

PROUT

NEO - HUMANISTIC
ECONOMICS

Dr.
Shambhushivananda

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About the Book :

PROUT—The Neo-Humanistic Economics is a path-breaker. It opens a new chapter in the field of social sciences. The Progressive Utilisation Theory is introduced with a conceptual rigour as well as concern for the problems of today. The book breaks the centuries-old dichotomy between economics and humane values of life. This book contains a new perspective on a new paradigm—economics of a global society—and a fervent call for radical social, political and economic changes.

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Dr. Shambhushivananda

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Dedicated to P.R. Sarkar, whose love, like a crimson dawn, is removing the agonies of cimmerian nights.

“For every noble deed, I always extend my support. In your attempt for the economic emancipation of humanity, my full support is there.”

Shri P. R. Sarkar
Propounder of PROUT

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FOREWORD

Today's dreams tend to become tomorrow's reality. Visionaries alone fail to create an impact on the society. Activists as well get stuck in the quagmire of worldly problems. The real challenge of life is how to become like a lotus which struggles in the mud but blossoms with a sublime smile, or like the lilies that maintain their mystic link with the moon while facing the vicissitudes of the night winds. Spiritual teachers of India have represented this spirit for centuries. Again and again, they bring us the eternal message of the inner spirit in ever new ways.

Visions are like maps that guide us through the labyrinth of bewildering complexities. Visions set the agenda for thought and action. Social visions or philosophies differ from one another in their basic conceptions about the nature of humanity. The *East* has traditionally given primacy to the spiritual essence while the *West* has demonstrated the miraculous power of channeling the potentialities of the expressed world. An ideal vision would be one which pursues individual emancipation while effecting changes in the external world. We must seek the ultimate—but in such a way that one person does not exploit another; where differences of language, religion or culture are not subdued by the commonality of interests; where the very nature of society upholds truth and justice; and where human beings get the inspiration to serve all with full zeal, merit and effort.

While attempts to establish progressive values in capitalistic and socialistic system are struggling ahead, this short treatise from a highly educated Acharya offers a radical departure from the established modes of thinking. The idealistic drive to establish a just society is not a rosy path nor should it be considered a lost cause. A discussion of the various visions for our society presents a healthy endeavour to sort out ideological differences and indicate an effective path of socio-economic development. In this respect, Dr. Shambhusivananda offers lucid exposition of a novel idea.

25-12-1988
West Germany.

Dr. Richard Gauthier
Director
Renaissance Universal Institute

PREFACE

This book is a treatise on psycho-economics. This perspective is propounded by Shri Prabhat Rainjan Sarkar in the form of PROUT, an acronym for Progressive Utilization Theory. His unparalleled creativity and genius has enriched the literature of many diverse disciplines including poetry, philology, psychology, economics, political science, and above all, intuitional science. The need for a humane socio-economic system is being felt by people of all walks of life and different shades of opinions. PROUT now articulates the latent aspirations of humanity and thereby quenches the thirst for an ideology which is magnanimous, pragmatic and progressively adaptive.

This book is an attempt to focus the attention of the public towards a solution to two key problems facing humanity.

Problem 1: The deteriorating socio-economic standard of people in almost every country of the world ;

Problem 2 : An acute psychological stress on all members of the eco-system.

The dual problem of "economic" and "psychological" strain is indeed intricately intertwined. The rich suffer from psychological tension as much as the mute poor suffer from economic misery. Whether the cause is shortage of physical and psychic pabula or objectivities ; or stagnancy in the psychic and physical strata ; or over-indulgence, the net result is the same—economic and psychic devastation.

Our globe is being dragged into a whirlpool of fear, helplessness, despair, cynicism and negativity while many are having a nice time. Can we escape the struggle for mere survival ? Are we doomed to perish under the curse of nature's furies or is there still hope to create a heavenly kingdom on this dusty earth ? What can we do within our lifetimes ? On one hand, the spectre of a worldwide economic depression following the stock market crash on October 19, 1987 is still haunting the capitalist world and on the other hand, the

frustration and agony of a stagnant economy is plaguing the entire communist world. Mr. Gorbachev in his historic speech to the Party Conference in Moscow on June 28, 1988 admitted this fact in the following words,

“Our existing political and economic system proves incapable of protecting us from the growth of stagnation phenomena in economic and social life...”

(Translation rendered by TASS)

Asking the right question is indeed solving half the puzzle.

The key question today is, “What is the way out for the economic emancipation of humanity?”

This book attempts to answer this question in three parts. The first section introduces the theory of social system dynamics and gives a constructive critique of the established psychology of self-interest. The second section describes a new paradigm of decentralised economies that is built on the synthetic foundation of “Individual Liberty and Collective Interest”. The laws of social dynamics and axioms of the Progressive Utilisation Theory provide the theoretical underpinning of this new paradigm. Finally, the third section discusses the planning and building of sustainable balanced economies.

It is the intention of this book to present the broad blueprint of a new socio-economic order. If this book can inspire humanity to brighten the windowless, dark homes of the poorest of the poor, raise social consciousness to save the creatures of our dying planet and communicate an idea which can unite us all in sublime love, I will consider my effort amply rewarded.

1.1.1989
West Germany.

Dr. Shambhushivananda

NEED FOR A NEW PARADIGM

INTRODUCTION

As a postgraduate student of applied economics, I was trained to admire the rigorous models of econometrics. This represented the intellectual challenge of the elite and cultivated the humility necessary to approach the multidimensional reality of world economy. All serious students of social sciences know very well that no simplistic models can explain the multifarious phenomena of social and economic life of all the diverse societies of this planet. Yet it is sometimes forgotten that the aim of theorising and conceptualisation is not to make life appear more complicated than it really is, but to bring within the realm of human understanding the causal relationships which are essential for building a progressive society. The notion of "progress" itself gathers a new meaning with the evolution of human mind and the collective psychology.

One cannot deny that since the primitive times of animal hunters and food gatherers, we have come a long way in achieving a tremendous industrial and economic growth. Yet we have failed to sustain a high level of social and economic progress for all people in all countries. The industrial and economic growth that we have achieved in the past few centuries has been accompanied by nasty evils. A quick survey of the globe shows that disparities of wealth have widened; net purchasing power has declined; unemployment persists in most countries; urban decay poses a serious problem; debt traps spread to more and more countries; flora and fauna face extinction; deserts keep expanding; exchange rates become more volatile; slums increase; starvation, malnutrition and undernutrition make life a misery for millions; bankruptcies and bank failures haunt us; huge government bureaucracies bother us; and shortages in essential goods are common in dozens of countries. The present

scenario of the world is pitiful, dangerous and catastrophic. Poverty abounds in the midst of plenty. Insecurity prevails among all—rich and poor. We are sitting on the brink of a global disaster.

It is my contention that the myth of world prosperity is about to be shattered very soon. The so-called experts posing as well-wishers of humanity have defended the unjust and exploitative economic systems for long enough. The concern for world prosperity is not only the prerogative of the few “elite” but now concerns all—me, you, and the world. The reversal of trends will not come by mere lip service to an ecologically and culturally sustainable development approach. It will only occur through fundamental restructuring of the world economy based on humanistic and ecological concern; a wholesale reordering of priorities at every level of the society and a determined group of social activists to make it all happen. The guidelines for this total transformation approach are described in this book.

When the fire of revolutionary ideas gets the support of the awakened masses, profound changes take place in the structure of society and its institutions. It has happened in the past on several occasions. Today again we have reached such a critical juncture. The worn-out skeleton of the past is on one side, and the bright crimson dawn of the future is on the other side; and we must choose. Only a superficial change in the power structure will not do. We need a total overhaul of the social systems and economic, political, religious and educational institutions. This restructuring is what this book is all about. Before I begin to spell out the principles for this restructuring, let us again take a look at the scope of the social and economic injustice which pervades the entire earth. Hopefully, this will bring home to us the need for immediate action.

Progress : A New Meaning

Hitherto, the concept of progress has been associated with economic growth as symbolised by mass production and the availability of the latest inventions and gadgets of the electronic and atomic age. Even today, the man on the street values these

things as symbols of economic prosperity and progress. A little reflection, however, will reveal that the mania of economic growth has only brought us greater pollution, disparities and other imbalances. Suffice it to say, economic progress should mean enhancing the purchasing power of the people, increasing the availability of needed goods and services, and providing a conducive atmosphere for the growth and development of every living entity. This notion of progress is the measuring stick of psycho-economy which breaks the artificial barriers between matter and mind, between objective and subjective, and between economic science and psychology. Any notion of progress which ignores the spontaneous unbarred expression of all creatures is bound to fall short of quenching the limitless human thirst. Human existence is trifarious : physical, psychic and spiritual. There is movement in all three spheres, but movement alone does not comprise progress. The essential factor of progress is benevolence, not happiness. If the movement leads us away from this it is retardation and not progress. Deeper reflection will prove that the physical and intellectual realms alone cannot provide the everlasting source of inspiration for forward movement. The spiritually transcendental cosmic realm is the final repository of infinite stamina for progress; for movement from crude to subtle; from negativity to positivity; from imperfection to perfection. Any social and economic theory which loses sight of the primordial necessity to transform physico-psychic pabula into spiritual consciousness is, therefore, bound to lead to retardation. This notion of progress gives a new role to economic science, which I shall elaborate later.

ALARMING TRENDS

Without getting caught up in the web of mysterious relations and interrelations among the features of "free" markets and "closed" societies, we can easily recognise some alarming trends in the world economy. Even by the traditional standards of economic progress, the world economy has been in the doldrums for a long time. Some of the aspects which are a cause of concern today are:

1. High Levels of Wealth Concentration :

Wealth distribution is skewed not only among different countries but even within nation-states. The inferiority complex and fear psychology created by these uneven distributions has silenced the voices of those who question the justification of wealth inequalities. Wealth inequalities are the root cause of economic maladies around the globe. The intellectual extravaganza of theories such as tricklism, free-play of market forces, and scores of pseudo-theories and hypocritical psychologies are ingenious devices to mask ugly realities and maintain the status quo. No social and economic order can prosper without freeing itself of the blockages of capital that serve the interest and whims of the few. Recently, Dr. Batra in *The Great Depression of 1990*, has eloquently focussed world attention towards this malady.

Table 1. U.S. Wealth Concentration (percentage of wealth held by 1 percent of U.S. adults or families).

1810	21.0	1938	26.0	1962	27.4
1860	24.0	1939	30.6	1963	31.6
1870	27.0	1945	23.3	1965	29.2
1900	26.0-31.0	1949	20.8	1969	24.9
1922	31.6	1953	27.5	1983	34.3
1929	36.3	1956	26.0	1985	36.0
1933	28.3				

Source: Ravi Batra, *Surviving the Great Depression of 1990*, Simon and Schuster, 1988, p. 233.

The situation is similar for scores of other countries even though exact data are not widely published.

2. High Levels of Unemployment and Underemployment :

The percentage of people who are unemployed range between 4% and 50%. In some countries, the figures are stagger-

ing, and in most countries, the labour force is underemployed as well as unhappily employed. In addition, there is widespread alienation. Labour disputes are common and productivity and efficiency are far from satisfactory. Despite the fact that the worlds' needs are grossly unfulfilled, full employment is a far cry away. If the motivating factor was service instead of profit, the employment problem could become a thing of the past.

Table 2: Unemployment

Spain	20,4%	Netherlands	14.1%
France	10.5%	Italy	16.4%
Belgium	11.5%	U.K.	10.2%
Australia	8.2%	U.S.A.	6.0%

The situation is much worse in developing countries.

3. Inflationary Fever :

Some countries show price rises in the order of 30% to 600%, bringing about a substantial fall in the purchasing power and a decrease in the standard of living of the common people. Huge budget deficits under the frenzied spell of unrestrained borrowing habits have only worsened the situation. Further, the irresponsible printing of monetary notes has further devalued currencies and brought untold miseries to the people. A high percentage of society's resources and wealth are still being allocated to a military buildup, which only compounds the malady. Flora and fauna, women, children and youth have become the worst victims of the skewed resource utilization. Global military expenditures have now reached \$ 900 billion per year. Profound misallocation of capital into unproductive ventures such as this is mind-shattering indeed.

Table 3: Inflation in 1987

Argentina	120%	Norway	8.0%
Australia	7.1%	Pakistan	6.0%
Brazil	325%	Poland	60%
Canada	4.5%	Portugal	7.5%
China	4.5%	South Africa	16.5%
Finland	5.0%	Spain	6.5%
Greece	15.5%	Sweden	6.2%
Hong Kong	5.0%	Switzerland	1.5%
Hungary	20-50%	Turkey	38%
India	10%	U.S.A.	5.6%
Italy	49%	Venezuela	30%
New Zealand	3.5%	Yugoslavia	95-200%
Mexico	145%	Zimbabwe	11%

Source: The World in 1988, Economist, Special Survey

The external debt of the Third World now totals roughly \$ 1 trillion and is growing at \$ 60 billion a year. Interest payments of some \$ 80 billion per year have reversed the traditional net flow of capital from the industrial to the developing countries, leading to a net capital transfer from poor countries to rich of nearly \$ 30 billion annually. All prescriptions seem to have failed to solve this unmanageable problem. Canada cancelled \$ 581 million debt owed to it by African countries. This is a step in the right direction but only a rare exception.

4. Resource Drainage :

The best natural and human resources are continuously being drained away to fit the model of theory of factor endowments and comparative advantage. Countries rich in natural re-

sources remain poor due to an inability to overcome the temptation of immediate reward from exporting rich resources at depressed prices. Colonialism has given way to neo-colonialism, whose approach is more subtle and cunning.

Table 4: U.S. Public Debt, G.N.P. (\$ billion)

	Public Debt	G.N.P.	Debt % of G.N.P.
1970	284.9	990.2	29%
1980	715.1	2670.6	27%
1981	794.4	2986.4	27%
1982	929.4	2986.4	31%
1983	1141.8	3327.9	34%
1984	1312.6	3686.8	36%
1985	1509.9	3937.2	38%
1986	1746.1	4103.3	42%

Source: Economic Report of the President, 1987.

Table 5: Federal Debt to G.N.P. Ratio

Italy	107%	Germany	43%
England	53%	U.S.A.	42%
France	38%		

5. Pseudo-Culture :

Alcoholism, drug use, pornography, indiscriminate destruction of flora and fauna, addiction to smoking and over-consumption are just some of the vulgar and degenerating expressions of the pseudo-culture of the present century. Even more serious than these is psychological suppression through imposition of foreign languages at the cost of the indigenous lingua franca. Psycho-economic exploitation lies at the root of all forms of economic exploitation. The phenomenon of pseudo-culture is closely tied to the socio-economic motivation of the political economies.

6. Environmental Degradation :

A sustainable society is one that satisfies its needs without diminishing the prospects of future generations. Although forest stocks and soil reserves do not appear in national economic accounts, economies depend on them. Even the most advanced society depends on the photosynthesis that occurs in its forests, grasslands and croplands. However, analysis of individual sectors of the global economy reveals unsustainable patterns. The Peruvian anchovy fishery catch rose from 4 million tons to 13 million tons in 1970. Such growth mania and misdirected demand can destroy an ecosystem. This is only one example of hundreds all over the world.

In 1987, fossil fuel combustion emitted some 5.4 billion tons of carbon into the atmosphere, while deforestation released in the order of 1 billion to 2.6 billion tons.

Environmental effects of economic activities spread far beyond national boundaries. Governments assume responsibility for supplying energy at home, but not for the acid rain that destroys forests in nearby countries or for the CO₂ build-up that results in the warming of the earth's atmosphere. Deforestation in Nepal and India aggravates flooding in Bangladesh. The manufacture of chlorofluorocarbons in Japan can increase skin cancer in Argentina. The list of such connections is endless. The link between cause and effect has been confused by the nature of today's international political systems. Unless this can be remedied by adopting a new strategy that integrates local action with global responsibility, the habitability of the planet is seriously endangered.

In the Netherlands, a single 4-kilometer water barrier completed in 1986 to provide extra protection against storm surges cost \$ 3.2 billion. Bangladesh, unlike the Netherlands, cannot afford a series of costly dikes. Consequently, Bangladesh has paid a heavy toll in human lives. In 1970, some 300,000 people were killed in a single cyclone; 1.3 million people were affected by a storm surge in 1985 and 500,000 people were affected by floods in 1988. 60% of Netherlands is below sea level, and 6% of the Dutch GNP is spent on maintaining a complex set of dikes, sea walls, and other structures to protect them from the sea.

