Indo-Turk: Economic And Energy Dynamics

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Abstract
as soil transforms its own language into the culture, heritage, mythology, epistemology, and anthropology in a similar way, economics reflects structure and trends to shape society by interconnecting and socializing. Since the evolution of the human world, there is a tug of war between scarce natural resources and societal need. But, unfortunately, conventional theories of economic growth had laid less emphasis to counter this dilemma in the context of energy as a natural resource in economic development. Despite its utmost need in both developed and developing the world. This article will reinterpret and shed light on philosophical ideas put forth by Ibn Khaldun and Katuilya Chanakya on economic growth theory for sustainable economic development. Their respective thoughts will be used as an amalgamated tool for proposing an economic and energy dynamic model for integrated Indo-Turk relationships in the long run. Ibn Khaldun theory of economic development addressed the economics of humanism and justice in contrast to Katuilya presented science of material gain that societies can achieve by having strong administrative control. All the economic dimensions by Ibn Khaldun were given as participant observer who was later used by Classical, Neo-Classical and Keynesian economists as main ingredients in formulating their refine economic growth models. On the other hand, Katuilya presented peripheral idealism to govern a state being a neutral deprived observer in an imaginative state of the world. Thus, both these interrelated intellectual thoughts help in sketching a conceptual framework based on humanistic and sustainable economic and energy development growth model along with affirmative policy implications for fruitful Indo-Turkic relationships. This paper summed up by doing a comparative and critical analysis of economic and energy dynamic models applied in other economies followed by recommendations and conclusion.

Keywords: Integrated economic growth, Economics of humanism, Science of material gain, Energy dynamics.

Historic Indo-Turk Relations
Historical relations between Indian Subcontinent and Turkish world can be traced back to first century BC. These relations were established even before the advent of Islam. This relation was further expressed in the famous work done by Varahmihir in his book Rajtrangani. In this book, he explained that the Emperor Karnisha and his successors were ethnic Turks. But, more concrete historical development of Indo-Turk relationship initiated with the conquest of different parts of the Indian subcontinent in early eleventh century AD by Mahmud of Ghazna. There were many Turkish rulers and Turkish kingdoms during the medieval period in the subcontinent whose efforts and contributions played a positive role in the blending of Indian and Islamic culture. For instance, a new language gave birth in the Indian army camp where Indian, Turkish and Persian soldiers were residing which is commonly referred to as Urdu. Besides this, the great Sufi culture in India was highly inspired by the philosophy and ideology of Mevlana Jelalettin Rumi in the 13th century. He was a mystic and had his origins in Konya, Turkey (Ataöv, 1997).

1 According to Romila Thapar, one of the renowned Indian historians, there is no doubt that Kanishka, the founder of the Kushana dynasty which flourished in northern India (A.D. 78-144) was of Central Asian origin. Romila Thapar, A History of India, Vol. 1, Middlesex, Penguin Books, 1984, pp. 97-98. Also see, Mehmet Tezcan, “Kuşhanlar, Akhunlar ve Eftalitler”, in Tarihte Türk-Hint İlişkileri Sempozyum Bildirileri, Ankara, Atatürk Kültür, Dil ve Tarih Yüksek Kurumu, 2006, pp. 9-47.
The next phase of the Indo-Turkish relationship established with the powerful Mughal dynasty in the 16th Century. Indeed, the founder of the Mughal Empire was Babur who was a direct descendant of Timur who had Turkish origins. Moreover, the descendants of Babur namely Akbar (1556-1605) and Aurangzeb (1658-1707) wholeheartedly accepted the Khilafat of the Ottoman Sultan which was referred to as most powerful Muslim state of the time. But, the very first emperor to establish formal and consistent relations with Ottoman was Shah Jehan (1627-1658) (Farooqi, 1989). Besides this, the very first recorded diplomatic relations between Indians and Turks was started in the year 1481-82. Furthermore, diplomatic relations were created through the exchange of letters and gifts between Bahmani Kings of Muhammad Shah III (1453-1481) and Mahmud Shah (1482-1512) (Özcan, 1997). The creation of friendly relations signals the desire on the part of the Muslim rulers of India towards the expansion and cooperation with the Christian European powers in order to open up avenues for diverse ventures. For example, Tipu Sultan one of the most ambitious and courageous rulers of Mysore in Southern India seek assistance from Ottoman to control the British dominance.

