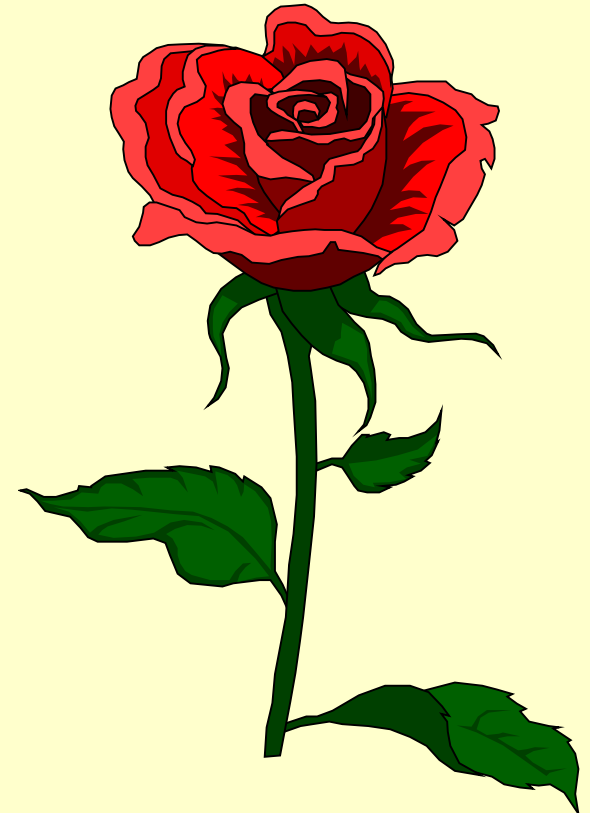


ECONOMIC DEMOCRACY

**Four requirements of
economic democracy**

- based on PROUT
(Progressive Utilization Theory)
- as propounded by P R Sarkar



Democracy

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graph TD; Democracy --> PoliticalDemocracy[Political Democracy]; PoliticalDemocracy --> PoliticalCentralization[Political Centralization]; PoliticalDemocracy --> Economy[Economy]; Economy --> Today[Today: Economic Centralization]; Economy --> Future[Future: Economic Decentralization];
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Political Democracy

Political
Centralization

Economy

**Today: Economic
Centralization**
**Future: Economic
Decentralization**

Political Centralization

- Divisive party politics.
- Malevolent dictatorships:
 - Political tyranny.
 - Rampant corruption.
 - Abuse of administrative power.
 - Rigging of votes.
 - Intimidation.
 - False promises.
 - Insecurity in society.

Economic Centralization

- Economic disparity.
- Inequality in purchasing capacity.
- Unemployment.
- Food shortages.
- Poverty.

Political
Centralization



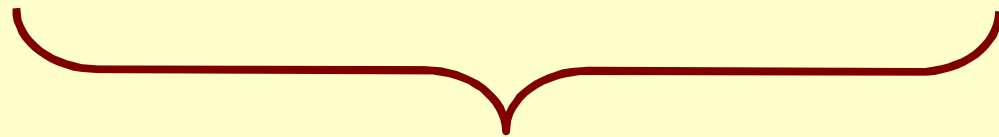
Granted
voting
rights

but ?????? →

Economic
Centralization



Snatched away
the right of
economic / social
equality



Not real democracy

Economic Democracy



Economic
Power



Local People

Political
Power

How best exercised



* Moralists /
ethics

* Non-party
basis

Requirements of Economic Democracy

1

Minimum requirements must be guaranteed to all.

2

Increasing purchasing capacity must be guaranteed to all.

3

Economic decisions by the local people.

4

Outsiders* must not interfere in the local economy.

*Those who have not identified their own socio-economic interests with the interests of the local area.

1

Minimum requirements must be guaranteed to all

Minimum
requirements



Absolutely necessary
for existence

Guarantee



- * A concept of social responsibility
- * A natural right

Minimum requirements

- Relative to a particular age.
- Today includes: food, clothing, housing, education and medical care (health).
- By continuous improvement extends to common amenities: transportation, energy supply, communication facilities, supply of irrigational waters (to farmers).
- Minimum requirements are an individual right and also a collective necessity.
- Importance: The easy availability of the minimum requirements will increase the all-round welfare of society.

What is a guarantee?

- Free supply of requirements to every individual? ✗
- Ensuring a per capita income? ✗
- **Providing purchasing capacity (ever increasing)? ✓**

Supplying requirements?

If society arranges food and builds a house for everyone to fulfill its responsibility to meet the minimum requirements of everyone, individual initiative becomes retarded. People will gradually become lethargic.

Per capita income?

Per capita income is a misleading, deceptive and defective measure popularized by capitalist economists to fool people and cover their exploitation.

It is not an index of people's economic standard.

Per capita income?

Per capita income:

- refers to a simple mathematical calculation of total national income divided by total population;
- does not give the correct picture of the standard of living of the people of a particular socio-economic unit, as the wealth disparity in society is concealed;
- shows the mean and not the variation of income distribution;
- if inflation is also considered, its reliability as a measure is further reduced.

Providing purchasing capacity

Society has to make arrangements so that people, in exchange for their labour according to their capacity, can earn the money they require to purchase the minimum requirements.

Social responsibilities

We are not only to recognize these minimum requirements, but also to guarantee the availability of the minimum requirements, which includes our social responsibility of supplying individuals with purchasing power.

Guarantee:

means a social responsibility

To recognize
the
minimum

requirements:

- Food
- Clothes
- Housing
- Education
- Medical treatment
- ...

