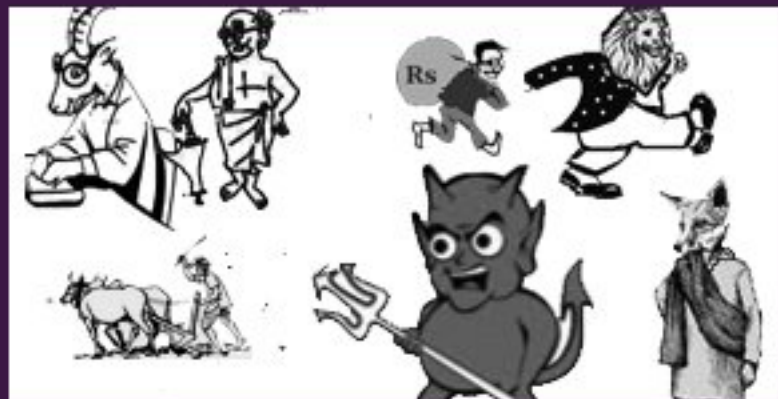


Book 1

The Anatomy of Economy



By
N. Natarajan

Three book Series

analysing the root cause and suggesting
Solutions to end The World economic disaster
& ever growing Poverty all over the world

Publishing information

First published: 2014

E-Publication.

TITLE

Anatomy Of Economics

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Author: Natarajan Nagaretinam
Pages 107
Font size: 12 Pts.
Communication: natarajan.naga@gmail.com

Stories are Great help!

Stories are great help for remembering important concepts. I will give stories for most important concepts.

You will find quite a **few stories** in this book. They are meant to help readers in retain the **concepts**. provided in this book

Introduction

Both, the present **Global economic down turn** and **poverty lasting several centuries** are not natural.

Economics is not a Nuclear Physics.
Every man can understand it.

It is a easy to understand. It is no more than a simple plot by knowledgeable against knowledge.

Unless the common man understand economics and the politics associated with it, the poverty and economic crisis will continue for ever.

The New: *For The past couple of decades the entire world is in the midst of Economic downturn. But no solution is in sight, even in the distinct future. Other contrary, the problem is getting deeper. This Is a new problem to the world.*

The Old: *Technology has enabled faster and higher volume of production of Good and services. Yet, the majority of the people in most countries are **poor**. This is relatively the older problem.*

*The economic activity **could not** be brought back on*

its rails by **Leaders** of the world's large economies.

The leaders of political parties talk about poverty during election campaigns. Promise the poor of better days after they come to power. Leaders come and leaders go. Tall leaders fix even time to eradicate the **poverty**. But the poverty remains for ever.

If there is an action on the ground that is merely symbolic. But, till the next elections no one speak or does anything to mitigate poverty.

The leading economic **wiz-kids** from worlds leading economic school also have no clue to solve the problem, in the last couple of decades.

Then who is left? **The common man**.

Can the common man consisting of **Poor** and **middle class** achieve something that the most powerful leaders and economic scholars trained in the world's leading economic schools failed?

The answer is, **YES!**

What is the problem?

The people and products are growing in number. But consumption of products by the people is becoming lesser.

This means that more and more people are losing the **power to consume**, year after year.

Until the economic downturn began, it was only the **poor** among the common man suffered the "inability to buy". Now **middle class** also joined them.

The Root Cause of the Economic Problems - Knowledge!

Men-of-Knowledge, Philosophers, thinkers, Saints, Sufis, Zen Masters) are people with highest knowledge in any society.

However, these people do not form part of any economic discussion by their very pursuit that is non-material.

- 1. Natural economic** *environment turned into, increasingly, a managed one. The managers of the economy, are taking the economy in weird ways.*
- 2. Wealth of every society Flow** (irrespective of Developing or Developing economy) *largely, outside the society.*
- 3. Common man** *does not get their due share of their nation's wealth.*
- 4. The Leaders** of both developing and developed societies see a great need for money for two different reasons. Leaders of **Developed** countries spend the money in other economies to increase their economic muscles for a dominant position in the world. In developing countries leaders seek enormous money both to run their political activity and political survival. So they produced **demons**, the Crony Capitalist.
- 5. Crony Capitalist** : *Every society has a small group of citizen, with a distinction of being the most knowledgeable among the citizen who are*

drawn into the economic activity of the world,

*With the active support of the leaders and through several **Overt** and **covert** means these special men corners the **bulk of the wealth** in every society. These crony capitalists share a small portion of the spoils with those who created them.*

Still worse, they stash the wealth away to other economies through legal and illegal ways.

*What are the damages that the **Crony Capitalist** do?*

*(i) **Wealth** : Societies produce wealth from its natural resources with the help of human resources.*

*(ii) **Vanishing** Wealth, A substantial portion of this wealth vanishes from one society to another. This happens invariably in developed, developing and undeveloped societies..*

*(iii) There are those in all the societies producing **Pseudo Products**.*

*(iv) There are those creating **Pseudo money. Or pseudo wealth**. Pseudo wealth is a way of **sucking** the wealth from the common man. This can be compared to adulterating water with milk and selling it for the price of milk.*

*(v) **Pseudo wealth** is easy way to stash wealth to other societies.*

*(vi) It is the people who created, the **Leaders**. They are more knowledgeable than the common man, Many evil leaders among them qualify to be referred as the **demons** in the society, The*

Demons in turn, created another set of demons from among the **capitalists** in the society. The demon among leaders who created demons from Capitalists, can be called the **Super Demons**.

Common man

Not only the Leaders in the societies, Economic theories also ignored the common man

People are **central** to economics. But, the major flaw in the **modern Economic theories** is that it is centered around Profit-Maximizing and not people.

The **politics** and **Economics** across the world societies Ignored the human element.

Leaders are ever willing to sacrifice the health and wellbeing of their citizen for increased GDP.

Allowed **Pseudo wealth** to grow several fold the real wealth either due to ignorance or trusting the ignorance of citizen.

No leader, the largest or strongest, seem to any clue about how to stop the reversal and bring normalcy back on rails.

WHO CAN DO IT?

“The Common man”.

To the readers, might see the suggestion could be seen both **bizarre** and **far fetched**.

When once gone through the three short books

every one will agree that, that is the only way the economic chaos can come to an end.

How to End
THE WORLD ECONOMIC CRISIS
& Poverty
The three books!

*This book is the first in the series of three small books written so that every **literate person** can read and understand all about Economics, unambiguously.*

*Together, the three books will help any one Understand who is our society is responsible to **Economic downturn** as well as **poverty** all over the world.*

How and who can restore the economy on its track so that poverty if not eliminated entirely can be brought to absolute minimum.

The second book is, titled

The Dance of Demons.

There are the two types of demons who were created by people in the society. It is their dance which is responsible for the destruction of the natural fabric of economy.

This book discusses all about demons. That includes who created them. With what objective were they Created, what the demons do to destroy the economy.

The third book is titled

Taming the demons.

This book explores the solution to bring the economy back on its rails and distance poverty from civilization.

Metaphorically we ask, "How to control the demons, whose dance destroyed the economy of societies".

This will be discussed in this book.,

*This book explains how the common man consisting of poor and middle class will usher-in the era of peace and prosperity by **taming the demons.***

Common man in Delhi will kick start the process and the leaders among common man will show the way.

N Natarajan

Bangaluru

PART I

- Two types of economies.
- Role of Knowledge in Economics

Chapter 1

The Natural & The Managed Economies

Natural Economy:

Individuals, or small communities decide what to produce and where to produce and where to distribute their products and services.

The people is not constrained by the decision of a few leaders on what to produce, to whom to distribute and who would consume.

The the three tasks of economy namely (1) Production, (2) Consumption (3) Distribution are shared between the people that provides the people an occupation so as to own wealth to buy goods to consume.

None of these three tasks are not taken away from one society to another. When it is done, people would be deprived of occupation. That would leave people without wealth to buy the Products to Consume.

More importantly, the wealth generated by the society remains largely within the society.

Managed Economy:

There are a few common issues that encompass the entire society that needs a focused attention.

Such issues can be addressed in smaller societies without dedicated people and specialized skills,.

In larger societies need dedicated people, with larger resources and specialized skills. Such issues are:

1. Securing nation's borders of the society.
2. Scientific & Technological advancement of the society to match other societies around. Failing to do so, the developed societies might exploit those lagging behind.
3. Creating common infrastructure for the entire society,
4. Fair distribution of wealth. Responsibility of the managers of the Managed societies is to ensure that the Nation's wealth Shared among the citizen, equitably.

Governments, by co-opting the experts in various technologies guide people on the three key aspects of Economy, namely, what the (1) **People do**, What to (2) **produce** and how much and who would (3) **consume**.

The disadvantage

It can be argued that that a few leaders along with their think-tanks, can guide the masses into prosperity. Cause timely changes to processes in

the economy to smooth flow of life

But the truth remains that there no proof of existence of such leaders in the society, anywhere in the world, in the past and present, who are: **knowledgeable, patriotic** and **sensitive** to problems of the common man, capable of accomplish such a task.

Leaders, place their (self and political) survival goals before that of the society. Their actions in favour of common man, if at all, is symbolic. Falls very much short of the mandate given to them. This is proved by ever increasing poverty in developing societies.

World over, the leaders thrive on the lack of ability to remember and very little to negligible Learning & Thinking abilities of common man.

With mindless fiddling with the natural economy to Manage the economics themselves had resulted in increasing unemployment or under-employment in most societies. Year after year more and more people fall below below the poverty line .

Developed world is no exception: We observe that, in the last two decades, jobs that were performed by people in Developed countries were moved to developing and under developed countries. Now the same would happen in countries like India when MNCs are allowed to perform performed by common man, in India without a reciprocal arrangement or obligation to buy our products.

Shift from natural economy

Invaders from alien societies changed all the prosperous **natural economy** of their colonies into **Managed Economy**. (Government decided who to produce, what to produce and where to distribute the goods and services.