In addition, the most important time frame of Indo-Turk relations started in late 19th and early 20th century when the Turkish Empire was suffering from constant shrinkage, and there was the verge of a decline in Khalifat Empire which awakened the Indian nationalist. The Young-Turk Revolution was started and highly supported by one of the Muslim group Deoband Madrassa from Indian subcontinent so as to see seek material assistance from Ottoman to get rid of the non-Muslim rule. The early period of World War I in Turkey was highly influenced by the conservative sections and parties from the Indian Muslims who promoted the ideology of Turkish reforms and constitutionalism as a beacon of hope and recovery for the East. But, their desires shattered due to the dismemberment of Ottoman Empire at the end of World War I. It further showed that the British were unable to protect the Turkish Khalifat which had emotional strings attached with the individuals from the Indian sub-continent. Thus, Indians launch a popular movement to fight for the cause of national liberation.

Besides this, Indian’s had constant support with the Turks as it was further assured by passing of resolution by the Congress party in 1921 which states as follows:

“This Congress congratulates Ghazi Mustafa Kemal Pasha and the Turks upon their successes and assures the Turkish nation of Indian’s sympathy and support in its struggle to retain its status and independence” (Grover, 1992).

During the early 19th century Indians not only encouraged and supported the Turkish Empire but also raised donations to build Turkish İş Bank which is rank as one of the largest banks in Turkey in today’s world. Similarly, a non-cooperation movement was launched against the dismemberment of Khalifat by Indians. But, these ties and cordial relations established between emerging Indian sub-continent and Turks were broken by the creation of Pakistan. Later, in 1951 the broken relations between India and Turks were regained by the signing of the cultural agreement between India’s first education minister and Maulana Abdul Kalam Azad. Then, it was led by series of visits by Turgut Özal, Turkish Premier and Jawaharlal Nehru during 1960 till

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2 During the last quarter of 19th century a branch of Sunni Hanafi Islam, Deobandis arose in India for reform movement with two key objectives of training religious scholars to safeguard the traditional Islamic values and secondly to resist the colonial state ruled by non-Muslims. In actual it was, however, taught to the Afghan refugees in hundreds of madrassas set up along Pakistan’s Pushtun belt in the wake of the Soviet occupation of Afghanistan was an extreme form of Deobandism, which was much closer to the Wahhabi creed than the reformist agenda of the original Deoband seminary. On Deobandis see, Fazlur Rahman, Islam, London, Weidenfeld & Nicolson, 1966, pp. 204-205.

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1980’s. Turgut Özal visit to India in 1986 marked the beginning of a long-lasting and enduring friendship which helps both countries for sustained economic growth and development.

In addition, with the promotion of cultural and economic liaisons of Central Asia and the Caucasus, there was the development of Turkey’s status as a ‘multi-regional power’ (Rubin and Kirisci, 2001). But, Turkey faced certain setbacks in the form of lower per capita income, low standard of living and economic growth and less development in infrastructure and telecommunication to achieve the desired position of multi-regional power. Moreover, Turkey also suffered from the severe economic crunch in 2001, but it experienced speedy recovery due to the strong base and fruitful and flourishing private sector. Private sector organizations and business played a key role in the economic and financial transformation of Turkey and generation of activities and good relations with the Greater Middle East region (Öniş, 1995).

Like Turkey, India also underwent several phases of transformation by the end of 19th and early 20th century. India was able to mark its name in the world economy on the basis of military strength, favorable diplomacies and democratic and political stability. Moreover, in the past decade, India has ranked as second fastest growing major world economy at the rate of 8 percent. Besides the lower foreign direct investment from its neighboring countries especially China it has managed to have joint ventures with major international players (Huang and Khanna, 2003). India has made a positive contribution to the opening of scientific and technological education institutes which had produced millions of top-class scientist, doctors, educationist and engineers (Perkovich,2004).

