptation, from sniffing out one tidbit to searching for another, from swallowing one bait to fishing around for another'.<sup>8</sup> As needs turn into desires and then into wishes, so the compulsion to consume runs into the dead-end of 'never wilting excitation'.<sup>9</sup>

Consumers cannot seem to go beyond excitation. In the end, the 'rise of the consumer is the fall of the citizen'.<sup>10</sup> In other words, consumption abated by liquid

modernity introduces a new type of irrationality. Consumers are so fixated on the objects of their consumption that they become unaware of their own predicament. Bauman seems echoing the logic of Mahavira, desire is endless like the sky'.

Logical consequence of such an economic design is visible everywhere. Further, we observe, after post-industrial revolution developed nations acquired dominant control over world resources and industrial pollution has begun to threaten the environment. Powerful nations are becoming more of a threat than sources of strength, as they have their eyes on economic empire-building. Acharya Mahaprajna believes that unlimited personal wealth and unlimited consumption are the two great challenges of the present world. In spite of the hue and cry by economic agencies, Acharya Mahaprajna is of the view that despite the best efforts by agencies like UN, the number of people who go to bed without any food is rising at an alarming rate. More than 800 million remain without food everyday and more than two billion people live below the poverty line. The gap between the rich and the poor is widening. Thus, the two mantras of limited possession and limited consumption, as enunciated by Lord Mahavira, can prove to be extremely effective, if we want to create an egalitarian society.

Yet, relative economics does not reject the worldly affair but rather it has to be guided by some principles say meta-economics. Mahavira said that the one, who rejects the people and the world, rejects his own existence; and the one who rejects his own existence rejects the existence of the world. He said: "Do not reject the existence of the world and do not reject your existence as well. The most important principle of environment is that you are not the only element. When you do something for yourself you must know your action/s will impact the entire world." So what can an individual do? How do his actions affect the rest of the world?

This clearly raises the question of balance between inner and outer world. The deep understanding of human nature reveals, all economic activity and all spiritual activity have a common genesis - the disequilibrium of the mind. We might make a realistic assumption here that the state of things as it is and the state of things that we want is not the same - which is the cause of all activity. This is exactly what is referred to as "wants". When we try to adjust the outer to fit the inner, the result is all economic activity. When, we try to adjust the inner to fit the outer, the result is all spiritual activity. They have the same root cause - disequilibrium of the inner and the outer; they have the same end result - equilibrium of the inner and the outer.

Based on time tested value system, relative economics highlights the paradox of mainstream economics which is based on a principle of scarcity that follows the assumption that people's wants are unlimited but the means to satisfy them are limited. As we satisfy our wants, there come up new wants. Thus, the psychological analysis might be drawn here. Wants are like hydra-headed monsters. So, economic activity does not lead to a total satisfaction as it claims but it leads to more economic activity. Thus a cycle of economic activities to generate wants go on without knowing a destination. Thus, the practice of mainstream economics has been conditioned by the need of modern economies to create wants. Therefore, economic activity might reach milestones, but never reaches the destination - the full satisfaction of all wants and inevitable outcome is peacelessness at both individual and social level.

In this connection, relative economics seems closer to the view of Gandhian economist Dr J K Mehta who tried to reconcile philosophy and economics. In 1962, he wrote a book titled *A Philosophical Interpretation of Economics* in which Dr

Mehta argued that the end of human endeavour was "wantlessness". Spiritualism and economics both try to attain the same thing. A want, if satisfied, ceases to exist. However, the problem is that it gives rise to other wants. Therefore, economic activity never reaches the ultimate state when wantlessness is attained. In fact, if that were so, economic activity will be self-destructing.

The essential distinction between mainstream economics and relative economics is one of *long term*: main stream economics can answer questions relating to satisfaction of economic needs, development and material well being, but the ultimate question as to where does all such activity ultimately lead to, gets into the realm of way of life that relative economics emphasizes. Therefore, mainstream economics finds its convenience in talking about the short term: as Keynes mentioned, in the long term, we are all dead while relative economics talks in term of sustainability of nature and society with true peace and happiness.

This is significant to note that the efforts are being taken by communities all over the world to restore ethics in their economic practice to become critically aware and socially responsible. From such a relative rather than absolute perspective people are trying to organize, use, consume, and manage their resources. They are also advancing the practice of voluntary simplicity adopting alternative ways of producing and distributing goods and services to reduce resource use, recycling waste into reusable resources, undertaking sustainable agricultural practices, and providing credit for the poor. The courageous visionaries, social activists, community leaders, and concerned individuals engaged in this historic process are demonstrating the possibility of creating non violent economic cultures in which our economic lives become a part of our ethical and spiritual practice. In our present context, it is a profoundly revolutionary act.

### **Conclusion**

Thus, mainstream economics based on 'economic man' create the illusion of progress by fallaciously defining the part as the whole. It analyzes only the good results of economic growth, and ignores the negative "side-effects" especially in terms of society and nature. Economists believe that what motivates people is a fundamental greed, and that this is good because it stimulates economic growth. But it hardly considers the other cost that causes environmental degradation and disease, stress, loneliness, distrust, crime, drug use, violence, and community disintegration.

Relative economics replaces the axiom of 'more is always better' with a principle of limits, the recognition that there is not such a thing as "enough" material wealth. Relativist economists recognize that consuming more than "enough" creates more problems and than it solves, and causes consumer satisfaction or "utility" to decline rather than increase. Further, relative economics considers nature and society cannot be separated from economic action that mainstream economic does.

### **Notes and References:**

1. Relative Economics is a school of non - mainstream economic thought based on the philosophy expounded by Mahavira. The economic ideas of relative economics aim to promote spiritual development and harmony with a rejection of materialism. The term "Relative economics" was coined by Acharya Mahaprajna. Acharya Mahaprajna wrote *Economics of Mahavira in 1994* wherein he tries to propound a new concept of economics of non-violence. In fact, in the world of economics itself, there is a vigorous new

thrust being given to economics of non-exploitation, which seems to be coming extremely close to Acharya Mahaprajna's notion of economics of non-violence.

2. Acharya Mahaprajna (2005), Economics of Mahavira, Jain Vishva Bharati, Ladnun, p 3
3. Ibid, p 117
4. *Acharanga*, 2/ 86
5. *Uttaradhyayanani*, 4/2 and 4/5
6. Acharya Mahaprajna (2005), Economics of Mahavira, Jain Vishva Bharati, Ladnun, p 6
7. Featherstone, M. (1991) *Consumer Culture and Postmodernism*. London: Sage, p 67
8. Bauman, Z. (1998) *Globalization: The Human Consequences*. Cambridge: Polity, p 84
9. Ibid, 83
10. Bauman, Z. and Tester, K. (2001) *Conversations with Zygmunt Bauman*. Cambridge: Polity. p 114