To guarantee
their availability:

Production

Distribution

Producers' Co-Op Consumers' Co-Op

2

Increasing purchasing capacity must be guaranteed to all

Increase
purchasing
capacity

Guarantee –
a responsibility of
society, by:

Utilization

Maximum utilization of
mundane potentialities
(resources)

- production will be
ever increasing

Distribution

Rational distribution of
mundane potentialities
(resources)

Step 1

Step 2

Step 3

How to increase purchasing capacity? ?

- ❖ There must be easy availability of commodities (minimum requirements) according to collective needs.
- ❖ Stable prices – the price level should remain stable and continuous inflation should not occur.
- ❖ There should be progressive and periodic increases in wages and salaries.
- ❖ Increasing collective wealth must be ensured.

What is maximum utilization ?

- Production is ever increasing with creation of new industries, new products and new production techniques incorporating the latest scientific discoveries.
- To achieve maximum utilization:
 - No drainage of capital where it is needed and no misutilization of capital by wastage.
 - If a significant part of the production of a socio-economic unit is misutilized, or capital is sent outside, the socio-economic unit cannot increase its prosperity.

What is maximum utilization ?

- Local potentialities to be harnessed - consider:
 - geographical resources of the area, including:
 - capacity of rivers, lakes and canals;
 - location of hills and mountains;
 - location and amount of mineral, forest and aquatic resources;
 - agrarian potential:
 - agricultural resources and related industrial resources;
 - possibilities for agrico-industries (pre-harvesting industries) & agro-industries (post-harvesting industries);
 - distribution of land for collective needs;
 - communications;
 - demography, including:
 - labour skills;
 - health and psychology of the people.

Examples of maximum utilization (agriculture)

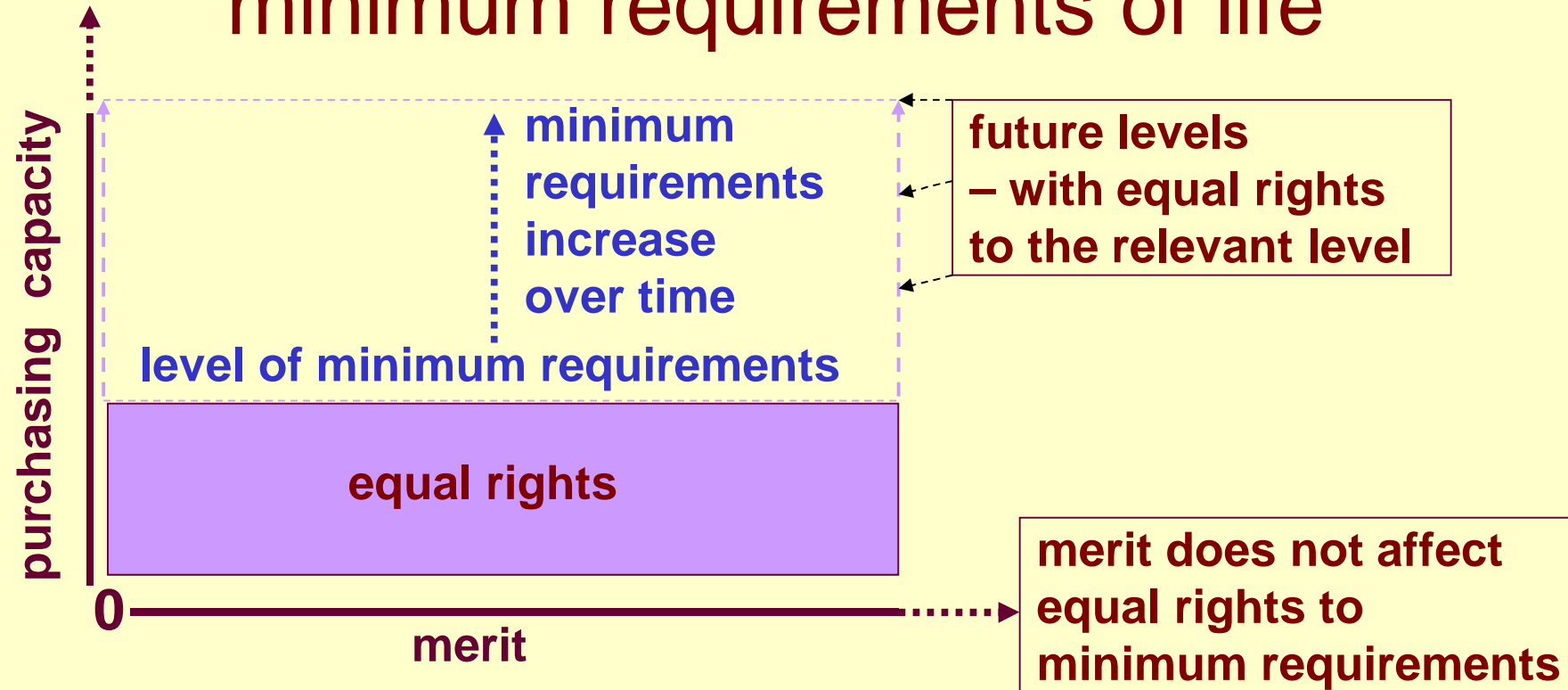
- Three systems of cropping to ensure maximum utilization of land:
 - mixed cropping;
 - supplementary cropping;
 - crop rotation.
- Well integrated system of crop blending for full use of space and thus maximum utilization of land:
 - space below the surface;
 - space on the surface;
 - space above the surface.
e.g. permaculture techniques.