In Israel 65% of all residences have solar water heaters now. Japan has 4 million solar water heaters in use. These countries are, however, only exceptions.

South Korea is the only developing country that has successfully reversed the trend towards deforestation. However, this is only because it had already lost all its trees during the Japanese occupation period before World War II, and has only one way to go now.

Brazil ranks fourth in carbon dioxide emissions, not because it is a heavy user of fossil fuels (rather, renewable energy sources accounts for 60% of Brazil's total energy use), but because it is destroying its vast Amazon rainforests to make way for cattle ranching and crop production. Clearing the Amazon rainforest will adversely affect rainfall and temperatures in the important agricultural regions to the south.

The Northern Adriatic Sea has become a dead sea of chemical pollution. Poland and East Germany have closed several Baltic Sea beaches: bathers had caught typhoid fever and dysentery. London's sewerage system overflowed in 1987 causing the death in the Thames estuary of some 1 million fish. Sylt was the first place in West Germany where seals died in a recent epidemic that killed about 7000 of them, or half the North Sea's seal population. About 400,000 tons of oil seeps into the North Sea each year from off-shore oil rigs, ships washing out their tanks at sea, and from other sources. Some 70% of the cities along the Mediterranean pump unprocessed sewage into the sea. Britain dumps and pumps 5 million tons of sewage sludge into the sea each year. The Rhine, Elbe, and Weser rivers carry more than 450,000 tons of nitrates and phosphates into the North Sea each year, as well as more than 100 tons of lead and 50 tons of mercury.

The mystification of the inner functioning of the world economy, including a hefty "black" or parallel economy, has given the common man a broad misunderstanding of the role of the ugly and demonic hand of opportunists in pursuit of selfish interests. It will not be an exaggeration to say that 75% of the troubles that overrun human society are due to the lack of justice on the part of one person towards another.

In the interest of economic justice, we must address one key issue, and that is: "Who is in control ?

Table 6: Third World Debts (\$ billion)

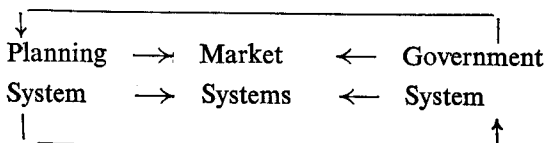
	1980	1981	1982	1983	1984	1985
Argentina	27.2	35.7	43.6	45.1	46.8	48.4
Brazil	70.2	80.0	91.3	97.9	103.5	106.7
Chile	12.1	15.7	17.3	18.2	20.0	20.2
Mexico	57.4	78.3	86.1	93.0	97.4	97.4
Nigeria	8.9	12.0	12.4	18.0	18.2	18.3
Philippines	17.5	20.8	24.3	24.0	24.6	26.2
Venezuela	29.6	31.9	31.8	32.3	32.9	32.1
Yugoslavia	18.5	20.7	20.0	20.3	19.8	19.4

Note: Situation has not changed much since 1985.

Source: IMF Annual Reports.

WHO CONTROLS THE STRINGS ?

"The consumer is sovereign." Or "All power to the state." These may sound pleasant to the ears but only befool the innocent. In no society today has the consumer been spared under the materialistic psychology. The profit motivation of the capitalist system and the centralized control of the Marxist economies have both robbed the society of human sensibility and subtle expression. What causes the total degeneration of the economy, culture and the civilization ? The key lies in the motivation of those who dictate the allocation of resources and their benefits.



There is a pattern that is visible across the continents. A few thousand millionaires control the world's resources and dictate their utilization through well-paid hired professionals in all walks of life. These professionals directly or indirectly control or greatly influence the governmental (political) systems, and through lobbying, persuasion, mass media, etc., sanctify the decisions of those few. There remains a one-to-one correspondence between the two systems—the planning system and the political system. The “agents” of these two systems frequently exchange their chairs, posts and roles—but they are all the messengers of one psychology supporting the status quo where “richness is valued, “poverty” is tolerated, and disparities abound. The so-called “free market system”, which incidentally is not really free, implements the decisions of the planning and the governmental systems through the millions of retailers, wholesalers, franchises, limited joint stock companies and cooperatives of different sorts. The different forms of organizational structures are a response to the freedom allowed by the dominant planning system. The fundamental psychological and fiscal loopholes in our present world economy are:

- (1) The economic power is concentrated in the form of monopolies and oligopolies.
- (2) People do not feel oneness with their jobs because they have little ownership stake in their jobs.

Such a situation persists in both so-called free-market and command economies.

Economic freedom is indispensable to true political freedom and therefore only an economic system which reverses the trend of economic centralization can improve the welfare of the masses. Second, the modus operandi for economic organization must be “coordinated cooperation” between all factors of production, viz. land, labour, capital, and entrepreneurship. Third, the externalities of the “economic” perspective have reduced the world economy to a mere “dollar-and-cents” issue. This approach to the world economy has transformed the status of human beings to “exchange commodities”. The psychological dimension brings to focus the crucial judgmental and ethical role of economic science. Psycho-economics, unlike welfare economics, does not

merely extend the zone of influence of "self-interest" philosophy, but transforms the entire socio-economic structures and brings them into alignment with neo-humanist psychology. This task may take our lifetime, but it is surely worth striving for. The revolutionary approach of PROUT economics is to initiate a new paradigm, a new chapter in the history of economic thought and practice, bestowing a new role to "Economics"—the role of economics for universal welfare. In such a role, the sweet love of the human heart will extend not only to embrace the needs of all human beings, but also plants, animals, and the inanimate world in unique models of balanced and self-sustainable economies.

THE CASE OF LESS-DEVELOPED COUNTRIES

A survey of development literature reveals that despite scores of approaches and slogans adopted during the past few decades, there is practically very little improvement in the real condition of 80% of the Third World. Despite all the North-South dialogue in the air-conditioned rooms of the United Nations, the problems of the so-called Third World have not abated. Today the Third World is steeped in the psychology of dependency, inferiority complex, vulnerability, apathy, catching-up-syndrome and impatience to get rich by hook or by crook. All these have only led the developing societies astray and brought to nothing all the attempts to modernize in a humane style. It is a wonder why the Third World is poor despite its rich natural endowments. For example, Africa alone produces 90% of the world's cobalt, 64% of the manganese, 50% of the gold, 50% of the the phosphates, 40% of the potential hydro-electric power supply, 40% of the platinum, 30% of uranium, 70% of the cocoa, 60% of the coffee and 50% of the palm oil, but it ranks as worst in per capita income, inflation, infant mortality, literacy, access to clean water, and general personal freedom. Nine out of the ten poorest countries, viz. Mozambique, Angola, Chad, Mali, Somalia, Niger, Burkina Faso, Central African Republic, and Zaire, are from Black Africa.

The following are some of the problems of the developing world:

1. Psychology of Dependency

Asia, Africa, Latin and Central America—all are the victims of hundreds of years of colonialism and are still steeped in the psychology of dependency. Until today, they have not been able to free themselves from this dependency mentality. It keeps them under-developed. How to become self-reliant is a challenging question.

2. Vulnerability

Due to the relatively advantageous position and profit-motivated ideology of the so-called First World, the Third World countries are always vulnerable to the pseudo-cultural and motivated developmental aid which to a great extent only binds more, rather than liberates. Steps to overcome this vulnerability by removing the suppression of the local culture, economy and language, are long overdue. How to rise above vulnerability is another key issue.

3. Unholy Alliance with Neo-Colonialism

The lack of moral and intellectually enlightened leadership in the Third World countries has only compounded the problems of the Third World. Corrupt leaders align with corrupt businessmen to drain wealth from the region. Only a firm moral stance in each country can arrest this disastrous trend. From where will this moralist force rise ?

4. Stagnancy and Apathy

The absence of a clear strategy of socio-economic development, technology, balanced economy and support of indigenous culture, is increasingly being recognised as the source of continued stagnation and apathy.

5. Inertia of Materialism

Economic development does not take place in isolation. It is not only a matter of injecting money into the social system. Unless the materialistic values that produce staticity are discouraged and the spiritual values that encourage dynamicity (and

fight against forces of inertia) are encouraged, there cannot be real development of the masses. Hence, liberating education for the children of the world is a key for socio-economic transformation, and must form an integral part of the strategy for social change for both the Third World and the "other worlds". Can such a system of education be universally adopted?

6. Insufficient Ideological Consciousness

Attempts to tap the "cooperative dynamo" of the Third World societies have been an utter failure. This is due to the lack of morality, education, and ideological consciousness of the masses. Most underdeveloped economies suffer from shortages of capital and technical know-how, illiteracy, excessive dependence on agriculture, lack of industrialization, debt traps and excessive printing and issuing of monetary notes. All these features have contributed to low productivity, uncontrollable inflation, chronic unemployment, and tremendous economic strain on the people of the Third World. The economic strain of the Third World can be greatly reduced through the "cooperative model" which derives its strength from the power of rationality and love. The exploration of human potential through the technologies of behavioural transformation and the tapping of non-material sources of energy is even more important today than searching for mere sources of physical energy. Human development is a precondition for social economic change or growth. Yet resource allocations for "human development" by a society are far below that which is spent for defence, semi-essential and non-essential goods. How can the priorities of development be changed?

7. Destruction of Flora and Fauna (Through Deforestation)

Last, but not least, is the gross neglect of flora and fauna and extreme deforestation. The very lifestyles of humans today must begin to give respect and honor to all creatures and entities of this world. This mentality, which is called a neo-humanistic approach, has widespread ecological and economic ramifications. It advocates a well-thought out, large-scale afforestation program for each community. Planting trees and rearing animals and birds:

can be much more rewarding than cutting trees and killing birds and animals. Let us reverse the present trend. Plant exchange and seeds exchange among different regions should be an integral part of this eco-developmental approach. The process of nurturing this consciousness concerning care of the environment must, however, begin at an early age, preferably at the primary school level.

Thus, economic development of the Third World is a serious matter and cannot take place without sufficient sacrifice, dedication and zeal.

NEED FOR A FRESH APPROACH

Until now the emphasis on soft factors, i.e. psychological, cultural and socio-psychological variables has been grossly neglected in planning the development of the poorer world. Obviously a new direction is needed to turn the tide of the world economy.

An overhaul of the system must begin by establishing the principles which strike at economic injustice and ignore mere economic expediency and the cold-blooded rule of economic rationality. It is my conviction that no amount of rigorous mathematical models can enhance the prestige of economic science if economists shrug their responsibility of understanding the fundamental laws of social dynamics and the principles of psycho-economics. It is to this new field that we now turn.

CHAPTER 2

SARKAR'S THEORY OF SOCIAL DYNAMICS

Humanity is today at a turning point. The old order is on the verge of collapse and a new culture is on the rise. The loss of harmony in all walks of life indicates the need to take a fresh look at the morphology and dynamics of planetary systems in the context of ever-changing environmental influences. Many scholars have comprehensively elaborated the current impasse and outlined the trends of the future. The task now is to explore the ideology that holistically unifies these emerging trends. The credit for articulating this new synthetic ideology goes to Shri P.R. Sarkar, an Indian philosopher, seer and social activist of the present century. In his words,

“The solar system is sufficient in its potentiality to maintain, nourish, feed and supply material for existence, not only of human beings, but of all its living beings... But the humans have failed to live unitedly and have consequently been suffering from numerous tortures in the mundane sphere... Our common sense tells us that the mundane wealth is meant for the survival of all. It would be improper for one person to snatch the morsels of food away from another's mouth. So there was a necessity to evolve a system to enable humans to utilize their collective resources rationally... So far, no such perfect system exists and thus social life is filled with disparities and exploitation : oppression, suppression and repression... In this situation, the intellectual capacity of human beings is being grossly misused and wasted... The Progressive Utilization Theory has been formulated to protect the innocent from being exploited by opportunists and meanminded people...It provides the way to solve mundane problems and also to maintain equilibrium and equipoise in the psychic and spiritual strata”.

Society is an open system. Hitherto, the scientific exchanges between physical theorists and biological theorists have enriched both physics and biology. Consequently, the studies in thermodynamics of closed and open systems have led us to a better description of the characteristics of physical and biological systems. E.F. Emery has summarized the attempts to understand social organization from an open-systems perspective. Ilya Prigogine has further extended our knowledge in this area. These endeavors lead us to new insights into social dynamics. Sarkar's contribution to the study of laws of social system dynamics is very fundamental and presents a unique historical and cultural perspective. In addition, it is both prescriptive and predictive in nature and therefore, a highly useful tool for bringing about real social change—a goal which lies at the heart of the study of all social phenomena. According to Sarkar, an attempt to counteract entropy in open systems requires full utilization of the differentiation, variation and complexity that lies embedded in this creation of multiplicities. Such utilization is capable of bringing about a new dynamic equilibrium and equipoise, called *prama'*. The equifinality of social systems is the achievement of "sentient peace, accelerated progress and freedom," which are not homeostatic but stages in the unending search for ultimate stability, "*nirva'n'a*." This understanding of social systems stems from the recognition that the entire universe moves as per the eternal dance of the Macrocosm and this is the central idea behind Sarkar's theory of social dynamics.

CONCEPTUAL CLARIFICATIONS ABOUT SYSTEMS

Cosmological System :

This is the universe of pure Consciousness free from the binding attributes of Creative faculty. It may be termed as the stance of non-attributional Consciousness. Here, there is no form, no shape, no colour, nor thought, but only pure Consciousness with the dormant potentiality of the entire creation. There is no environment in this system. It is eternally living, existing and there is no destruction or consummation, no beginning, no

end, nor past, nor future, beyond the ambit of all relativities. The sages have called it the eternal blissful flow of Absolute Consciousness.

Universal System :

This is the realm of attributional Consciousness—where there is all that we can touch, taste, see, feel, realize or comprehend with the subtlest faculties of the mind. Here, there is a semblance of influence of the infinite power of the Creative Faculty of Universal Consciousness. In the words of Sarkar, “the universe is the psychic and internal thought-projection of the Cosmic Consciousness, and ours is a reflected projection. We cannot create anything original. Whatever we do, we do with the physical waves radiated from matter. We can change their form and create chemical compounds or physical mixtures. Thus ours is a physico-psychic or extro-internal projection.” The universal system is the world of forms, colours and sounds.

Social Systems :

The domain of social systems is within the boundaries of the universal and cosmological systems. Essentially the cosmological system is a singular environment for the universal system and the two together constitute the environmental influence over the social system.

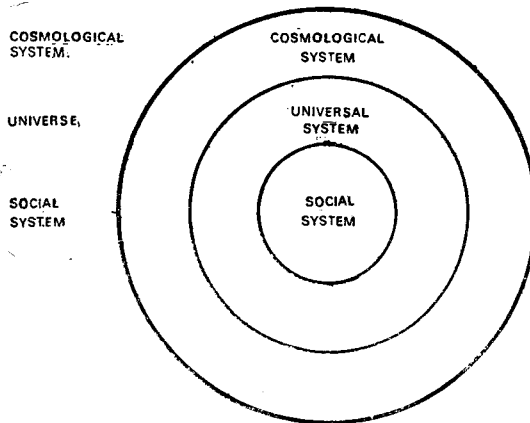


Fig. 1

Hence, what the microcosm does is not environment-free, except when the microcosm is in perfect harmony with the cosmic will. Shri P.R. Sarkar puts this idea very eloquently as follows :

“There are infinite assemblances of relativity in the universal arena. Hence no social system, no law of inheritance or governance can be treated as perfect, because it is bound to be embedded in relativity. Where there is expression, there is relativity. If we are to start a perfect order in the mundane and supramundane spheres, we will have to depend upon something absolute. The universe, which is a psychic projection of the Cosmic Mind, is a creation of relativity, but ownership has to be with the Macrocosm. For a perfect socio-political order, there should be a happy blending of relativity and absolute... Hence, I recommend that only the Principle of Cosmic Inheritance must be the base for evolving a lasting social, economic and political order”.