It clearly shows that there is always the positive impact of strong ties and stakes attached with India and Turkey on the basis of commonalities and power potential. Turkey and India both do not have neighboring borders with Afghanistan or Central Asia but they have higher stakes attached to these areas for multiple reasons. Firstly, Central Asia is close to both Turkey and India in geopolitical aspect. Secondly, Central Asia has historical and cultural relations with Indian subcontinent dating back from Indus Valley civilization in roughly second millennium BC. India has fairly exploited the trade relations with Central Asia, and it reflected in the establishment of famous trade route namely Silk Route which connects China with India and later into Europe (Kaushik,1999). This trade route played a significant role in promoting cultural and economic relations. Moreover, Central Asia also served as a special land for Turks which they officially referred to as “the cradle of all civilizations of the World” (Alıcı, 1996). Furthermore, it is heavily endowed with energy reserves with an approximation of 15 to 17 billion barrels of oil and roughly 360 cubic feet of gas reserves ( Çağaptay,2005). Now, for both Turkey and India, Central Asia served as the most potential and secure source of energy resource.

With rising population in India and its flourishing economy, they have high national interest attach to secure gas and oil reserves supply (Blank,2005). Similarly, Turkey is also heavily dependent as roughly 70 percent of its total energy needs are catered through imports due to its rising domestic demand (Tonge, 2007).

Besides Turkey importing energy supplies from Russia and Iran but it needs to establish good links with Central Asia in

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4 India consumes 1.9 million barrels of oil a day with 70 percent of it imported, which, according to some experts, is likely to rise to 4 million barrels a day by 2010, most of it imported.

5 Energy consumption in Turkey has increased by 5 percent, and its demand for natural gas has grown more than three-fold in the last decade because scant rainfall has forced power stations to rely more on gas rather than hydropower.
order to diversify and reduce the risk of a shortfall in supply if there is ever a disruption in political ties with above-mentioned countries.

**Economic Indo-Turk Relations**

Economic and trade links between India and Turkey were inadequate after the end of cold war. The above historical overview provides the insight that relationship between Turkey and India were promoted after the 1980s. In recent times the Indian economy has experienced a stagnant growth rate with appreciating foreign exchange and flourishing capital markets. Indian and Turkish economies are highly competitive and complement each other in diverse sectors which act as a driving force to bring to nations on trade platform. The sustained growth in economic partnerships between two countries is presumed to bring positive impact on integrated and sustainable growth in both the economies. Moreover, the statistical data in Table 1 shows a rapid increase in the trade volume of the two countries over the past decade.

Now, there are more than 60 Indian companies registered in Turkey and have signed a joint venture or establish offices or trade links. The Indo-Turk relations were further promoted in 2003 through the founding of direct air links. Moreover, with the signing of free trade agreement (FTA), there will be more positive future prospects and bilateral trade links and opportunities. It was further reflected in the speech made by Kürşad Tüzmen, Turkish Minister of State for Foreign Trade in India-Turkey Business Forum in New Delhi. He said, “We are targeting a figure of $5 billion by 2012 and $10 billion in next 10 years.”

Turkey and India have started off with multiple projects, but some of the major projects include Indian Railway Construction Company providing assistance to Marmara Engineering Emergency Reconstruction Project for rehabilitation of the earthquake affected areas. Moreover, the construction of a certain portion of the Baku-Cehyan pipeline by the Punj Lloyd in collaboration with Turkish construction company LİMAK. Another project is on the power transmission line by the Kalpataru, Gujarat in association with the Turkish company BARMEK.

**India-Turkey Energy Cooperation**

There have been impressive alliances with Turkey and India in energy sector as well. The Indian Oil Corporation (IOC) is partially constructing the Samsun Ceyhan pipeline which is a joint venture with Indian’s leading Public Sector Petroleum Company and Turkish Petroleum Corporation. Besides this, a Memorandum of Understanding (MOU) have been signed for cooperation in CNG conversion of vehicles in Turkey between Gas Authority of India Limited (GAIL) that is ranked as India’s largest marketing and gas transmission company and BOTAŞ a Turkish public sector company involved in work related to oil and gas pipelines. Most importantly, in 2008 Turkey had made offer to India to facilitate in access to Central Asian oil via connection through Israel and with a combination of overland pipelines and supertankers.

