



“The Role of India in Shaping a Sustainable Financial Future”- Under Vasudhaiva Kutumbakam Policy

Author-PRAMOD YADAV

Assistant Professor

IPS Academy College of Commerce

Indore

Introduction

“VasudhaivaKutumbakam” is a Sanskrit phrase translates “The World is one family”conveys a great sense of unity and relation among all humans, surpassing national, cultural and religious boundaries. Last year India held thepresidency of G20 [a group of20 nations & subcontinent)and the core principal of that presidency was "one world, one family one future". This philosophy highlights the importance of synergies and Sustainability in various aspects including finance and Investment.VasudhaivaKutumbakam promotes a cooperative and inclusive approach to investment and finances, highlighting the need of considering the global implications of financial decisions. In keeping with this attitude, India proposes to create targeted financial products and diversified investment plans to promote long-term development and balanced global development. In this paper we highlighted the current practices in finance and investment and how the philosophy of VasudhaivaKutumbakam can transform these practices.

Current Practices in finance & Investment

"VasudhaivaKutumbakam" is an idea that encourages equality, ethical behaviour, and long-term cooperation. While current financial strategies are different, they generally promote vacuum, rivalry, and short-term gain.

1. Concentrates on profit, wealth, and competitive advantage over social well-being. Mainly aim to maximise individual or institutional advantages, often focussing financial advantages over larger social and environmental implications.
2. Decision-making puts an emphasis on measures such as ROI (Return on Investment) shareholder value, and market expansion, sometimes at the cost of ethics and sustainability. Ethical considerations often become secondary, and investments may benefit industries (such as fossil fuels and weapons) that are contradictory with society as a whole.
3. Recognising exploitative practices and resource excessive use can result in environmental degradation and inequality. While ESG (Environmental, Social, and Governance) investing is becoming more popular, mainstream finance has consistently neglected systematic inequalities, resulting in widening wealth discrimination in society.
4. Risks are frequently transferred to underprivileged populations or future generations, as demonstrated in financial crises and environmental damage. These risks are frequently shifted to those with limited resources (e.g., workers, local residents) or future generations, as proven by climate-related consequences. This risk shifting has the ability to deepen current inequality and injustices, suppressing people who are already at a disadvantage in society.
5. Accountability in modern finance can sometimes be limited to shareholders and promoters, with minimal direct responsibility towards broader society, other stakeholders, or the impact on the environment. They prioritise immediate benefits over long-term survival. This short-term mindset can

result in unsustainable activities that adversely affected the environment and neglect populations that are on ground.

How "VasudhaivaKutumbakam "can be Transformative in finance & Investment

The concept the finance of VasudhaivaKutumbakam" can transform the finance Sector through encouraging a more sustainable, ethical and inclusive approach to international finance. This concept can reshape financial practices & principles following manner:-

1. The International Cooperation for environmentally friendly Growth.
The concept of the world as "One big family" supports a move towards Environmental, Social, and Governance (ESG) investing, in which funds is distributed to projects that benefit the environment, communities, and society as a whole. For example Green Bonds (issued by World Bank), fund renewable energy projects around the world, helping not only investors but also the environment and the next generation.
Co-operative climate finance: - "VasudhaivaKutumbakem encourages teamwork in climate finance since climate Change is a worldwide issue. This could involve Setting up global funds to help developing countries deal with climate change, integrating financing with climate Change adaptation and encouraging international organisations to make Cross-border investments in Sustainable development projects.
2. Using Wealth to Promote Social Well-Being
"VasudhaivaKutumbakam" encourages a change in finance from profit maximisation to purpose-driven finance through wealth sharing and charity. A growing number of rich people and businesses are donating a portion of their wealth to charitable causes which support reducing poverty, healthcare, and education. This wealth-sharing strategy is a modern way to express the idea that money should to be evenly distributed to the larger "family."
3. Ethical Globalisation for Stability.
"VasudhaivaKutumbakam" supports money that benefits everyone and promotes social ties in order to maintain a balance between profit and purpose. Instead of treating shareholders first, organisations are increasingly adopting stakeholder capitalism, which considers how their decisions may impact other stakeholders such as societies, consumers, employees, and the environment.
Reducing unethical actions: Motivated by this idea, international finance can Work to reduce exploitative actions such as unethical lending, unfair labour practices, and resource depletion. Ethical globalisation supports fair wages, and environmentally friendly activities, showing a commitment to the well-being of the entire global family.
4. Globalisation Based Economic Growth
Connectivity to Developing nations: Investors may capitalise on opportunities in technology, infrastructure, and renewable energy in fast-growing economies such as Brazil, India, and Southeast Asian countries. In addition to traditional markets, cross-border investments may look into biotechnology, artificial intelligence, green energy, and sustainable agriculture. Cross-border investments, particularly in healthcare, finance, and digital transformation, promote knowledge exchange and technology transfer. For example, working together with developed and developing countries on renewable energy or artificial intelligence projects increases global innovation.
5. Economic Development and Employment Creation
In addition to promoting skill development and generating job opportunities, foreign investments also boost local economies. For example, Big companies build manufacturing facilities in developing countries to reduce production costs for investors while generating local employment and using Diversification to reduce Risk. Investing globally distributes the risk of currency fluctuations, financial crises, and political instability.

