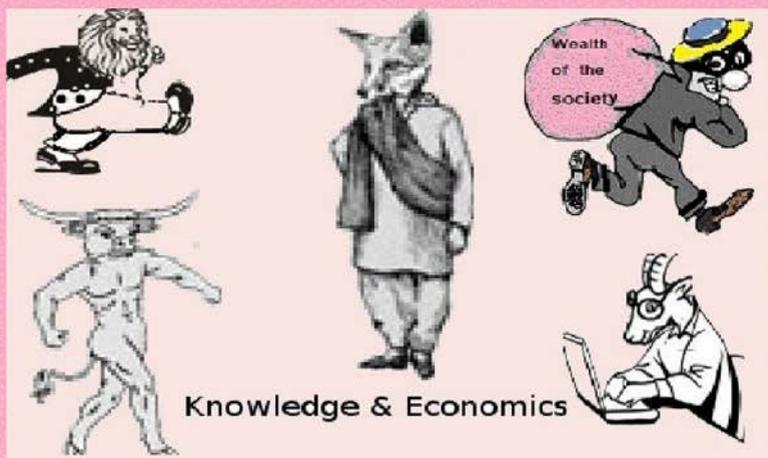


Western Economic Lessons

That lead to
Poverty & Economic Downturns
All over the world



By N.Natarajan

Then, who and what are responsible?
Why are they considered responsible?
Is there a way out of these crisis?

Western Economic Lessons & Poverty

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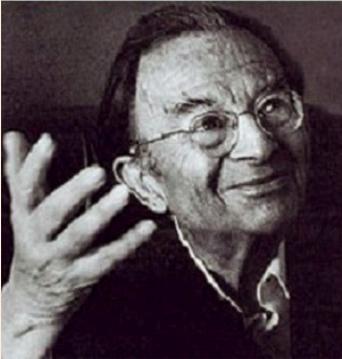
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What our Leaders have failed to understand!

Economic Sociology and Political Economy Community



"Only if man masters society and subordinates the economic machine to the purposes of human happiness, and only if he actively participates in the social process, can he overcome what now drives him into despair-- his aloneness and his feeling of powerlessness." (Erich Fromm)

Preface

This book is an attempt to trace poverty and economic downturn to Economic Theories and practices evolved in Western Economic Schools.

The same theory is taught all over the world and implemented all over.

I learnt Economic lessons reading from text books, various articles in internet space, followed debates on economic in TV.

Essentially my learning started with understanding **stone age** economics and ended with **space age** practices.

I wrote a book titled **Anatomy of Economy** that briefly recount every change that took place in the economic aspect of the society. All those changes brought some **cheers** as well as **disasters**.

The disaster side is that, the economic power of a society that lay in the hands of common man who produced, changed hands systematically.

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From common man to leaders of the society and then to a few **Corporate houses** who had no significant role.

Reason 1: One of the key reasons that brought the disaster can be traced to the **common man**. The masses have very little to nil ability to **LEARN & THINK**.

This is explained in my ebook, titled **Mind of Man, an Animal Farm**.

Reason 2: The Economic theories originated from the Western Economic School is the biggest contributor for both poverty and the economic disaster.

We will examine the problem in a greater detail so that a solution, that is eluding the globe, can be evolved.

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Chapter 1

Economics of life



Without appreciating what is life all about, not only economics, any discussion about a society or science will be futile.

So, we asked a few men of knowledge, the Philosophers, "***what is a life***"?

We are told by them, the complete answer to this question is long and winding. They said, for the purpose of understanding Economics, they gave a brief ideal about life.

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Every life, they said, be it human, animals, birds or insects, has two part.

First is the body that consisting of metals, minerals, protein, fat, and almost everything that is in the earth below our feet, in minute quantities. The invisible air and visible water also becomes a small part of the above physical body.

This visible body makes an alliance with an invisible part called **Life-force**.

The seekers, the spiritualists are busy with understanding and dealing with everything that is invisible. So they are uninterested in our visible world just as our disinterest in invisible.

(We are **not**, for the purpose of discussions on **Economics**, concerned about both Body and life-force **individually**.)

But, deeply concerned with the longevity and strength of the **alliance** between the body & life-force of every living. The economics plays a very important role in achieving the above objective).

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Every living beings come under, what is known as, s **life-cycle**. The **life-cycle** starts with the start of the alliance between “body and life-force” which is delivered as a baby into the world.

The baby, grows under the care and guidance of the parent as a **consumer**. Along its growth towards adulthood, learns to perform an economic role in the society as either a producer or a distributor.

When grown sufficiently, known as an adult, get into a chosen activity to “produce or distribute”, a “product or Service.”

The mind of the adult suggests that, sooner or later I may loose the physical stamina to be able to either “Produce” or “distribute.” I would need material to live on till the body-life force alliance breaks.