Examples of maximum utilization (agriculture)

- System of planting on boundary areas of land for plants and trees, such as:
 - around farms, fields and orchards;
 - beside roads:
 - edges of schools, homes, etc;
 - spaces around buildings.
- Any convenient space used:
 - to grow fill-up and fill-gap plants;
 - e.g. for filler plants between fruit trees and palm trees.
- Fertilizers, **but** must be for maintaining vitality of the land, without depletion effects.

Rational Distribution - step 1

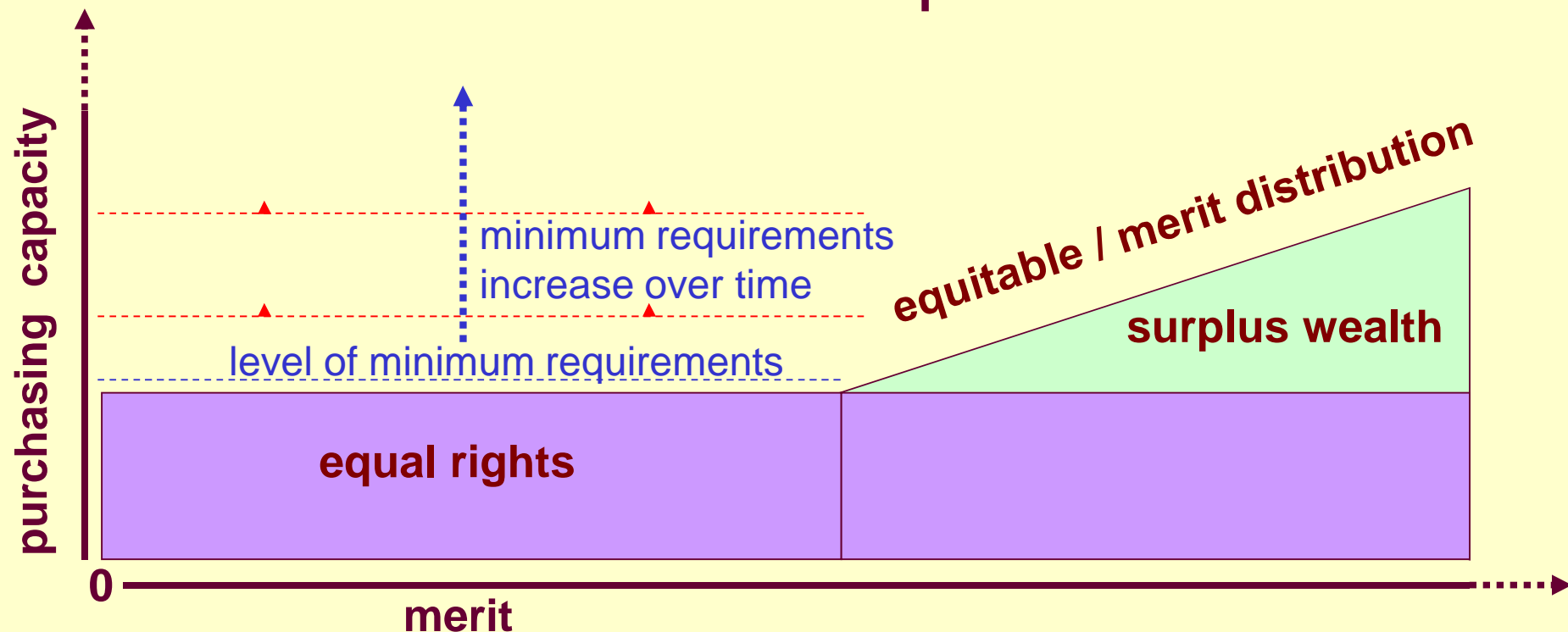
Equal rights for all to the minimum requirements of life



Every individual must have equal rights in respect of those things that are necessary for existence (food, clothing, housing, education and medical care).