(Prout in a Nutshell Part IV p. 1)

LAWS OF THE SOCIAL SYSTEM

The whole universe is our common property, and we are the members of the Cosmic Society. Cosmic Consciousness is our Supreme Father, the Cosmic Operative Force is our Supreme Mother, and the entire universe is our home land. Like members of a joint family we should adopt the policy of “Live and let others live.” The exploited and unexploited potentialities of the world do not belong to any particular person, nation or state. They can enjoy them, no doubt, but the ownership lies only with the Macrocosm. The correct social philosophy should, therefore, advocate maximum utilization, rational acquisition and rational distribution of mundane property, otherwise the peace and tranquility of the society will be disturbed. The per capita limit of acquisition should be determined according to the collective resources of the universal society. As per the rational principle of Cosmic Inheritance, people should be free to move and settle

anywhere and everywhere they like. With the minimization of disparities, mundane afflictions will disappear and psycho-spiritual potentialities will begin to get utilized for higher intuitional and spiritual progress.

The system based solely on the idea of "private property" is an intelligent device of selfish opportunists to exploit the weaker sections of the society and goes against the very spirit of society: to move together.

In order to evolve a natural progressive system based on universal sentiments, Sarkar expounds the following laws of social dynamics :

1. Law of Movement
2. Law of Collective Social Movement
3. Law of Variation
4. Rule of Systaltic Motion
5. Law of Progress
6. Law of Socio-Psychic Clashes
7. Law of Revolution
8. On the Speed or Velocity of Movement
9. On Structural Changes
10. On the Structural Death of a Society
11. Law of Social Cycle
12. Law of Social Nucleus
13. Law of Higher Attraction
14. Law of Objective Adjustment
15. Law of Social Equality
16. Law of Group-Governed States
17. Psychology of Supreme Fulfillment
18. Law of Social Duty
19. Paradox of Transcendence
20. Law of *Prama'trikon'a*

1. Law of Movement

Everything in this universe moves. This is the eternal law of movement. This universe moves as per the meditative emanation of the Macrocosm, as per the thought-projection of the Supreme Cognitive Faculty. This movement starts from the zero

point and moves to infinity (positive and negative infinity are the same) and changes as per the ideational standard of the Macrocosm. The march towards or away from the Supreme Consciousness is the eternal dance of Macrocosm. To stop the flow of this movement is beyond the scope of microcosms and created objects.

2. Law of Collective Social Movement

It is with the association of many individuals that a society comes into being. In a society it is impossible for individuals to move exclusively according to their individual inherent movement. Although it may be possible in the subtle and causal spheres, it is not possible in the physical sphere. The totality of various individual flows of movement constitutes collective social movement. When some great personality or powerful movement makes an impact on the social motivity or collective psychology by dint of a more powerful psychic momentum and longer vibrational fluctuation, then the social psyche undergoes a change. The collective psychology then expresses a new historical phenomenon, popularly known as events of history. Every event in the collective social march is a unique expression of the collective psychology.

3. Law of Variation

Nothing in this relative world of multiplicities is stationary. Had this not been so, all entities would have become one—all the multiplicities, losing their distinctive individual faculties, would have been reduced to one singularity. Thus, the existence of the manifest world finds its substantiation not in the absolute flow, but in the relative flow of movement. Furthermore, the potentiality of variation is greater in the subtler entities than the cruder ones. Attempts to eliminate variations in social systems ultimately lead the whole society towards degeneration.

4. Rule of Systaltic Motion

Every action is systaltic. Systalticity is an attempt to find stability in a state of pause. Pause is only a temporary state of inertness. Full expression occurs only after attaining momentum

for movement from the state of inertness, and thus every action (roughly, it is also called movement) must be systaltic or pulsative by nature. A structure or an entity, after getting momentum from systaltic pause, progresses towards manifestative pause. This is the rule.

5. Law of Progress

When the waves of the unit mind lose parallelism with those of the Macrocosmic Mind, or move in the opposite direction, it can be called the degeneration of the unit mind. When the waves of the unit mind move in parallelism with the waves of the Macrocosmic Mind, it is called natural movement of the unit mind. When the waves of the unit mind travel faster, we can call it advancement or progress of the unit mind. Progress may be either simple or accelerated. Accelerated progress may be either compound or progressive. Acceleration, in the end, can only be meaningful in relationship to the flow of waves of the Macrocosmic Mind. Six factors contribute to the progressive march of the collective psychology:

- a) Universal spiritual philosophy
- b) Intuitional practice
- c) Socio-economic theory
- d) Social outlook
- e) Scripture
- f) Preceptor

When any of these factors is missing, the wheel of social progress loses its inherent dynamism and ultimately comes to a halt. Absence of these factors may even lead to regression instead of progress.

6. Law of Socio-Psychic Clashes

Each individual flow is influenced by the collective flow and strives to move ahead in adjustment with it, at least in the mundane sphere. The fact is that an inorganic entity is transformed into an organic entity due to physical clash. The further deve-

lopment of that being is a result of both physical and psychic clashes. These clashes come directly from the systaltic pause of social forces and indirectly from natural sources.

7. Law of Revolution

If the resultant cumulative flow of innumerable individuals is termed the social or collective flow, then the latter's trough and crest is shorter than the trough and crest of the individual flow. And this shortness of the collective wavelength hastens either evolution or revolution.

8. On the Speed or Velocity of Movement

Manifestative movement acquires momentum from its previous state of manifestative pause. The mildness or severity of the movement depends on both the length of the period of pause and the inherent strength of the structure. In every sphere of life there is pause and speed. This is applicable to the individual body, mind and soul as much as it is to the collective body, mind and soul. What is assimilated in a state of pause is expressed in the state of speed. These periods of pause and speed may be very long in the collective life of human beings. While in a state of motion, the state of pause cannot occur. For example, while running, the speed of pulsation is so great that there is no chance of pause. Pause means the gathering of momentum for speed in the subsequent phase. If one closely watches the effect of speed on a particular community or the entire humanity, one sees that generally people eulogize the period of speed. However, we cannot afford to ignore the state of pause, because by judging what the previous state of pause was like, we can accurately predict or discern the speed of the next phase.

9. On Structural Changes

Whenever there is a state of manifestation following a state of inertness, changes are bound to occur within the structure. A long period of inertness may be termed death only when an old structure is unable to assimilate the vital force of manifestative

pause. In this case a newer structure becomes necessary for the manifestative movement of the state of pause. This new structure may be either a newer form of the old one or an altogether different form.

10. On Structural Death of Society

When a unit or society devours or suppresses another, the necessary assimilation of conflicting waves and the resultant clashes cause its wavelength to become shorter in length, leading to the possibility of structural death. In this process of assimilation, provided there is vibrational adjustment, the individual and collective structures have a greater chance of acquiring more inherent vitality.

11. Law of Social Cycle

The rotation of the social cycle from the *Shudra* era (passive mentality) to the *Ks'attriya* era (martial mentality) to the *Vipra* era (contemplative mentality) to the *Vaeshya* era (acquisitive mentality) to the culminating social revolution is an inexorable law of nature.

12. Law of Social Nucleus (Leadership)

The inevitable consequence of the *Vaeshyan* exploitation is the *Shudra* revolution. The *Shudra* revolution depends on *Viks'ubdha Shudras*, i.e. those who are relegated to *Shudrahood* but are mentally *Vipra* or *Ks'attriya* oriented. Revolutionary spirit can be developed through proper training, discipline and adherence to morality. Such vanguards of revolution are ultimately the *Sadvipras*—the movers of the collective psychology of the social cycle.

13. Law of Higher Attraction

Attraction is the natural wont of all entities of the universe. Repulsion is negative attraction, but attraction is not negative repulsion. The longing for the Supreme Consciousness is the inborn instinct in all created entities. The attraction for limited or finite things is only an expression for the deep-rooted attraction for the infinite, eternal Consciousness.

14. Law of Objective Adjustment

Everything in the universe is subject to changes in time, space and person. Hence, the theory of utilization in all spheres of life must obey the principle of adaptability, flexibility and elasticity. Only such a principle can ensure objective adjustment. However, the adjustment must not deviate from the cardinal principle of universal morality. The universalistic approach will enable us to maintain a proper adjustment with all expressions of the universe without falling into the abyss of dogmas and irrationality. Objective adjustment is the essential ingredient for a progressive and dynamic society.

15. Law of Social Equality

Social equality is the idea that everything in this universe is the expression of Supreme Consciousness, and therefore nothing can be ignored or despised as useless, insignificant or worthless. Everything has both existential and utility value. The path of social equality is to lift the minds above all feelings of differences—differences among human beings like social and economic disparities, differences between humans and other living creatures, and differences between living and nonliving creatures. *Sama Samaj Tattva* (the principle of social equality) fights against all dogmas that create artificial disparities in the one universal society.

16. Law of Group Governance

Each community of persons is governed either by a single representative or a group of representatives collectively. So far, democracy, individuals dictatorship and party dictatorship have all proved ineffective, especially with respect to individual liberty, political independence and socio-cultural freedom. "Rule of *Sadvipras*" removes the defects of group-governed-states (GGS). Only those who have attained mastery of the self can lead. That is why the sages have said, "One who can rule oneself can rule the rest."

17. Psychology of Supreme Fulfillment

This is the psychology of service—*khudd' parastii*—where everything is served as the embodiment of *Narayan-hood*

(godhood) i.e. with love and care. To get pleasure and happiness from this world is the psychology of selfish pleasure (*khud-parastii*) and to give satisfaction to the Macrocosmic Self, expressed in myriad forms, is *khuda-parastii* (God-centered living). Such a movement leads the doer to the ultimate desideratum—the attainment of godhood, i.e. supreme fulfillment

18. Law of Social Outlook

“Live and let others live” is the social duty of human beings. The exploited and unexploited potentialities of the world do not belong to any particular person, nation or state. We should all enjoy them. The best outlook develops from the joint-family system of *Daya'bhā'ga* enunciated by Shri Jimutabahana Bhattacharya. In this system, ownership lies with the Cosmic Entity, but the utilization is for all members of the Universal Family. This universe is our common patrimony, our collective inheritance.

19. Paradox of Transcendence

In order to know the ultimate cause, one will have to merge in the cause. But when mind merges into its cause, it transcends the bounds of time, space and person, and is unable to express the cause. Such a paradox is the fallacy of infinite regress as per the science of logic. Mind cannot make any statement about an Entity whose origin must remain forever unknown. Hence, mind-transcendence and ensconcement in the Supreme Subjectivity through intuitional practice is the only way out of this paradox. The Supreme Subjective Synthetic Proposition (S.S.S.P.) is a novel addition to the realm of intellectuality.

20. Law of *Pramā'trikon'a*

Human existence is a movement from imperfection to perfection. The unending endeavor to establish or attain the perfect state of balance between the universe and the individuals, between the individuals and the collectivity and between collectivity and the Cosmos is the law of *Pramā'trikon'a*. The final equipoise (*Lokatrikon'a*) is attained when the central point of the balanced triangle of physical, psychic and spiritual strata coin-

cides with the central point of the *Gun'atrikon'a* (attributional triangle) of the original primordial forces, viz. sentient, mutative and static. *Lokatrikon'a* exemplifies the all-round welfare, progress and perfection for the entire humanity—harmony for the entire living and nonliving world.

These laws form the basis of building a neo-humanist society free from the defects of narrow exploitative mentality. Sarkar's Progressive Utilization Theory (PROUT) is the socio-economic-political alternative to the pseudo-philosophies, which are devoid of the principle of universal welfare. PROUT stands for the love and concern for all fellow human beings, plants, animals—the totality of the animate and inanimate worlds.

In the words of Sarkar,

“Both the animate and the inanimate worlds are the veritable expressions of the Macrocosm. Both are equally dear to the Supreme Consciousness. Humanism will become the gospel of humanity when the vibrations of human thought and the sweet touch of the human heart will embrace the entire humanity of the cosmos. However, we must not stop our journey there. Guided by the philosophy of Neo-Humanism, we must expand our soft touch of humanity to embrace the entire living world and the entire inanimate world. What is inanimate today will tomorrow become animate through scientific research. All molecules, atoms, electrons, protons, positrons and neutrons ... are the expressions of the same Supreme Consciousness. The devotional sentiment of humanity should protect this love as its greatest human treasure”.

Notes :

1. Fritjof Capra, *The Turning Point*
2. Sarkar, *PROUT in a Nutshell*, Part XII
3. Emery, E. F., *System Thinking*, Penuin Books
4. Prigogine, Ilya, *From Being to Becoming*
5. Sarkar, *Idea and Ideology*, AM Publications, Calcutta, India
6. Sarkar, *Problem of the Day*, AM Publications, Calcutta, India

7. Sarkar, "Discourses on PROUT", *Prout in a Nutshell*, AM Publications, Calcutta, India
8. Sarkar, *Human Society*, Part II, AM Publications, Calcutta, India
9. Sarkar, *Prout in a Nutshell*, Part XIV
10. Sarkar, *Prout in a Nutshell*, Part XV
11. Sarkar, *Prama*, AM Publications, Calcutta, India
12. Sarkar, *The Liberation of Intellect—Neo-Humanism* AM Publications, Calcutta, India

NEO-HUMANIST PSYCHOLOGY AND ECONOMICS

ECONOMICS OF SELF-INTEREST

A fundamental characteristic of this created world is that it is propelled by some longing. As will be described later, the root cause of the myriad longings of all created entities lies in the "Law of Higher Attraction," i.e. love for the Infinite Supreme Entity. Yet its manifestation takes different forms at different stages of evolution. Hence the fulfillment and satiation of these longings, wants or desires is a key concern of political economy and bio- and social-psychology. These fields cannot be isolated as they are interwoven within the entire fabric of a social system. Any attempt to desegregate their mutual influences serves little purpose in furthering collective harmony of the universe. Sarkar discusses the danger and stupidity of the analytical approach vividly :

"The path of analysis is solely responsible for creating group psychology as opposed the psychology of service and welfare... where the analytical approach is ingrained in peoples' social psychology, separatist tendencies flow through their bones, blood and marrow. They cause interpersonal and intergroup conflicts... The followers of the analytical path often become vocal revolutionaries and extremely active to establish their kingdom entirely without morality... They become like ravenous tigers in search of human flesh... I am sorry to say, but it is such people who have accepted separatism as a political creed, and are lying in ambush to catch any group for their blood. Beating the drum made from the skin of their victims, they announce to the world that they have annihilated the separatist elements. We must be vigilant against this, while establishing unity in diversity on the basis of a universal ideology of service and collective welfare".

HUMANIST ECONOMICS

Professor's Lutz and Lux have traced the origin of the primordial role given to "self-interest" in the history of economic thought and made a strong case for "Humanistic Economics". This chapter extends their argument to embrace Neo-Humanist psychology and offers a new paradigm, viz. PROUT, to transform "Economics of Self-Interest" into the "Economics of Universal Welfare".

REDEFINITION OF THE ROLE OF ECONOMIC SCIENCE

The satiation of wants is the age-old business of economic science. Wants or longings are expressed through different lateral directions and are multifarious—both in quantities and qualities. All longings may be categorized as four types:

1. Psycho-physical longings for physical pabulum (Instinctual Psychology)
2. Psycho-physical longings of developed plexii (General Biopsychology)
3. Psychic longings for psychic pabulum (Parapsychology)
4. Psycho-spiritual longings for the Supra-Cognitive Entity (Apexed or Pinnacled Psychology)

Sarkar explains the scope of Instinctual Psychology as follows:

"Not only human beings, but all living beings are goaded by primordial nature of psycho-physical longing for physical pabulum. This type of longing, along with self-controlling faculties, may be found both in animate and inanimate objects. When the self-controlling faculties go against the characteristics of the vital force, disintegration and dissociation begin both within and without the framework. Evolutionary phenomena are guided by the desire of collective controlling faculties with the support of the Macropsychic connation. The instinctual measures in gradual steps".

From the point of view of economic theory, it is the primary purpose and challenge for a dynamic economy to respond to the micropsychic longings of both animate and inanimate objects.

Rather, it is this existential character of the expressed universe which requires our attention today. Sarkar aptly describes the role of developed humans in this context as follows :

“What the Cosmic Mind is doing today will continue to be done, in greater or lesser degrees, by human measures in gradual steps.”

The longings undergo changes with the development of plexii in the human body. Motives, desires, hopes and aspirations all follow a particular path according to the reactive momenta of each unit mind. The individual difference in perceptions and preferences get reflected in the consumer's behaviour patterns which in turn influence the demand and supply parameters of the economic process. The demand function in a developed society is, therefore, not less simplified. Rather, it is multi-dimensional and multivariate. The task of the micro-economists is to monitor and satisfy the ever-changing ectoplasmic map of “consumers”, and that of macroeconomists is to respond to the accelerating demands of each age through proper allocation, distribution and use of all resources.

