



Sanatan Economics: A Timeless Alternative to Capitalism and Socialism for Sustainable and Inclusive Prosperity

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Abstract

The economic strategies employed by the United States, Russia, and China, which focused on leveraging women as contributors to production during their reproductive years and enforcing the one-child policy, have resulted in detrimental long-term economic consequences. While China has removed the one-child policy, the effects will become apparent by 2030, when men will struggle to find marriageable women. The U.S. increasingly relies on immigrant labor to sustain production. These models have focused on material and machine-based factors of production, undermining the value of labor. In contrast, Sanatan Economics emphasizes the enduring role of human labor, family, and ethical principles for infinite prosperity. It integrates agriculture, cattle rearing, and dharmic cultural practices, creating a sustainable economic cycle through festivals, tourism, and community engagement. Reviving this ancient economic model, rooted in holistic and inclusive growth, offers a path to global economic stability, advocating a balance between humanity, nature, and spiritual well-being. The failure of conventional economic models calls for a return to the timeless wisdom of Sanatan Dharma.

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Introduction

The economic strategies in the United States and Russia that leveraged women as contributors to production during their reproductive years were driven by policies aimed at boosting labor force participation and addressing demographic challenges such as aging populations. In the U.S., women's labor force participation rose significantly, from 33% in 1950 to nearly 60% by 2020, (U.S. Bureau of Labor Statistics, 2020) driven by policies like the Equal Pay Act and Title IX, though societal expectations often burdened women with balancing professional and reproductive roles. Despite short-term economic growth, the U.S. faced long-term sustainability challenges, including declining fertility rates and rising reliance on immigrant labor. Similarly, during the Soviet era, Russia incorporated women into the workforce, achieving over 50% female participation by the 1980s, but the focus on labor led to neglect of work-life balance and fertility issues. After the collapse of the Soviet Union, Russia faced demographic decline, implementing pro-natalist policies like the "Maternity Capital" program, yet fertility rates remained below replacement levels. Both countries experienced short-term economic benefits from female labor force participation but faced long-term economic instability, driven by low fertility rates, aging populations, and the growing need for immigration to sustain workforce numbers and China's one-child policy in past years have had detrimental effects on their long-term economic sustainability. In recent years, China has shifted away from its decades-long one-child policy, recognizing the demographic challenges it created, including an aging population, gender imbalances, and a shrinking labor force. The policy, which was implemented in 1979 to control population growth, led to significant social consequences, particularly a skewed sex ratio due to a cultural preference for male children. Despite the government's reversal of the one-child policy in 2015, transitioning to a two-child policy and later a three-child policy in an attempt to boost the fertility rate, the effects of these policies are slow to materialize. By 2030, the repercussions of this demographic imbalance will likely become starkly evident. Due to the decades of gender selection and cultural preferences, there will be a significant shortage of women in the marriage market. This demographic skew, combined with a low birth rate, means that many men will struggle to find women to marry, leading to an increasing number of "bare branches" men who remain

unmarried and are excluded from family structures. The gender imbalance, projected to be in the tens of millions, is expected to result in greater social instability, mental health challenges, and potential conflicts within the population.