Rational Distribution - step 2

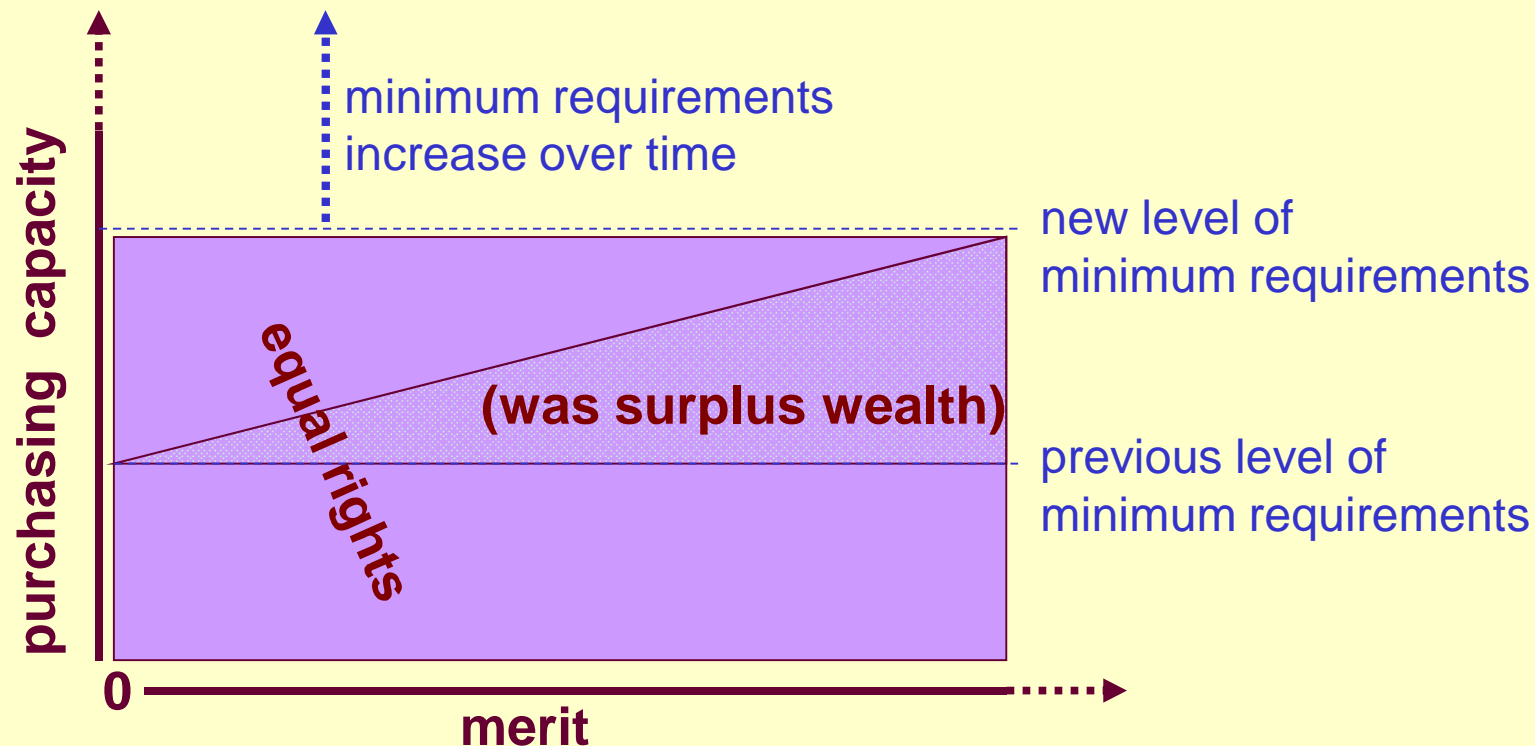
Distribution of surplus wealth



The surplus wealth, after meeting the minimum necessities of the age, should be distributed among meritorious people (talented, specially qualified, skilled or trained), who render service to others in society, according to their merit.

Rational Distribution - step 3a

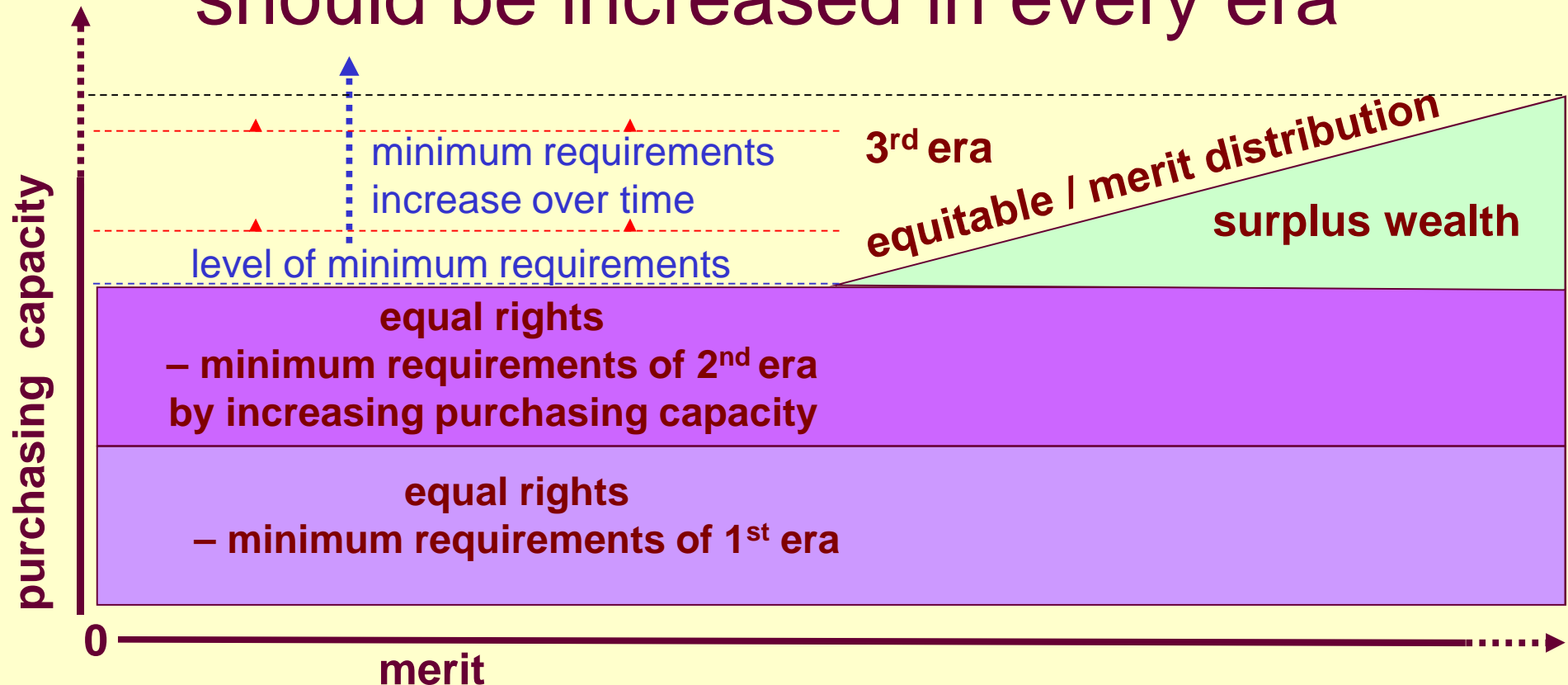
Increase the minimum requirements of all



The distribution of surplus wealth should not go against the common interest, and as the purchasing capacity of the people increases, their minimum requirements should also increase.