At the third and fourth stages of micropsychic longings, the physical needs begin to get transmuted into psychic and spiritual longings and therefore economic science begins to take a different character. The economic environment should then assume a special role to create a conducive atmosphere for psycho-spiritual development of the entire humanity.

According to Sarkar,

“... a constant endeavor to express all micropsychic potentialities is sure to bring about a sort of balanced world, an Earth well balanced by *prama*, and it will assure a bright future for the entire humanity, animate and inanimate worlds”.

The task of economic science in a developed society is to show how to create a balanced world where all entities get full scope of expression of all their potentialities. PROUT attempts to achieve this through its ecological, decentralized,

self-reliant perspective and strategy of cooperative organizations as the primary mode of economic management. The role of economic science extends far beyond management of material resources to include supramundane and non-material resources.

VALUE AND ETHICS

The subject of value, a relative measure of expressed potentiality, has been the favourite of economists for a long time. The merciless logic of "marginalists" has reduced all allocational decisions to mere equalization of marginal utilities derived by the idealized rational economic person. It is only recently that attempts are being made to discover the "preference functions" using psychometric and socio-metric techniques such as multi-dimensional scaling. Yet the art of defining the whole gamut of decisions made by the so-called "rational" creatures of the free markets is still in its embryonic stages.

Sarkar raises a fundamental question about the relative significance of the value of objects. Referring to the large-scale destruction of flora and fauna due to a "sadistic" tendency, he points out:

"All entities have two types of value: one, their "utility value", and the other, their "existential value". Even those creatures which have no utility value for human beings, whose existential value for human beings is nil, still have the right to exist. Even those animals who have negative utility value, instead of positive, and negative existential value, human beings will have to try to preserve even those creatures by creating a congenial environment for them instead of destroying them. They will also have to provide adequate safeguards so that those creatures may not prove injurious... Non-human creatures have the same existential value to themselves as human beings have to themselves. Oftentimes, we cannot know the utility value or the collective existential value of an entity and we wrongly think that it has no existential value. This is the height of foolishness".

If the economic science is to emerge as a discipline guided by "conscience", it is imperative that the existential (survival) issue of "all" creatures gets primary importance. If this happens, the theories of trickle-up, rather than trickle-down, a focus on increasing minimum purchasing power rather maximizing GNP's, and ecology will all play an increasing role in the economic science.

Economics is not a value-free science. No science, for that matter, is free from the normative dimension. The role of ethics and morality today is fundamental to humanity and the economic profession cannot escape evaluation of its net contribution to fulfillment of human needs and wants. When 90% of the world's population is still struggling to meet its basic needs, food, education, medicine, housing and clothing, it raises a serious issue: how much longer must we live in a world of disparities where some roll in luxury and others die of starvation? What must be the principles of a political economy which will transform the present inhumane systems of capitalism and communism, the systems which breed greed, tolerate disparities, curb individual freedoms and neglect the collective interest for the all-round expression of the micropsychic longings?

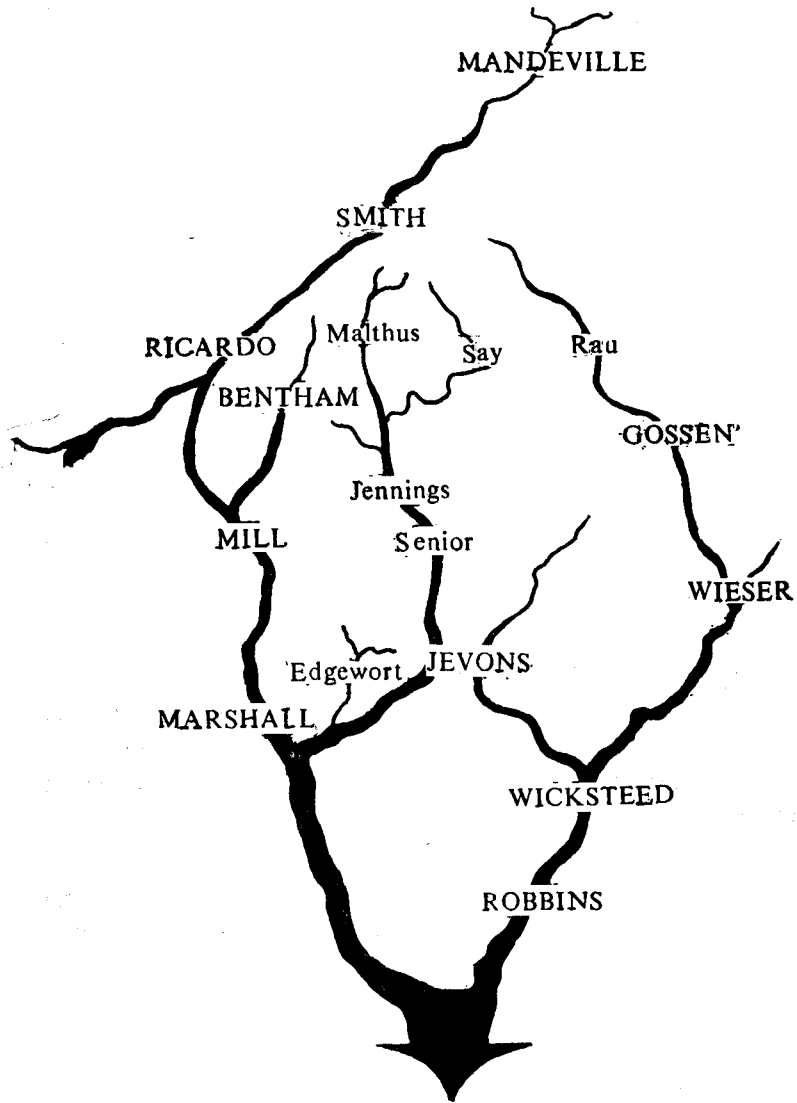
Index of Neo-Humanistic Values

Values have both cognitive and conative dimensions. What we feel, think, speak and do comprise our values. The more these four components are in harmony, the stronger the salience of values.

Neo-Humanistic Index

Dimensions	Feeling	Thought	Speech	Action	Cumulative Index
1. Degree of Universal Sentiment	x_1	x_2	x_3	x_4	Σx
2. Degree of Rationality	y_1	y_2	y_3	y_4	Σy
Neo-Humanistic Index					$\Sigma(x+y)$

Note : x, y_j are ratings of values.



It is possible to further analyze the sub-components of universal sentiment and rationality vectors, as each of them is a multidimensional concept. For instance, universal sentiment is reflected in love for humans, plants, animals, and inanimate objects and rationality is reflected in unprejudiced and equanimous treatment of every entity. The by-product of these values is an attitudinal shift towards the treatment of environment and different socio-economic groups.

An index of neo-humanistic values can be a helpful tool for policymakers. It can be used as a guide for directing social resources so as to increase the score of the NH Index for each community. Although a crude measure today, the concern for a high rating of NHI can be a first step to move towards a neo-humanist society.

Notes

1. Sarkar, P. R., *PROUT in a Nutshell*, Part XII
2. Lutz & Lux, *Humanistic Economics*, Bootstrap Press
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4. Sarkar, *Problem of the Day*, AM Publications
5. Sarkar, *ibid.*
6. Sarkar, *The Liberation of Intellect—Neo-Humanism*. pp. 63-64

CHAPTER 4

CAPITALISM AND COMMUNISM : A CRITIQUE

Capitalism and the economic theory supporting it is largely inherited from 17th-19th century British philosophy, with its hedonistic, mechanical and narrow view of the person as an economic man. The idea of "self-interest", however, originated with Brahaspati (Caravak), an ancient Indian philosopher who believed in "eat, drink and be merry" as the sole goal of life.. Caravaq's ideas were a reaction to the *Karma-kanda* (ritualistic observance) of the Vedic Age. He also recognized the "individual right" as the primary value of a social system but his logic was coloured with materialistic blinders, and he was totally oblivious to higher motives and reality. In the West, the gospel of *Atmasukha-tattva* (principle of selfish pleasure) got considerable encouragement by Machiavelli (1469-1527), Adam Smith (1723-90), Ricardo (1772-1823), Gossen (1810-58), Bentham (1748-1832), Mill (1806-73), Marshall (1842-1924), Jevons (1835-82), Wickstead (1844-1927), Robbins (1932-), and Marx (1818-83). Even the welfare economists Pigou (1877-1959), Hobson (1858-1940), Pareto (1848-1923), Hicks, Kaldor and Scitovsky have all only applied a bandage to cover up the "basic self-interest psychology" of the economic person.

Sarkar eloquently explains the psychology behind capitalism as follows :

"The impetus from crude psychic urges gave birth to capitalism. In capitalism the psychology of the acquisition of material wealth, be it land, money, metal or other property, strongly predominates. Such crude psychic urges and psychic pabula remain unchecked and unbridled in capitalism and turn into a hungry profit motive in the market system. As a result, traders, in-

dustrialists and business people suffer from the psychic disease of accumulating more and more wealth by any means, even to the point of depriving other human beings of their basic requirements.

Those dominated by these hungry psychic urges or psychic pabula run after material gains and do not hesitate to exploit others mercilessly. Exploitation starts at the point where one violates the principle of *Aparigraha* (non-indulgence in those amenities and comforts which are superfluous for physical existence of oneself and the dependents) and accumulates more physical wealth than one actually needs for survival and progress in the world. The exploiters forget the basic truth that the material world is very limited, whereas psychic pabula are propelled by an unlimited urge. When unlimited pabula are let loose in the limited material world, accumulation and exploitation starts. A few become rich and others become poor. In such a condition, millions die without food, live without shelter, work without education, suffer without proper medicine, and move without proper clothing. The society then splits into two distinct groups: haves and have-nots. The former is the class of the exploiters, the capitalists, and the latter is the class of the exploited, the disgruntled workers, who I have called *Viks'ubdha Shu'dras*. Thus the curse of capitalist psychology gradually engulfs the whole society, causing mass-level deprivation of millions of people".

The economic oscillations in capitalist countries are due to this very reason, i.e., the concentration of wealth in the hands of a few. A related reason is that money in the hands of these few stops rolling because of their fear of losing profits. The very psychology of capitalists is to make profit from the "rolling" of money. When they discover that the investment of money does not bring profit up to their expectations, they stop rolling the money. As the money does not roll, there is no investment, no production, no income and hence no purchasing power. The result is depression.

The tentacles of capitalism have not spared the psychic and spiritual spheres. Capitalist psychology in the psychic sphere leads to intellectual capitalism which is even more dangerous, as its effect is more subtle and more lasting. As a result, first, the literacy skills of a large proportion of the population are not properly developed. Second, the socio-economic consciousness of the masses is not encouraged. Third, there is the unhealthy influence of inferiority and fear complexes. And fourth, the proper utilization of human intellect and morality is thwarted causing intellectual backwardness and bankruptcy, and irrationality becomes rampant in society.

All these give birth to dogmatic theories, religious superstitions, narrow sentiments and degenerating orgies in the society. Psycho-economic exploitation becomes the order of the day. Language and cultural imperialism, pornography, misuse of science and technology, repression of minorities, destruction of flora and fauna, all are the result of one single cause—“*Atmasukhattatva*”, the self-seeking psychology behind capitalism. Hence, capitalism is anti-human. It must be rejected and a more benevolent system should be adopted.

Some of the defects of capitalism were pointed out by Karl Marx. He laid some of the foundation of socialistic and communist thinking. In one sense, Marxism is a religion, Marx is its prophet, and *Das Kapital* is the scripture, just as Adam Smith became the preceptor, and his *Wealth of Nations* the scripture of capitalism during the 18th century. The Marxist economy appeared in the beginning of the 20th century as an antithesis to the capitalist economy. Marx advised nationalization of all means of production, expounding the philosophy of collectivism.

The fundamental defect of Marx, like the capitalist thinkers, was that he based his analysis on the paradigm of the “economic person”. Marx could not step out of the materialistic world view and therefore the entire superstructure built by him on a narrow and defective world view has resulted in the decadent social and economic order in Russia, the citadel of Marxist economics. Writing a critique on communism, Shri Sarkar asserts :

“Communism is a socio-economico-political theory based on materialism. In communist society people’s psychic urges and psychic pabula instinctively run after material acquisition and crude enjoyment. When psychic pabula are guided by a materialist outlook, human beings develop negative behaviour patterns. In such a society, life loses its dynamism, the power of imagination gets shadowed and the urge for initiative is weakened. People do not feel oneness with the job. The commune system is inherently defective because it is devoid of the spiritual perspective and therefore limited in its ability to conform with the accelerating emanations of the unit mind, multilateral development of human beings and integrated development of the cosmos. Unbarred physical, psychic and spiritual freedom is what human beings want, and this is exactly what is missing in the Marxist system. Thus communist societies sink into a state of doldrums. Today also, communist societies are heading towards this inevitable, tragic end.”

It is ironical that Marx attacked capitalism as a system of “naked, shameless, direct, brutal exploitation” and today the same abuses are being hurled on the communist system propounded by Marx. Communism has proven to be as brittle as a papadam. We have seen that capitalism turns humans into beggars and communism turns them into beasts. In capitalism, the rich, in their affluence, misuse their psychic urge and direct their psychic pabula to the pursuit of material gains. And the poor, in their extreme poverty, misguide their psychic urges and concentrate their psychic pabula on antisocial activities in their struggle for existence. In communism, the elite and party leaders misuse their psychic urges and direct their psychic pabula towards political manipulation and totalitarian repression. Under the oppression of communist rule the psychic pabula of the general people are suppressed into a state of deep stagnation and inertia.

“From each according to one’s ability, to each according to one’s needs” sounds pleasing to the ears, but has failed to serve as the pragmatic solution to the socio-economic problem of humanity. The reason is clear—human psychology is neglected.

“From each according to one’s ability, to each according to one’s work” was a revision of the earlier version but also failed to provide the inspiration to solve the collective economic problem of humanity. The reason: the importance of human psychology was underestimated. People are not mere productive machines.

“From each according to one’s potentiality, to each according to one’s service” could be considered as the more appropriate approach. Every human being wants to express their latent potentiality. This longing for full expression is the inherent thirst of one and all. At the same time, the social value of each person can be measured by the service one gives to others. The social status of a human being depends on the service rendered according to one’s potentiality. The value of a doctor is in his curing capacity and not mere diplomas, nor in earning fat checks. The value of work lies in the happiness it brings to all.

The term communism is derived from the word *commune*, which is composed of the prefix “co” and the root “mune”. “Co” means together and “mune” means to do something. So *commune* means to do something together. *Commune plus ism* equals communism. The term communism is only applicable where the *commune* system exists. Where the *commune* system is being discarded due to inefficiencies and lack of a sense of personal relationship with the *commune*, we can safely say that communism has been discarded. What is left is pseudo-communism. The inherent defect of this system is that everything is imposed from the top and there is the lack of free relationships among people. Thus, communism is a system which attempted to build castles on quicksand. Its spirit goes against human psychology.

Communism is unable to provide the proper environment for the creation of a strong and solid psychic structure. That is why moral stamina—moral sanctity—is lost in communist countries. Such a phenomenon took place in India just before the Buddhist era because of the influence of *Ca’ra’va’ka* philosophy. *Ca’ra’va’ka* philosophy was a protest against the excesses of the Vedic religion although *Ca’ra’va’ka* philosophy was materialistic in nature. During that period there was not even a pinch of morality—society had lost all its moral stamina. Today the same thing

is happening and will continue to happen in communist countries. In communist China, over one million illegitimate children are born each year. If immorality goes unabated, it will eat away human society and cause doldrums in the social order. The very idea of this philosophy is nauseating. Marxism has failed theoretically as well as in practice. Communism today may be termed as revisionism or pseudo-revisionism.

In the name of this defective theory, one of the leaders of the USSR killed more than 500,000 people and sent many more to labour camps in Siberia. Amongst all the anti-human and homicidal theories that have been created in this world, communism is the most barbarous. The day has come for it to be thrown on the scrapheap forever.

