



# Economic Policy

**T**ime is very important in human life. If we make use of every moment of life knowing its importance, then we can say that it is used properly otherwise it is wasted. Time is an important factor in the economic planning of a family, society or a country. There are three main powers in human life-spiritual, physical and psychological. If these powers are used according to proper time then these powers are beneficial. When our thoughts are not expressed, they may not get materialized. They are wasted, so we are to be blamed. My thought is 'how should be the economic policy of a person, society or country' be presented by me.

If the above three things are not used properly, they are destroyed forever. There is one more important thing in the life of a person, society and country, i.e. money. It is at the centre of economy system. It is one of the important means of economy. It is said that the whole world moves around money. This shows the importance of money. If money is spent at good times and for good purpose, it gives good result. But if the same money is spent at improper time or for bad purposes results are not good and the money is wasted. If we don't take right decision at right time, we repent for it afterwards. To purchase a house if it is late, the booking of the houses at the builder may be over and the rates may also be increased in the market. They may go out of our reach. We may not get a house of our choice. Thus the late decision in

the buying of a house can be painful throughout the life. If we don't solve the financial problems at proper time, there are losses.

To spend money at right time and right place needs conscience. A person should behave thoughtfully. Excessive greed is not good. We should limit our greed with conscience. Share market is a type of gambling. One should invest money in shares by studying and taking information. If you buy a share as its rate is high but after four days if the rate of share falls, taking back the invested money is a loss to you because you will have to sell them at the rate less than you bought them. It means loss is inevitable. If the value of a share is high, before investing money, you should find, 'why its rate is high, was it high before, what happened etc?' If a company benefits temporarily, but if it is in loss for a long time, the rise in the value of its shares may be for a short while. We should consult the experts. As said before it is a kind of gambling, the transaction is done on guess. Hence we should invest carefully. People invest money in gold and silver. If they are sold, when the prices are high, we get economic or financial advantage. But their prices can also fall. This game of rise and fall is risky. Hence economic planning is essential. We should understand that when a person becomes rich, other one becomes poor. One's income is the expenditure of the other. The balance in income – expenditure is important. For this economic policy is essential. It may be of a person, society or a country.

A famous Scientist Mr. Albert Einstein has given the formula of energy as  $E = mc^2$ . This energy is one, only its forms are different. It gets converted from one form into another for example; the water in a dam is static energy which is converted into electrical energy. This electricity gives velocity and momentum to the air, when it rotates the fan. When it used in a tube light, we get light, when it used in a heater, we get heat. Likewise money is a form of energy. Therefore while making economic planning; it should be planned very carefully so that we can make its maximum use for the society.

Man is a social animal living in society, developing in the society. There are certain unwritten rules of the society for the welfare of man. A person should have simple living. Take only what one needs. One should not be greedy, one should help others, should not cheat others.' These unwritten rules are concerned with money. From this the economic policy of society is reflected. The rich or poor person can enjoy life, be happy. There is a great difference between the needs

of the rich and the poor. When everyone is satisfied on one's level, it is a sign of balanced economic policy.

There are fluctuations today. That means we are creating waves in the monetary system. Due to this, certain industry gets a boost. Any new product comes in the market. It is advertised a lot in many ways. A wave of the product is created. The sale of the product goes up. At the same time the sale of other product comes down. In this rise and fall, people get entangled. They are feeling insecure. As a result, those who have, try to have more. Those who don't have, try to get it by hook or by crook. This approach should be changed.

Today, even *Tata*, *Birla* or *Ambani*, may wish to eat cauliflower. Cauliflower cost is same for all. There is not much difference in the cooking cauliflower by the rich or poor. The spices and the method of cooking may be different, but it does not make difference in the original taste. What a man should do, or don't, is related to economic policy. This is true but today many things are forced



upon man. A student is told that one should get good percentage. One should become a doctor or an engineer to earn money. The knowledge, skill has no value unless converted in money. This is stressed. It is true that you can do anything if you have money. You can have a bungalow, a car; go on the tour of a foreign country. But all the things are not purchased with money. Love, affection, peace is acquired with pure and lively mind.

While deciding about economic policy, the waves of rise and fall should be controlled. Cheating of people should be curbed. Today people are cheated by giving false promises. People are told that their money will be doubled in two years. People fall prey to this and they invest big amount. Hard-earned money of the people is looted. Recently an example of a chit fund in Bengal has come up. Poor people in Bengal trusted the company and invested their hard-earned money in it. When they knew that they were deceived, they were shocked. The land under their feet moved. Some had accumulated money for mother's surgery, some for daughter's wedding. Many committed suicides. Is there need of such a business that cheats the people? Such crime should be stopped strictly. Such things that lure people should not be created in the society.

Man gets lured by some things, feels greedy. Lottery, gambling, *matka*, more interest rate are the things that lure man. Today people want easy money. I want to earn something, but I am not prepared to work hard. I want a short cut to earn money. Today in our society, this tendency is seen through different mediums. People construct illegal building, sell at high rates. One day due to poor construction, the building collapses. Many families are destroyed. But the builder has become rich. Such greediness in the society should be eliminated.