Rational Distribution - step 3b

The level of minimum requirements should be increased in every era

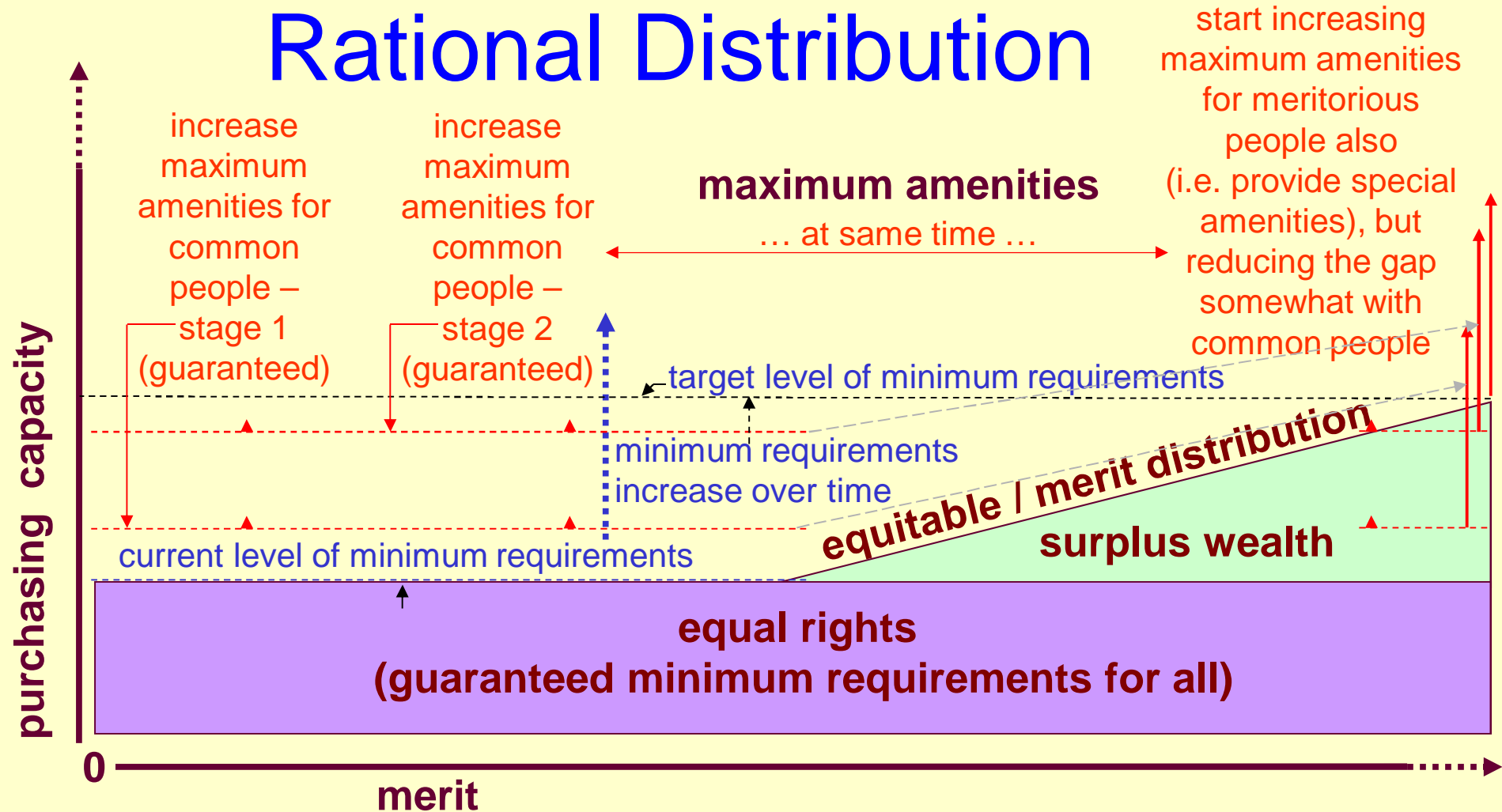


The quantum of the minimum requirements should be progressively increased so that the basic standard of living of all people is always increasing.

Rational Distribution – appendix: maximum common amenities

- If the common people and the meritorious people are treated as the same, the capable people will not be encouraged to develop their higher potentiality and contribute this to society. All people should have their minimum necessities, and in addition the common amenities that are available at the time.
- Also, meritorious people have special amenities, as well as common amenities, to enable them to render greater service to society. Overall their maximum amenities are more (common plus special). But the provision of these maximum amenities should not go against the common interest.
- Accordingly, common amenities for the common people should go on increasing over and above their minimum necessities, as per environmental conditions of the time. What were once special amenities now become common amenities increasing the maximum amenities of the common people.
- While there remains a gap between the maximum amenities of the common people and the maximum amenities of the meritorious people (because they also have added special amenities), there should be constant efforts to reduce this gap.
- What constitutes minimum requirements and maximum amenities (common and special) should be ever expanding.

Rational Distribution



Minimum requirements are guaranteed and are to be increased over time. In the process of increasing minimum requirements, maximum amenities should also be guaranteed to the common people (by making special amenities become common amenities).