India and Turkey both are at the consumer end of energy supply line beside the vast potential for cooperation in the energy sector. India is ranked as the second largest in the world by population and despite its consistent rising growth rate suffering the adverse challenge of increasing energy growth demands. Currently, India is ranked as sixth largest energy consumer globally, and in future, it is forecasted to emerge as fourth largest consumer after the United States, China and Japan. Therefore, for India to sustain its economic growth and eradicate poverty and become developed economy from the current emerging economy, it has looked to a

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6 “Turkey Offers to Sign FTA with India”, *Financial Express* (New Delhi), 24 March 2008.

7 “IOC to Rope in Foreign Firms for Turkey Unit”, *Times of India*, 24 August 2007.

8 Indrani Bagchi, “India Keen to be Part of Turk Pipeline Plan”, *Times of India*, 29 July 2008.
solution for the energy problems. Even if India reduced the use of oil in power and manufacturing sector, but it cannot stop the ever rising usage in the transportation sector. Furthermore, India imports more than 70 percent of its oil and its dependence on oil import is also increasing day by day. According to the World Energy Outlook, reported by International Energy Agency (IEA), it is forecasted that India’s dependence on oil imports will reach up to 91.67 percent by the year 2020 (Beri, 2006). Therefore, to reach high economic growth and to compete internationally it is essential for India to focus on energy cooperation. Currently, Turkey is in the most favorable position to help India in its never-ending energy consumption demands due to its geographical position which is located near to 71.8 percent of the world’s proven gas and 72.7 percent of oil reserves which are situated in the Middle East and Caspian basin (Hussain, 2011). Furthermore, energy cooperation between India and Turkey play a major role to bridge the gap between major oil and gas supplies from the Persian Gulf and the Caspian Sea.

Moreover, on the tenth session of the India-Turkey Joint Committee for Economic and Technical Cooperation (JCETC) that was held in New Delhi from 30th -31st of January 2014 both India and Turkey agreed on the close ties especially in energy cooperation will reap fruitful outcomes and provides boost to economic growth. Turkey gave warm welcome to Indians on the platform of energy cooperation during ministerial visits that took place in 2014. Turkey acknowledged the expertise and skills of Indians in the field of renewable energy and concluded the discussion by drafting a Memorandum of Understanding (MOU) in area of renewable energy as soon as possible. Furthermore, both sides expressed satisfaction with regard to cooperation among Oil and Natural Gas Corporation Videsh Limited (OVL) and Turkish Petroleum Cooperation (TPAO) and further decided to expand the current joint business ventures. In addition, during this session a mutual agreement was signed between India and Turkey to cooperate in sharing of advanced technologies for extracting minerals and its exploration.

**Ibn e Khaldun Economic Thought**

Ibn e Khaldun one of the great historian wrote in his one of the famous writings *Prolegomena (The Muquaddimah)* (AD 1332-1406) on diverse aspects from the science of humanism, the science of civilization (*al-‘umran*) to different aspects of knowledge. He made a magnificent contribution in the field of economics and provided major insight into the vast subject of the history of economic thought. In reality, he is a real forerunner for the title of “father of economics” instead of Adam Smith because he was the one for germinating seeds for classical economists and even neo-classical economist. Ibn e Khaldun talked on diverse subject ranging from cost, production, demand, supply, consumption, and utility which later became the cornerstone for modern economic theories. Similarly, Adam Smith’s ideology and work came into limelight after some three hundred and seventy years after the death of Ibn e Khaldun. Before the advent of Ibn e Khaldun, Plato was most probably the first to put forth the idea of specialization and division of labor on the crude level. Later following Plato, Aristotle suggested a definition of economics by taking into account use of money in the context of the exchange. He gave the example of shoe for wear and for its use in exchange which was later used by Adam Smith to present the theory of value and exchange. Moreover, Scholastics and Canonities were another schools of thought before Ibn e Khaldun who gave the idea of the economy being run on the basis of law in accordance to the religious and moral perceptions for the welfare of human being. This paper will shed light on the Ibn e Khaldun ideology and give him his well-deserved credit in the history of economic thought in the context of energy and economics. He was initiators of variety of economic ideas on elementary stage which was later gained substance and depth after decades indeed centuries by the Mercantilists, Capitalists of the late sixteen and early seventy century such as Sir-William Petty (AD 1623-1687), Adam Smith (AD 1723-1790), David Ricardo (AD 1772-1823), Thomas Malthus (AD 1766-1834), Karl Marx (AD 1818-1883) and John Maynard Keynes (AD 1883-1946) and many other economic theorist.