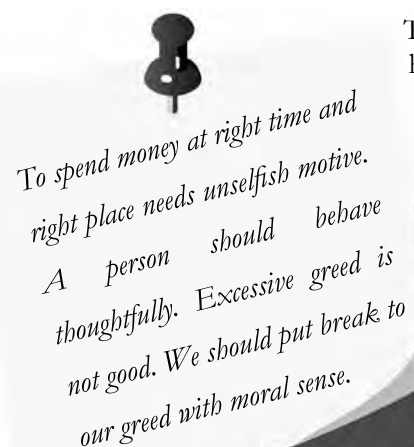
One simple rule is followed in the economic policy, "those with more income, more property, should be taxed more. Those with less income, less property, should be taxed less." It is all right. But the difference in the taxes between the two should not be very high. If the tax for the poor is half percent, it should be one percent for the rich. But it should not be as much as 10 to 20%. Besides, recovery of the tax should be done sincerely; without corruption. Only then money will be collected in government treasury and the government can undertake tasks useful for the people. If the difference in the rate of taxes is less, the tax payers won't evade taxes. No bribe, no corruption.

I have an idea regarding collection of the tax. "There should be no limits, as to how much should a man earn in his life. He is the sole owner of whatever wealth earned till the death. There should not be any taxes on the wealth. But after the death, 50% of the wealth should go in the government treasury, as lifetime tax, paid only once." Here I say 50% or half of his wealth. It does not mean 50% exactly. This share can be decided thoughtfully by taking everyone's opinion. It can be 25% or 40% or anything. This principle should be applied. Its rate and rules will be governed by the technical calculations.

Secondly the descendant of the person has to hand over some amount of the share to the government. If I will get the house of my father legally after him I will be the owner. If its price is Rs. ten lakh, I will have to give its 50% means five lakh rupees to the government. I will have to pay this tax only once in lifetime. I can have the facility of paying the amount in installment. The share of my property and wealth will be collected by the government after my death. It means I won't have to pay tax on my earning in my lifetime. But if I get some wealth as a gift or legally after the death of relatives, then I will have to give some share to the government. A provision should be made that no person should be allowed to donate his wealth to anybody in his lifetime.

Think of current tax system. A complex system is required for the recovery of taxes. There are many steps involved as, filling a number of forms, having audit, getting experts to find out the loopholes in tax evasion etc. Then you cannot guess as to how much money comes in the government treasury, how much money leaks. Black money means money collected by evading taxes. This money has parallel economic system. Many times illegal businesses are run with this money. Money in the country goes in the Swiss Bank. If we decide to have the above said tax system, the misuse of money can be stopped. Tax system will be easy. A person won't feel burden of taxes. These are the advantages.

The other side is of expenditure. Money collected in the government treasury should be spent for social welfare. There should be no leakage of money when it is spent for social purposes. There should be no selfishness of any kind. It is said that, 'one who protects the lake will drink water.' For this, responsibility of the fund disbursement should be decided. Frauds should be punished severely.



*To spend money at right time and right place needs unselfish motive. A person should behave thoughtfully. Excessive greed is not good. We should put break to our greed with moral sense.*

Today when a child is born, he has a loan of 25 to 30 thousand rupees, on account of loan per person in the country. How and when will this loan be repaid?

One way of it is appealing emotionally to the people.

Acharya Vinoba Bhave followed the same way in 'Bhudan' movement.

He took the land from people in the form of donation and handed it

over to the government, so that the government would give this land to those, who don't have it. Thus he made a sincere attempt to bridge the gap. If the government appeals the people for the use of money in the same way, it can be surely of some use e.g. people's gold bank. While doing economic planning, government should give stress on productive work. If certain land is to be irrigated, the responsibility of using every drop of water should be considered based on the facts like 'quality of soil, climate, choosing right crop etc.' This can increase the production on a large scale. If the land is not used properly, after the water becomes available, then it will be saline and infertile.

Now consider gold, silver etc. Everyone should keep gold and other precious belongings in the bank. We give great importance to gold. It also has religious importance. If emotional appeal is made, it will get response. People are worried about the safety and security of their precious wealth like gold. If their gold is kept safe and secure and the information about it is kept confidential, they will keep their valuables in the bank. Because keeping such wealth in the house is risky. As a result, it will be easy to some extent to repay the foreign debt of our country.

Least rate of interest should be given on the money, deposited in the bank. Safety of money is more important. Bank is giving this safety to the customers. It is a great service. Hence interest rates should be less, e.g. 2 to 3%. For those who take loans from the bank, the interest rates charged on the loans should be 0 to 5%. If the interest rate on

loan is less, development rate will increase. The difference in interest rates on deposits and loans is the benefit of the bank and the bank can function safely.

Today a person can earn income by different ways. If I am employed, I may own flat, a farm etc. I can get salary from the service, income from agriculture and rent of the flat etc. Today people deposit money in different banks. They use different bank accounts for different sources of income. I feel that money from all the sources should be deposited in one bank. A person should be allowed to open accounts only in three banks and not in many banks. One account should be in a nationalized bank one in co-operative bank and one in co-operative credit society. Then a person won't have to keep the cards of different banks. The burden of banks will become less and the information about the real financial status of a person can be acquired.

I think, hard cash should be used least in daily transactions. Today banks have made available the facilities of debit card-credit card. If people make use of them, the amount of hard money or cash in the market will be reduced. The payment of house maids or the school rickshaw drivers should be made by cheques. Customers should be told not to use cash. Thus if all the transactions take place through banks, then there will be economic discipline.

Some of these things can be useful for the economic development of the country. 'Making the tax system convenient, making more productive use of money, keeping the valuables like gold in the bank, making the least use of cash etc.' are some of the measures. Due to this financial transaction will become safe, secure and perfect. And the last one is to do professional audit of three important things i.e. time, money and energy; and make everyone responsible and accountable for results of it.