Summary of Rational Distribution

1. Everyone must be guaranteed the minimum requirements of life.
2. Make additional common amenities available to all people (above minimum necessities).
3. Special amenities should be provided so that people's diversity in skill and intelligence is fully utilized, and talent is encouraged to contribute its best towards human development.
4. Maximum amenities (common plus special) should be provided to specially qualified, talented, trained or other meritorious persons to enable them to render greater service to society according to the social value of their production.
5. But, go on increasing the common amenities of common people as well, by making special amenities become common amenities, thereby increasing the maximum amenities of common people.
6. And at same time increase the special amenities of meritorious people somewhat (however, reduce the gap a bit between common and special amenities).

Summary of Rational Distribution

The provision of these maximum amenities should not go against the common interest.

If the maximum amenities for talented people becomes too high, then the minimum requirements of the common people should be immediately increased.

To bridge the gap between the meritorious/talented people and the common people, it is necessary to increase the minimum requirements of all.

As the income of people increases, this enables the minimum requirements to also be increased.

Summary of Rational Distribution (cont.)

Thus, it is necessary to increase and guarantee the maximum amenities available to the common people over and above their minimum requirements.

There will still be a gap between the maximum amenities of the common people and the maximum amenities of the especially qualified meritorious people, but there should be constant efforts to reduce this gap.

What constitutes both the minimum requirements and the maximum amenities should be ever increasing – fixed and refixed – to elevate the standard of living.

PROUT's approach ...

- Prout's approach is to:
 - guarantee the minimum requirements for all;
 - guarantee maximum common amenities for all (both at the level of common people and level of meritorious people, reducing the gap between them);
 - guarantee special amenities for people with special capabilities based on merit.

3

Economic decisions by the local people

local people → make → **economic decisions**

↓

Local people are those who have merged their individual socio-economic interests with the socio-economic interests of the **socio-economic unit** they live in.

↓

Plans and programs for the **socio-economic unit**, e.g. to produce commodities on the basis of collective necessity; and to distribute agricultural and industrial commodities (goods and services).

Socio-economic units

- People form socio-economic units to ensure the welfare of all.
- A universal outlook is arising in the minds of human beings.
- Gradually humanity is advancing towards an age of rationality and common interest.
- In accordance with this trend, PROUT advocates the formation of self-sufficient socio-economic units throughout the world.
- Socio-economic units work to enhance the all-round welfare of the people in their respective areas and to unite humanity.
- The interests of all local people are guaranteed so that they can gain proper recognition.
- As each socio-economic unit becomes strong and prosperous it will merge with other socio-economic units.

Socio-economic units

Basis of formation includes:

- Common economic problems.
- Uniform economic potentialities and resources.
- Ethnic similarities.
- The sentimental legacy of the people which arises out of common socio-cultural ties like language, literature, historical traditions, common usages, cultural expressions etc.
- Common geographical features.

Common economic problems

- Ascertaining whether or not a similar set of economic problems exists in an area is the first thing which should be clearly analysed when forming a socio-economic unit.
- 'Same economic problems' refers to the common economic problems confronting people in a particular unit.
- These may include the lack of markets for locally produced goods, surplus or deficit labour problems, communication or transportation difficulties, and lack of irrigation water.
- The economic problems of the socio-economic unit, and their solutions, should be well understood.

Uniform economic potentialities and resources

- Despite natural variations from place to place, overall the people throughout a unit should enjoy similar opportunities for economic prosperity.
- There should be uniform economic development in all regions of a socio-economic unit.
- Disparity between the haves and the have-nots and the rich and the poor will have to be progressively reduced so that the collective wealth will increase and society will become bountiful.

Ethnic similarities

- In the past many races and sub-races have been suppressed and exploited by powerful or dominant races. Racism has been propagated by those with evil designs in order to divide society and establish their own pre-eminence.
- Society must guard against such narrow and dangerous sentiments. This can be done only if every ethnic group has adequate scope for its expression and development.
- The multi-coloured garland of humanity will be enriched to the extent diverse human groups blend together from a position of strength and independence out of a genuine love for each other, and are not forced together through fear or compulsion.

Sentimental legacy

- Sentimental legacy includes factors such as:
 - language,
 - historical traditions,
 - literature,
 - common usages,
 - cultural expressions.
- Sentimental legacy is the common chord in the collective psychology of a particular group of people which gives them their unique identity and sense of affinity.
- If a person's sentiment towards some thing is adjusted with the collective sentiment then that sentiment can be utilized for establishing unity in human society.
- Those sentiments which are conducive to human unity should be encouraged, and the sentiments which divide and disunite human society should be rejected.

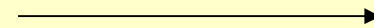
Common geographical features

- Similar geographical features should be considered in the formation of a socio-economic unit. Such as:
 - topography,
 - river systems,
 - rainfall,
 - irrigation water.
- Based on the maxim, "Know the area, prepare the plan and serve the people."

Socio-economic units & civilizations

Socio-economic units can also be described as different civilizations which have the potentiality to become economically self-sufficient.

- 'samaj' = socio-economic movement ...