Shri Sarkar prophesizes the inevitable demise of both capitalism and communism in the following words:

“Both capitalism and communism are on the verge of extinction from this world. The external and internal spheres of capitalism have ordinary acceleration, but there is a contradiction between its internal and external spheres. Marxism, too, is a transitory phenomenon. In the external sphere of Marxism there is only ordinary acceleration and in the internal sphere there is staticity. The result is negative dynamicity. That is why Marxism will also never be a success. Marxism is just like a comet on a parabolic path”.

The task of the present century is to evolve such a socio-economic-political system which has the least characteristics of staticity and the greatest degree of dynamicity. The economics profession has attempted to achieve this by extending its scope to include “welfare economics”, “humanistic economics where people matter”, and “living economy where ecology matters”. To inject ethical, moral and spiritual values into contemporary economics is a task which cannot be achieved overnight. We are fortunate that such a task has been made easy for moral humans by the philosopher seer Shri P.R. Sarkar who has enunciated clearly the fundamental principles for a progressive socio-economic order based on universal values. His theory, called PROUT

(Progressive Utilization Theory), is a rare blend of “individual freedom and collective interest” and is perfectly in alignment with neo-humanistic values—a pressing need of our time. We shall discuss the fundamental principles and axioms of PROUT in Chapter 7.

Notes :

1. Sarkar, *PROUT in a Nutshell* Part VI
2. Lokanathan, *History of Economic Thought*, S. Chand & Co.
3. R.U. Publications, *Sarkar on Economics*, N.Y.
4. Sarkar, *PROUT in a Nutshell* Part XV, AM Publications, Calcutta.

INEVITABILITY OF A DEPRESSION

“Coming events cast their shadows before” has been tested in all walks of life. Somehow, economists fail to believe that it equally applies to the world economy today. When we consider the fact that the entire Third World is in the clutches of enormous debt, the degree of concentration of wealth is high in most countries of the world, budget deficits are huge and the speculative frenzy dominates the world’s stock markets, the scenario of a global recession and a worldwide depression is not out of possibility. A strong case for another depression in the 1990’s has already been made by economists like Batra (1985), Galbraith (1987) and Peterson (1987). Here, we summarize PROUT’s thesis on depressions.

SARKAR’S THEORY OF DEPRESSION

All phenomena, whether social or economic, undergo systaltic movement. Hence, pause is a natural state in the social and economic life of a nation. However, depression is not a natural state. It results from the ailments of staticity, which stem from a defective socio-economic philosophy. According to Sarkar, depression is the net result of suppressions, oppressions and repressions, i.e. exploitation. When exploitation reaches the culminating point, the mobility and the speed of the society becomes nil and a depression sets in—not only in economic life but also in social and cultural life. Life becomes miserable for both the rich and the poor. Such a stage has been reached today.

The primary determinants of a depression are :

- (a) huge concentrations of wealth
- (b) blockages in the rolling of money
- (c) curtailment in the purchasing power of people
- (d) monetary devaluations and the resulting inability of the unit of money to be the unit of economic equilibrium.

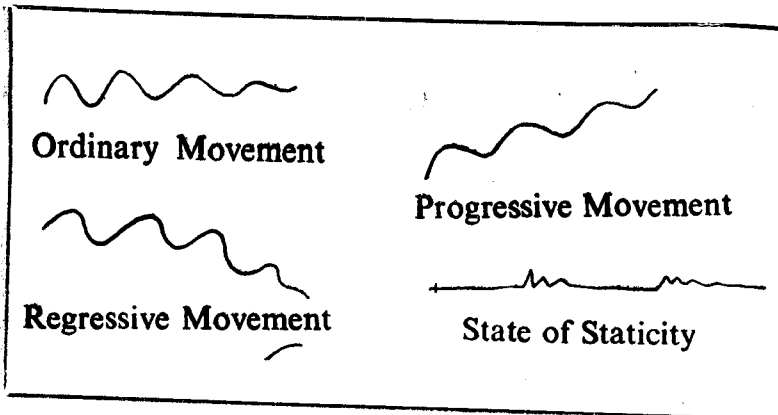
Institutions and economic practices which support these factors become the instruments of exploitation and cause the death-knell of a society.

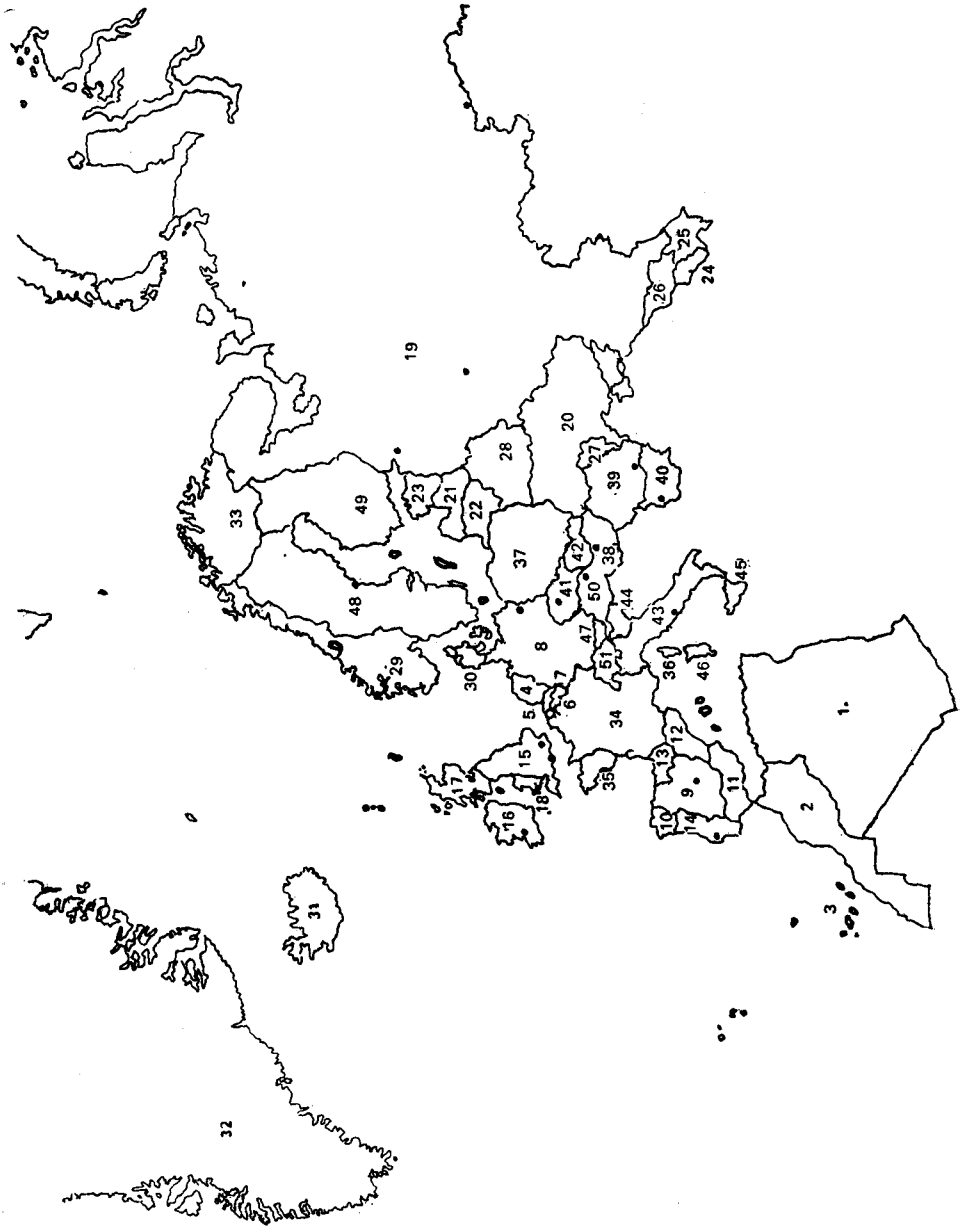
STATICITY AND DYNAMICITY

We learnt earlier that each and every movement in the universe is systaltic. Nothing ever moves in a straight line. The ups and downs of socio-economic life in different phases of the social order are inevitable. If, however, the society is guided by certain progressive principles, it might be possible to reduce the phase of pause and extend the phase of dynamicity. Extended staticity means death.

Four Types of Movements in Economic Dynamics :

1. Omni-Staticity symbolizing nihilism, cynicism, a sort of negation
2. Statico-Dynamicity symbolizing ordinary acceleration but constantly pulled back by static elements of a system
3. Dynamico-Staticity symbolizing ordinary acceleration but leading to the disastrous state of extended stagnation
4. Omni-Dynamicity symbolizing all-round welfare of all species of the creation and an ever-existing vibrant zeal and and prosperity





SAMAJ MAP OF BERLIN SECTOR

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(subject to future alterations)

MAP KEY

- | | | |
|------------------|--------------------|--------------------|
| 1. Algerian | 19. Russian | 37. Polish |
| 2. Moroccan | 20. Ukrainian | 38. Hungarian |
| 3. Canarian | 21. Latvian | 39. Romanian |
| 4. Dutch | 22. Lithuanian | 40. Bulgarian |
| 5. Flemish | 23. Estonian | 41. Czech |
| 6. Wallonian | 24. Armenian | 42. Slovakian |
| 7. Luxembourgian | 25. Azerbadzhanian | 43. Italian |
| 8. German | 26. Georgian | 44. Venetian |
| 9. Castillian | 27. Moldavian | 45. Sicilian |
| 10. Galician | 28. White Russian | 46. Sardegnian |
| 11. Andalusian | 29. Norwegian | 47. South Tirolian |
| 12. Catalunian | 30. Danish | 48. Swedish |
| 13. Basque | 31. Icelandic | 49. Finnish |
| 14. Portuguese | 32. Greenlandic | 50. Austrian |
| 15. English | 33. Lappish | 51. Swiss |
| 16. Irish | 34. French | 52. Gypsy (no geo- |
| 17. Scottish | 35. Breton | graphic base) |
| 18. Welsh | 36. Corsican | |

EFFECTS OF DEPRESSION

The industrial subsection of the commercial economy will be the worst affected during the depression because of its close linkage with the capitalist economy. However, the socialist or communist countries will not be spared because they also depend on capitalist countries for their food. To the extent an economy is dependent on imports and exports with the industrially advanced countries, the former will have to undergo the sufferings of mass unemployment, prolonged depressed investments and stagflation. In present circumstances, those countries or economic units which are maintaining their money value and engaging in trade with other countries through the exchange of bullion, they are likely to experience a partial or total economic depression. Even prosperous countries will suffer from economic depression if they

invest their wealth in non-yielding investments like excessive defense spending, superfluous construction of large buildings, luxury goods, etc. If countries commence barter trade, they will not suffer very much from economic depression, except some trade imbalances. In such circumstances, the depressions may be felt every three years to a slight extent, every thirty years to a much greater extent and every 350 years, they are felt acutely. The best way out for South America, Asia and Africa is to engage in multilateral barter trade agreements and strengthen the agricultural base of their economies through tactics of regional self-reliance.

PROUT—THE ONLY LASTING SOLUTION TO DEPRESSIONS

In both capitalist and communist countries, the modus-operandi of production is motivated by the self-interest of a few. In capitalist countries, labour does not work in the interest of the entrepreneurs and entrepreneurs do not allow the rolling of money due to the concentration of wealth. In communist countries, labour does not feel oneness with the job and that is why there is sluggish production.

PROUT offers a way out of this dilemma by adopting a "decentralized cooperative model" which is free from the excesses of "centralized economic models". A detailed analysis of the Proustist approach will be presented in the following chapters. Suffice to say here, a crisis is always an opportunity for change, to reassess the shortcomings of the past and evolve something better, something more dynamic. If, however, the change is a mere window dressing, the net result will be a deepening of the crisis and the inevitable extinction of the human race.

Notes :

1. Sarkar, "Economic Dynamics", *PROUT in a Nutshell* Part XIV,
2. Sarkar, *Shabda Cayanika*, Part XV, AM Publications, Calcutta
3. Sarkar, "Economic Depressions", *PROUT in a Nutshell* Part XV p. 40 .

CHAPTER 6

WINDS OF CHANGE

PSEUDO-REVISIONISM

The confessions of the Soviet leader Mr. Gorbachev concerning 70 years of Russian experiment with socialism have attained wide popularity throughout the world. Similarly, the ideological vacuum in Communist China is also becoming more and more visible. The theories which at one time proclaimed to be the saviours of the people have now proved to be not only dismal failures but outright immoral. The party leaders in communist countries tried every possible approach—force of arms, terror, controlling freedom of speech, etc—with all their strength to keep the people oppressed. But today the conscience of the party leaders has revolted against the same methods. The students' movement in China could not be contained. The commune system had to be finally abandoned. Communism today may be termed as neither a theory, nor a principle nor a proposition but as revisionism or pseudo-revisionism. It is a counter-psyche motion, a temporary glow of the night worm. Today, communism is burning in the fire of its own failure. It has already died in theory, but still exists in name. Its demise in name also will surely serve it right. The atrocities committed by this dangerous and destructive theory will boomerang and will become the cause of its permanent death.

It is worth noting that countries which have both laborious and intellectually developed citizens have never accepted communism in any form. For example, Karl Marx was born in West Germany, but his theory was not accepted there. Similarly, England gave shelter to Marx, but it did not accept his theory. The cooperative movement first started in England and the spirit of cooperation is reflected in many aspects of British society; yet Marxism has not been able to get any foothold in Britain. Japan is surrounded by communist countries like the USSR, North Korea, and China, but it did not accept communism. Marxism today has become the symbol of intellectual hollowness and dogma.

Communism has survived only by the force of arms and constant propaganda and not by the force of logic and reason.

DOGMA AND DEFECTIVE THEORIES

Many theories have been propounded in the world. Some of them were concerned mainly with the spiritual world, but had no concern for the rationality of the psychic world. Most of those theories which showed some concern for the psychic realm also could not develop the mental equipoise of society and were rejected by the people. Some, like laissez-faire, sounded very fine indeed, but were not in perfect tune with hard realities of the objective world. Some, like Marxism, spoke glibly of human equality, but failed miserably because they were contrary to the very spirit of the natural law of diversity. Even today, defective theories based on narrow sentiments of geo-patriotism, or group-centrism, or pseudo-humanism are the breeding grounds of stagnation, pollution and fissiparous tendencies. The dark curtain of dogma still mitigates the effulgence of human excellence. There is a compelling need for social transformation.

SARKAR'S THEORY OF SOCIAL CHANGE

Zone of Sentiment	Change-Agent Values	Strategy of Change
Social	Geo-Sentimental	Reformist
Economic	Socio-Centric	Vocal Revolutionary
Political	Pseudo- Humanist	Pseudo-Senti- mental strategy
Technological	Humanist	Rationality
Religious	Neo-Humanist	Awakened Conscience Psycho-Spiri- tuality Perfect Spiri- tuality
Educational		

Today, many leaders propagating confused philosophies have been caught and exposed. It is a sheer waste to build huge monuments and memorials in memory of these people. These power mongers raised the slogans of democracy and once they grabbed power, they unscrupulously threw the democratic values in the dustbin and unhesitatingly ground subtle human sensibilities and higher human values to dust under the steamroller of a ruthless party dictatorship. Sentiment plays a crucial role in either stultifying the society or liberating it from bondages. Cosmic sentiment, according to Sarkar, is the only lasting liberating force for a social body.

PSEUDO-CHANGES

In the name of progressive changes, reformists, vocal revolutionaries, pseudo-sentimental strategies have been exploiting the society for a long time. It is important to recognise and identify these demons in a human framework. Whenever a theory deviates from the goal of universal welfare, it invariably becomes the victim of social impropriety. This gives scope to different complexes like inferiority, superiority, fear, etc., to take over and perpetuate the exploitative tendencies. Usually, it is psychic exploitation which is the basis of all other forms of exploitations such as in the sphere of economics, religion, politics, culture, etc. When the psycho-economic exploitation is combined with politico-economic exploitation, it becomes doubly dangerous. Even today, many countries of the world are the victims of both these forms of exploitations.

Vocal revolutionaries are the most dangerous. They deliver long lectures against exploitation, but do just the opposite in practice. They purchase the rulers with their wealth and internally support the exploitations.

