

# The Present Economic System: Divergence from Aspiration (Need to Realize a Conscious Economic System for a Better World Order)

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**Abstract** An Economic System is the set of principles by which economic problems are addressed. The solutions to these economic problems depend upon the decision-making quality of its participants (human society). Thus, the state of any economic system depends on the possible alternatives available, and the distinctiveness of its participants' consciousness. The paper portrays that the present global economic system is diverging from its aspiration, and essentially it requires shifting from materially conscious system to ethically conscious system and finally to spiritually conscious system, which shall commit to meet the real needs of life and establish a Better World Order. The paper stresses upon the significance of practicing Ethics and Spirituality with Economic principles by and for the human society which is the major constituent of the economic system.

**Keywords** Materialism, Ethics, Economic System, Spirituality, Consciousness, Better World Order

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## 1. Introduction

How selfish so ever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. (Adam Smith, The Theory of Moral Sentiments)

Global economy is the system within which all else (human society, the planet and all other species) are subsumed as "subsystems" [3]. Thus, society's decision-making quality (consciousness) plays a significant role to find solutions to economic problems.

Economic growth, as measured by the Gross Domestic Product (GDP), results in the wealth needed to provide material abundance for all, it is implicit that the faster the economy grows; the wealthier the nation becomes, but does

it really augment human happiness and well being? Does it measure simultaneous mutual human progression towards a better life?

The Easterlin paradox suggests that there is no link between levels of economic growth and happiness of members of a society. The effect of money on happiness has been shown to plateau – that is, once people reach the point of being able to meet their basic needs, more money leads to marginal gains at best or even less well-being, as people worry about "keeping up with the Joneses." Freedom and personal autonomy are more important to people's well-being than money [11]. Economic growth makes no significant difference to quality of life. Accumulating money and material goods may be making us less rather than more happy [3].

Today, the reality of the world is primarily seen as purely materialistic. People are running behind personal growth in terms of hoarding maximum wealth. Income and material sufficiency have become the only reason for man's life. This has resulted in much harm as also in the corruption and collapse of so many people who sought material benefits by all means, and this practice is accountable for divergence of the global economic system from its aspiration.

## 2. Hypotheses Development

Generally, human society views spirituality as contradictory with the material possessions, but religiously, when a living entity comes in contact with material nature; his original spiritual consciousness becomes covered up by matter, and thus becomes perverted reflected as material consciousness. Material consciousness is therefore nothing but a covering or perverted reflection of the original pure consciousness of the spirit soul [13]. The mixed findings of research to date indicate that there is need to find - How far the economic system is witnessing ethical and spiritual emptiness in materialistic societies. Hence, the following

hypotheses are posit-

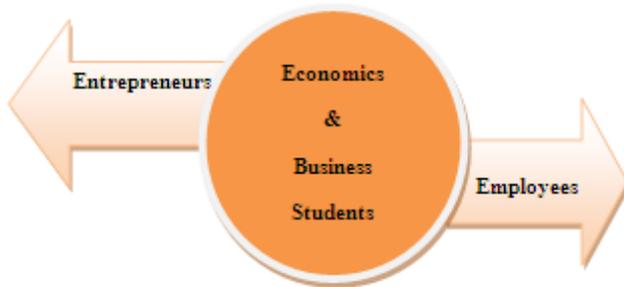
**H<sub>01</sub>:** There are no significant differences amongst human society's material, ethical and spiritual level of consciousness.

**H<sub>02</sub>:** Human society is inclined equally towards money, ethics and spirituality.

**H<sub>03</sub>:** Human society's belief and practice is same for money, ethics and spirituality.

### 3. Materials and Methods

By and large, it has been observed that economics and business students turn out to be entrepreneurs or employees of organizations. Thus, samples of twenty-five respondents from each of the three groups (Students of Economics and Business, Employees and Entrepreneurs), which also form the major components of the Economic System, were taken for the study.