India



Civilizations

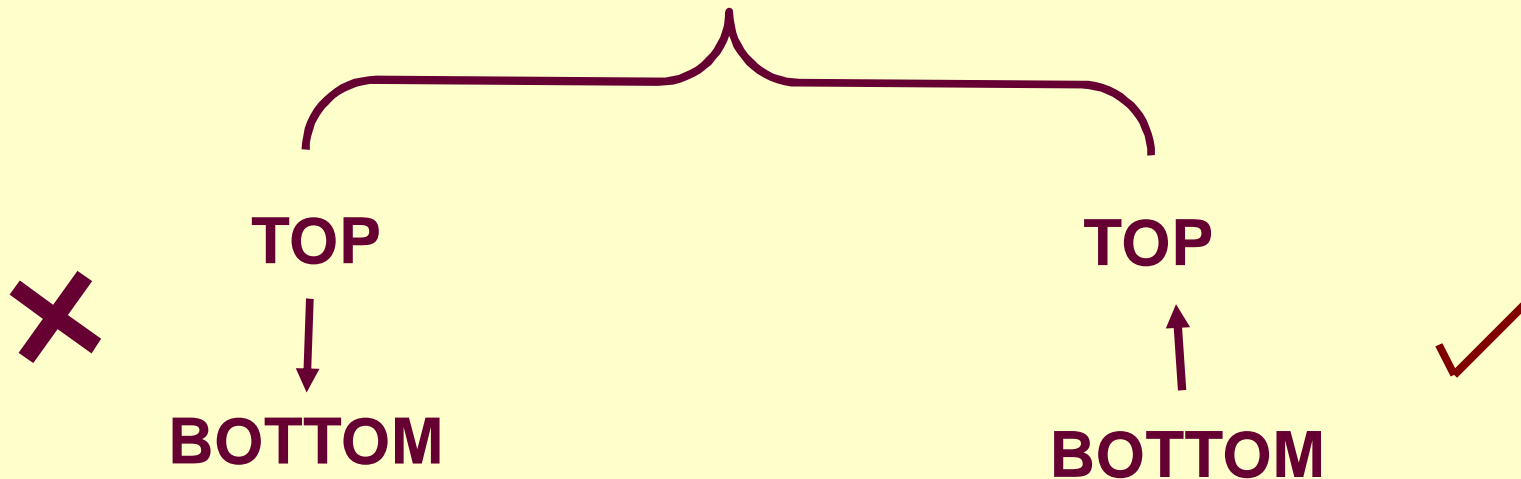
Garwali
Kumayuni
Bagheli
Bundeli
Avadhi
Bhojpuri
Magahi
Maethili
Angika
Bangali

Socio-economic units

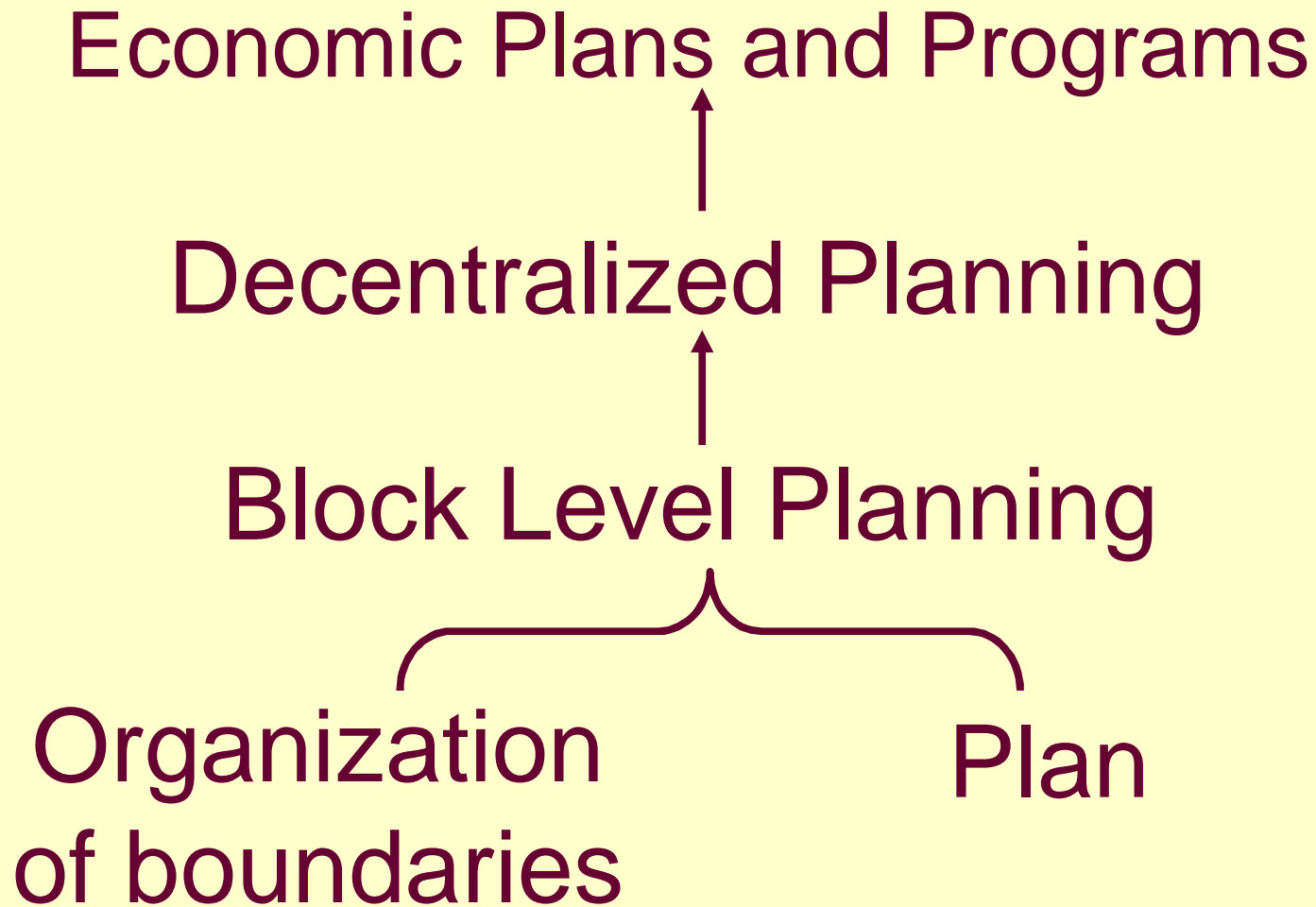
Garwali Samaj
Kumayuni Samaj
Bagheli Khand Samaj
Bundeli Khand Samaj
Avadhi Samaj
Bhojpuri Samaj
Magahi Samaj
Maethili Samaj
Angika Samaj
Amra Bangali

Bottom up planning

Direction



Economic decisions



Organization of boundaries

Factors:

- Topography.
 - physical features of the area, including river valleys.
- Nature of the soil.
- Variations of climatic conditions.
- Types of flora and fauna.
- Socio-economic requirements & problems of the people.
- Physico-psychic aspirations of the people.

