VASUDHAIVA KUTUMBAKAM KI OAR 5.0
DHRUV TATVAM
Timeless Principles

2ND PRECURSOR SESSION
ध्रुव तत्त्वं अर्थनीतेः
(Timeless Principles of Economics)
Concept Note

Date: 8th August 2026 – Bengaluru
Format: Panel Discussion
Theme: Timeless Principles of Economics
Expected Outcome: To deliberate upon the draft *Dhruv Patra* on economics, receive comments and objections from panellists, and move towards a refined formulation to be presented at the VK 5.0 Main Event.

Background

Vasudhaiva Kutumbakam Ki Oar 5.0, Dhruv Tatvam, is built on a single intellectual commitment: every domain of human life rests on timeless principles that predate the modern era and outlast its ideologies. To restore the Rule of Justice in any sphere, these principles must first be recovered, articulated, and placed back at the centre of public reasoning. The economic pillar of VK 5.0 takes up this commitment in a field where modern orthodoxy is at its most confident and unexamined.

The 2nd Precursor Session of VK 5.0 convenes the Economics Advisory Committee and the invited panellists to deliberate on questions regarding the fundamentals of the economic domain. The discussion and conclusions of this session will form the basis on which the *Dhruv Patra* for economics will be subsequently drafted and published. What follows is a brief presentation of the territory the deliberation will traverse and the principles that frame it.

The Era in Question: 1776–2026

The modern economic order rests on three major doctrines: capitalism, communism, and socialism. Among them, they have organized the economic life of nearly every nation over the past two centuries; supplied the categories through which production, exchange, ownership, and welfare are understood; and defined the terms of nearly every economic debate of the modern age.

All three trace their origin to a single historical moment: the Industrial Revolution that unfolded across Europe in the latter half of the 18th century. This period brought a transition from a decentralized economic order to a centralized one.

Industrialization at this scale demanded an order of capital that was qualitatively different from what had come before. Capital had to be concentrated, made liquid, and rendered freely deployable across sectors and borders. The doctrines of the modern economic age arose to address this requirement.

Smith's doctrines of self-interest, free markets, the division of labour, free trade, and the natural liberty of capital supplied the intellectual framework within which the industrializing economies of Europe could organize themselves. Hence, among the many existing economic texts, Adam Smith's ideas gained prominence, becoming the foundation of what would later be called capitalism and the modern economic order.

The same structural requirement—the mobilization of capital sufficient to industrialize—confronted poor nations that possessed neither colonies to draw upon nor mercantile surplus to redirect. For them, Karl Marx's ideas furnished a different intellectual framework, addressing the same imperative through the state rather than through the market. Marx's framework formed the genesis of communism and socialism, which helped the state exploit its own citizens for achieving industrial advancement. These ideas structured many of the Global South economies across much of the 20th century. This modern economic order has been universalized today as if no comparable tradition existed before it.

It did. Kauṭilya's Arthaśāstra preceded Smith by more than 2,000 years and is a treatise of greater scope on revenue, trade, labour, currency, contract, and the political economy of statecraft. Śukra's Nītisāra, the Kāmandakīya Nītisāra, the Vyavahāra chapters of the Smṛtis, the commercial sūtras of the Jain and Buddhist canons, and practical economics encoded in the regional manuals of medieval India together constitute a continuous, sophisticated, and lived economic tradition, which was organized around the just ordering of production, exchange, and welfare within a decentralized civilizational frame.

The treatment of Smith's work as 'Year Zero' of economic science amounts to a civilizational narrowing that this precursor session will examine. In essence, this is a counter-commemoration. Two hundred and fifty years on, the world is invited to revisit not Smith's answers but the questions he chose to ask and the questions he chose to ignore. The economic pillar of Dhruv Tatvam holds that the second set is the larger of the two.

Core Focus of the Discussion

The discussion will revolve around the fundamentals of economics. The aim is to identify those assumptions of modern economics that continue to shape present-day economic systems and recognize what ancient wisdom has to offer as an alternative.

The discussion will particularly focus on four core questions.

1. Wealth of Nations

Adam Smith challenged the mercantilist idea that national wealth lies in gold, silver, or net receipts. He argued that the real wealth of a nation instead lies in the annual produce of labour and the necessaries and conveniences of life that such labour supplies or purchases. This became the foundation for the modern view that a nation's wealth should be understood through the annual produce of its land and labour, and the supply available for its people, rather than through accumulated valuable things.

This idea is today shaped up into a concept called GDP. Today, the primary indicator to look at the wealth of any country is GDP.