They took away raw material from their colonies and dumped the finished goods, rendering the citizens unemployed.

Managed economy leaves common man, the real people who produce real wealth and therefore the power behind the society, totally powerless and enslaved.

Chapter 2

Knowledge & Economics



Knowledge is a necessary ingredient for efficient production of goods. Also it is necessary to create newer products and newer services for the consumer.

In an ideal society where **wealth** generated is distributed to citizen in an equitable and just manner, most common man routinely produced, distributed and consumed.

A few among them, the more knowledgeable among common people developed newer products and services would do.

But we are in a time where more knowledgeable grab the nation's wealth leaving a negligible wealth for a large population to share.

The only way to have a healthy economic society where the producers get their fair share of the nation's wealth is through an education system that delivers **Learning & thinking skills**.

Knowledge comes from **Learning & Thinking**.

Learning

What makes the difference between:

- (a) **Rich** and a **poor** in any society ?
- (b) **A criminal** and a **Saint**?
- (c) A **leader** and a **Follower**?
- (d) A **Master** and a **Slave**.

Some might attribute the difference, to Fate of the individual, some others attribute to the luck. But if we honestly examine, we will trace it **Knowledge**.

There are several opportunities in life to acquire knowledge. (a) our own, good and bad experiences can teach us. The difficulty is that It takes a long time and painful to endure bad experience, (b) Experience Of those around us, is the best way of Acquiring knowledge without pain, (c) Great thinkers of present and past **Written down** the essence of several experiences which you can read / Hear and get them. This is both quicker and rich.

Education systems, give us the **Linguistics** skills so that we can **read** and **learn** from the **words Of Wise men** among our ancestors.

The role of Education

We are all learning even without going to school. With a formal education, the pace of learning is faster and quantum of learning is larger.

Education is a method of **Fast-tracking** the learning. Here the students are equipped with multiple **language skills**. More the number of languages we learn, the opportunity to learn increases.

When one society employ method to make their citizen learn faster, it becomes necessary for other society to follow. Strength of a country depends on the aggregate **knowledge** of its **citizen**.

The ideal period to start a formal learning is **childhood**.

The knowledge has **four steps**,

(1) The **ability** to **remember** all that we learn. The poor has the lowest ability to remember.

(2) Pro active steps to **learn** from various sources of information, filtering the irrelevant ones and retaining the informations that is relevant to our lives and goals that we seek to attain.

(3) Processing Information

Learning give us enormous information. But, our **ability** to (store and recall) **remember** if **finite** and **small**. With the arrival of new information all the stored information melts away.

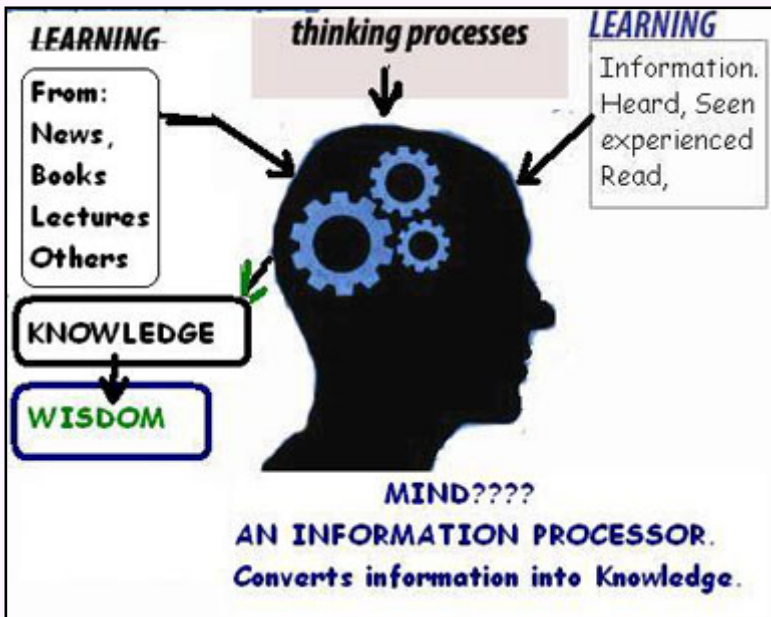
(4) Information cannot be used directly. When the knowledge is extracted from information and stored it is quicker to use and also require very little memory.

So, it is necessary to extract the essence called **knowledge** from the **information** that we gather, before they are forgotten.

What is knowledge

An analogy: If flowers are compared to information, the scent or honey in them is the knowledge.

Said in a different way, it is a and short & crisp list - “**Problem - Solution**” pair.



The conversion involve several processes which

most education system is unaware of/.

The processes necessary for converting information into knowledge is known as **Thinking**.

Various people, knew one or more of these processes, naturally. Often the environment in which one is raised contributes to these processes, greatly.

We stop at the discussion of Education and Knowledge with the following statements.

(A) The knowledge is the essence of information that it quick to apply in unusual life situations. Necessary to solve problems, take crucial decisions in our favour, prevent a possible loss due to a wrong decision or a wrong move.

(B) When more than one process is applied on information around us, we can extract more knowledge.

(C) Less knowledge leads us to life full of problem. Higher the knowledge one is freed from poverty, slavery and deprivation.

More detailed discussion on Knowledge and the processes to convert information into Knowledge.

(D) Every academic institutions deliver Information and test the student's **ability** to **retain** the same for up to **an year**.

(E) The **right education** is essential for the society than the **Right-To-Education**.

4. Internalize Knowledge.

Even the knowledge, so acquired could be lost with time or with new knowledge that we get.

In order that the knowledge is not lost and also be able to apply through **sub-conscious mind, the knowledge should be internalized.**

Internalized knowledge can be called the **Wisdom.**

Further discussion on Education and knowledge can be found in the ebook:

Knowledge. Go, get it.

Conclusion:

With changing time, every person require more material for living. There is immense wealth in any society,

But there is an unceasing competition among people in the society to grab as much that their **Learning & thinking** abilities allow them.

(1) Those with the highest ability to **learn & think, corner** the most of the wealth in the society.

(2) The poor, with **very poor ability** to Learn & think, ends-up an insignificantly low share from the nation's wealth.

(3) Others, with varying extent of **Learning & thinking** abilities, acquire the nation's wealth proportionate to their **learning & thinking**

levels.

(5) The ***Men-of-knowledge*** popularly known as Sages Siddha, Sufi, Zen Masters do not take part in this wild chase for material, for they realize:

(A) Wealth beyond basic needs do not enhance one's happiness, life span or any positive aspect of life.

(B) They men-of-knowledge, even if they have children they do not corner the wealth and pass it on to them. This is because, they realize simple truth that :

The Idea of **Me & Mind** are illusions.

(C) Nothing follow us, after one's life comes to an end. The only exceptions are the sins we commit in this life in our craving for possessions and positions.

The men-of-knowledge aver that the sins that we carry along determines the roles that we play in the next successive births,

More on this can be found in the discussions in the following title:

PART II

A brief history of Economics

Economics is all about:

1. Products!
2. People who produce & consume
3. People who distribute.

Everything Grows with time.

So did the Economics.

Economy grew from the time before stone age to the present space age.

The changes are inevitable in life. The changes have both advantages and disadvantages, Some critical moments in history when the economy changed course that brought both good and bad to the society. These moments are described in the following pages under the following heading.

- (1) Economic activity level 0
- (2). Economic activity level 1.
- (3). Economic activity Level 2:
- (4) Governments came into existence.
- (5). Money was a great help:
- (6). Entry of Paper money.

These are described in small detail in the following pages.

1. Economic activity level 0:



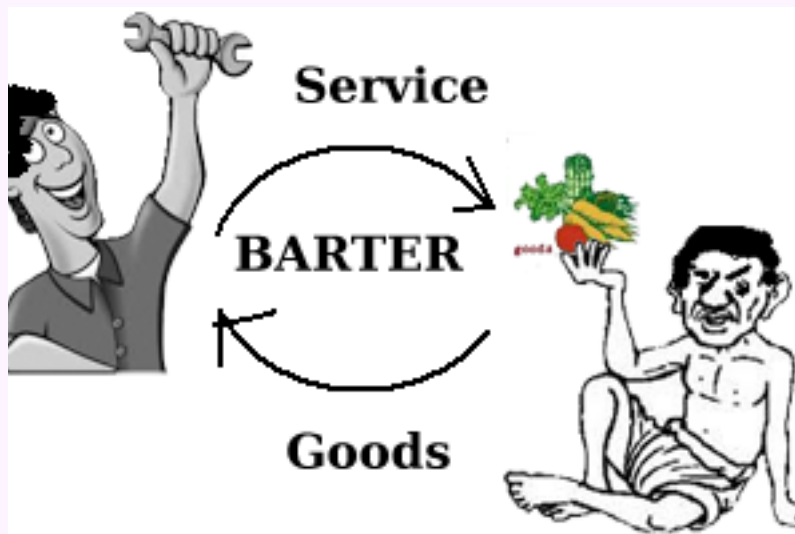
The people lived in forest, Lived among trees, birds and animals,

Thank god, there was no economists or leaders, among them. So, there were no economic activity.

They produced their own needs by hunting the animals, fruits that grew naturally and shared at best, among a smaller group of people, say, the wife, children and may be a few others.

When they turned to agriculture and formed societies they produced several goods and services and shared them with larger population in the society.

2. Economic activity level 1.



As per the school text books on economics, this

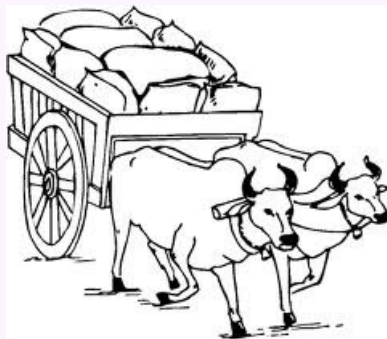
is called the barter system.

Producers exchange their products among themselves, within a small society.