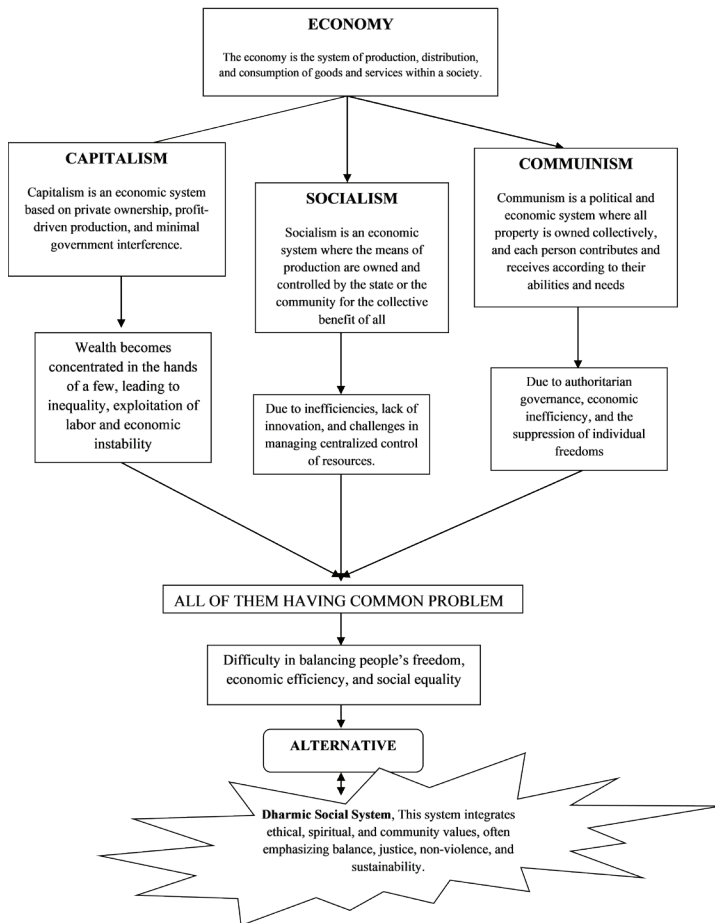
The trickle-down effects of the one-child policy are expected to intensify by 2030. With fewer young people entering the workforce and an aging population, China will face a shrinking labor force at a time when its economy increasingly requires a young, active working population to sustain growth. This demographic shift, along with the rising number of older individuals who will require healthcare and social support, places significant strain on China's economy. In response, the country may face challenges in sustaining economic productivity and maintaining its global economic standing. While the policy reversal may have long-term positive effects on fertility and gender balance, these changes will take decades to have a meaningful impact on the population structure, and the short-term consequences will likely persist until at least 2030 and beyond. Additionally, the economic models followed by many nations, including China, have predominantly focused on material and machine factors of production, where physical capital, technological advancements, and raw materials are prioritized over human capital and labor rights. In this context, labor was often treated as a mere input, reduced to a commodity whose value was defined largely by its cost-effectiveness rather than its intrinsic potential or contribution to innovation and societal well-being. This approach has been particularly evident in China's export-led growth strategy over the past few decades. China's rapid industrialization since the 1980s, driven by its integration into the global economy and its accession to the World Trade Organization (WTO) in 2001, has resulted in the country becoming the "world's factory." The focus on mass production and low-cost manufacturing allowed China to dominate global markets with cheap goods, especially in sectors such as textiles, electronics, and consumer products. This model was successful in generating significant short-term GDP growth, transforming China into the second-largest economy in the world by 2010. However, the reliance on export-led growth, combined with low labor costs, led to a situation where labor became undervalued. Workers, especially in manufacturing hubs like Guangdong and Zhejiang, were paid low wages while being pushed to work long hours under often poor conditions. This model primarily benefitted large corporations and governments by lowering production costs and ensuring China's competitiveness in global markets, particularly in Europe and North America. Labor, in this

equation, was viewed not as a driver of innovation or economic sustainability, but as a “cheap device” used to meet the demand of European and global markets for inexpensive goods. This strategy, while effective in the short term, has had long-term implications. Over the last decade, China has faced rising labor costs due to a shrinking working-age population, a result of the long-term consequences of its one-child policy. Moreover, the rapid pace of industrialization led to environmental degradation, worker exploitation, and a widening wealth gap, where the benefits of economic growth were concentrated in urban centers and large corporations, while many workers remained in poverty or precarious conditions. The export-led growth model also created an over-reliance on external markets, especially Europe. As European economies face stagnation or decline, demand for low-cost Chinese products began to slow. The shift toward automation and artificial intelligence in Europe and other regions further eroded the demand for cheap Chinese labor. While China has begun to shift towards more consumer-driven growth and technological innovation, the labor market still struggles with underemployment and the consequences of a production-based economy that undervalued human capital. Ultimately, the focus on material and machine-based factors of production, rather than a more balanced approach that equally values labor and innovation, has resulted in an economic model where the cost of human labor was minimized in favor of maximizing productivity and profitability for global markets. This approach may have worked in the short term, but as China enters a new phase of economic development, it will need to address these imbalances valuing labor more, ensuring fair wages and conditions, and shifting toward sustainable and innovative production methods that benefit both the economy and its people.

