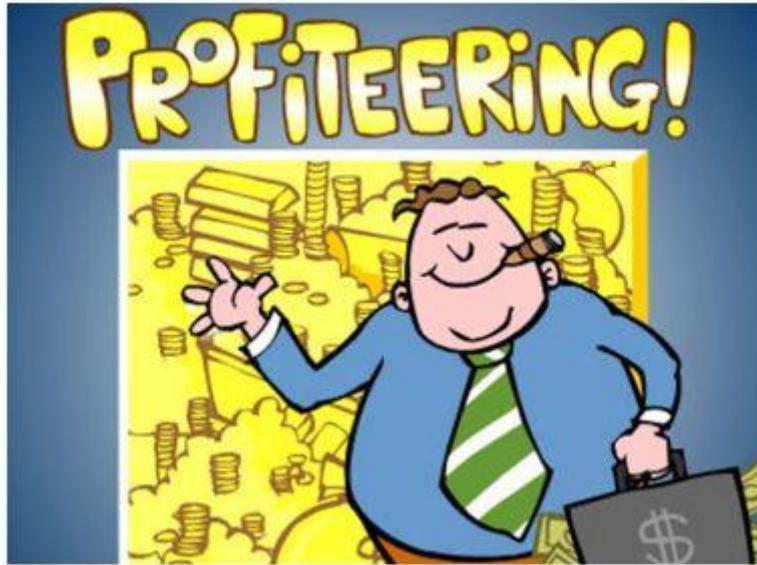


**Profiteering Buccaneers**  
**OCTOBER 15, 2012**

**By Dr G Sreekumar Menon**



Remember your school Mathematics teacher, teaching the topic of "Profit & Loss". The concept of profit, then, was simple:

$$\text{Selling Price} - \text{Manufacturing Cost} = \text{Profit}$$

Normally 10% was considered as fair and just profit.

A large, 3D, red number "10%" with a reflection below it.

But, even this, small percentage, was not approved of by Pandit Jawaharlal Nehru. He once confided to Shri J.R.D. Tata that he hated the word "Profit". Tata, stressed "*Jawaharlal, I am talking about the need of the Public sector, making a profit*". Nehru, shot back "*Never talk to me about the word "Profit", it is a dirty word*".



Much water has flown under the bridge since then. Today, profit is a very complex concept. In a wide sense, "profit" has come to denote disproportionate returns, often secured by manipulation of prices, abuse of dominant position, exploiting market uncertainties, artificial scarcity and monopolistic practices.

These modern day profiteers have a hoary lineage to the "Buccaneers" of the colonial era. Buccaneer refers to pirates who plundered with impunity, often under the patronage of exploitative monarchies, who also got a share of the booty. That was the kind of "free markets" of yore.



They developed and morphed into "chartered corporations", thereby acquiring a facade of respectability and shadow of legality. These "chartered corporations" pioneered colonial expansion, administration, pillage and human trafficking. The East India Company, chartered in 1600, was the primary institution of Britain's colonization of India, which the company ruled until 1784, by running a thriving business exporting tea from China, paying for its purchases with illegal opium. With zero accountability, the East India Company was extorting tributes, expropriating land, monopolizing markets, trafficking in slaves, drugs and outright pilferage. Compare them with the modern day

profiteers. Political manipulation of the economy in the name of creating an 'investment climate' has led to emergence of crony capitalism. In the confused economic scenario of today, revolving around fiscal deficits, global liquidity, rupee depreciation, rising food inflation, subsidies and interest rates, the unbridled profiteering has gone unnoticed.

According to the World Ultra Wealth Report 2012-13, by Wealth X, a global wealth intelligence and prospecting company, India has 7,730 "**ultra high net worth individuals**" of which 109 are billionaires. On an average, these billionaires are worth USD1.7 billion each. A new elite class has emerged labeled as "**high net worth individuals**". In a study titled "**The Indian Ultra HNI Untouched by Uncertainty**", prepared by Kotak Wealth Management and Crisil Research, the present economic downturn has little or no effect on households whose minimum average net worth exceeds Rs.25 crore accumulated in the past ten years. Last year saw the introduction of eight super-luxury cars in India to meet the demands of these high net worth individuals. Consider the astronomical prices – Lamborghini sells the Avantador at Rs.4.2 crores, the Gallardo at Rs.2.5 crore. An estimated 98-100 super luxury cars were sold in 2011 and expected to rise by 50% by the end of this year.