If I have a child, grow the child into a strong producer of distributor, at my old age I can depend on my child for all my material needs.

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The adult soon becomes a father and help the child to grow. As the child grows into an adult to become, either “Produce” or “Distributer”.

The adult father, grows into old and at some time the body-life force alliance breaks. Life-force goes back from where it came from. The body disintegrates into minerals, fat, metals and vanishes into the earth from where it came from.

This is the end of a life cycle.

The Philosopher refused to answer further question on life, such as (a) from where the life came? (b) What does the “body life-force” during its life-cycle on earth.

He asserted that, for studying economics, it is enough to know that:

- (A) Lives either **produce and consume** (Product or service) or **Distribute and consume.**
- (B) To consume a product or service, it is necessary that one either produce or distribute – products or services.

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- (C) If someone consume without either producing or distributing, it does not a proper economic activity.
- (D) It is unfortunate that the humans have leaders & Economists. Since we have one, we must be a special creation on earth.
- (E) The theories developed in the schools of highest learning in Economics around the world, arm some crooks among us (who do not produce either a product or service, worthy of consumption) but yet, **consume with impunity**, a large portion **real products** worthy of consumption that many **produced**.
- (F) Such people described above, produced **Pseudo-Products** with great ease which in turn sucked the Real wealth from the society into their kitty.
- (G) The economic system does not distinguish **Pseudo wealth** from the **Real** and reject it.

- (H) Instead, together the **real and pseudo wealth**, powers the holder to twist the tail of leaders of powerful nations and large economies.
- (I) The power is so huge that, which people who produced real products that are essential for a living, would never get.

The right economic theories should have the:

- **People** centric and not Profit as motive: People shall be central to every economic theory.
- **Peace & Prosperity as Goals.** Serve to create and sustain a strong society with healthy and happy citizen.
- **Crook Proof system:** Economic theories today allow crooks to thrive and others to suffer.
- **Flight of Wealth:** The economic practices, that gave birth to several institutions that produce **pseudo wealth**.

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- This is akin to adding water to milk, which increases quantity, allow the adulterators to earn more wealth at the cost of consumers. These help flight of wealth from native economy to other investment destinations.
- **Forecasters:** Economic theories should forecast the possible problem sources that affect the wellbeing of the people, linked to Products and services, production and distribution in a given society.
- **Profit is not a dirty word.** But profit maximizing as a central theme to Economic studies reflect, both **the narrowness** and **hollowness** in the “thinkers of Economic Discipline”.
- Economic studies without understanding and reflecting the **Mind of people** is incomplete.
- **Emotional wellbeing needs** should be an integral to Economic lessons as it is linked to economic wellbeing of the people.

Now we will read more, in detail!

Chapter 2

Western Economic Theory & colonial rule.



India had a treasure of **knowledge** of its own, historically, evolved during the time when the kings ruled.

During the thousand two hundred years of rule by rule invaders have planted their theories, processes and systems into their colonies to facilitate:

(1) Stashing wealth from their colonies to their society. (2) Creating wealth from the natural resources stash it to their society.

(3) Kept the common man staved so that they are deprived of their ability to “**Learning & Thinking**”.

This will ensure that the common man remain powerless mute spectator.

Invaders left

Y In most societies which were colonied for centuries, the invaders have left. But they left behind every process that they used to rob the society that they conquered.

The leaders of such freed society, acquired every governance processes, the law and justice systems that the invaders left behind. Worst still, their **mind-set** of the Invaders, too

Indian Penal Code, (IPC) is one-to-one match to **Irish Penal Code**. Perhaps, penal codes is use in every other society that was colonized by **British** must match with IPC letter to letter.

Even after several decades of self-rule, our governance processes and laws have not been amended to match any of the developed countries. The changes to these invader’s gift are cursory and too few.

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That is the reason that the people in societies that were once colonized continues to have:

(1) High levels of poverty

(2) Disparity among Elite and common man before the law & justice, that was the hall mark of colony rule.

(3) The Leaders & elite believe that the common man is eligible for Wages and not a share of nation's wealth.

(4) Eternal flow of wealth from the society both legally and illegally.

PART II

Some of the Important
Flawed Economic
Theories & Practices!

Chapter 3

Flaw in Economic theory!

(1) **The absence of Human element**

The major flaw in the Western Economic theories is that there is no human element in the theories.

The Economics is an activity in any society is:

(1) **by** the people, (2) **for** the people and (3) **of** the people.

The issues that are associated, such as products, services, production, distribution, investments, profits and a host of other issues are entirely incidental to the People, who produce, distribute and consume.

The sixty plus **Economic topics** discussed in world's top most schools will fall flat if the people are absent. So each theory should have people as one of the component. Today's poverty and economic downturn has a direct bearing on the flawed economic policies.

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