Challenges to Overcome

While “VasudhaivaKutumbakam” provides a vision of unity, there are issues that require joint solutions:

1. **Regulatory Challenges:** Complicated tax laws, investment restrictions, and bureaucratic challenges frequently discourage multinational investors.
2. **Geopolitical Risks:** Political instability and protective measures can have a negative effect on cross-border investment.
3. **Cultural Barriers:** Understanding local market conditions and cultural differences is necessary for a successful investment.
4. **Environmental Issues:** Large-scale investments must be integrated with worldwide environmental goals to reduce exploitation or damage to ecosystems.
5. **Technological Disruption:** Rapid advancements in technology have the ability to destroy traditional businesses and investment possibilities, forcing investors to be flexible and innovative.
6. **Economic Volatility:** Currency fluctuations, interest rate changes, and market conditions all provide risks and uncertainty for making investments overseas.
7. **Legal Uncertainties:** Legal system differences and a lack of understanding of regulations can make it difficult for investors to succeed in complex international markets.
8. **Social Responsibility:** Investors have to analyse the social impact of their investments to make sure that benefit local communities and comply with ethical standards. To overcome these challenges, investors, governments, and stakeholders have to work together to create long-term, solutions that benefit everyone.

India’s Stand on Global finance and Investment in Last decade with VasudhaivaKutumbakam policy

Following an ongoing slump this fiscal year, India is expected to remain the fastest-growing major economy while increasing its contribution to the global economy. India can improve its outlook by continuing infrastructure development and implementing economic reforms.

Three Parameters showing India is becoming Financially Strong:

1. The National Stock Exchange (NSE) reports over 100 million registered investors, As prosperity rises with a growing economy, the number of investors in India will grow faster.
2. The market capitalisation of companies listed on the Bombay Stock Exchange (BSE) is the world's fourth largest with total above \$5.5 trillion.
3. Additionally, small Indian investors through systematic investment plans (SIP) are creating a larger impact. From Last 5 years i.e. 2019-20 to 2023-24 contribution in SIP has reached to INR 200,000 crore from INR 100,000 crore

In last 10 years, the world faced a number of disasters and calamities caused by wars, the COVID-19 pandemic, natural disasters, and climate change-related extreme weather incidents. India has stepped up its Humanitarian Assistance and Disaster Relief (HADR) efforts to save lives, reduce suffering, and safeguard humanity during and after disasters. This remarkable turnaround has led in India being a first responder in HADR, shifting from a recipient to a source of assistance. India's increasing participation in HADR reflects its economic success and desire for regional and global leadership. In summary, India's emphasis on VasudhaivaKutumbakam as a guiding concept displays the nation's dedication to working together closely with other nations to address common concerns faced by humans today, particularly climate change, inequality, financial instability,

Conclusion

In a world going for equality and shared wealth, VasudhaivaKutumbakam provides an inspiring philosophy for cross-border investment. By following this approach, stakeholders—governments, investors, and communities—can work to design a future that moves beyond geographical boundaries, offering inclusive development and mutual success. By adopting VasudhaivaKutumbakam as a guiding concept, stakeholders can use investment to promote global unity and progress. Beyond borders, this ideology allows for the construction

of a society in which economic progress benefits communities, promotes innovation, and solves crucial issues such as inequality and climate change. The concept of "one global family" is more than a cultural ideal; it is a road map for a sustainable and inclusive future. Initiatives like as impact investing, socially responsible investing (SRI), and green finance aim to connect current investment practices with VasudhaivaKutumbakam principles. These developing methods combine financial goals with broader social and environmental objectives, bringing us closer to a more inclusive, ethical, and sustainable investment strategy. In summary, applying VasudhaivaKutumbakam to finances promotes a human-focused, ethical, and long-term approach to financial systems. It proposes a world in which finance is used to benefit society, advance collective goals, and create a stable, peaceful, and inclusive global economy that benefits all.

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