Reformists are somewhat better than the vocal revolutionaries, but they also perpetuate the exploitation machinery. They always want to go slowly with the process of reform. They only support patchwork improvements. Reformists delay revolution. They seek to preserve the defects of the society by any means. Either they are motivated by fear complex or a despicable cunningness. Reformists always try to adjust with the existing

situation and are shy of great changes. Pseudo-reformists speak of reform, no doubt, but in their heart of hearts, they decide not to allow any change to take place.

Pseudo-humanists are a different class. They are the preachers of gospels of humanistic idealism, but actually their humanism is confined within the four walls of socio-sentiment. Pseudo-humanists are adept in changing their sentimental strategies to maintain their popularity. They exploit people's sentiment primarily for their own purpose or social position and secondarily for other purposes also. They control the mass media and utilise it for their vested interest. Interestingly, it is these pseudo-humanists who have divided the world into "developed", "developing" and "undeveloped" areas. They hide the fact that none of the so-called developed countries can stand on their legs. They are simply compelling the developing and undeveloped countries to buy their industrial goods by creating circumstantial pressure on them. None of these countries have developed by developing their own resources. In those countries which are developing their own resources, the resources are not equally distributed among them, so naturally some countries' resources will become exhausted sooner than others'. And when this happens, they will have to use force—either physical or intellectual—against other nations to obtain their resources. The pseudo-humanists also do not spare the plants, forests and animals. The large-scale deforestation is the evil design of these pseudo-humanists. It is they who have carefully destroyed the ecological balance between the human, plant and animal worlds.

In order to escape the influence of these pseudo-changes, there is only the path of rationalistic mentality. The rationality studded with the untainted love for the Supreme and backed by morality becomes a potent mode of social change. It is this approach which is advocated by Shri P.R. Sarkar—the propounder of the philosophy of Neo-Humanism and the Progressive Utilization Theory.

CHAPTER 7

AXIOMS OF PROUT

1. VARN'APRADHA'NATA' CAKRADHA'RA'YA'M

In the flow of the social cycle one mental colour is always dominant.

VARN'A = mental colour

PRADHA'NATA' = predominance

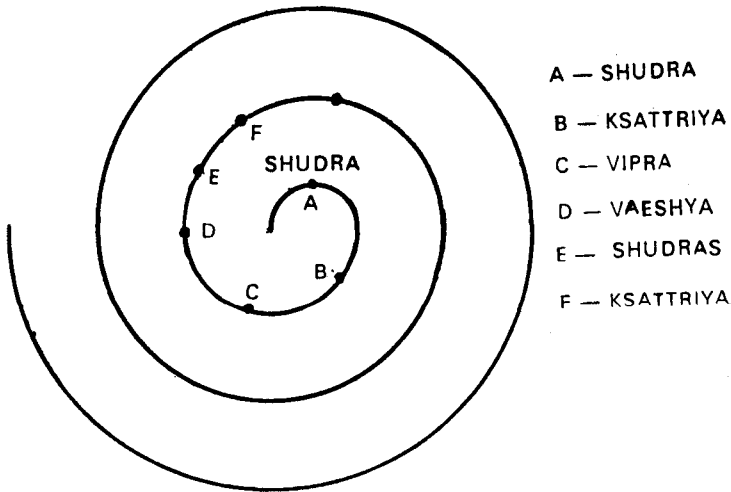
CAKRA = cycle (here social cycle)

DHARA'YA'M = in the flow

Purport : Social evolution follows a well defined pattern just as human evolution follows the stage of birth, youth, adulthood, old age, and death. The primitive people had no society and the whole set-up was individualistic, guided by brute force. The weak surrendered before the rapacity of physical giants. Passive mentality is the characteristic of the first stage of social evolution and may be termed as the *Shudra* Age. This is followed by the leadership of the valiant, the men of superior strength and physical might. The age where martial mentality rules is the *Ks'attriya* Age. This society gradually begins to rely on developed intellect and the third phase in social evolution begins, viz. the *Vipra* Age. *Vipras* possess contemplative mentality and control superior strength with the knowledge begotten of their cunning intellect. Those *Vipras* who apply their intellect to the acquisition of goods and services from the point of production to consumption gradually begin to enjoy supremacy in the society and the *Vaeshya* Age begins. The *Vaeshyas* are the merchant class, the capitalists, and are ruled by the acquisitive instinct. This axiom states that society at a particular point of time is always guided by one of these four group psychologies, i.e. *Shudran* (Laborer), *Ks'attriyan* (Warrior), *Vipran* (Intellectual) and *Vaeshyan* (Business). These are psychic traits and therefore portray a certain mental colour, well-defined characteristics. For example, *Shudras* are slaves of matter and believe in self-centered existence.

Ks'attriyas are always ready to fight for survival and dignity but lack the foresight of the *Vipras*. *Vipras* control by the power of their intellect and *Vaeshyas* control by the power of their acquisitive wealth. A detailed analysis of these four classes have been given by P.R. Sarkar in *Human Society* Part II, AMPS Publications, 1967. An empirical analysis of this aphorism has been published by Dr. Ravi Batra in *Downfall of Capitalism and Communism* Macmillan, 1978.

Diagram :



Another feature of this axiom is that the society is in constant motion following the dictates of this social cycle. However, the social cycle depicts a spiral motion, i.e. the second round is not identical but portrays similar features. Following the first *Vaeshya* Age comes the *Shudra* (proletariat) revolution. As the *Shudras* have neither a strongly built society nor sufficient intelligence, the administration of post-capitalist society goes into the hands of those who lead the proletariat revolution. These people are brave and courageous, and so they establish the advent of the second warrior era. After the successive order of *Shudra-Ks'attriya-Vipra-Vaeshya* eras comes revolution again, and then another

cycle of similar successive order begins. Thus the rotation of the the *Samaj Chakra* or the social cycle, continues.

2. CAKRAKENDRE SADVIPRAH CAKRANIYANTRAKA'H

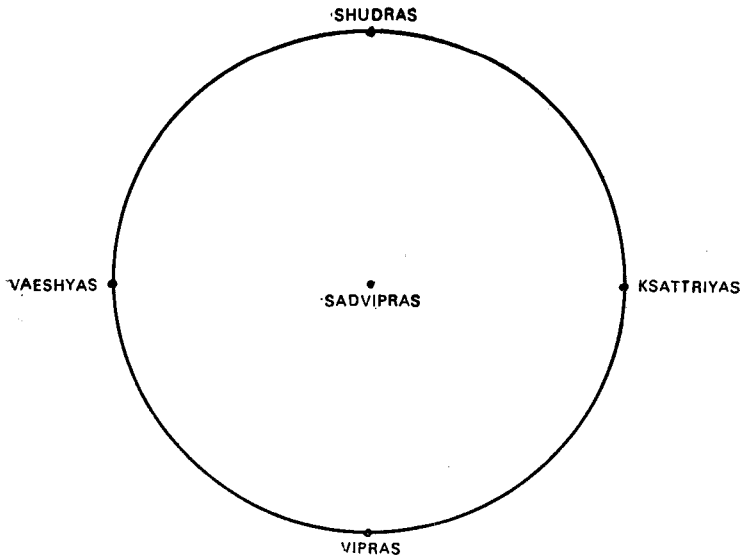
In the nucleus of the social cycle the Sadvipras are the controllers of the social cycle.

CAKRA = social cycle

KENDRE = in the nucleus

NIYANTRAKA'H = controllers

Purport: *Sadvipras* are those moral and spiritual aspirants who want to put an end to exploitation and vice by the application of force. They do not belong to the periphery of this cycle because they will control the social cycle positioned as its driving shaft or nucleus. The social cycle must revolve, but if the military in the warrior age or the intellectuals in the intellectual age or the capitalists in the capitalist age degenerate to play the role of exploiters instead of administrators, in that case the



inherent characteristics of *Sadvipras* shall be to protect the honest and the exploited, and to bring under control the dishonest and

rapacious exploiters, through the application of their special force.

3. SHAKTISAMPA'TENA CAKRAGATIVARDHANAM'

KRA'NTIH

When a mild application of force is applied over a long period of time bringing the changes in the social cycle, it is Kra'ntih (evolution)

SHAKTI = Force

SAMPA'TENA = through application

CAKRAGATIVARDHANAM' = to accelerate the movement of the social cycle

KRA'NTIH = evolution.

Purport: *Sadvipras* will initiate and establish the *Vipra* age by bringing under control the *Ks'attriyas* as soon as the *Ks'attriyas* degerate into exploiters. Here the advent of the *Vipra* age, which should have come in natural course, is expended by application of force. Such a change or eras may be called *Kra'nti* or evolution. The difference between evolution and natural change is that in evolution the movement of the social cycle is accelerated by the application of force.

4. TIIVRASHAKTISAMPA'TENA GATIVARADHANAM'

VIPLAVAH

When a sudden and severe application of force brings the change, it is Viplavah (revolution).

TIIVRA = tremendous, sudden and severe.

VIPLAVAH = the flow that inundates everything, i.e. revolution.

Purport: *Viplava* or revolution is the application of tremendous force within a short time to destroy the formidable control of any era and replace it by the next era.

5. SHAKTISAMPA'TENA VIPARIITADHARA'YA'M'

VIKRA'NTIH

Counter-evolution is the application of force for the backward movement of the social cycle.

VIPARIITA = opposite

DHA'RAYAM' = in the flow

VIKRA'NTIH = counter-evolution.

Purport : If any era reverts to the receding one by the application of force, such a change is called *Vikrañti* or counter-evolution. For example, the establishment of the *Ks'attriya* era after the *Vipra* era is counter-evolution, and is very short-lived. Within a very short time this era is again placed by the next era or the one after it. In other words, if the *Ks'attriya* era suddenly supercedes the *Vipra* era through counter-evolution, then the *Ks'attriya* era will not last long. Within a short time after the *Vipra* era or by natural course, the *Vdeshya* era will take its place.

6. TIIVRASHAKTISAMPA'TENA VIPARIITA-DHA'RAYAM' PRATIVIPLAVAH

Counter-revolution is the application of tremendous force for the backward movement of the social cycle.

TIIVRA = tremendous

SAMPA'TENA = through application

PRATIVIPLAVAH = counter-revolution.

Purport : Similarly, if within a short time or by the application of tremendous force the social cycle is turned backwards, such a change is called *Prativiplava* or counter-revolution. Counter-revolution is still more short-lived than counter-evolution.

7. PURNA'VARTANENA PARIKRA'NTIH

A complete rotation of the social cycle is called Parikrañti.

PURNA = full

A'VARTANENA = with the rotation

PARIKRA'NTIH = completion of cyclic movement

Purport : A complete round of the social cycle, together with the conclusion of *Shudra Viplava*, is called *Parikrañti* or peripheric evolution.

8. VAECITRYAM' PRA'KRTA DHARMAH SAMANAM' NA BHAVISYATI

Diversity is the law of nature and equality will never be.

VAECITRYAM' = diversity, colourfulness

PRAKRITA = natural, pertaining to Prakrti or Supreme
Operative Principle

DHARMAH = characteristic, fundamental law

SAMANAM' = equal qualitative and quantitative value of
two dissimilar objects

NA = not.

BHAVIS'YATI = will be.

Purport : Variety or diversity is the *Dharma* or chief characteristic of *Prakrti*, the Cosmic Operative Force. No two objects in the universe are identical, nor are two bodies, two minds, two atoms or two molecules. This variety is *Prakrti's* forte. Those who want to equate everything must fail, for that is unnatural. All objects are equal only in the unmanifest or potential state of the Cosmic Force, and so those who think of equating invariably think of the destruction of everything.

9. YUGASYA SARVANIMNAPRAYOJANAM' SARVES'AM' VIDHEYAM

The minimum necessities of all in a particular economic age should be guaranteed.

YUGA = an age

SARVANIMNAPRAYOJANAM' = minimum necessities

SARVES'AM = of all

VIDHEYAM = should be guaranteed.

Purport : The Cosmic Entity is my father, the Cosmic Operative Principle is my mother, and the three worlds are my homeland. So everything or object of this universe is the common property of all humanity. Nothing in the universe is cent per cent equal in both quality and quantity, therefore the minimum necessities of life should be made available to everybody. In other words, food, clothing, medical treatment, accommodation, education and so on must be provided to all. Humanity's minimum necessities however, change with the change in eras or ages. For example, for conveyance the minimum necessity may be a bicycle in one age and then an aeroplane in another age.

The minimum necessities must be provided for all people according to the age in which they live.

10. ATIRIKTAM' PRADA'TAVYAM'
GUN'ANUPA'TENA

The surplus after distributing the minimum requirements is to be given according to the social value of an individual's service productivity.

ATIRIKTAM' = surplus goods

PRADATVYAM' = should be given

GUN'ANUPA'TENA = according to social values, merits.

Purport : The surplus wealth, after meeting the minimum necessities of the age, will have to be distributed among talented people according to their merit. Motor cars instead of bicycles, for example, should be provided to meritorious people in recognition of their accomplishments to provide them with greater opportunity for social service. "Serve according to your capacity and earn according to your necessity" sounds good to the ears, but will reap no harvest in the hard soil of the world.

11. SARVANIMNAMA'NA VARADHANAM' SAMA'JA
JIIVALAKS'AN'AM

The increase in the standard of living of the people is the indication of the vitality of the society.

SARVANIMNAMA'NA = the minimum standard of living.

VARDHANAM' = increase

SAMA'JAJIIVA = the vitality of society

LAKS'AN'AM = sign, indication.

Purport : Meritorious people should certainly receive greater amenities compared to the level of minimum necessities allocated to people in general, and there should be never-ending efforts to raise the level of minimum necessities. For example, today common people need bicycles whereas meritorious people need motor cars, but there should be proper efforts to provide common people with motor cars also. After everybody has been provided with a motor car, it may perhaps be necessary to provide each meritorious person with an aeroplane. After providing every meritorious person with an aeroplane, efforts should be made to also provide

every common person with an aeroplane, raising the level of minimum necessities. In this way efforts for raising the level of minimum necessities should go on endlessly, and on this endeavour shall depend the all-round material prosperity and development of humanity.

12. SAMA'JA'DESHENA VINA' DHANASAINCAYAH
AKARTAVYAH

No individual should be allowed to accumulate any physical wealth without the clear permission or approval of the collective body.

SAMA'JA = 'Samamantrena ja'yate iti samd'ja', Samānam ejate iti samd'ja, collective movement in perfect unison keeping one goal of life.

A'DESHENA VINA = without the permission or approval

DHANA = wealth

SAINCAYAH = Accumulation

AKARTAVYAH = should not be done.

Purport: The universe is the common property of all. People have usufructuary rights, that is, the right of enjoyment, but no one has the right to misuse this common property. Those who gather much wealth and hoard it directly curtail the happiness and convenience of others in society. Their behaviour is flagrantly anti-social. Therefore no one should be allowed to hoard wealth without the permission of society.

13. STHULASUKS'MAKA'RANES'U CARAMOPAYOGAH
PRAKARTAVYAH VICA'RASAMARTHITAM' VANT'A-
NAINCA

There should be maximum utilization and rational distribution of all mundane, supramundane and spiritual potentialities of the universe.

STHULA = that which was not crude in the origin, but transformed into crudity in the process of evolution, which can be perceived or recognized by the sensory organs.

- SU'KS'MA = pertaining to the atomic structure (subtle mental body)
 KA'LANES'U = of the primordial causal factor, original cause of an expression
 CARAMA = fullest, maximum
 UPAYOGAH = utilisation
 PRAKARTAVYAH = the action which should be done without any deviation
 VICAR = judgement supported by conscience after examining in detail
 SAMARTHITAM = supported
 VANT'ANAM = distribution
 CA = and

Purport : The wealth and resources inherent in the crude, subtle and causal worlds should be developed for the welfare of all people. All resources hidden in the five fundamental factors—solid, liquid, luminous, aerial and etheric—should be fully utilised and this endeavour will ensure the maximum development of the universe. People will have to earnestly explore land, sea and space to discover and manufacture the necessary resources. There should be rational distribution of the accumulated wealth of humanity. In other words, apart from meeting the indispensable minimum necessities of all, the necessities of meritorious people and those with special requirements must also be met.

14. VYAS'TISAMA'TISHARIIRAMA'NASADHYA'TMIKA
 SAMBHA'VANA'YA'M CARAMO'PAYOGASHCA

There should be maximum utilization of all physical, meta-physical and spiritual potentialities of the unit and collective body of the human society.