**Graph 1.** Major Component of the Economic System

The study is based on primary as well as secondary data sources. To collect primary data, a self administered questionnaire has been used. The data was collected for the year 2012. The Five point Likert Scale, (1= Strongly Disagree to 5= Strongly Agree) to know the level of consciousness, and to estimate the belief and practice of respondents regarding material, ethical and spiritual standards, was incorporated in the questionnaire. Correlation, Rank and Percentages were calculated to comprehend results. Hypotheses have been tested at  $\alpha=0.05$  with the help of ANOVA and the t – test of difference of means.

## 4. Results and Discussion

Certain results were drawn out through the research work and have been reported in this section. It prominently discusses level of consciousness, society's inclination towards money, ethics and spirituality, and also the difference between society's belief and practice regarding material, ethical and spiritual standards.

### 4.1. Level of Consciousness

Desire for wealth and material possessions (as source of happiness) with little interest in ethical and spiritual matter, and following the *Charvaka's philosophy that life is yours, live joyously is Material Consciousness*. Emphasizing values such as honesty, truthfulness, respect and care for the whole community and future generation indicates *Ethical Consciousness*. Above all, *Spiritual Consciousness* expresses responsiveness to a deeper level of existence, quieting desires, and to live in the way that all can live. In present-day societies; we do not find any balance in their systems of thought, and most of them incline towards one or the other of the extremes. They either incline totally towards the sensible and the material aspect or towards the intellectual and spiritual aspect. The study also reflects such type of variation amongst society's material, ethical and spiritual level of consciousness.

Table – 1 reveals that there are significant differences, particularly and collectively, amongst the society's level of material, ethical and spiritual consciousness. Overall, people have high level of material consciousness (4.18) followed by spiritual (3.50) and ethical (3.48) consciousness. In particular, students have higher level of ethical consciousness than spiritual consciousness, which indicates that environment at workplace is responsible up to some extent to reduce students' ethical level of consciousness. Overall, results show that human society is more concern to material buildup than to get hold of ethical and spiritual attitude. Thus, hypothesis 1 is unable to be supported.

**Table 1.** Level of Material, Ethical and Spiritual Consciousness

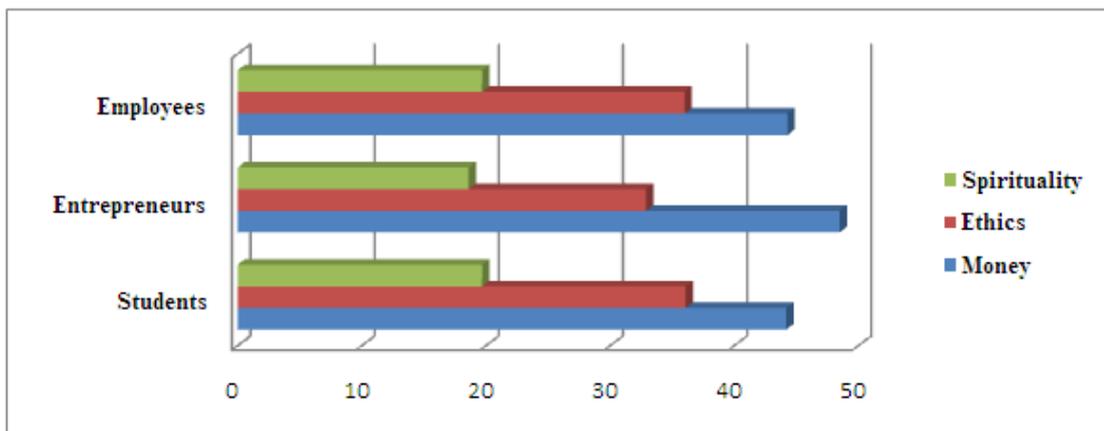
	Students		Entrepreneurs		Employees		Overall	
	Average	Variance	Average	Variance	Average	Variance	Average	Variance
<b>Material</b>	4.09	0.53	4.35	0.45	4.10	0.68	4.18	0.55
<b>Ethical</b>	3.60	0.61	3.25	0.46	3.58	0.52	3.48	0.54
<b>Spiritual</b>	3.48	0.37	3.41	0.28	3.61	0.37	3.50	0.34
<b>F Cal</b>	5.229274		22.43013		3.978906		25.03756	
<b>F Crit (<math>\alpha=0.05</math>)</b>	3.123907		3.123907		3.123907		3.036524	

Significant correlations have been established in between all three aspects. There is a positive correlation between ethical and spiritual consciousness (0.79), whereas ethical (-0.77) and spiritual (-0.63), both share a negative correlation with the material consciousness. It is assumed that spirituality is the guiding force that makes others to know what is right and just to act. At the same time, ethical behaviour takes a person closer to spirituality. Thus, these two share a positive correlation. On the other hand, closer the person to matter; farther it becomes to ethics and spirituality. Therefore, it was found that at present, human society is materially more conscious and thus, less ethically and spiritually conscious.