Contrast the above with India's "unacceptably high" levels of child malnutrition, which Prime Minister Shri.Manmohan Singh called "a national shame". He disclosed that almost half the children in the country were under-weight. Asia's third largest economy has not yet been able to wipe out the mass hunger that haunts its rural landscape and in urban slums. According to the 2011 Hunger And Malnutrition Survey, conducted by the Nandi Foundation, 40 per cent of Indian children under five years old are underweight, almost double the rate of Sub-Saharan Africa !



All the mega corporations on the planet make their obscene profits off the labor and suffering of others, with blatant disregard for the deleterious effects on the worker, environment and posterity. Europe is the current example, of profiteers, running amuck and ruining the economy, leading most countries, into bankruptcy. That is why, Confucian ethics takes a very negative attitude towards profit seeking. Mencius disapproves all sorts of acts that are based on profit seeking motivation.

The Airline industry is an opposite example of ravenous appetite for unlimited profiteering. A slew of operators claiming to be "budget airlines" stormed the skies with their concept of "flexi-fares", an euphemism for casino-style gambling. To bolster profits, everything was put up for sale, seat placement, baggage limits, food, water and insurance. Service tax collected from the passengers are embezzled with impunity and coupled with egregious mismanagement, is plunging the industry into extinction.

The profiteering bug has bitten even Government organizations that deal with supply of milk, electricity, petroleum and even water. The Indian Oil Corporation reported a net profit of Rs.3,954.62 crores for 2011-12, Hindustan Petroleum Corporation Ltd reported a net profit of Rs.911 crores, Bharat Petroleum reported a net profit of Rs.1,311.27 crores !

The high net worth individuals and the new breed of "highly aspirational salaried class" who seek self-enrichment by plundering wealth they had no part in creating acknowledge no duty or accountability other than to themselves. They walk away with their fees, commissions and bonus packages, leaving behind collapsing environmental systems, broken families and gyrating economic cycles.



Not content with exploitative profit, the modern day profiteering buccaneer has embarked on a ruthless plunder of natural resources like iron-ore, and coal.

Lord Macaulay was at his prophetic best when he predicted:



Britain's Lord Macaulay's Prediction

**in 1887**

*"Your Republic will be as fearfully plundered and laid waste by barbarians in the 20th century as the Roman Empire was in the 5th, with the difference that the Huns and Vandals that ravaged the Roman Empire will have come from without and that your Huns and Vandals will have been engendered within your own country by your own institutions".*

But, several thousands of years back, our ancient Rishis had foreseen that certain generations would rapaciously plunder natural resources in the name of development.

How to safeguard and conserve the precious natural resources, that was the concern of the sagacious Rishis? Is it by capitulating to avarice or by restraining and limiting the wants? The clairvoyant Rishis opted for the latter, cautioned humanity, by incorporating this advice in the very first verse of **Ishavasyopanishad**, which reads:

Verse 01

ॐ ईशा वास्यमिदं सर्वं यत्किञ्च जगत्यां जगत् ।  
तेन त्यक्तेन भुञ्जीथा मा गृधः कस्यस्विद्धनम् ॥१॥

om isa vasyamidam sarvam yatkincha jagatyam jagat I

tena tyaktena bhunjitha ma grdhah kasyasviddhanam II 1 II ?



"All we find in this ephemeral world are created by God. Let us use them only to the minimum extent and let us not snatch the wealth belonging to another."

The very meaning of its title **Ishavasya** is: **Everything is God's. All things belong to God.** But, our human mind lives in the delusion that it is all mine.



*(DISCLAIMER: The views expressed are strictly of the author and Taxindiaonline.com doesn't necessarily subscribe to the same. Taxindiaonline.com Pvt. Ltd. is not responsible or liable for any loss or damage caused to anyone due to any interpretation, error, omission in the articles being hosted on the site. )*