- VYAS'TI = one unit of a composite structure
 SAMAS'TI = collection of many units as a composite structure
 SHARIIRA = concerning the physical structure (individual and social)
 MANASA = concerning the psychic body (individual and collective)

'DHYA'TMIKA = concerning the A'TMAN (of individual and collective)

SAMBHA'VANA' = 1) the capabilities, physical, psychic and spiritual, a person possesses
2) the capabilities, people can acquire, provided they get proper scope.

Purport : The collective body, collective mind and collective spirit must be developed. One must not forget that collective good lies in individuals and individual good lies in collectivity. Without providing for the comfort of the individual through proper food, light, air, accommodation, and medical treatment, collective good can never be accomplished. So it is with the sole intention of doing collective good that one will have to devote oneself to individual good. The development of the collective mind is impossible without developing a proper social consciousness, encouraging a sense of social service, and awakening knowledge in every individual. So, inspired with the thought of doing good to the collective mind, one has to do good to the individual mind. Absence of spirituality and spiritual morality in an individual will break the backbone of the collectivity. So for the sake of collective good one will have to awaken spirituality in individuals. One or two spiritualists do not indicate advancement and progress of the whole society. The body, mind and self of every individual have the potential for limitless expansion and development. This potentiality has to be harnessed and brought to fruition.

15. STHU'LASU'KS'MAKA'ARAN'O'PAYOGA'H SUSANTULITA'H VIDHEYA'H

There should be proper adjustment amongst the physical, metaphysical, mundane, supramundane, and spiritual utilizations.

STHU'LA = physical and mundane

SU'KS'MA = psychic and supramundane

KA'ARAN'A = spiritual

UPAYOGA'H = the method of utilization

SUSANTULITA'H = well-balanced

VIDHEYA'H = should be performed in a particular way

Purport : While promoting individual and collective welfare there should be proper adjustment amongst the physical, mental and spiritual and the crude, subtle and causal factors. For example, society has the responsibility of meeting the minimum necessities of every individual but if society arranges food and builds a house for everyone under the impetus of this responsibility, individual initiative becomes retarded. People will gradually become lethargic. Therefore society has to make such arrangements so that people, in exchange for their labour according to their capacity, can earn the money they require to purchase the minimum necessities. In order to raise the level of minimum necessities of people the best policy is to enhance their purchasing capacity.

The law of adjustment further stipulates that while taking services from a person who is physically, mentally and spiritually developed, society should follow a balanced policy of adjustment. If only one of these three capacities—physical, mental or spiritual—is developed in a person, society should take the one which is developed. If both physical and intellectual capacities are sufficiently developed in a person, society should adopt the policy of adjustment which takes more intellectual service and less physical service, because intellectual power is comparatively subtle and rare. If all three capacities—physical, mental and spiritual—are found in one person, society should make greatest use of their spiritual service less of their intellectual service and least of their physical service.

The greatest service to the cause of social welfare can be rendered by those who have acquired spiritual power, and the next service by those having intellectual power. Those having physical power, though not negligible, cannot do anything by themselves. Whatever they do is done under the instructions of those with intellectual and spiritual power. Hence the responsibility of social control should not be in the hands of those who have great physical capacity, or in the hands of those endowed with courage, or in the hands of those who are intellectually developed, or in the hands of those with worldly skills. Social control should be in the hands of those who are spiritual aspirants, intelligent and brave all at the same time.

16. DESHAKA'LAPA'TRAEH UPAYOGA'H
 PARIVARTTANTE TE UPAYOGA'H
 PARAGATISHIILA'H BHAVEYUH

The method of utilization should vary in accordance with the change in time, space and person, and the utilization should be of a progressive nature.

DESHAKA'LAPA'TRA = space, time and person (three cardinal categories of an action)

UPAYOGA'H = method of utilization

PARIVARTTANTE = are changing

TE = they, those

PRAGATISHIILA = used to denote nature of progressive character

BHAVEYUH = should be

Purport: The proper use of any object changes in accordance with the changes in time, space and person. Those who cannot understand this simple reality want to cling to the skeleton of the past and are consequently rejected by contemporary, living society. Sentiments based on narrow national outlook, regional outlook or caste pride etc. tend to keep people away from rudimental facts and original ideas. Those influenced by such sentiments cannot openly accept the simple truth. Consequently they are compelled to slink away to the back stage after having done indescribable damage to their country and fellow citizens.

Changes in the use of every object inevitably occur according to changes in time, place and person. After recognizing this fact people will have to progressively utilise every object and every idea. For example, scientific research must be applied so that a person, instead of wielding one huge hammer today, will be able to wield many hammers simultaneously, using the same strength. In other words, scientific research, guided by progressive ideas, should extract greater and greater service from the same human potential. It is not a sign of progress to use outdated scientific technology in an age of developed science.

Human beings will have to bravely face whatever large and small obstacles that may arise due to the use of various resources and materials created by progressive ideas and developed

technology. Human beings have to march forward to victory on the path of all-round fulfillment in life.

17. PRAGATISHILA UPAYOGA TATTVAMIDAM'
SARVAJANA HITARTHAM' SARVAJANASUKHA'
RTHAM' PRACARITAM

This is the Progressive Utilization Theory, published for the good and happiness of all.

PRAGATISHILA = progressive

UPAYOGA = utilization

TATTVAMIDAM' = this theory

SARVAJANA = all

HITARTHAM' = for the good, benevolence, welfare

SUKHARTHAM' = for the happiness

PRACARITAM = propounded

Adapted from: Ananda Sutram (Chapter 5), A'nanda
Ma'rga Publications, Tiljala, Calcutta 39, India. (1959)

ECONOMIC DECENTRALIZATION AND SOCIO-ECONOMIC INTEGRATION

GOALS OF AN ECONOMIC SYSTEM

A humanistic, rather neo-humanistic economic system has so far not been developed or implemented. PROUT is the first comprehensive socio-economic ideology that stands on neo-humanist psychology. Freedom, according to PROUT, is the natural birthright of every human being. While society should encourage the individual search for absolute freedom, collective freedom can only be ensured if there is unbarred expression in the different spheres of life. Freedom or liberty does not, however, mean a license to do whatever one wishes. If an individual action runs counter to cardinal human values and the collective interest, it should not be allowed. Nothing except rational judgment backed by the consideration of 'love' can be the guiding light in defining the limits of right and wrong. Economic freedom is also a part of the natural right of every human being. For such a natural right to be properly developed, it is our duty to create a congenial atmosphere, a suitable socio-economic environment. In such an endeavor, the socio-economic ideology must move respecting the inherent dynamism of an age. "To thwart the spirit of an age is beyond the power of any individual or any collective force." It is the duty of the socio-economic philosopher of every age to channelize the irresistible trend of an age towards the path of benevolence by applying their own wisdom and benevolent intellect to the task. Such is a challenge of neo-humanistic economics for every era. The goals of each era remain the same:

- (1) To enhance the purchasing power of one and all
- (2) To feed the existential "demands" as a first priority
- (3) To create a congenial atmosphere for the "full" utilization of the potentialities of "all" resources

- (4) To remove the disparities in all spheres, especially in social, economic and political life
- (5) To enhance the psychic and spiritual pabula of both individual and the society.

SOCIO-ECONOMIC GROUPIFICATION

In light of the above goals and the trend of the age, PROUT advocates the formation of socio-economic units throughout the world. These units will work to enhance the all-round welfare of the people in their respective areas and unite the humanity on a common ideological base. As each unit becomes economically self-sufficient and prosperous, it will unite with other socio-economic units and form a larger socio-economic zone. Existing socio-economic boundaries are not only unscientific in most cases but also unpsychological. PROUT's concept of socio-economic groupification is free from these two defects. The basic consideration in forming these socio-economic units is social, cultural and economic and not religious or linguistic. The entire world can be reorganised into such socio-economic units. These units would not merely be geographical areas but socio-economic areas. Ultimately, the entire world may form a "single" socio-economic zone. With the formation of world government, the interests of all persons and creatures will get proper recognition in such a system. The justification for establishing socio-economic units throughout the world lies in the fact that any attempt to develop an area economically must start at the grass roots level. That is, the direction of economic development should be from the bottom to the top, not from the top to the bottom. The latter approach is impractical and a utopian myth.

The socio-economic groupification concept is a cornerstone of the decentralization strategy of PROUT. It will enable the formation of self-reliant, humanistically linked and ecologically concerned society. It is a "think globally, act locally" idea and is a practical expression of "unity in diversity" principle in the socio-economic field. It gives recognition to diversities of cultures and provides scope to the unification of entire society under the inspiration of "Universal Ideology". Each *samaj* is to "know

its area, prepare the plan and serve its population" through maximum utilization and rational distribution of all its resources. While developing the economic plan, topography, natural resources, river systems, cultural conditions, communication and industrial potential need to be carefully studied. The first step to decentralise planning is to make an economic plan according to the needs of the lowest level. To begin with, block-wise planning should be the level of planning. The aim of the planners should be to make each block economically sound so that the entire socio-economic unit will be self-sufficient. Self-reliance does not mean use of primitive modes of production. Rather, the latest developed technology should be adopted in each block of the world. Only then will the country or federation become economically sound, socially peaceful and optimally developed. This approach to planning is the unique feature of PROUT's approach of economic decentralization and socio-economic integration of the world.

OBJECTIVES OF GROUPIFICATION

The primary objectives of realigning socio-economic zones are two-fold:

- (a) to enable the tapping of diverse socio-economic endowments of each geographical area for the benefit of all creatures of the earth, and
- (b) to bring about equipoise and harmony amongst physical, psychic and spiritual aspirations of *all people and all creatures*.

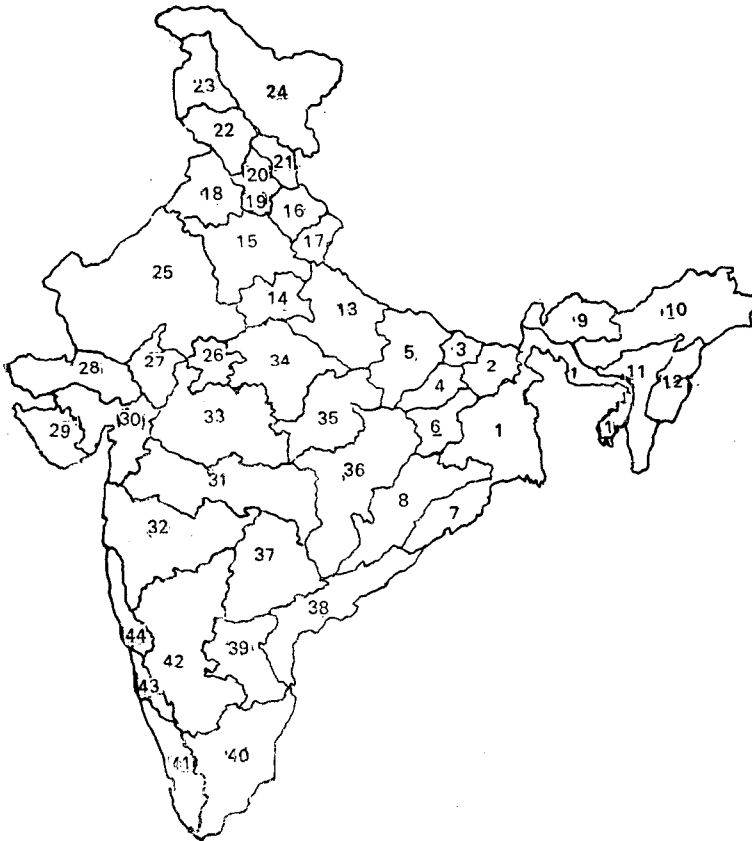
CRITERIA OF GROUPIFICATION

The criteria for forming socio-economic zones should be :

1. Similar Economic Problems
2. Uniform Economic Potentialities
3. Geographical Contiguity and Similar Geographical Features
4. Ethnic Similarity
5. Common Sentimental Legacy

(*PROUT in a Nutshell*, Part XIII, p. 20)

The application of this criterion in order to regroup the state boundaries is an important task. Structure profoundly determines the utilization of resources. The socio-economic groups based on the above factors could be termed as “*samajas*”. A *samaj* is a synonym for a “society that is bound together by the principle of moving together”. A *samaj* member is one who speaks the *samaj* language, lives in the *samaj* area, and has merged his/her socio-economic interest with the socio-economic interest of the concerning socio-economic zone (*samaj*).



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MAP KEY

- | | |
|---------------------|------------------------|
| 1. Amra Bangali | 23. Kashmiri Samaj |
| 2. Angika Samaj | 24. Laddakhi Samaj |
| 3. Mithila Samaj | 25. Marvari Samaj |
| 4. Magahi Samaj | 26. Hadauti Samaj |
| 5. Bhojpuri Samaj | 27. Mewari Samaj |
| 6. Nagpuria Samaj | 28. Kuchhi Samaj |
| 7. Utkal Samaj | 29. Kathiawari Samaj |
| 8. Kosal Samaj | 30. Gurjar Samaj |
| 9. Bhutia Samaj | 31. Vidarbha Samaj |
| 10. Bodo Samaj | 32. Sahyadri Samaj |
| 11. Assamia Samaj | 33. Malwa Samaj |
| 12. Lepcha Samaj | 34. Bundelkhand Samaj |
| 13. Avadhi Samaj | 35. Baghel Khand Samaj |
| 14. Braj Samaj | 36. Chhattisgarh Samaj |
| 15. Hariyanvi Samaj | 37. Telengana Samaj |
| 16. Garhwali Samaj | 38. Cirkar Samaj |
| 17. Kumayuni Samaj | 39. Rayal Seema Samaj |
| 18. Punjabi Samaj | 40. Tamil Samaj |
| 19. Sirmauri Samaj | 41. Malayalam Samaj |
| 20. Pahadi Samaj | 42. Kannada Samaj |
| 21. Kinnauri Samaj | 43. Tulu Samaj |
| 22. Dogri Samaj | 44. Konkani Samaj |

POLARISATION STRATEGY

In order to protect the area from being exploited by vested interests, the following points should also be kept in mind :

- (a) There should be 100% employment for local people.
- (b) Maximum local industries should be developed in the local area according to the availability of local raw materials and for local consumption.
- (c) Finished products produced locally should not be imported as far as possible.
- (d) The medium of education from primary through secondary to the university level should be the local language. Imposition of foreign languages have led to psycho-economic exploitations.
- (e) Local language should be the medium of communication in governmental and non-governmental institutions and offices.
- (f) Local needs should be assessed and programmes should be developed to meet specific requirements of the particular locality.
- (g) There should be one lingua-franca for communication among all groups.

Regional movements developed along the above-mentioned issues will help to stop the exploitation of the rural areas by the urban sector ; agriculture by the industrial sector ; periphery by the central and developing world by the developed world.

Some such movements have already gained ground in the world today, e.g. Mauri Samaj, Zulu Samaj, Angika Samaj, Chattisgari Samaj, etc. About 242 samaj movements have been organized in the world to bring about the elevation of social, economic, cultural, political, and technological standard of the indigenous population of these *samaj* groups. These socio-economic regional movements provide the fence to cultivate local self-reliance and protection from the devouring influence of pseudo-culture of pornography, alcohol, smoking, drugs, prostitution, and other evils of materialistic and profit-motivated psycho-

logy. These movements also put a stop to ecological devastation and indiscriminate destruction of flora and fauna.

The socio-economic units of PROUT cannot be branded as parochial because they are based on humanistic patriotism and not geopolitical patriotism; on coordinated cooperation and not subordinated cooperation; on universal spirit and not ethnocentrism. Establishment of these socio-economic units will obviously bring the death-knell of linguistic imperialism, psycho-economic exploitations and all fissiparous tendencies. In addition, these units will usher a new era of economic progress and social harmony for every group of people on this earth. PROUT advocates that under no circumstances should livelihood, *Dharma* (spiritual longing) and language of any group of persons be suppressed. Exploitation in these three realms is dangerous.

The socio-economic programme of each unit should be based on the principles of anti-exploitation and cosmic sentiment. The economic program must not give any scope to centralization of economic power as is the trend of today. This applied programme of PROUT is indeed a socio-politico-economic revolution.