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Ibn e Khaldun Theory on Foreign Trade

Ibn e Khuldun made a major contribution in the field of international economics. He used his perspective and analytical mind and put forth the advantages and gains from trade. He presented the ideology that trade results in improvements in merchants profit, individual’s satisfaction and overall wealth of the economy. As he said:

“The merchant who knows his business will travel only with such good as are generally needed by rich and poor, rulers and commoners alike. (General need) makes for a large demand for his goods...it is more advantageous and more profitable for the merchants’ enterprise (That he will be able to take advantage of) market fluctuations if he brings goods from a country that is far away...Merchandise becomes more valuable when merchant transports it from one country to another (Issawi, 1950).”

Now, the italicized word valuable in the above manuscripts of Ibn e Khaldun thoughts present the significance and perspective on gains from trade. He provided the ideology that good is categorized as valuable if it is transported from country A to country B and still sells at a profit even after covering the transportation and all other relevant costs then it would be cheaper than to produce internally. Moreover, it will be of better quality, and it would be a totally new product. He explained the economic phenomena in such a way that if something produced internally is expensive in comparison to foreign good then at that point foreign trade can exploit the comparative and absolute advantage and help to economize labor and other resources through diversion from producing high cost good or service to low cost good or service. Thus, the resources which remained untapped from the diversion through foreign trade will be saved and leads to capital accumulation. This process explains how foreign trade positively contributes to country’s Gross Domestic Product, the standard of living, overall growth and prosperity. Moreover, if the foreign good which is imported of low cost and high quality then the domestically produced good it will further add to consumer’s satisfaction. On the other hand, domestic producers can focus on those in which they are best able to specialize and maximize their gain through the Pareto optimal allocation of resources. Thus, there will be welfare gain at both ends.

Besides this, Ibn e Khaldun was very conscious of what is referred in modern economics as the concept of “opportunity cost” (that is the next best alternative given up by choosing another item). Ibn e Khaludun applied the concept of opportunity cost in the context of tug of war between scare resources and needs and wanted of society and further linked it with “valuable labor.” He explained that by improving the quality of the soil through greater resource allocation labor could be made more valuable, productive and efficient otherwise there will be a cost which results in a loss of value. Thus, foreign trade facilitates and opens new avenues in order to optimize, and best exploit the labor and other natural resources. The subject of international economics and foreign trade was later expanded and highlighted in Political Discourses by David Hume in 1752.

Ibn e Khaldun on Sustainable Economic Development

Sustainable development is of utmost demand due to ever-rising population and depletion of natural resources. On global level scarcity of natural resources demand sustainability, but on the other hand, free market forces are in against of this concept in both developed and developing world. Therefore, there is a restriction to this concept but along with alternative theories for successful implementation of the sustainable development. The concept of sustainable development could be traced back to western civilization in the current history. By the end of World War II there was high promotion both by developed and developing world for market and consumer-based economic development which is in accordance with the social, political and economic freedom and being pursued by renowned International Organizations such as World Bank, United Nations (UN) and International Monetary Fund (IMF) (Agouri, 2002).

In 1970’s the main area of focus was on industrialization and agriculture which later shifted its attention towards education, health, infrastructure, and nutrition. But by 1980’s and early 1990s world economy suffered from three major threats to civilization which includes soil erosion, ecological deterioration and swift
exhaustion of oil reserves. Now, all these factors adversely affected the economy and international growth and food prospects. Thus, to overcome this problem, it was important to promote the concept of sustainable economic development. Sustainability is referred to meet the demands of the current generation without sacrificing the ability for future generations to use natural resources. It was further explained that sustainable development had diverse fundamental aspects as it leads to the satisfaction of basic human necessities, equity, and social justice, cultural diversification and self-determination, ecological and economic integrity (Michell, 1994).