They exchanged service for product and also one Service for another,

3. Economic activity Level 2:

The next change was the trading of products between producers across a larger population in the same society.



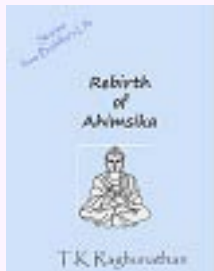
While a large population took-up the task of producing, a few adventurous, risk taking people took to distribution. They were know as traders. They transported the products to long distances, amidst attack from bandits along the way.

If you desire to understand the extent of risk and problem from dacoits, you might down

load the following ebook for free, and read:

The traders exchanged products with people spread across far and wide in the society. Invariably the merchants in large number went in a caravan.

They faced severe threat to both their lives and merchandise. They waylaid and looted by armed bandits.



<http://www.free-ebooks.net/ebook/Rebirth-of-Ahimsika>

One can understand the plight of merchants of the early society from the above book.

Today's merchants must be a happy lot!

4. Governments came into existence.



When the societies in the globe became larger, there were inequalities among them.

As discussed earlier societies who could not prosper by efforts found invading, the successful societies and robbing them as an easy option.

The affluent societies were divided while invaders were less divided among themselves.

The societies formed teams of Governance to tackle the menace of attack from other societies.

That was the reason People created monsters, called the rulers to save themselves from invaders.

More knowledgeable among among the producers / distributors took to ruling. They expanded the scope of their role, slowly and steadily. They collected taxes to meet the common expenses. Created infrastructure for the free and fast flow of goods across the society,

Rulers VS Intruders!

Some of the People created monsters called the rulers, proved disaster for the society. They reportedly betrayed the faith of people in them and misused and abused the nation's wealth.

Invader sees an opportunity

The invaders with a slightly higher knowledge than the rulers attacked and snatched the power control from rulers, with their fire power. The rulers from the same soil were no match to the invaders from all over the world.

The new invaders and old bad rulers were no different.

The only consolation was that, the ruler hail from within their own society and wealth though misused, remained within the country. Where as, the invaders were from alien land with a different identity and they stashed the nation's wealth away.

Some wise men among our ancestors thought of

Democracy as a solution as both invaders and rulers proved diabolic.

Here, the people are allowed to either renew the authority given to a few to take care of their affairs or to a new set of people.

The wise men did not think, "What if both old and new were equally bad".

A new class of demons, were created, called leaders in democratic societies.

The wealth created by a society forms the power of a society. That power is offered to a chosen few, the leaders, in a silver platter.

The wise men defined democracy as :

The Government

For the people,

Of the people and

By the People.

The bad leaders acted in a way the definition would stand changed such as this:

The Government

FAR the people

Off the people

Buy the mandate of common man.

The worst still, the new class of rulers created and controlled every aspect of life such as law makers, justice system and law enforcers.

Slowly and steadily the leaders followed the processes and practices of the Aggressors.

The new rulers perpetuated themselves as a separate class.

By and large the ruling class succeeded in wriggling out of the control of Common man who created them.

Even though the rulers were out numbered by the common man, rulers had a firm grip on the large population with the deployment of the tools used by invaders.

They divided the people on Caste, communal, linguistic, ethnic and every other conceivable ways.

5. Money was a great help:

There was a hitch in barter system, practiced by the early socieites.



The one who want to exchange his product, say

“Wheat” against say, sugar, he needs to find another person who produces sugar and also seeking to buy wheat and nothing else.

This makes the search for right match between two producers longer and painful.

The kings found the solution. Kings who ruled societies centuries ago produced Money with precious metals like Gold and silver.

The money with precious metal help exchanging goods for money. This speeded-up exchange of goods.

6. Entry of Paper money.



Invariably every advantage has a disadvantage accompanying it.

Entry of paper money - like gold/silver coins, was helpful in smooth exchange of goods or service. But it brought a disaster with it.

Chinese did it first

Paper bills were first used by the Chinese, who started carrying folding money during the Tang Dynasty (A.D. 618-907) — mostly in the form of privately issued bills of credit or exchange notes — and used it for more than 500 years before the practice began to catch on in Europe in the 17th century.

History tells that Chinese invented paper currency.

This, perhaps solved problems caused by insufficient Gold-Silver in proportion to increasing trade demand.

But, for sure, provided necessary ammunition for the start of the economic disaster.

We will discuss the second and further disasters triggered by the Paper Money in the following chapters.

7. Capitalism.

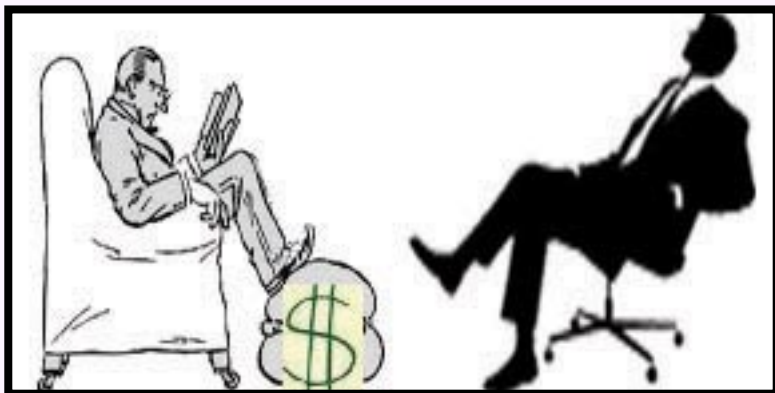
The people in the society who do not seek employment.

- They have varying extent of **Right knowledge** than the common man and leaders.
- *They run enterprises engaged in trading, manufacturing, financial, health care, automobile workshops in small villages to*

multi-location an- multi product companies.

- They contribute to wealth generation in any society,
- The Capitalist **do not** produce Primary Products.
- Their main strength is Money. They mix labour, technology and machines with money as investment and produce **Secondary Products** and services. Their input is money and output is money.
- The production and sale of secondary products are less risky, highly profitable compared to profit from making Primary Products and services.
- As small scale Industrialists, they are the largest employers in any society.
- They do not harm the common man indulging in fraudulent business practices.

8. Crony Capitalism



After invaders left the soil the Leaders assumed the role of **invaders**. Sadly, the invaders left behind their **mind-set** which the leaders and elite of free nations inherited.

One wrong step!

New rulers of the erstwhile colonies not only inherited **Invader's mind-set** but also the entire governance processes. This include economic policies, practices, law & justice system.

But took one of the inappropriate step. They created the **Crony Capitalists**, from among the capitalist in line with the **Zamindars** created by Invaders.

Zamindars: The invaders hand-picked some loyalist from among the people of the society. The land was distributed among them and declared the owners of the land by the invaders (Zamin = land) Zamindars.

The Zamindars helped invaders to creating wealth from the land using the common man as labour working for wages.

Crony Capitalist: The ruling class followed invaders in creating **Crony Capitalist**. They identified their loyalist from among the class Capitalist. This small group among capitalist can be thought of having more **wrong knowledge** than the rest of their class.

They can be described as **Capitalist** without any capital of their own. They were provided caby the leaders from public wealth (through Financial systems - Banks).

Just as most of the **leaders** created by the **people** outsmarted their creators and became their detractors, the **Crony Capitalist**, control the entire **class of Leaders**, as though they are the masters.

(1) They exploit their vicinity to leaders to their advantage.

(2) Produce either monopoly goods charging exorbitant profits.

(3) They take the wealth out of the countries to other economies both legally and illegally.

(4) They corner tnd he nation's wealth a major contributor to the poverty of a society.

(5) Produce Pseudo Products & Services. The pseudo wealth is

(a) redundant to any society

(b) Value and survival depends entirely of the real wealth.

(c) results in inflation (weakening of money) and

(d) leads to poverty and deprivation.

Just like Leaders wrested the control of wealth generated by the people who created them, Capitalists made the Leaders subservient to them.

Said in another way, the **Crony Capitalists** are Monsters created by leaders.

To day, the third world countries are ruled by **Crony Capitalists** through the leaders.

They change the governments by funding differently.

Leaders of most nations do not have a say in the economic issues in their country.

9. Global capitalism.



This is what was claimed by proponents of Globalisation about Globalisation:

Economic globalization

is the increasing economic integration and interdependence of national, regional and local economies across the world through an intensification of cross-border movement of goods, services, technologies, and capital

An anecdote to exemplify, the folly of political leaders and economists who lead India to an economic disaster called Globalisation, two and a half decades ago.

Think of the opposite!

George Bernard Shaw shows the way, how!

George Bernard Shaw was once approached by a seductive young actress who cooed him in his ear:- 'Wouldn't it be wonderful if we got married and had a child with my beauty and your brains?' George Bernard Shaw who was hardly a handsome man replied: 'My dear, that would be wonderful indeed, but what if our child had my beauty and your brains?' The actress who did not need much persuasion just sped off.

If Globalisation was thought of as an ambition (instead of being termed foolishness) to achieve great economic goals, then the following proverb will fit in.

The Disaster that struck the world!

Its name is Globalisation!

CHINESE SAYING.

He who **opens** his heart to **ambition**
closes it to **peace**.

In 1990s the governments woke up to a new slogan. The Globalisation!

Many did not understand or realize the consequences of adopting it. Those who understood were not listened to by leaders who were authorised to act.

Who benefited by Globalisation?

There is nothing in nature that benefit every one equally. Benefit is relative and not absolute. When some one gains there are the others who loose.

There are people with **donkey-dominant-mind**. in a society. The same way, there are Donkey Dominant societies in the world.

Normally the **Donkey dominant Societies** in the world and **donkeys in donkey societies** are the worst losers!

Today, the world economy is reeling under Globalisation where the global economists run riots.

The demons that dance

The two types of demons: They are the Bad leaders & Global capitalists in every society. They are responsible for the derailment of the economy, in their society

We will be discussing all about the .demons and their dance in the next book in this series of three books.