But it is Sanatan Economics offers a fundamentally different approach to economic systems by focusing on the long-term sustainability of human life, family, and community, rather than merely emphasizing material and machine-based factors of production. Rooted in the principles of Sanatan Dharma, this economic model views man (human labor, values, and wisdom) and money (resources, wealth, and their ethical management) as integral, infinite forces of production. Unlike modern economic systems that often prioritize short-term growth and consumption, Sanatan Economics emphasizes the cyclical nature of life, where resources, wealth, and labor flow in an enduring loop across generations, with each family acting as a unit of savings and wealth preservation. In this model, the concept of family is central not just as a social unit but also as an economic one, where resources

are passed down through generations, ensuring a sustainable transfer of wealth and knowledge. This perpetual cycle nurtures not only economic growth but also social stability and well-being, as families work together to maintain and enhance their collective resources, whether material or intellectual. The family unit, in this context, functions as both a generator and conserver of wealth, promoting intergenerational prosperity through savings, investments, and the transfer of knowledge.

Figure: Conceptual Framework



Sanatan Economics also emphasizes the interconnectedness of agriculture, cattle rearing, and Mandirs (temples) in creating a balanced and harmonious economy. Agriculture, the backbone of this system, is not merely seen as a means of production but as a holistic practice that respects the land, the environment, and the cycle of nature. Cattle rearing play a similarly essential role, not only for its direct economic benefits through milk, labor, and manure but also for its ecological significance, promoting sustainable farming practices and nurturing biodiversity. Mandirs, as spiritual centers, are also considered crucial in this economic model, not just for their religious and cultural importance but also for their role in fostering community engagement, creating a sense of collective responsibility, and supporting charitable activities. Through festivals and community gatherings, resources circulate within society, ensuring that wealth flows not just upwards but also reaches the grassroots level, contributing to the economic and spiritual well-being of all. From an economic perspective, Sanatan Economics offers immense benefits by promoting sustainability, equity, and long-term prosperity. Its focus on preserving natural resources, fostering community cooperation, and maintaining an ethical balance between material and spiritual pursuits creates a self-sustaining economic ecosystem. This system also addresses environmental concerns by aligning human economic activities with the rhythms of nature, ensuring that production does not come at the expense of ecological balance. The role of mandirs and festivals in this model further emphasizes the social and cultural dimensions of economic activity, where prosperity is not solely defined by material accumulation but by the collective well-being of society. In contrast to modern economic models that focus on short-term growth and external market dependencies, Sanatan Economics envisions an enduring cycle of wealth, labor, and spiritual fulfillment. By integrating the wisdom of ancient traditions with contemporary economic needs, it proposes a path towards a more sustainable, equitable, and harmonious world economy that can endure for infinity.

The cycle of money circulation in Sanatan Economics is deeply intertwined with the cultural, religious, and social fabric of society. Central to this cycle are the festivals, such as “Baro Mase Tero Puja,” tourism, and other cultural activities aligned with

dharmic traditions, which play a pivotal role in stimulating economic activity while preserving cultural identity. In India, these festivals are not just religious observances; they are also vital economic events that generate substantial flows of wealth across various sectors. The celebration of festivals like “Baro Mase Tero Puja” (the 13 festivals of the year) brings together communities, driving demand for goods and services, from food and clothing to decorations, transport, and hospitality. These festivals create a rhythmic pulse of economic activity, ensuring that wealth circulates within local economies and fosters a sense of collective prosperity. Moreover, tourism is significantly driven by cultural and religious practices. Temples, pilgrimages, and sacred festivals attract millions of visitors annually, both from within India and abroad. This tourism not only generates revenue for local businesses, hotels, and transportation providers but also strengthens the connection between cultural traditions and economic development. The economic benefits extend beyond immediate financial transactions, creating long-term cultural ties that support sustainable growth. Festivals also provide a platform for artisans, performers, and small businesses to thrive, as they cater to the increased demand during these celebratory times. The concept of self-governance, which was a hallmark of the ancient Bhartiya Upmahadip (Indian subcontinent), was inherently integrated into the cycles of cultural events. The policies of governance in ancient India were often shaped and implemented through cultural and religious frameworks. Local communities would come together during festivals, and through communal rituals and gatherings, the distribution of resources, wealth, and welfare was naturally facilitated. These events were not only occasions for spiritual engagement but also moments for the community to discuss, decide, and implement social and economic policies in a decentralized manner. The principles of dharma (righteousness) and seva (service) guided these policies, ensuring they were in harmony with nature and the well-being of society. The economic model based on cultural events provided a sustainable form of governance, where wealth was not only accumulated but also distributed equitably through the active participation of all members of society. The spiritual and economic aspects of life were not separate but deeply interconnected, fostering a society where prosperity and spiritual growth