But it is a **mistake** to demarcate boundaries on the basis of linguistic considerations alone or political considerations.

Plans



**Intra Block
Planning**

**Inter Block
Planning**

**Block level bodies
will be
constitutionally
recognized.**

Benefits of block level planning

- All the major and minor problems will be solved as the area is small enough for the planners to understand.
- Local leadership can come forward to solve all the problems according to their own priorities.
- Planning will be more practical and effective.
- Quick and positive results.
- Local socio-cultural bodies can play an active role in mobilizing human and material resources.
- Unemployment problems will be easily solved.
- Purchasing capacity of people will be enhanced.
- Base for a **balanced economy** will be established.

Balanced economy

Dependence of people

Proper adjustment among agriculture, industry and commerce, e.g. within percentages:

- Agriculture (anything from the land): 30 to 40%
- Agro-industries (processing): about 20%
- Agrico-industries (processing): about 20%
- Non-agriculture: 20 to 30%
- General trade and commerce: 10%
- Intellectual and white collar: 10%

Balanced growth

- Balanced growth will ensure congenial conditions for all the people of the society.
- Balanced growth will provide full security to each and every person of the society since all their basic needs will be met.
- This will help maintain equipoise in the physical level.

Equipoise in physical level

Need to consider:

- Physical demand of the present and physical demand of the foreseeable future.
- Physical supply of the present and physical supply of the foreseeable era.
- Maximum utilization of land.
- Socio-economic development should occur according to the Five Fundamental Principles of PROUT.

Five Fundamental Principles of PROUT

- Ceiling on accumulation of physical wealth determined by collective body of society.
- Maximum utilization and rational distribution of all potentialities of the universe (mundane, supramundane and spiritual).
- Maximum utilization of all individual and collective potentialities of society (physical, metaphysical and spiritual).
- Proper adjustment among all these utilizations.
- Method of utilization to vary with changes in time, space and person and be of progressive nature.

Outsiders must not interfere in the local economy

Outsiders (non-local)

- Have not identified their own socio-economic interests with the interests of the local area.
- Own assets in a socio-economic unit but transfer their income outside the socio-economic unit.
- Earn their livelihood in a particular socio-economic unit but spend most of their earnings in another socio-economic unit.

Local economy

- Capitalists in either singular or collective forms are the most pernicious economic exploiters today.
- All over the world they are exploiting local economies.

What is 'local economy'

- Depends on extent of economic life of an area.
- How far transformations in production and distribution extend.
- Particular expertise and knowledge of the people in production and distribution.
- Self-confidence of people in the area.

- Could be shire/municipal, regional/provincial, state, national.
- Not rigidly fixed, but flexible according to changes over time.
- Mergers of socio-economic units/zones will make local economy more extensive.

Economic independence

- In nearly all countries of the world economically privileged or advanced groups are mercilessly exploiting other economically backward groups and sucking their vitality, gagging their voice and closing all the doors of their future progress.
- To overcome this tyranny and exploitation, movements will have to be launched for those suppressed people so that they can attain economic independence.

Movement to root out exploitation

Can apply any of the following points:

- 100% employment for local people.
- Maximum industrial development in the local area.
- Avoid importing outside processed/finished products (requires diversifying production internally by cross-sharing of technology and know-how around the world).
- Local languages as the medium of instruction in education, and English as the current world language.
- Local languages as the primary means of communication, but encourage all languages.
- Local socio-economic demands to be met and implemented.

Apply best strategy as per local conditions.

Economic democracy

- Is the fight for the oppressed and suppressed people of the globe.
- Applied side of Prout is based on:
 - Humanistic patriotism and not geo-political patriotism.
 - Neo-humanism (welfare of human beings, animals and plants, animate and inanimate world).
 - Universal outlook and spirit, but regional approach.

Factors for merger

- Socio-economic units may merge together because of:
 - Diminishing economic disparity amongst units.
 - Development of science and communications.
 - Administrative efficiency.
 - Socio-cultural mixing (sharing/merging of languages, literatures, traditions, customs, cultural expressions, etc).
- The size of socio-economic units is ever expanding, so smaller units will merge together to form bigger ones.

Socio-economic parity

Where conditions for merger occur two or more units will have attained a high degree of socio-economic parity, so it will be easy and natural for them to co-operate together in a coordinated way.

Final Note:

Permanent protection from exploitation

- PROUT: to guarantee minimum requirements and maximum amenities (common and special).
- Neo-humanistic outlook: to remove social and other disparities, and establish social equality.
- An integrated ideology with empirical spiritual base:
 - for spiritual philosophy and practices;
 - to prevent fissiparous tendencies and group or geo-political sentiments which create shackles of narrow-mindedness.

Spirituality does not recognize any unnatural distinctions between human beings, as it stands for evolution and elevation and not for superstition or pessimism.