ECONOMICS & POVERTY

Year after year there, are newer scientific discoveries and technological advancements that has lead to larger and faster production of goods and services. But, yet there is increased poverty, deprivation all over the world. **WHY?**

The economic theories have evolved on the following:

1. Deals with **Profit maximizing** in **wealth generation** activity which is the end point of the economic activity.

2. **People**, an important component and their their well being is determined by wealth share. The poverty is high in countries where there is no wealth share both in economic theory followed and political activity practiced.

**Why do the Invaders & Leaders
Exploit the common mon, the poor?
Because, the Mind of Man is an
Animal farm!**

1. Animal mind-set: in human, Making the weaker their food.

2. Hunt for wealth: Every person looks for a large number of material wealth & services for a happy, comfortable and safe living. Stronger deprives the weaker.

3. Poor Learning & thinking abilities:

The nature has produced people with varying extent of abilities to be able acquire the Material and services.

Those with higher abilities are successful in grabbing larger chunk of the wealth produced in a country. .

The poor are poor because the others in the society with higher ability grab the most and leave very little for their survival and not comfort.

Why do they not share the wealth?

The jungle law prevails in the forest. The mightiest animal rule the rest. There it is the power to attack and kill.

In the world of humans,, it is the **knowledge**, the ability to learn & think is the power. We are no different from animals, Perhaps each one of us is a complex Animal Farm, with several animal minds.

The poor will not be exploited and get the fair share of the societies wealth only when they develop the abilities to **Learn & think**.

The mind-of- Man an Animal farm

The **Fox-Dominant-mind-set**, of humans are successful in reaching the positions of political power, in modern societies.

They secure their power and position by building a hand-picked **Lion-Dominant-Minded**, among capitalist as their “Money Bank.” The nation’s wealth is allowed to be siphoned by them in covert and overt ways. A small share of them is thrown back among the **Fox-minded leaders** to run their political system.

Invaders had **Zamindars** and leaders have **Crony Capitalists** for this purpose.

Common man who outnumber the ruling class by several order of times did not have sufficient knowledge to hold their control over the wealth that he produced.

Instead , the ruling class, the monsters created by common man controlled both the producers of real goods & services and also the wealth they produced.

Thinking disabled are vulnerable in the society.

Invaders taught the rulers, the technique of dividing people and engaging against each other as an easy way to rule common man.

Emotive issues like language, Caste, Religion is good enough to keep people fighting between them. This would keep leaders come handy to keeping the attention of common man away

from what the leaders do!.

Ethnicity, Caste & Religion, language, based riots take place all over the country, one can safely conclude that all these are engineered by Leaders of every hue in the society.

PART II

Chapter 1

Anatomy of an economy

The name form governments change with time. But the Economic activity of **Production - Distribution - Consumption** will remain same as ever

There are four components of an economy. Any economic Theory that targets only the profit maximizing ignoring the following will lead to both economic disaster and social unrest affecting the peaceful coexistence of people in the society.

1. Well being of the People (who produce, distribute and consume)

2. Safe and healthy Products (Goods & Services)

3. Wealth (generated in a society):

(a) Not distributed among citizen

(b) Diluted in value, by introducing **Pseudo products** and **pseudo services**.

(c) The wealth leaving the society to other societies both legally and illegally,

1. People

The **Human beings** in any economy are the most important.

To understand the economics and its dynamics, it is absolutely necessary to understand each one component that too thoroughly.

In this chapter we will understand people in a couple of dimensions.

1. Lowest

2. Moderate to low

3. High (Dominant Wrong knowledge)

4. High (Dominant Right knowledge)

Why are we discussing knowledge?

Knowledge determines how one would live on earth. The wealth health possession and possession of an individual depends entirely on their knowledge levels. If one would be a master or slave, is determined by one's knowledge levels. The essence is, the economic and social life is determined by one's knowledge.

What makes one person different from others is their **knowledge** levels. So we need to understand knowledge. The details on how to improve our knowledge so that we lead a life free of poverty and slavery require more pages to explain. That we will discuss in a book dedicated to knowledge.

Learning & thinking are the two skills that are required to acquire **knowledge**.

There is an e-book written exclusively on **Learning & Thinking**, titled: **“Knowledge. Go, get it.**

Ability to remember:

Ability to retain in memory and recalling them is a basic requirement for a life. Nature has provided lives with varying extent of this ability.

Those who have less are invariably very poor.

This ability can be improved so that we will not be pushed into poverty and poor will shed his poverty and slavery.

Further, for a successful life It is necessary for us to remember the **lessons** that we learn and retain the **knowledge** we gained through efforts.

Knowledge 2 Types

Nature has provided lives with two types of knowledge, in varying mix of:

A. Right knowledge, **B.** Wrong knowledge.

There are limitless knowledge both old and emerging, that we cannot acquire in our life time.

All the three play their role when a man acts in a given situation giving different results for different people.

Acting with **right knowledge** results in constructive positive, and favourable life situations. Acting with the **wrong knowledge** leads to destructive, negative acts resulting in unfavourable life situations. Actions with no-knowledge is not possible. Such people act on **faith**.

The faith could be **God** or some selected **people** around them.

To have knowledge one should have the ability to **learn** and **think**.

Knowledge levels and type one acquire depending on their ability to **learn & think**.

Now will discuss four group of people with very low to very high Knowledge in our society.

Grouping people Differentiated by Knowledge

1. Men-of- Knowledge

They are the most knowledgeable in any society. The world understand them them as **thinkers, philosophers, Saints, Sufis, Sages, Zen Masters**.

They do not play a direct role in Economy.

2. Highly knowledgeable.

People with higher levels of knowledge than common man but far less than **Men-of - Knowledge**.

Knowledge has two compartments namely, **Right** knowledge, **Wrong** knowledge.

Right knowledge is useful for **constructive** and, **positive activities** with **pleasant** outcome.

Wrong knowledge, on the other hand, useful for **destructive** and **negative** activities that often leads to unpleasant situation.

There are two major group of people who have more knowledge than common man, who are middle class and poor in the society.

The first group of people with **Dominant Right Knowledge** who run enterprises big or small. They do not work for others on wages.

They are **capitalists**.

(Special Classes of Capitalist are **Crony Capitalist** and **Global Capitalist**)

The Second group of people with **Dominant Wrong knowledge** form leaders of all shades and all walks of life.

It is natural that people with higher knowledge dominate those with lower knowledge levels.

3. Knowledgeable

Common man identified as Middle class is more knowledgeable than poor in the society. They have sufficient knowledge to keep the poverty away from them. But not sufficient to

become a leader or a capitalist.

4. Poor in knowledge.

Poverty is the result of poor knowledge. Except the Men-of-knowledge, every one is chasing Wealth.

More knowledgeable corner most of the wealth. That leaves those with very little to no significant knowledge, to be pushed into poverty, slavery and deprivation.

To Grow upwards, in the society, one needs to acquire knowledge. So, the reader must know all about knowledge.

2. Grouping People

Differentiated by their
knowledge.

***People with Highest knowledge.**

(But not part of an Economic System)



Those are, very few in every society with highest knowledge But are not part of the Economic System for the reason that they are not in the race to corner the nation's wealth.

They pursue the highest knowledge. The knowledge of everything that is beyond the **"Sense perceptible world."**

Thus, our discussion is limited to four class of people, that are described in the following pages.

Four dominant animal minds taking part In Economy

Introduction:

Not any two people are same in any aspect. But yet, the entire society can be grouped into a few based on one or the other aspect of life.



The reader may not dispute the fact that “it is the knowledge that decide one’s poverty and affluence”. The success and failure in our pursuits is largely determined by the extent of knowledge of the individual.

(Ideal Education system is expected impart students the processes involved in acquiring ability to Learn & Think, that is required for one’s life needs. Needs of the People are varied and

the situation of each individual is also different. The worst is that every individual has different extent of abilities to Learning & Thinking.

The world of humans can be divided in various ways to understand and help them. I have chosen to divide humanity, broadly into **four**. The division is based on the four animal character that form the dominant part of Human mind.

(Read the **e-book: *The Mind of Man, An Animal Farm***) for a detailed discussion).

The four are :

(1) The Common man with Donkey Dominant Mind.

They form the bulk of the members of any society.

People with the Lowest ability in the society to **Learn & Think**.

They are, for generations, born and live poor.

They depend on others for decisions and others depend on their for actions.

(2) Donkey-Dominant-Minds with a Difference.

A small group of people from among the common man have significantly larger proportion of **Right knowledge** with higher knowledge levels than the rest of them who are known to the world as **poor..**

These people have sufficient learning & thinking skills that they can save themselves from poverty and slavery.

They managed get some to some small share of the nation's wealth due to them that would provide them the basic necessities of life.

(3) Fox Dominant Minds:

Characterized by higher knowledge levels.

Higher capabilities in **learning & thinking** than the above two groups of people.

Fox, do not hunt their food. Runs along with the lions and enjoys a small share of lion's hunt.

Fox-minded people, do not produce or distribute products among consumers. They work along with Capitalist and enjoy a share of the profits made by Capitalist.

Greater levels of knowledge than the two groups discussed above, but they are largely **Wrong-Knowledge.**

(4) Lion dominant mind - among people. Who have the highest knowledge in the society.

Like the Fox-minded people, they neither produce not distribute.

They use their right knowledge to combine both human and natural resources and Produces wealth. They share the wealth with Foxes and deprive the common man of their

dues.

For both Foxes and Lions, the common man is merely a resource.

We will examine how these four groups contribute to the economy and how the dynamics of their knowledge impact the society.

1. People with Lowest knowledge levels “POOR”



- **Learning**, the first step to knowledge, is **repulsive** for them. Fond of fun and entertainment.
- That makes the poor to choose tasks that require mostly **Physical tasks** that are tough and tiring, high risk. Typically the Farmers, artisans, drivers, porters, street vendors, construction workers belong to this group..
- They are the most exploited in societies and their due share of their society's wealth robbed by other three group of people.
- They Live always in the edge of the life and the mostly the victims of nature's fury.