were seen as inseparable. The seamless integration of cultural traditions and economic policies through events like festivals led to a system of self-governance that allowed the community to thrive collectively, passing down wealth, knowledge, and ethical values to future generations. This model of governance, rooted in dharmic traditions, offered a unique form of economic sustainability that was far more inclusive and resilient than many modern systems that focus solely on material growth.

This unique approach involved channeling resources directly to the lower strata of society in a celebratory manner, coinciding with the monthly occurrence of various festivals. This ensured a regular and festive infusion of funds, fostering community engagement and economic upliftment. Now, it is incumbent upon the people of India to guide the world back to the glorious path of ancient wisdom by rekindling passion for the Sanatan economic model. Drawing inspiration from the timeless principles of Sanatan Dharma, Indians must embrace a holistic approach that harmonizes economic activities with ethical and sustainable practices. Through a revival of traditional values and a commitment to inclusive growth, India can serve as a beacon for a global resurgence rooted in the enduring wisdom of its ancient heritage. This resurgence envisions not only economic prosperity but also a profound connection between humanity, nature, and spiritual well-being, echoing the timeless ideals of the Sanatan Economic Model. The Adam Smith and Karl-Marx of the world have clearly failed.

Conclusion

Sanatan Economics presents a holistic and timeless approach to economic systems, offering a profound alternative to both capitalism and socialism. Unlike these modern economic frameworks, which often focus on short-term growth and material accumulation, Sanatan Economics integrates the well-being of humanity, sustainability, and ethical values into the core of economic activity. By emphasizing the role of human labor, family structures, and the continuous cycle of wealth through generations, this model prioritizes long-term prosperity over mere financial gains. It recognizes the interconnectedness of

economic, spiritual, and environmental well-being, fostering a balance between material progress and ethical responsibility.

The key tenets of Sanatan Economics centered on the cyclical flow of wealth, community engagement, and the integration of cultural and spiritual practices offer a sustainable path for societies to thrive. Festivals, agriculture, cattle rearing, and temples play not just a cultural role but an economic one, ensuring that wealth circulates within local communities while fostering a deep connection between people, nature, and spirituality. This model inherently supports social equity, environmental sustainability, and the well-being of future generations, positioning itself as a more enduring and inclusive economic framework.

In contrast to the capitalist focus on individual wealth accumulation and the socialist emphasis on centralized control, Sanatan Economics presents a decentralized, community-oriented model that is in harmony with nature and the values of dharma (righteousness). Through the celebration of cultural traditions and the active participation of families, this approach ensures that prosperity is shared and distributed equitably, allowing for a self-sustaining cycle of growth. As the world grapples with the limitations of current economic systems, Sanatan Economics offers a profound opportunity to reconnect with ancient wisdom that values people over profit and sustainability over exploitation. By embracing this model, societies can foster economic systems that not only ensure material prosperity but also promote spiritual fulfillment, environmental stewardship, and social harmony. In the face of growing challenges such as environmental degradation, inequality, and societal fragmentation, the principles of Sanatan Economics stand as a beacon of hope showing that the path to true, lasting prosperity lies not in the accumulation of wealth but in the collective well-being of humanity, guided by timeless values and interconnectedness. Through the revival and adaptation of these principles, nations, and ultimately the world, can embark on a journey toward a more sustainable, harmonious, and prosperous future for all.

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