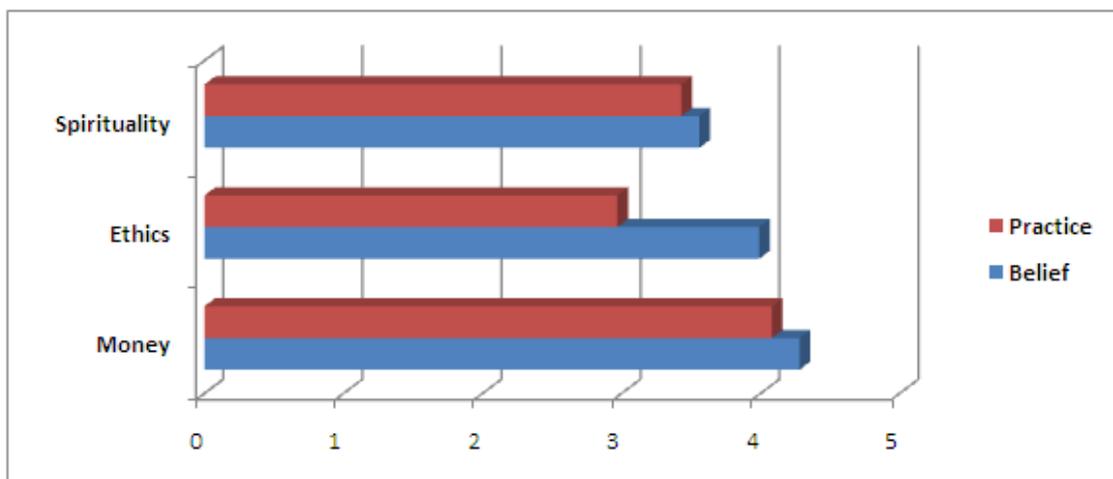
Each individual has a unique set of behavior, opinions, attitudes, values, level of association, skills, knowledge, strength, and energy that together make up his/her character. People often seek to raise these elements. But now, it has been realized that the level of consciousness also determines the success in life, including business. Thus, those who will be seeking to elevate their consciousness will only be witnessing success in their life and business.

#### 4.2. Society’s inclination towards Money, Ethics and Spirituality

Business is for profit, to accumulate wealth, to expand it further and sustain its position and to get a long run distinction. Which of these are most important; - material things, human values and ethics or spirituality? It has been a matter of discussion since ages. The business scandals in the past few years have also encouraged the researchers and academicians to reveal the lacking constituent for a successful business. Thus, for the most, it is required to know the present status of society’s inclination towards the taken three aspects. Graph- 2 exhibits that the highest preference by all three groups of society was given to money followed by ethics and spirituality respectively. It shows that people are engrossed to accumulate more and more of wealth; ethics and spirituality come behind it. Therefore, hypothesis 2 has not been supported.



Graph 2. Preferences towards Money, Ethics and Spirituality



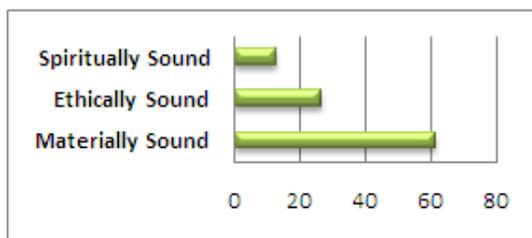
Graph 3. Belief and Practice towards Material, Ethics and Spirituality