- They are paid wages, when there is a work to do. Any small subsidy on food, who cannot afford to buy is decried as Anti-Economic measure by Elite in the society.
- The poor, have the following **weaknesses**.
 - (A) Alcoholic drinks, There had been no elections in India without a liberal supply of liquor to poor.
 - (B) Give Undue importance they give to **Caste** system. They Kill and get killed for Caste.
 - (C) They have **leaders** for every life situations. One for Caste, another for profession. And the list is endless They follow their leader blindly. Here they can be compared to Cattle.
 - (D) Film hero, playing pro-poor become leaders in real life for them. They will never realize that there are many people behind the scene (such as story and script writers, directors) who make what a hero looks on screen. Many actors starts a second career as political leaders, after their film career ends.
 - (E) Ability to Remember - Insignificant. (The leaders bank on poor for their survival)
 - (F) Take active part in political activities such as public meetings, agitation,
 - (G) They are involved in all kinds of political violence. They are both perpetrators and

victims.

(H) They have very high imagination. Imagination is a Power. Combined with the power of thinking, it can make one strong and successful. In the absence of thinking abilities, it is a terrible weakness.

This power of imagination, is misused by Leaders into making them imagine their saviour. The capitalist make poor believe that they delivering value for their product or services which they really do not.

(I) The election seasons are favourable to them when when they enjoy free flow of money, liquor and food.

(J) They can be easily provoked using ethnic, linguistic, caste and communal issues.

- They emulate Goats. Goats trusts a Butcher rather than their well wishes.

Entertainment for people of this group!

Entertainment has a close relation to one's ability to **learn & think** (Knowledge).

Movies are produced to meet various sections of the society. The movies for the poor would have a formula-mix.

- **Unrealistic** Fighting sequences.
- Glamour and Dance sequence with least dressed woman.
- Slapstick Comedy,

- Dialogues with double meaning.
- Hero playing a saviour of poor, promising to eliminate poverty.
- An Old actor playing hero role, help the poor & dance with girls rich and beautiful.

There need not be any story or a message in a movie. Essentially, there shall be no aspect that calls for “**thinking**”.

Criminals among the poor?

Evil People among the class **Leaders** use the ignorance of the poor to commit crimes for their monetary and political gains and shield them from punishments.

This gives birth to a **sub-class** among the poor who takes Crime as a profession.

The notorious among them are known as **Rowdy-sheeters**. **Paid-killers**, **drug peddlers** and **extortionists** are part of **Crime Syndicates**.

The Poor, (when Grow in Knowledge), become

Every one grows with time. Some grow more with additional efforts and compelling situations.

The growth include their growth in knowledge that changes their way of life, in social and economic dimensions. The knowledge that grows could be either the **Right Knowledge**, or the **Wrong knowledge** or **both**.

(1) Those **ambitious** and with reasonable effort become learning enabled. With that they achieve growth in right knowledge. Such people seek Education for their growth in **economic** and **social status**.

They become a **middle class** through education and employment to white collar jobs.

(2) Those **ambitious** among the poor, with **muscle power** and “**mind block**” that prevent them Learning, seeks to become a **leader**.

Running enterprises, small or big is not a natural choice of the poor. Running enterprises call for lesser **Wrong knowledge** and **larger Right knowledge**.

2. Moderate to low knowledge levels

MIDDLE CLASS



Then comes the **middle class**, with a substantially **higher level of knowledge** that the poor in a society.

- This group of people have, in their knowledge content, lesser proportion of **wrong Knowledge** than the **Right- Knowledge**.
- That largely Right knowledge ensure them freedom from poverty and slavery.
- They typically work in the society as teachers, professors, clerks accountants managers in government and private enterprises, doctors, engineers, supervisors scientists Pilots,
- They know so much, not to trust or follow any leaders.
- Typical Middle class do not get anywhere near political parties in their meetings, party sponsored agitation,
- Trust worthy among middle class are hired by **leaders** to complement their short coming in their Learning & thinking as legal advisors, personal advisors,
- Typically leaders do not count the middle for any role in the party politics.
- This class of people are fit for work involving **Letters & Numbers, Logical thinking, Planning** and almost anything that does not involve physical efforts.
- Though paid low in the society, next only to Poor, they ensure that have a roof over their

head, three time meal and education for their children.

- They are the wealthiest among common man. There are people feeling insecure and fear being pushed to poverty. They save for their future. So the business enterprises devise techniques to rob them of their savings.

ENTERTAINMENT

Entertainment is an indicator of the **Learning & thinking** capabilities of members of the select group of people.

The second largest group of people in most societies are the middle class. These people:

(A) Do not enjoy the movies produced for the poor. They look for a good story, Some of them enjoy Art movies.

(B) Unlike the poor, this class of people understand and enjoy **satire** including political in dialogues. They like fun with **pun**

(C) Understand that Cinema is an illusion and so do not worship **Hero**. They do not subscribe to film hero playing **leader role**.

(E) They do not consider any one as their leaders and especially the Film hero,

GROWTH PATH

Every person who grows in Learning & Thinking skills due to pressure in the society, to grab more and more **wealth** for higher level of comfort in

living. The increased knowledge could result in either of the two situation:

1. Those with Dominant ***Wrong knowledge.***

They look for a position in the political system.

Depending on their knowledge levels, they occupy a position anywhere between **party workers** at village levels or as a entral minister at the **national level.**

2. Those with Dominant ***Right knowledge.***

At the lowest level of right knowledge, they play money lenders in villages, exploiting the poor farmers and amass wealth. A few lakh farmers have committed suicide in the recent past unable to endure the torture of money leaders after they fail to settle the loans with exorbitant interest rates.

AT the higher end, they come with almost nil to a small sum, manage to get huge funding from Financial systems (BANKS) and run huge enterprises. They become **Capitalists** running enterprises at national and **multinational** dimensions,

3. The leaders.

(Many of them play demons in a society).



The third group of people in the society.

- They can be credited with knowledge levels larger than the **poor** and **Middle class**. It is this group of people who rule the poor and middle class.
- Even though they have higher level of knowledge than the poor and middle class, their actions can be traced to having a higher proportion of ***Wrong knowledge than their Right knowledge.***
- They have the power of creating ***illusions*** in the minds of poor. Exploit their poor ability to remember.
- They become leaders because vast majority of the people are susceptible to ***illusion.***
- They are good at managing the poor people in the society. They are very good in understanding people, their weaknesses and virtues.

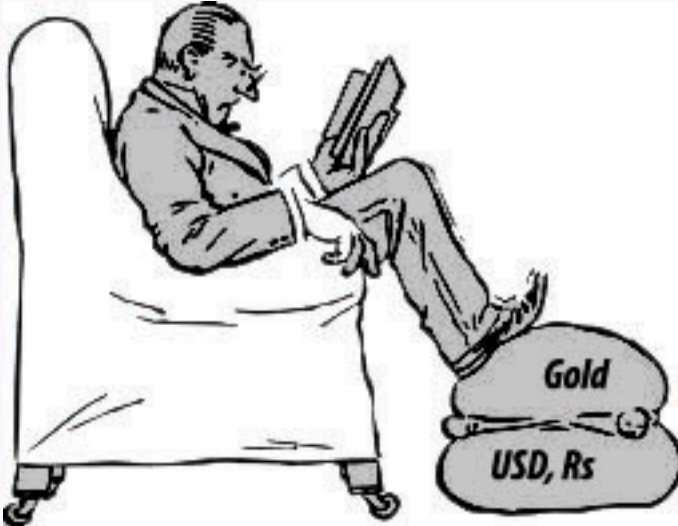
- Fox minded people can rule only as long as the poor have low **Learning & thinking** abilities.
- The poor are unaware of the role of leaders in creating and sustaining infighting among them on Caste, Linguistic, Ethnic and religious lines and create.
- The affected poor, not realizing that it is they who created them poor seeks leaders to protect them. That is how religious caste and other Leaders are born in a society
- The **middle class** among the common man do not succumb to divisive tactics that the leaders play. They have more **right knowledge** than both the **leaders** and the **Poor**.
- This class of people have more than the means that is required to live a **comfortable life** than the common man in the society they live.
- **The lurking danger:** When the **knowledge** of the poor **Grows**, this group would find themselves among the poor in the society.
- **Leaders Dug their own grave:** Leaders mislead the poor into believing that the education will lead them white collar jobs. Large number of poor who believe the leaders blindly, takes to higher education to shed their poverty. Even though the **education**

systems are ill equipped to impart **skills of Learning & thinking** effectively to the poor. But the economic pressure, media and wired world make the poor into thinking & learning, remarkably well. This would be the turning point in the lives of Fox-minded playing **Leader role** in the society.

- There is nothing like **growth path** for this class of people except reaching various levels of positions of power nationally and internationally.
- No entertainment products (such as a movie or the other) are produced for this class of people specially. (Just as there are products for the poor and middle class. On the contrary, leaders are made characters in movies, as entertainment).
- The two major resources for their sustenance as leaders are: **(a) Strong** Monetary supply and **(b) Weak** People's support. They are the The Lion minded & Donkey minded in the society.

4. Capitalists

***Capitalists are great contributors to the society.
(Some among capitalist, play Super-demons)***



The fourth group of people are the most knowledgeable in the world.

- They are comparable in Knowledge levels to leaders. But have larger proportion of **Right knowledge** than the **Wrong**.
- They are capable of **generating wealth** by Producing **Secondary products**. Secondary products are made by combining **Primary Products and Natural resources with humans and machines** (technology).