Now, the roots of sustainable development can be traced back to Ibn e Khaldun economic thoughts rather than the classical economist such as John Mill (1806-1873 AD) and Adam Smith (1723-1790 AD). According to Ibn e Khaldun civilization consists of two major elements of organization and cooperation. If there is lack of these two basic elements, then it would lead to rising and fall of the five-stage process of civilization.

According to Ibn e Khaldun, the rise and fall of nation’s civilization are dependent on Strong state with effective and coercive institutions to implement law and order and to provide justice and generate wealth and development. Therefore, with a view of economic growth, the sustainability he referred had different phases. In the beginning, less amount is spent on army and tax revenue collections are saved and the surplus left is spent as public expenditure and for societal welfare. This further causes the desire for consumption that promotes both the skilled and professionals. It causes a rise in bilateral trade and more focus towards developmental projects. The local industry gets a boost and attracts not only the national but also the international economy. It translates into consumer economy which is accelerated through urbanization and over-consumption. There comes the point of scarcity, natural resource curse and opportunity cost which causes un-sustainability. This further leads to rising prices, reduction in demand and less production. Similarly, when the prices of basic necessities rise more than that of luxuries, and basic commodities prices rise more in urban areas in contrast to rural areas it signaled the rising cost of labor and taxes and hardship for human survival. It later moves the civilized society from rising stage towards decline and collapse of the economy (Ibn Khaldun, 1967).

Thus, he identified the triple constraints action for sustainable development which consists of social, economic and environmental protection along with the cultural elements of the rule of law and good governance. Furthermore, with his dynamic mind, he linked all these above-stated constraints as key reasons attached for rising and fall of nations (Chapra, 2008). In the modern world, the triple constraints actions presented by Ibn e Khaldun are termed as economic integration for sustainable growth.

**Kautilya’s Arthashastra and Economic Ideology**

Kautilya is among the great Indian philosopher-statesman and had thoughts and ideology in context to Aristotle views. He wrote the finest book with title Arthashastra which acts like an elementary textbook for good rule and governance by the Statesman. Kautilya’s main ideology was to increase the monarch’s wealth along with his inhabitants. He never distinguished between the wealth of nation and that of his realm. Thus, Kautilya’s thinking perspective was aligned with German Cameralist School of Economic Thought of the early seventh century (Dasgupta, 1993). Moreover, his work and thoughts could be dated back to approximately 1000 BC. (Chand, 1982). Besides his development of economic thought since long, his writings were not used properly and were lost towards the end of Gupta Dynasty in India. His work was not given due consideration till the early twentieth century (Choudhary, 1971). Moreover, his book was translated in several languages from Sanskrit to Hindi to English, but the subsequent translations did not occur until 1930’s.

On the other hand, despite Kautilya being contemporary of Aristotle his work was not recognized much by the medieval and resurgence philosophers. Therefore, his ideology did not contribute much in defining of modern economic theory. All the famous classical, neoclassical and Keynesian economists such as Adam Smith, John
Mill, David Ricardo, David Hume and many other economic theorist were unable to grasp the benefit of his work on policies formation to increase the nation’s wealth.

In addition, Kautilya proposed the rules and practices of international trade as the main ingredient for the success of the King or Statesman. He explained that international trade both of goods and services as a driving wheel to accelerate the nation’s wealth and of his subjects. Moreover, he also emphasized on two keys other elements namely taxation and labor theory of value. He advocated that justice and efficient system of taxation will generate revenue which could be further used to stimulate economic growth. Similarly, he emphasized on just wage and rewarded for the workers to keep them motivated, productive and for more innovation.

**Kautilya on International Trade and Policies**
Kautilya had the ideology of increasing nation’s overall wealth and of his subjects. To achieve this goal, he proposed to establish good foreign relations which are mainly dependent upon unilateral, bilateral and multilateral trade. He gave preference to relationships with the Southern kingdoms in contrast to northern kingdoms as southern kingdoms possess more mineral wealth. According to him

“Possessing immense gold is better than a friend ruling over a vast population…for armies and other desired objects can be purchased with gold.”