### 4.3. Belief and Practice towards Material, Ethical and Spiritual Standards

Having something is one thing, but revealing it is another. Sometimes, people, in their life, owe to have a significant difference in what they do think (belief) about a particular thing or incidence, and how they do actually behave (practice) when the thing or incidence comes to them in its own way. One may consider money does not bring real happiness to life, stealing is unethical, and the purpose of life is to get salvation, but on the other hand, it is important to know how one acts on his/her belief and conviction. Thus, the study provides an evidence on peoples' belief and practice regarding material, ethical and spiritual standards, and it has been found that there is a significant difference between the approach (belief) and the actual behaviour (practice) of people regarding ethical standards ( $t$  calculated (6.69) >  $t$  critical (2.068)); but there is no significant difference, in case of material ( $t$  calculated (1.52) <  $t$  critical (2.068)) and spiritual ( $t$  calculated (0.800) <  $t$  critical (2.068)) standards. It shows that people set high ethical standards, but they are unable to perform according to them in reality; which results into unethical practices, and finally to big business collapses. Thus, hypothesis 3 has not been supported. It is desirable to live a meaningful life for which we need to balance our thoughts and actions.

### 4.4. Perceived Academic Projections to Personality- Mix

The strong belief on educational system also seems to be deserted when the study brought about that the present academia is predominantly developing personalities that shall have a monetary sound but ethically and spiritually weak future. There is a little room for developing ethics and spirituality in our renowned educational institutions. Ethics and Spirituality have so far been eccentric concepts for them. These institutions are engrossed in making machines which can successfully produce money out of money. Graph 4 exhibits that people agree that the educational institutes focused on to convert their personality to become more materially sound in future rather than being ethically and spiritually sound.



Graph 4. Perceived Academic Projections to Personality - Mix

### 4.5. Need for Economic Transformation

The multiple global crises - social inequity, financial turmoil and ecological imbalance - have made it imperative

to revisit our present, materially contaminated, economic model/system. An economy should exist to serve the needs of people. But in a "materialist" economy, people exist to serve the economy [4]. It is time for us to redefine our values by acknowledging that the marketplace is not just an economic sphere, 'it is a region of the human spirit' [6].

We dream of a world without poverty, a world that is equitable, a world that respects the dignity of all living beings and the sacredness of the natural world, a world where we recognize the mutual care and deep regard required for us to act in ways that will genuinely reduce poverty, and protect Earth's natural resources, a world that is environmentally, socially and economically sustainable.

This is an achievable dream, but we must collectively pave a new way. The current development pathway is deeply flawed and will not realize our dream [10]. To make an economy work effectively, it is needed to practice an economic system, committed to meet the real needs of life, for a Better World Order.

We need to fabricate and implement] an economic model [which is] led by values and vision, with an eye on the oneness of humanity, dialogue and consideration for the common good, a model with a clear vision of economic, social, and spiritual aspects and their interdependencies, an economic model that is ethical and people-centred, "Economics, as if People Mattered" [6].

### 4.6. Towards Conscious Economic System: Accomplishing Ethics and Spirituality

The ultimate aim of life is to attain happiness that is not restricted up to material things. The earth has enough to satisfy everybody's need but not greed. We have a situation of disequilibrium and disharmony. The desire too intense toward every thing excites the most intense fear of remaining deprived, and in such a way, our divine joy becomes weak and uncertain like flames exposed to the wind (Plutarch, Inner Serenity); furthermore, it is necessary to remember that the sweetness and smile of life do not come from the outside (Plutarch, Virtue and Vision) [9]. Only the reawakening of the human spirit will save us from our own worst extremes. Physical wealth must go hand in hand with spiritual, moral and ethical wealth [6]. Spiritual Consciousness might make happiness less dependent on material possession. Moreover, socio-economic justice, sustainability, peace and harmony will come about only when the essential connection between the spiritual and practical aspects of life is recognised and much valued.

The principle of the common good reminds us that we are all really responsible for each other - we are our brothers' and sisters' keepers - and must work for social conditions which ensure that every person and every group in society is able to meet their needs and realise their potential [6]. Dharma in Hinduism is not only religious but a moral framework for all activities. We talk of good moral values as useful in themselves, but the fact that economic development and economic functioning can depend on these values, is usually

pushed aside. Moral behaviour, in terms of less cheating or thieving, is desirable and necessary for economic development [7].