- **(Primary Products are** labour intensive and high risk. Farming and mining are examples., **Natural Resources** of a nation are **both** above and below the earth. Typical natural resources are the five elements of the nature such as: **Space, Air, water, Fire and Earth (its contents such as** coal, metals, minerals, crude oil)
- Capitalists trade in **money** which is neither a **primary** nor a **secondary product**. It is a pseudo Product.
- Most capitalists who are with **dominant Right knowledge** contribute to society in variety of ways by their entrepreneurship. They run **Small and Medium Enterprises**. The nation's financial system treat them with **step motherly attitude**, unlike the few lucky known as **Crony capitalist**.
- Ideally, **Capitalists** comes with investable funds or wealth produced over a period of time.
- They produce wealth for the nation, and take a share of the profits for their investments and **entrepreneurial** skills.
- The Crony Capitalists form a Small sub-group of people with more knowledge among the capitalists. They are characterised by their **Dominant Wrong knowledge**. They are known as **Super- Demons** are closely linked to leaders and created by **The Leaders**,

- There are the few among them known as the **Crony Capitalist**. They do not bring any appreciable capital. They are the products of Leaders in a society.
- Typically, the **Capitalist** belong to a particular society and their products are consumed by members of that society. Thus the wealth generated by the Capitalist, belong to that society and its citizen. But the Crony Capitalists do not have a land of their own. They shift the wealth generated into other societies.
- **The leaders** oblige **Super demons** by throwing open the **financial system** to them.
- **Going by some estimates** An estimated **Rs 55000 Lakh Crores**, are enjoyed by some less than 400 family run business enterprises.
- Several lakhs of Crore rupees of tax cuts, waiver of bank loans. In return the capitalists fund the political activities and political personalities.
- **Leaders** allow them the determine price for their products and services. Allow them to stash the nation's wealth overtly and covertly.

The **capitalists** can be thought of having the highest knowledge with lesser **wrong knowledge** than every one else in any society.

A Tweet

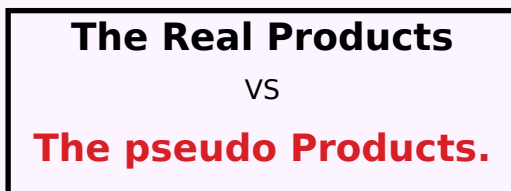
Today's #FT front page: "Reliance payments to Indian politicians raise transparency issues" — <http://buff.ly/1C5iPq8>

PART III

Products

The Real & Pseudo Products

Two type of products Produced in most countries!



- Products and people are inseparable in economy. Disaster struck nations where the people were isolated in their economic theories & practices.
- **Profit maximizing** has become central to Economic theories. which benefited a few Crony Capitalists & Evil among Leaders to corner the nation's wealth.
- We will discuss several aspects of Products in this part.
- There are **real products** and **pseudo products** in most societies in the world. While the real products are essential for the survival of the society, the pseudo product ruin the society in general and well being of people in particular.
- **Pseudo products** can be compared

to any computer virus. Both are destructive in nature and benefits the its creator.

- Also, the pseudo products can be compared to several viruses that cause deadly diseases in human body.

Some stories are given to understand the effect of the product, where ever required.

List if Products

A. Primary Products -

1. Absolutely necessary for the existence of the society.
2. Represents to Real Wealth.
3. Common man produce them.
4. Nature's vagaries affect the production.
5. **Very little** to **no support** from Financial systems (like Banks) of the nation -.
6. People engaged in production of real products are invariably poor in the society.

B. Secondary Products (Derived from Primary products).

1. Based on Primary Products.
2. Produced with the help of technology, machines and minimum human efforts.
3. Produced with the investment from Financial system.
3. Nearly no risk in producing secondary products- both financial and business risks.
4. Typically, the **Profit** per unit of Secondary product is several fold that what the primary producer gets.
5. Secondary producers are invariably **Capitalist**.
6. Primary producers suffer because they have no **Capital** supply for their work.

C. Pseudo Products. (This can be compared to **deadly virus** to the economy of any country).

1. Produced by the a small proportion of people, among capitalist, who are characterised by their **High proportion of wrong knowledge**.
2. Production of Pseudo Products results in pseudo money. This **dilutes the wealth** of the nation. The direct impact is that it reduces the buying power of money to common man,.
3. Important contributor to over-all increase in prices of commodities.

4. Pseudo products plays a very important role in **siphoning** of the wealth from the common man in the society.

Also the pseudo money helps one stash wealth from, legally and illegally from one society to another.

5. Bribes from public are **pseudo Service** products, generated by leaders and political party workers.

6. There are a large number of pseudo products generated by Corporate houses and Financial institutions.

D. Deadly Products for profit. Crony capitalists and Global Capitalists encroach the space occupied in producing **Real goods**.

In their usual quest for increased profit, the MNCS introduce technologies, products and processes that result in the production of Real products such as food, which are harmful to human health.

1. Use of heavy pesticides in the Farms & fields.
2. Use of Genetically Modified seeds.
3. Use of preservatives which is nothing but poisonous leading to health hazards.

No leaders in the **developed and developing** nations seem to be bothered about the health and well being of their citizen.

We will discuss all about the **Pseudo products**,

the producers and the leaders who stand by them as mute spectators in the next book titled

The Dance of Demons.

In this part, we will briefly discuss what these products are.

1. Real & Pseudo products.

Story to explain what the Pseudo products are. This story is based on

An **Akbar - Birbal** story



A poor boy was hungry. He was walking on the road to find some one benevolent who might help him to buy some food.

He stopped near a Sweet shop attracted by the aroma of sweets cooked there. The owner watched the boy and demanded to know what he wanted. He said, he was hungry but he had no money to buy the food.

Then the shopkeeper demanded to know why was he hanging around the shop with no money.

The boy said, "I am enjoying the aroma of the the food from the kitchen.

The shop keeper was angry and demanded money for his enjoying the aroma from his products. He started beating the boy.

An elderly wise man, passing by noticed the shop keeping beating the poor boy and decided to rescue the boy.

He quickly grasped the the problem and offered to pay for the boy's consumption of aroma suitably.

He pulled-out coins from his valet. Kept them between palms of his hand and shook them to produce loud sound.

To the puzzled shop keeper, the wise man explained as follows.

The boy consumed the aroma of your sweet product and not the food itself. As

a compensation I am not giving you the money but the sound of the money which will amply compensate for the consumption of Aroma from the food.

Shop-keeper got Pseudo money for selling his pseudo product.

What are Real Wealth and Pseudo wealth?

Money that we handle today represent two kind of product. The real and Pseudo.

For example, the **Milk** is a real product and we are willing to pay a price several times that of water.

The milk vendor often adds water to it and increases the volume of the product. He gets the price of milk for the water that is added to real milk.

Here the water is a Pseudo product and the money created in one of the **several forms of pseudo wealth.**

The buyer is helpless and seller profits by the helpless of the buyer.

Those who market food products adulterate cheaper **Look - alike** with it to profit. All these **look alike** are pseudo products of one kind.

Other examples of Pseudo Products.

The currency notes printed by nation's first bank is a reflection or image of real products.

How to understand if a product is real or pseudo?

Pseudo products often piggy-back on real products.

When the Real product is absent, the Pseudo product has no value.

The products and services produced by common man is real. Example are :Farm products, textile, Television sets, Transport service, entertainment are real products.

Money is a reflected image of a product or service.

The Currency and Coins minted by Nation's central Bank is the first level of pseudo wealth.

Real Products might perish with time has limited life time. Sadly, the Money minted representing the product lives beyond.

Product can be multiplied without much effort. It is not true with any of the real product or services.

The Truth the Economic schools did not tell their students:

1. Currency / money is a reflection of Real Product and Real service. Ideally, the money should vanish with the real product perishing. So there is less **real product** and more of its **images** floating in the market.

There is no way of doing it.

2. Further, the danger the pseudo product Money, is that it can be easily multiplied with technology. Terrorists across the borders use this as a terror weapon, to destroy the economy of unfriendly countries.

3. The Corporate houses, the capitalist buy the products from farmers, added a little value (processing, Packaging) and sell them at several fold price and grow stronger economically.

This is possible because the producers of real product and real service have no access to the Pseudo product, the money.

The wealth gap between two kinds of people (one, who has access and the other who do not have access to financial institutions, increased rapidly.

4. There are several pseudo products and services and money is minted against both Real as well as Pseudo products. This leads to escalation of price of Real products. (Milk

example)

Those who could produce and accumulate the pseudo wealth corner the real wealth and control the Political and Economic affairs.

***Economic Wizards produced
pseudo products***

When the scientific community, all over the world discovered several real product for the benefit of humanity, the economists created quite a lot of Pseudo Wealth.

These are the Second and third level pseudo products, a.K.a dervatives, that create large pseudo wealth.

These pseudo products dilute the real wealth and suck-real wealth-out of the economy.

1. Insurance products 2. Stocks 3. Mutual Funds, 4. Bonds to name a few. 5. Gambling Products like Criket.

PRESENT ECONOMIC CRISIS
The Pseudo wealth
Has A Parallel in the famous EPIC.
RAMAYAN!



In the days of Ramayan, coronation of the king of the country was celebrated by people by participation.

On the eve of Lord Rama's coronation, the story goes that huge vessels were kept for people to contribute rice, milk and every food ingredients.

At the end of the day, the officials opened the huge vessel kept for milk to find there was just water and not the milk!

Everyone who poured thought others would have poured milk and if I pour water as my contribution, no one would ever know it.

The lesson.

The economists invented several pseudo products and floated in the economic systems of nations, diluting the value of real products and services.

They invented wealth Indicators Like Stock market Index, Commodity Market index etc so that the policies of the governments can be decided based on the performance of the pseudo products.

Today, Pseudo wealth exceeds real wealth by several orders.

We will proceed to discuss the pseudo products, one by one.

Economic disaster

Traced to:

(A) Pseudo Wealth Out grew Real wealth by order of times. We will discuss the pseudo wealth, next

(B) The idea called Global Economy broke all means of control by people who are Real producers. This is a party of mismanaged story Managed economy.

(C) We already discussed as how Political leaders succumb to the Corporate houses. Leaders are Seen as proxies for corporate houses. How is it?

Invariably the many among the lawyers of corporate houses double-in as leaders of political parties. It is evident that Corporate houses control of economic policies and practices through their lawyers owing allegiance to them.