He also laid importance and gains from having good foreign relations especially with those nations who possess the good technical knowledge, abundant in natural resources and consistent in other economic developments. He had a different viewpoint from the Mercantilists as he explicitly talked about imports and how it generates the increase in nation’s wealth. He explained that imports helped attain those goods and services such as natural resources, technological advancement or agricultural commodities which are not readily available in the domestic nation or if it is available than at higher cost. Thus, the domestic nation benefits from foreign resources due to imports at lower cost in contrast to domestic production. In contrary, Kautilya was of the view that exports are not that important in comparison to imports as he believed imports to be a major driver for enhancing kingdom’s wealth.

He further provided insight on the economic theory of comparative advantage and explained that due to international trade among the countries they would be a mutual benefit as both parties will produce those goods which they are best able with efficient resource allocation and lower costs. (Sen, 1967). Kautilya strongly proposed strict state regulation for trade for two major reasons firstly to restrict destabilization of the state monopolies and secondly not to promote potential adversarial kingdoms. He also advocated on price and profit controls and advised for justice and fair prices and profit distribution. This view is in accordance to the Aristotle, Ibn e Khaldun science of Humanism, and Christian Schoolmen doctrines regarding economic justice in commercial transactions. Moreover, Kautilya had imposed a high amount of taxation on the import of luxury foreign goods whereas for basic necessities import they were minimal excise taxation and duties (Choudhary, 1971).

Furthermore, Kautilya encouraged the idea of tariffs through excise duties as a mechanism for altering trade patterns. He explained the idea of imports and tariffs as follows:

“Import rates, intended for revenues rather than for trade limitation, generally ranked between 4 percent and 20 percent ad valorem.” (Brabanti and Spengler, 1963).

He also proposed that trade missions translated into the promotion of trade with other nations especially of bilateral trade agreements in products and discouraged the unilateral trade in which nation either export or import the good or service. He stressed the idea of bilateral trade agreements so as to raise tax revenues for the nations for both export and import duties. Moreover, he provided more clear insight into international trade in
his Book II of the Arthashastra, Chapter XVI. This chapter specified the duties of King’s Superintendent of the Commerce:

“…The superintendent shall show favor to those who import foreign merchandise: Mariners and merchants who import foreign merchandise shall be favored with the remission of the trade taxes, so that they may derive some profit. Foreigners importing merchandise shall be exempted from being sued for debts unless they are (local) associations and partners.” (Shamasastry, 1956).

It explains that Kautilya was highly in favor of trade on the principles of comparative advantage as it translates into mutual benefits for the nation and its realm and further leads to accumulation of wealth.

Conceptual Framework
After reviewing the historic Indo-Turk relations and then providing insight on economic and energy cooperation between the two countries, there is a representation of thoughts presented by two great philosophers of the time Ibn e Khaldun and Kautilya Chankya. Now, this paper presents an amalgamated version of thoughts and ideology by Ibn e Khaldun and Kautilya. Every nation aims to increased wealth and economic growth. Now, to achieve those objectives trade and sustainable development act as driving tools. Thus, two econometric regression equations are derived from attaining gains from trade and observing sustainability and energy dynamics.

If residents and working population are satisfied, merchants are having higher profits and overall economic wealth is increasing it translates into improved gains from bilateral trade (Khaldun, 1967). Similarly, strong administrative policies and the rule of law are required for the successful implication of trade policies (Choudhary, 1971). But, by observing the Ibn e Khaldun, it is an important ingredient for trade growth to practice the science of humanism that could be attained through justice and integrated economic growth (Khaldun, 1967). The following equation 1 shows the mathematical regression equation with dependent variable trade and independent variables as a combination of Ibn e Khaldun and Kautilya ideology. All the independent variables coefficients should be greater than zero to have a positive impact on growth.

\[ \text{Trade} = \alpha_0 + \alpha_1 \text{People Satisfaction} + \alpha_2 \text{Merchant Profits} + \alpha_3 \text{Overall Economy Wealth} + \alpha_4 \text{Rule of law} + \alpha_5 \text{Justice} + \alpha_6 \text{Administrative policies} + \alpha_7 \text{Integrated Economic growth} + \alpha_8 \text{Sustainability} + \epsilon \quad (1) \]