GDP stands for the value of how much a country has produced within its boundaries. In this method of measuring a country, all post-production indicators remain out of focus. It's like judging a personal business's success on the basis of its production only and not its profits or ROI. Who consumed it? What was the rate of return regarding the resources consumed? etc. are questions that stay out of focus. With this background, a key discussion worth having is on a question:

Is productivity the only indicator to focus on while judging the wealth of a nation? What are its just and unjust implications? What can be the alternative indicators as suggested by timeless principles?

2. Just Rules of Pricing

Prices are one of the key elements of the modern economy. Fixing prices is a powerful strategic tool that can make or break the entire economy of any country. Predatory pricing, deep discounts, dumping, etc., are its forms.

Currently, for major commodities, prices are allowed to be the outcomes of demand and supply pressures. This has caused prices to continuously fluctuate, at times resulting in drastic changes overnight and making or breaking fortunes.

Adam Smith prescribed letting market forces decide prices, with the assumption that over time, they would auto-gravitate towards real prices. The question here is, What the just rules for pricing should be. Is market force the just way to decide prices? If not, what is the mechanism to set prices such that it builds a just economic order?

3. Free Markets and Free Trade

Adam Smith was a strong supporter of free markets and free trade. Except in very rare scenarios, he advocated for government non-interference and free trade in the best interest of the nation's industries and endeavours.

His stand is based on the point that a nation's capital is scarce and that production can be to the extent of capital. Hence, it would be in the best interest of a nation to invest scarce capital only in that production in which it is an expert in. For the rest, he advises importing rather than manufacturing at home. This will lead to the best utilization of the available capital and labour. He prescribed that high tariffs and import bans would artificially turn away capital from its most advantageous use. This would force citizens to buy expensive domestic goods rather than cheap foreign goods. He further clarifies that the government need not worry about or interfere in free trade to protect local industry because the natural bias of its citizens is to invest more in local markets due to the safety of capital acting as a natural safety net for local industries. Hence, he advocated for nations to adopt a system of natural liberty for the employment of private capital by their citizens. This sequence of economic ideas also supports one of his central ideas about the division of labour.

Today, we can see that the set economic order, as shaped by such ideas, has led to globalization full of supply chains. Analysis of this order of the last eight decades has revealed a dismal scenario at the global level. Free trade, as shaped by such ideas, has led to the huge exploitation of nations, drain of resources of the Global South, high trade deficits, and a permanent gap between the wealth of advanced and developing countries. The COVID-19 shock to this free-trade-based order challenged Smith'stheory. Hence, the question arises:

Is the economic order of free markets and free trade, as based on these ideas, in the interest of humanity? Is it a just system? What are the points to be considered before setting the free-trade-based economic order to make it just?

Does Adam Smith's central belief that a person's endeavour to promote self-interest and maximize their own profits automatically work in the interest of the nation's economy and act as a natural safeguard towards protecting local industries from the risk of foreign trade? What wisdom do timeless principles have to offer in this case?

4. Timeless Principles and Their Revival

The first three questions examine the modern economic order in its own terms, namely, the indicator of wealth, the mechanism of pricing, and the architecture of trade. The fourth question moves from critique to construction.

Over the last 500 years, colonization was instrumental in replacing the fundamental timeless principles of the economics domain. Apart from the three areas mentioned above, in general, which timeless principles were replaced? Which continued? What were the consequences of replacing the fundamentals, and what steps can be taken to revive those timeless principles?

These principles will be debated, refined, supported, or objected to by the panellists so that the final *Dhruv Patra* may emerge as a rigorous and actionable document.

Format of the Session

The precursor will be conducted as a focused panel discussion.

Jyot's research team will first present the concept note, establishing the core focus of the discussion. Panellists will then respond to the propositions, examine the underlying assumptions, offer comments and objections, and help refine the principles deliberated upon.

The discussion will aim at convergence wherever possible, while documenting dissenting views and unresolved questions.

Expected Outcome

The expected outcome of the session is a refined body of deliberations and conclusions on the timeless principles of economics, incorporating the panellists' insights, comments, and objections.

Based on these conclusions, the economics *Dhruv Patra* (white paper) will subsequently be drafted, published, and formally presented at the VK 5.0 Main Event as part of the larger *Dhruv Tatvam* initiative. It will contribute to the broader vision of recovering timeless civilizational principles and placing them at the centre of a just world order.

In essence, the economics precursor will ask a foundational question:

Can economics be reimagined not merely as the science of wealth, production, and markets but as a discipline anchored in justice, restraint, responsibility, and human purpose?