The list of

Pseudo products

That create pseudo Wealth!

(1) The Insurance products

(2) Credit Cards

(3) Gambling

(4) Stocks

(5) Mutual Funds

(6) Commodity traded on-line

(7) A diabolic Financial instrument P-Note used by Crony Capitalists who are black money holders.

(8) Deadly Food products with Pesticides, Genetically Modified seeds.

(9) Everything is Encashed for Entertainment

We will discuss it briefly in the following a few pages impact on the society next.

4.1 Insurance Products

Good side: The idea behind creating insurance product could have been noble. It pay way for Sharing the loss of life and material, due to nature's fury, to mitigate its impact among a group of people.

Suited for economically sound society where there is a well-defined risk among its participant, under one umbrella.

Bad side: But today, an Insurance centred world is created in such a way, one needs to have several insurance policies to live.

Today, Insurance is a Product. Profits are motives. Converts the fear in people into profit by corporate houses. This product would perish if people are fearless.

Country like India have nearly 90% people have no means for reasonably nutritious food and a decent roof over their head.

The health care for common man is ridden with corruption and misused funds.

A typical example of Insurance taking health care away from the common man is given, in this section.

The next book in the three book series, Titled **The Dance of Demons will bring several interesting facts and stories about several pseudo products including insurance. That would explain why the insurance is a **pseudo product**.**

Some Insurance Jokes:

Joke 1 Insurance Slogan competition

Four insurance companies are in competition. One comes up with the slogan “Coverage from the cradle to the grave.”

The Second one tries to improve on that with “Coverage from the womb to the tomb.”

Not to be outdone, the third one comes up with “From the sperm to the worm.”

The fourth insurance company really thought hard and almost gave up the ace, but finally came up with “From the erection to the resurrection.”

Joke 2. How did you start a flood?

A lawyer and a broker were fishing in the Caribbean. The lawyer said, “I’m here because my house burned down, and the insurance

company paid for everything.”

“That’s quite a coincidence,” said the broker. “I’m here because my house was destroyed by a flood, and my insurance company also paid for everything.”

The puzzled lawyer asked, **“How do you start a flood?”**

Growing number of Insurance companies.

There are more than **55 Insurance companies** Indian market, mostly from the developed countries, in the recent times.

A simple arithmetic

The number of people who have income that can be taxed are around **48 Lakhs**. They are the ones who might have some money after meeting their day-to-day needs, to invest in financial or **Insurance products**.

Many among these **48 Lakhs** tax paying public (say, 90% of them) may be in the border of taxable limits and must be struggling to pay the raising school fee, increasing instalment repayment for their home loans.

The Insurance companies spend a huge sum in advertisement, huge commission are paid to insurance agents and expenses for establishment.

Only a small fraction of this 48 Lakh tax payers,,

at best, 0.05% can insure for a reasonably large sums.

Let us assume, for the purpose of discussion that every tax payer insures is life, health, property and vehicles.

There are 55 insurance companies and each one of them, might have an average of 1 lakh investors per Insurance Company.

Even if each policy holder spends Rs 1000 a month (an impossible situation) to buy insurance products, the net monthly income to each insurance company cannot exceed Rs 10 Crore. This would hardly meet the establishment and salary expenses.

The only way these insurance companies can survive is through the Governments buying insurance products on the pretence of buying insurance products on behalf of poor.

Ideally

The thrust should be to improve the **level of income** so that people so that can buy insurance from their own income,

When **67%** of population are below the poverty line and cannot afford to buy even food without subsidy how the insurance companies can thrive in Indian market.

Insurance is both a pseudo product and a deadly product that has pushed Health services dear to people.

How it Benefits India by giving insurance and pension fund to MNC?

On one hand Government seeks Investors for economic activities and projects in India. On the other, they seek to palm off the huge pension fund to MNCs from other economies.

In any inflationary economics, the money value or buying power of money goes down year after year.

If you barrow Rs 100 today, with 10% inflation, after a year you need to return only Rs 90 of today's worth.

The barrower benefits and not the lender.

4.2 Credit Cards.

Pseudo Product



Money, in itself is a shadow or an image of a

real product. So money is a pseudo product. Credit card is an image of money. There fore Credit card is an image or image second level of pseudo product.

Even before one earns he can buy a product or service using Credit card.

This product can be duplicated and used and not the Real-product (say, a farm product) or a real-service (Ex: a ride to a certain destination by a transport vehicle).

Economic wizards can defend the product logically but in realty, it has its harmful side.

With whatever way it is secured, this product lends itself to steel other's money or product that it represent without delivering a product in return.

The profits earned by bank by Credit card service is the third level of Image. The third level pseudo wealth.

What Shall we call the Interest income of bank lending? A second level of Image.

4.3 Gambling !

A Pseudo product



The greed for quick money, Ignorance of how the given gambling platform works make fools to run towards it.

CASINO MAKES ONE, "CASH-NO"

I was told that admission to an individual in Casinos in USA is subject to production of return ticket. Obviously the gambler would be left with no money to return home!

It could be an exaggeration. I knew all about gambling (gaming machines) but it I tried my hand at a gaming machine and lost some decent

amount in a gaming parlour. It is so tempting that those who have no idea about the way the software work on these machines, might end-up loosing all the money they had.



There is betting in Cricket. We also witnessed that the betting syndicates buy the players and change the course of the game ball by ball.

Some are punished and many are off-the-hook because it brings in big money. This form of betting would hardly die.

The Horse Race was once very popular. Most poor saw a ray of hope for becoming affluent through gambling.

The other forms of gambling, which enable one to loose their money faster made this form of gambling unpopular.

States run Lottery schemes!

Lottery schemes were introduced in the west as an incentive to those who donate to charity.

The problem is, the charity is gone but lottery has come to stay as a gambling instrument. The sad part is, governments eye revenue from gambling unmindful of the evil impact on the people.

This found favour in the corridors of power for converting black money into white.

A southern state in India saw a spate of suicides and broken families following the introduction of lotteries.

There were those who owned lands became land-less poor.

Like any other gambling platforms, including the Gaming machines you find in Casinos, are designed to entice the gambler to play and loose.

Gambler, is always a loser!

It is a common knowledge that in any gambling there are a set of people who set the rule and operate the Gambling platform and others are the clients.

EPIC Mahabharatha on Gambling



The most crucial event for the Great War of Kurutshetra mentioned in the Great Indian Epic Mahabaratha is Gambling.

The clearly explains that the Gambling is Engineered to defeat the Gambler.

Every Indian is expected know the story which are told by grandma during one's childhood.

No intelligent man would gamble. The gamblers are invariably have the Donkey-dominant-mind set.

4.4 Stocks & stock market.



(Read here a story on How stockmarkets work. You will either avoid getting any close to it or will know how to make a fast buck that too only rarely)

1. Stock is a pseudo money that helps the capitalist in several ways.
2. Ignorance of knowledge on Basic Economics of Middle class exploited.
3. A great institution to Economic Criminals in India to convert Black money into while.
4. Earn profits on money already stashed abroad.

5. The middle class choose this as an option to keep their savings in stocks to ensure it retaining same buying power in most inflationary economy.

6. This is no investment instrument. The profits come by speculation only. So it is one of the gambling instruments.

Several innocent middle class and lower middle class lost their property and livelihood in stock market in what was known as Harshad Metha Scam.

7. Most people only loose in stock market. They are people with Donkey-dominant-mind set.

Some questions & Answers

Q 1. Who control price of shares in stock market?

A 1: Once upon a time, a Government owned establishment known as UTI controlled price of shares in the Stock market in India. After the scam brokeout with a broker by name Harshad Mehta broke out, Foreign Financial Institutions were the largest investor group and Face-less Investors from Tax havens control the prices.

Q 2: Who benefit in stock market?

Government gets a small amount in the form of taxes.

A 2: Like any other form of gambling, there are individuals or organisations who invest large sums of money, control the gambling platform.

They are the ones who gain the maximum.

To Profit in stock market investments, one should trade in stocks. That is buy and sell the stocks, at right time (which you do not know).

Staying invested in Stock market, is foolish because the value of money (buying power) gradually melts in any inflationary economics.

The dividend, if at all declared, is a pea-nuts and far below the rate of inflation.

The price of Shares goes up and down and if, by a chance, we are in tune with it, (buy just before the price go up and sell just before the price falls) we may see a profit.

For some people to profit, many should loose. The innocent middle class is invariably the losers.

Q 3: We hear about Research being conducted on Stock market and recommendations made to investing public.

A 3: These recommendations always accompany a warning.

The TV channels which promote the Stock trade with their expert advises, tell you that the opinion is that of the experts and in no way is responsible.

And also that you are strongly advised to consult your financial advisor (?) before buying any stock.

No gambling ever lend themselves to

predictability. If it is possible no one will gain or lose by gambling. The so called research traces a pattern. But stock market behaviour pattern is unpredictable.

Q 4: Who determine the price of shares in stock market?

A 4: However, if one looks at the profile of the investors and beneficiaries, the bulk of the profits in the market goes to the largest investors.

A couple of decades ago, it was an organisation called UTI that was in the driver seat of stock market. After a big scam broke-out Investors from abroad namely the Foreign Institutional Investors are the largest group among investors and thus in the driving seat.

There are the other investors who are invisible to public eye.

The Stock market's monthly reports gives indication on the group of investors and their investments.

The invisible P Note (Participatory note holders) account holders form a significant chunk of investors.

They also have a role in deciding the price and gain by that.

Q 5: How Capitalists benefit from stock market?

A 5: The industry & trade can sell raise their investment needs from stock market. The investors cannot demand a reasonable return on

their investments (like Fix deposit). Whatever dividend declared will be a paltry sum compared to investment.

Q 6: If that is so why the people invest in stocks?

A 6: The Nature of Stock market is that the cost of shares traded will raise and fall.

People by, someday in future, the share they bought might get you a higher price.