Now, as discussed earlier it is important component for fruitful gains from trade to have economic sustainability. According to Ibn e Khaldun ideology economic sustainability is the route for positive prospects of international trade (Khaldun, 1967). Moreover, to achieve sustainability there must be establishment of property rights, security of trade routes, and restricted governmental involvement in trade according to Kautilya economic viewpoint. Moreover, he emphasized on taxation to generate and accumulate nation’s wealth (Choudhary, 1971). Besides this, an effective monetary policy which maintains a balance between money supply and interest rates is also suggested for sustainable growth by Ibn e Khaldun. Moreover, he further emphasized specialization in production processes, attainment of human capital and sense of collective responsibility by Statesman and its realm can have positive impact on economic sustainability of the economies. The following equation 2 has economic sustainability as dependent variable and amalgamation of Ibn e Khaldun and Kautilya views as independent variables of mathematical regression.

\[ \text{Economic Sustainability} = \beta_0 + \beta_1 \text{Property Rights} + \beta_2 \text{Security of Trade Routes} + \beta_3 \text{Taxes} + \beta_4 \text{No governmental involvement in trade} + \beta_5 \text{Money supply} + \beta_6 \text{Interest Rates} + \beta_7 \text{Specialization} + \beta_8 \text{Education} + \beta_9 \text{Collective responsibility} + \epsilon \quad (2) \]

For energy cooperation between countries especially India and Turkey as it is important from historical and current relations to establish bilateral trade links and have positive economic sustainability. This relationship is
further expressed in equation 3 with trade and economic sustainability as independent variables and energy cooperation as dependent variable.

\[
\text{Energy Cooperation} = \eta_0 + \eta_1 \text{Trade} + \eta_2 \text{Economic Sustainability} + e \quad (3)
\]

Conclusion and Recommendations
The historic Indo-Turkic relations presents soil wisdom which entails better understanding and provides detailed insight of predetermined economic structure with regard to demographics, geopolitical, behavioral, sociological and psychological aspects of two nations. Moreover, historical insight clearly draws attention towards commonalities between the two regions and how it benefited both the societies in diverse aspects at different times. Besides this, interactionist approach is highly applicable in case of economic and energy cooperation between the two countries both physically and metaphysically. For instance, a review on famous classical, Keynesian or neoclassical economists sheds light on the western ideology and civilization. Therefore, to establish affirmative and long-lasting relations in both economic and energy dynamics, it is important to impart the ideology, economic structure and policy frameworks which are aligned with their respective soil wisdom. Thus, the conceptual economic perspective of Ibn e Khalidun and policy framework of Kautilya will translate into fruitful outcomes at both ends as it incorporates the science of material gain along with the essence of the science of humanism which has roots attached to both eastern and western soil wisdom. In order to conclude, strengthening internal state managerial strategies and establishment of external links in connection to peripheral alignments would enhance the cross-cultural liaisons of India and Turkey. The application of conceptual framework will act as germinating seed for the transnational concept in creation and expansion of existing and future sustainable integrated economic and energy prospects of India and Turkey. It is also recommended for future researchers to conduct and evaluate the effecti

References


Appendix

Table 1 India-Turkey Bilateral Trade (Figures in USD Million)

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<tr>
<th>Year</th>
<th>India’s Exports to Turkey</th>
<th>% Growth</th>
<th>India’s Imports to Turkey</th>
<th>% Growth</th>
<th>Total Trade</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>1,539.20</td>
<td>8.64</td>
<td>1,603.64</td>
<td>6.6</td>
<td>3,142.84</td>
<td>7.59</td>
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<tr>
<td>2010-2011</td>
<td>2,794.15</td>
<td>78.61</td>
<td>821.06</td>
<td>-48.8</td>
<td>3,570.21</td>
<td>13.6</td>
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<td>2011-2012</td>
<td>3,547.26</td>
<td>29.03</td>
<td>1,021.91</td>
<td>24.46</td>
<td>4,569.17</td>
<td>27.98</td>
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<td>2012-2013</td>
<td>3,963.66</td>
<td>11.74</td>
<td>2,034.18</td>
<td>99.06</td>
<td>5,997.84</td>
<td>31.27</td>
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<td>2013-2014</td>
<td>4,432.48</td>
<td>11.83</td>
<td>760.74</td>
<td>-62.60</td>
<td>5,193.22</td>
<td>-13.41</td>
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Source: Ministry of Commerce and Industry, Gol