Economics has its origins in ancient Greece and its roots in Ethics. Amartya Sen, in his significant study, *On Ethics and Economics*, demonstrates that, in its recent development, a serious distancing between economics and ethics has brought about one of the major deficiencies in contemporary economic theory. Sen argues that modern economics could become more productive by paying greater and more explicit attention to the ethical considerations that shape human behavior and judgment. He observes a surprising contrast between the self-consciously non-ethical character of modern economics and its historical evolution as an offshoot of ethics [5].

Since consciousness determines the quality of one's thoughts and behaviour, the higher one's level of consciousness, the greater one's capacity to meet the demands of today's world becomes (Reams, 2002) [8]. Changing the external world for the better requires the internal transformation of people who are willing to lead in order to bring about such changes (Nair, 1994) [8].

We must reorient our economy to support full human development in a flourishing Earth community. ... [We should] engage in the deep shift that guides us to live in ways that all can live. Spiritual and ethical values are central to this [10]. What is important is to eschew egotistical actions, striving to protect and improve not only our own life but others' as well. One should do things for the sake of others, for, by benefiting others, we benefit ourselves. This means, in other words, to engage consciously in collective life (Miyata, 2000) [8].

#### 4.7. Educational Support in Practicing Conscious Economic System for a Better World Order

*We believe in the Invisible Hand,  
The giver of economic life,  
It has spoken through our profits,  
It proceeds from the Law of the Deregulated Market,  
And with the Market is worshipped and glorified.*

—Andrew Bradstock

Man has two powers; and his development, two aspects. One power is connected with the material world, and by it, he is capable of material advancement. The other power is spiritual, and through its development his inner potential nature is awakened. These powers are like two wings. Both must be developed, for flight is impossible with one wing. Material advancement has been evident in the world, but there is need of spiritual advancement [consequently, ethical advancement], in like proportion. We must strive unceasingly and without rest to accomplish the development of the spiritual nature in man, and endeavor with tireless energy to advance humanity toward the nobility of its true and intended station (Sathia Varqa, 2006) [1].

God has created all earthly things under a law of progression in material degrees, but He has created man and

endowed him with powers of advancement toward spiritual and transcendental kingdoms. He has not created material phenomena after His own image and likeness, but He has created man after that image and with potential power to attain that likeness (Sathia Varqa, 2006) [2]. Most interpretation on freedom has focused on its relationship to economic progress but little on particularizing human freedom that motivates human actions in an economy [12]. The corporate scandals have compelled academia to review the ethical and spiritual training of students.

Present Educational System is principally responsible for the divergence from the ultimate goal of man. Economics [as a subject to comprehend economic system], is perceived as a science concerned with scarcity, competition, production, consumption and the satisfying of unlimited desires. There is no reference to abundance, co-operation, sustainability, justice, compassion, humanity, morality or spirituality. No wonder, it has brought us such a bitter harvest! [5]. It is equally true that a subject can't be ethical, moral and spiritual, but by practicing its principles consciously; ethically, morally and spiritually conscious generation can be shaped. Edmund Burke's dictum that "the laws of commerce are the laws of Nature, and therefore the laws of God" [3].

## 5. Conclusion

*It is not wealth that stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the craving for them.*

—E. F. Schumacher

Ever-increasing production and consumption -- the foundation of the modern economy -- is unsustainable. Economics does not stand on its own feet, but instead it is derived from a view of the meaning and purpose of life. Economic 'progress' is good only to the point of sufficiency, beyond that; it is evil, destructive, [and more specifically] uneconomic [4]. So long as the material pursuit continues to dominate our personal and economic system, crises will frequently occur.

The present condition of our world is the outcome and expression of our state of consciousness. Eventually, the creation of a better world order, in which the diverse communities of the world live in harmony with one another and with the natural world, will require a significant reorientation of individual and collective goals, and a profound transformation in attitudes and behaviour. Such far-reaching changes will come about only by addressing the non-material dimension of reality and drawing on humanity's vast spiritual resources. An inner change must direct the outer, if it must be eternal and meaningful. It is the time to imbibe ethical and spiritual principles at the heart of economic development so as to see its outcome as a Better World Order.

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