Q 6: Speculation?

A 6: Gambling or Speculation ... Very true.

Q 7: Who else benefit by Stock market?

A 7: It is a common knowledge that economic offenders are common among several Capitalists and Political Leaders.

Such people, stash the nation's wealth illegally to tax havens and other western destinations.

Over 65 years of non-stop flow of nation's wealth, the total wealth that lie outside the economy is estimated at billion US dollars.

As per wikipedia: The total amount of black money deposited in foreign banks by Indians is unknown. Some reports claim a total exceeding US\$1.4 trillion are stashed in Switzerland.

A public statement of a PM candidate, suggests that nearly 1.3 billion Indians would get Rs 3,00,000 each when the black money comes back into the country.

Stock Market in India serves two fold purposes to such economic offenders. (1) Take part in Stock Market in India without disclosing their identity. Earn profits and take them back.

(2) To bring back the money which was taken away and bring it back as a legal money - FDI (Foreign Direct Investment).

If one understand those investing large sums of money dictate the individual stock price as well as the direction. Those who operate on P Note invest very large sums compared to any financial institutions in India.

The sad part is that the common man as well as several economists and those working in Financial domain do not have a clear idea of as how the stock market works. I know retired bank staff lost huge sums investing their VRS settlement.

The Monkey story

A simple story, available in the net, can explain how the stock market works.

One do not need lessons in Finance or economics to understand.

Government Boasts of

Achieving one Trillion of Market capitalisation if Indian Stock market!

(If any one wants to understand

(1) how the stock markets work?

(2) Who is really benefit from stock market?

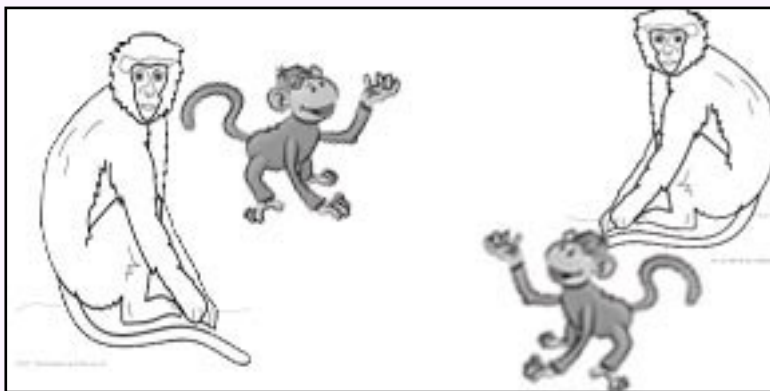
(3) Why common man always loose?

Story

How the stock market work?

The money traders!

A story, based on one appeared in the net,



Once upon a time in a village, a business man from a city arrived, in an expensive car and announced to the villagers that he was there to buy monkeys and offered to buy monkey for a price of Rs 100.

The villagers, knew that there were many monkeys around. They went into the forest and started catching them.

The city man bought thousands at Rs 100 each. Soon, the number of monkeys in the forest started to diminish, the villagers stopped their effort to catch and sell to businessman.

The business man, now, announced that he would now buy monkeys at Rs 200, each.

This increased price propelled the villagers to catch monkeys again.

Soon the monkey population dipped even more and people started going back to their farms.

The businessman offered Rs 250 each and the supply of monkeys became so little that it needed a great effort to even see a monkey,

The business man announced that he would buy monkeys at Rs 500.

However, since he had to go to the city on some business, his assistant would now buy on behalf of him.

In the absence of the man, the assistant told the villagers; “Look at all these monkeys in the big cage that the man has collected. I will sell them to you at Rs 350 and when the man returns from the city, you can sell them to him for Rs 500 each.

“The villagers sold their farms and other valuables and bought all the monkeys. Then they never saw the man nor his assistant, only monkeys everywhere!

Hope, the reader has a good understanding of how the stock market works.

4.5 Mutual Funds

If money is a pseudo product, an image of a real product. Then stock is an image product of some image that existed long long ago.

Mutual fund is the image of various stocks.

Thus Mutual fund is an image of an image of an image of a real product.

Those who understand stock market and its nature found that Mutual funds are less risky than dabbling in stock market directly.

These products gives varying amount of price appreciation.

This financial product is an image of Shares which is an image of money invested by some one long ago.

Being an image of Shares, the price of this pseudo product fluctuate with the price of Shares traded in the stock market.

This products are created by Banks and other financial institutions.

In order to have a healthy economic environment, this products should be banned totally.

4.6 Commodity & Currency traded on-line

Before every Election, prices of vegetables and other commodities will sky-racket. Not many among common man is aware that it was the politician - trader nexus that is responsible. The commodity market is the tool.

Even those who have not seen a particular commodity in their lives buy and sell it in the market. This is similar to trading in stocks in some ways, But commodity trade has its ill-effects on the common man.

The price paid to the farmer remains for a given commodity is fixed as it is seasonal and fixed on the floor of the market. The inability of the farmer to preserve his produce till he gets a fair price, is exploited and bought at distrrss price.

When it comes to selling by traders, the floor price of the same commodity is taken from the price as traded in the on-line commodity trade. Thus, the traders are benefited by the inflated prices on, online trade.

One mind find advertisements in inter-rnet advising people to earn thousands of dollars a month, sitting back from home. That is all about Currency market.

This is one of the diabolic pseudo product. A

selected set of people buy and sell farm products, gold and currency without ever seeing them. This is nothing but a state approved gambling.

The value of products traded on-line becomes the market price. The price of commodities shot-up several fold before 2014 elections.

The then Government blamed their Coalition partner, for the abrupt price price through on-line commodity trading.

This is an acknowledgment by the political leaders who were at the power then, is confirmation of popular belief.

4.7 PNote

Why every knowledgeable people in the world consider the financial Instrument called **P-NOTE**, a Diabolic?

Long ago there was an open spat between two major political coalitions in India (that form governments alternately) on P Note each blaming the other for this instrument.

The Issue was that of P NOTE.

This instruments enable people trading in Indian Stock market without disclosing their identity. Obviously this instrument helps those people who illegally stashed wealth to enter stock market to earn more money, legally.

4. 8 The Deadly Food products.

MNC controlled Poisonous Food production.

G M Seeds!



This will be dealt in greater detail in the next book, the Dance of Demons!

4.9 Sports as Entertainment

Playing sports, a physical activity, can keep the people in good health. If one excel in sports, you might win laurels and that brings you wealth in winning competitions.

What if, one watches sports instead of playing?

Certainly does not strengthen the muscles of those watching it but sure Weakens one's wallet.

It is the **media hype**, the celebrity's presence making something which is not an entertainment into a serious entertainment activity. .The worst still, people have enough reasons to understand that all is not well with such sports shows.

There are the betting syndicates which control the outcome of the game. Even the news of "Ball by ball" control by vested interests.

If people still pay in thousands and watch Games instead of playing, one should admire the ingenuity of Corporate houses has come together to turn the dust into Gold!

This will not be possible if the common man is not Learning & Thinking Disabled.

4.10

Make once. Sell Many times.

Several products such as consumer durables such as Mobile phones, TV and other white goods are designed once and sold several million pieces.

A movie produced with Artists playing once is encashed by producers several times.

Computer Software, automobile products, travel services have One Time large investment in design and mass produced to profit by it.

Generosity of Governments

There are interesting products that is created by Government under the title: **Public Private Participation.**

The Banks fund Roads & bridges projects. The Corporate houses get the projects allocated. The idea is that the Private enterprises collect the expense from the road users over a period of time. More often than not, the Private participants are allowed to collect far beyond the prescribed period.

The CAG, the nation's auditor has produced reports on the Generosity of the Governments of the day, towards private road builders in allowing to collect beyond the prescribed limits.

Do a peasant or any common man show such a generosity, ever?

Conclusion



The middle class will bring-in the much needed change in the societies across the world.

The leaders, due to their low levels of knowledge and its high proportion of **wrong knowledge**, help small group of people **Corner** the nation's wealth.

Leaders are well aware that they are doing injustice to common man and it is wrong. But yet, they do not stop. They need a lot of money to create an illusion of democracy.

They have to have a party cadre, everywhere and everyday on the streets. They need people to come in million on rallies during elections, from Panchayat to Parliament.

They need money for a luxurious life that calls for a lot of money. But they strength is merely creating illusions in the minds of common man

who have very low thinking and learning skills.

Where will they find the money?

Even if they like to change, how to sustain the pseudo democracy of Government FAR the People, BUY the People and OFF the people?

Their intention may not be to “let people suffer” but they need huge funds to retain the power that they are used to.

They may not see any other way, than to tag-on to **Global** and **Local Crony capitalist**,

Wanted - Right knowledge

The leaders can still retain their position in the society, hold their sway over the people if only they can Grow their **Right-Knowledge by** associating themselves with **men-of-knowledge**. Those suggestions will follow in the Book 3, titled: **Taming the Demons!**

With right knowledge!

The leaders should :

- Shed their dependence on the **Poor Memory** and **weakness of common man**. (The poor are already shedding their inability to **Learn & Think**, slowly and steadily).
- Shift their attention to win the **confidence of the people** through genuine service whom they represent and do justice to the soil in which they are born.

- Remember always that the Common man is evolving fast. The pressure of their society on them is increasing faster than ever before. Even the defective education systems make them wiser by the day.
- Present attitude of misusing the weakness of the people like Caste, communal , ethnic, linguistic divide should go.
- The thinkers, philosophers and statesmen should inspire and educate the common man what the right economic policies, practices and politics should be.
- The society is indebted to good hearts like **P Sainath**, the Rural reporter of Hindu for investigation and bringing to light the acts of governments when they go wrong.

Two more books are getting ready. One dealing in detail what was introduced in this book. That book is titled, The **Dance of Demons**.

The third proposed book details the suggestions for reversing the economy and placing them back on its rails and elimination of poverty from the surface of the earth.

Natarajan

Bangalore

