

## Economic Policy



**T**ime is very important in human life. If we make purposeful use of every moment of life knowing its importance and 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. Here are my thoughts on 'how should be the economic policy of a person, society or country'.

The time lost cannot be recouped. So is the case with the money. If the money is wasted without proper consideration the said money cannot be created again it is lost forever. Strength/ energy also follows the same suit. If one gets old then he will not be able use the same amount of power/energy as was during his youth time.

Money is at the centre of economic 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 return. 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 had to 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 i.e. sense of right or wrong. 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 on a continuing basis. 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 those at the rate less than you bought those. 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 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 potential 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 and 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. 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.

I hold a view that the economic policies adopted from time to time should ensure that there is no volatility and that the common man's interest should be protected on the long-term basis.

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. The people should follow the policy that all eggs are not to be kept in one basket. There should be spread of risks. They should understand that anyone who is offering higher return on investment the risk is also higher. This is equally true in regard to the banking industry.

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. 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 and it will also arrest corruption.

In the society there are several people who have acquired property out of illegal means may be in the fictitious name/s or in the names of their family members or relatives while effecting the change in the ownership the owners should be heavily taxed so that it will be a lesson for those involving in illegal activities. The Government should ensure that there is a system of property tax collection when the tax payer's name is also recorded and his AADHAR card number is also noted against it. In the failure to produce these documents the property be acquired by the Government. If such deterrent steps are taken it will have good impact so far as tax collection and the Governments' properties.

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 lakhs, 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 instalment. 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.

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. Perpetrators of Frauds should be punished severely. There is a dire need to seriously put in vogue the system of Social Audit on on-going basis and take appropriate actions required if any.

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. The cooperative structure should display credibility which is fast disappearing.

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.

The concept of per capita Government borrowing is a notional and the individual is not to repay it, and the same will be repaid through Governmental taxes only. The Indian people put their offerings to their deity in Hundies kept in the temples. This offering becomes the Trust property wherever the trust is registered. There are some temples in the south and spread even all over India where the money in the form of currency as well as gold ornaments as such a huge collection which is difficult to account for it. This treasure is lying idle and there are instances where those who offer such offering are dying because of droughts and other similar natural calamities. Therefore, there is a need for the Govt. to decide a policy embodying that the keeping certain reserves all these trusts should deposit the treasure with the Government through which the Government can undertake developmental work for the nation. Thus, the amount of offerings made by the people will come back to them in a positive form. The Government will not be required to borrow for their developmental projects. The Government is required to create awareness about this through which mind set of the people should be positively changed as the issue involves emotions and sentiments. If such a decision is taken it will be parallel to a decision of withdrawing article 370 from the Indian Constitution. Such a decision

will require confidence of the people in the Government's honesty, sincerity, and transparency. Here I am tempted to state what Mr. Bill Gate – the richest man in the world had commented. He said that India is a rich country and if the bells in the temples in India are sold out its total loan will be repaid in full. He had also endorsed about the idle money and the gold reserves lying in the coffers of the temple trusts. If those are properly used for the developmental activities there will be no farmers' suicides.



**Very Motivational at this Hour**  
**By – Ratan Tata**

Experts are predicting huge down fall of Economy due to the Corona. I do not know much about these experts.

But I know for sure that they do not know anything about the value of human motivation and determined efforts. If experts were to be believed, after the total destruction in 2<sup>nd</sup> World War japan had NO future. But the same Japan in just 3-decades or so, made US cry at the market place. If the experts were to be believed, Israel should have been wiped out from the world map by the Arabs, but the fact is different. As per the rules of Aerodynamics, the Bumble Bee can NOT fly. But it flies. If the experts were to be believed, we should have been nowhere in 83 Cricket World Cup. If the experts were to be believed Wilma Rudolf, the first American lady to win 4 Olympic Gold in Athletics, should not have been in a position to walk without braces, no question of running. If the experts were to be believed Arunima Sinha can hardly lead a normal life. But she climbed the Mount Everest.

**The Corona crisis is no different. I do not have any doubt that, we will defeat the Corona hands down and the Indian Economy will bounce back in a great manner.**