EXPANSION OF SOCIO-ECONOMIC ZONES

While the division of political units into sub-units has been going on for many a decade, the divisions have not followed any systematic pattern. Nor have the divisions been guided by the final purpose of unifying them into an integrated whole in harmony with natural trends of the age. PROUT advocates a rationale to this issue of regionalization of world economy and the ultimate formation of one world economic unit through natural process of equitability and homogenization. The criteria for the merger of socio-economic units are:

- (a) Economic Similarity
- (b) Communication Facilities
- (c) Administrative Efficiency

Where these conditions occur, two or more units will have attained a high degree of socio-economic parity and so it will be

convenient, mutually beneficial and natural for them to cooperate to form a single socio-economic unit. The need for such an integration has already been expressed in Europe, Asia, South America and even the Far East.

Freedom from Exploitation

PROUT contends that society can enjoy lasting protection from exploitation only if society is guided by :

- (a) an integrated ideology
- (b) an empirical spiritual base
- (c) spiritually orientated people
- (d) service-motivated institutions

Such elements will prosper in the decentralized economy of PROUT where the exploitation by a particular class will become a thing of the past. Still, Sarkar warns :

“...to keep that vibration rippling all the time, a never-ending fight in both individual as well as collective life must go on and on. One must be vigilant lest time dulls the edge of the vital force, lest dullness overwhelms dynamism, lest inertia sneaks into the privacy of the mind”.

In the most eloquent style, Sarkar presents his call for social and economic justice as follows :

“In every sphere of life—social, economic, mental and spiritual—to make people conscious of their rights is what I call the expansion of knowledge, and the full application of these rights, the cultivation of science. Neglected people who, for whatever reasons, have kept themselves aloof from knowledge and science, should be given opportunities in the fullest measure... The society which accepts inequality—the society which wants to keep alive inequality by dint of incongruous reasoning—is a downright fraud...”

No two things of the world are alike. So I don't suggest recasting everything into one mold. Still, for the

sake of humanism, for the sake of fair justice, equitable distribution of the resources of the universe is indispensable and co-ownership of the world's resources is the birthright of every individual. Even a trifling attempt at depriving anyone of this right will be tantamount to gross selfishness... Except for some constructive undertakings, or some particular work, for which some special incentive becomes necessary for the time being in the case of certain individuals in order to give them impetus and inspiration, all persons must be given equal rights and opportunities in all other spheres...I have just said that in some cases it may not be possible to perform strictly equitable justice in respect of mundane resources, but what prevents us from working for the eradication of disparity? Where is the difficulty in reducing the gap between the salaries of £ 30 and £ 3000 per month? Won't it be fair, if after paying every person the minimum salary adequate for the maintenance of their family, some extra money is paid to persons according to their special abilities and the nature of their respective responsibilities? This will provide opportunities to impart proper justice according to peoples' abilities and responsibilities...

To seek the path of one's vibrational self-expression in all respects is innate in all living beings. Yet, each of the crude things that we enjoy or endure is limited, so it is not desirable that any of them should be stockpiled in any individual's possession. Let every one possess mental and spiritual wealth and resources as much as possible. But individual hoarding of mundane resources and wealth must be stopped, even by force or legal compulsion if need be. It is also not absolutely impossible to channelize the mental craving for physical enjoyment through proper education. Human society is badly in need of such neo-humanistic education...

I repeat, like any other small and big problem, there is but one way to solve economic problems, and that is through genuine love for humanity. It is this love that will give people the proper direction as to

what should and should not be done. For this one need not study volumes of books. The only thing needed is to act while looking upon humanity with honest sympathy... The very urge for wiping out inferiority complexes from the mind leads one to greatness with slow but steady steps—establishes one in eternal superhumanism. So only the acceptance of the ideas of those who have taken it upon themselves to solve the human problems of the universe will not suffice. Along with those ideas, one must acquire sufficient strength to proceed on the path of progress. It is this persevering endeavor to acquire strength which is called *śādhana*—the meditative contemplation of the Great... One must remember, theories are not the deliverers of the living beings. The deliverer is that high competence which helps to keep open and unbarred every small or big vista of sentient existence—that vigorous competence which brings about the fusion of the hard reality of existence with the ultimate point of the visionary world. It is the eternal truth in all spheres of life—economic, psychic, religious and social... with due honour and justice to everyone, the human race shall have to be made to feel exalted in its own dignity and self respect. None can be the target of hatred or ridicule. No matter what the learning, the intelligence, the features, the virtues, the colour, or rank or age is of an individual, all possess some unique capabilities bestowed by the Creator. The person whom we think to be inferior may excel us in some other thing or sphere. I have already said and I say it again, 75% of the troubles that overrun human society are due to the want of justice on the part of one person over the other”.

(Extracts from *Prout in a Nutshell*, Part I)

The Source of Sentimental Legacies

Vaedic (Samskrta)	Latin	Hebrew	Old Chinese	Tamil
Seven Prakrtas	Three Descendants	1. Old Arabic	Mandarin	Northern demi-Tamil
1) Magadhi Prakrta	1) Continental	2. Old Greek	Cantonesse	—Telgu
—Maithali	—English	3. Old Roman		—Kannada
—Aungika	—German	4. Medieval		Southern demi-Tamil
—Assamia	—Czech			—Tamil
—Bengali	—Hungarian			—Malayalam
—Oriya	—Polish			—Tulu
—Kosali	—Flemish			
—Maghi	2) Occido-demi			
—Bhojपुरi	—Spanish			
—Nagपुरi	—Portuguese			
—Chatisgashi	—Basque			
2) Shaoraseni Prakrta	3) Oriento-demi			
—Awadhi	—French			
—Bagheli	(17 dialects)			
—Bundili	—Italian			
—Brajabhaka				
—Hirnyanvi				
3) Paishachi Prakrta				
—Dogri				
—Punjabi				
—Pahari				
4) Pashcatya Prakrta				
—Kashmiri				
—Pas'to				
—Tazaki				
—Uzbeki				
5) Pahlavi or Saendhavi Prakrta				
—Sindhi				
—Sindhi				
—Multani				
6) Ma'ivi Prakrta				
—Malavi				
—Gujarati				
—Kachhi				
—Marwari				
—Harauti				
7) Maharashtra Prakrta				
—Marathi				
—Konkan				

Source : Sarkar, P. R., "Varna Vijnana : The Science of Letters",
A'nanda Ma'rga Publications Calcutta, India.

CHAPTER 9

QUADRO-DIMENSIONAL ECONOMY OF PROUT

A developed economy, according to PROUT, has four divisions:

- (1) Peoples economy—through which the basic necessities of all can be guaranteed ;
- (2) Psycho-economy—through which the psychic aspirations can be nurtured constructively and beneficially ;
- (3) General economy—through which the comforts of life can be progressively guaranteed ;
- (4) Commercial economy—through which the surpluses can be exchanged and shared with the other deficit zones.

SELF-SUFFICIENCY THROUGH COOPERATION

In order to simultaneously develop all these divisions of an economy, PROUT advocates the principle of “cordinated cooperation.” According to PROUT, “Cooperatives are the ideal system of organising all aspects of the economy”. The failure of the cooperatives so far has been due to an unpsychological approach and insufficient attention to morality, social consciousness and discipline. PROUT launches the socio-cultural revolution prior to introduction of the cooperative movement in all sectors of the economy. PROUT recognises that to establish a well-knit social order in any country or socio-economic zone, three fundamental factors are a must:

1. Discipline in individual and collective life.
2. Proper ideological inspiration.
3. Economic stability.

The cooperative economy of PROUT ushers in the age of self-reliance and sufficiency as a modum for long-term economic stability of every economic zone of the planet.

Hitherto, we know of free market economies, command economies, and mixed economic systems. In real life, no economy is either strictly free-market or purely state controlled. The degree of emphasis on laissez-faire and state intervention varies from country to country. To repeat, the following defects are discernible in the contemporary economic systems irrespective of the degree of state intervention:

- (1) There is utter neglect of the masses. The socio-economic locus-standii of the masses is fast deteriorating.
- (2) The freedom of economic choice is a mere sham. The allocational decisions are controlled by special interest groups—be they private monopolists, state monopolists or political leaders of some sort.
- (3) Production and distribution of wealth is highly skewed. There is alienation of workers and under-utilization of material resources as well as human potential. Total wealth is highly concentrated in the hands of the few.
- (4) The state is only an agent of serving the interests of the few—either the rich (in capitalist economies) or the state bureaucrats or political autocrats (in the case of socialist countries). Political power and economic power maintain one-to-one correspondence.
- (5) There is gross neglect of flora and fauna. The environment has been depleted beyond repair due to lack of ecological and spiritual consciousness.
- (6) There is an unholy alliance between economic interests and forces bringing about cultural degeneration.

In order to rectify all of the above, PROUT has proposed its own economic system which will give effect to its fundamental principles. The PROUT economic system is designed to provide a moral and ideological atmosphere in which both individual and social welfare can be both maximized and continuously enhanced.

The purpose of all wealth, according to PROUT, is to satisfy human wants and needs. Wealth is needed for consumption,

both current and future, but not for excessive private hoarding or profiteering. Thus private accumulation and/or the profit motive should not be the sole basis of producing goods and services. The sole basis should be consumption. Hence PROUT's is a consumption-based economy. Note that while excessive private hoarding is undesirable because of its social evils, the social accumulation of wealth is to be encouraged for further investment as well as for research in all aspects of human development. It is to be noted also that in the subtle economic sense, the value of wealth is of real importance.

DISTRIBUTION OF INCOME

Dr. Ravi Batra, a long-time student of PROUT, elaborates the minimum and maximum wages concept of PROUT as follows :

"Complete equality of wages for all occupations is desirable only when no surplus is left after meeting everyone's requirements. The ideal income inequality on ethical grounds is one where the maximum wage is no more than twice the level of the minimum wage. Anything less than this disparity would infringe on our sense of fairness and incentives. However, the ideal may not be achieved for a long time to come. The second best solution may then be that the highest and lowest wage differ by a multiplicative factor lying between 2 and 10... The maximum wage should be reserved for those making maximum contribution to society... The debate over inequality has simply clouded the issue and furnished the wealthy with subtle arguments to justify the status quo. Welfare schemes are well known for fraud and mismanagement. It is high time that we bridge or narrow the gaps between minimum and maximum wages now. This could be done by raising the minimum wage faster than the maximum wage. For instance, if the real per capita income is expected to grow at the rate of 5% per year, then the minimum real wage could be raised at the rate of 10%. As a result, the maximum real wage will have to rise

by less than average per-capita increase, i.e. less than 5%. But all should be permitted to partake of the rising prosperity, so that no one feels left out of the system."

The theoretical schemes of equalizing individual marginal utilities or relying on progressive taxation to reduce the income disparities have both been a dismal failure. One, due to difficulty in computation, and the other due to reliance on the honesty of the dishonest rich.

CEILINGS ON WEALTH

More important than the limits on wages is the concern for inequalities in wealth. Inequalities of property ownership dwarf the inequalities of income. Some argue that they are the chief source, if not the only source, of income disparities. Ceilings should, therefore, be placed on income from property as well. As a rule, except in the case of the handicapped, the income from property or inheritance wealth should not exceed the minimum wage. Dr. Batra again suggests the following formula for computing wealth ceiling :

$$P_{max} = \frac{W_{min}}{r}$$

P_{max} = ceiling on the value of a property of inherited wealth
 W_{min} = minimum wage
 r = reasonable rate of return

If a person owns both tangible property and intangible property, he/she may be allowed to own the maximum allowable tangible plus half the allowable intangibles. This mix will allow the person to have necessary liquidity for emergencies.

Furthermore, on practical and humanitarian grounds, some exceptions from the wealth ceiling rule may be provided to the handicapped, elderly and widows. The house that one owns and lives in may be exempted from the ceiling on practical grounds. Any wealth in excess of the amount yielding the maximum wage should be immediately socialized, for no one has

the right to enjoy a living standard exceeding the maximum wage while his fellow citizens are struggling below subsistence.

PEOPLE'S ECONOMY AND TRICKLE-UP HYPOTHESIS

It is said that "India is rich but Indians are poor while Israel is poor but Israelis are rich." Such a condition exists because the potentiality of the natural endowments coupled with the human potentiality create a net effect of development or under-development. Peoples' economy of PROUT is concerned with utilizing the "cooperative dynamo" to guarantee the essential needs. Many economists today argue that we should not tinker with distributive arteries of the economic system, for that would adversely affect its productivity and growth. Their main argument is that any egalitarian policy aimed at income redistribution would weaken the work incentive of the rich as well as their willingness to take risks. Investment would suffer and so would the NNP (Net National Product). The trickle-down hypothesis has been advanced by many scholars to maintain the status quo of the wealthy. How long will the masses wait to feel the benevolent affects of the trickle-down theory? Would it not be wiser to adopt the trickle-up approach where first, the needs of the bottom 60% will be met before serving the luxuries of the top 40%? Towards this end, PROUT advocates the three-tiered economy:

Guaranteed Minimum Necessities	
Private Sector (small-scale)	... sole proprietorships (retail)
Cooperative Sector (Agriculture, Finance and Industry)	... worker-owned coops
Public Sector (Autonomous Units)	... key industries

In this pyramidal approach, the key industries provide the infrastructural base. These are those industries which are the

basis for other industries like energy, iron and steel, public utilities, etc. These should best be managed under local government supervision by autonomous bodies on the principles of economic efficiency and cost effectiveness. The public sector should maintain the same norms of efficiency as private-sector enterprises. Key industries act as a nucleus that nourishes the rest of the economy. The central government should not control large-scale industry because it may hamper the interests of the local people.

The cooperative sector is the largest sector and responsible for both agriculture and industry. In industry, the labourers should be supplied with incentives by starting and increasing the scope of piece work and bonus systems of work. The right of management of labourers in factory affairs should be clearly accepted. Cooperative ownership may not initially stand in open competition with individual enterprise. Thus it requires protective armor, i.e. exclusion from sales tax, duties, etc. This protection should be withdrawn slowly. Protective armor should be limited to essential commodities only. In this collective and cooperative economic structure based on the principles of coordinated cooperation, there remains no profit motive beyond reserves for capital accumulation and research fund. Capitalists start industries only where the following factors are available—capital, labour or favourable economic climate, a ready market for sale and a profitable rate of return. They always try to lessen the cost of production without caring for the disastrous effect on the purchasing power of the labour. They never support worker participation in management and worker control of cooperatives.

“The more the production and distribution is made through media of cooperatives, or autonomous institutions, the better. In the matter of production and distribution, the less the government is involved with the public, the better its relationship with them will be. In this regard the less power the center wields, the better”.

(Prout in a Nutshell, Part II, p. 64)

A natural by-product of the cooperative structure is the benevolent use of science. It may well be possible that owing to mechanization, no one will be required to labour for more than five minutes a week. Not always engrossed in anxieties about grains and clothes, people will be able to make use of their mental and spiritual wealth. They will be able to devote more time to sports, cultivation of literature and spiritual pursuits.

According to PROUT, the cooperative system is the best system as far as the production and distribution of commodities is concerned. Cooperatives are the only safeguards against capitalist and other types of exploitation. Pseudo-consumers, sharecroppers and share producers lose their prominence in the cooperative system. A cooperative usually develops out of the collective labour and intellect of a community who live within the same economic structure, who have the same common needs and who have a ready market for the goods produced on a cooperative basis. The success of the cooperative system greatly depends on three factors—morality, strong administration and whole-hearted acceptance of the cooperative system by the people. Properly managed, the cooperative will be free from the defects of individual ownership and through scientific methods, it will be possible to increase the quantum of production. The cooperative movement is the best representative of the sweet nectar of humanity and so care must be taken so that not even a single dishonest person is selected or elected into the board of directors of a cooperative. "To encourage people to form cooperatives, successful cooperative models should be established and people should be educated about the benefits of the cooperative system" (Sarkar). It is to be noted that shares of workers' cooperatives are not transferable but inheritable within the limits of the wealth-ceiling determined by each socio-economic zone.

The third step of PROUT's economic pyramid is the small-scale sector, which is mainly the private sector, although in some cases goods and services may be under small-scale cooperatives. Private initiative fosters economic efficiency and productivity; it should be properly harnessed in the interest of social welfare. Retail operations requiring little startup capital are likely candidates for this sector.

COOPERATION IN THE AGRICULTURAL SECTOR

PROUT advocates a balanced economy in which agriculture plays a creative and primordial role. As per PROUT, 30-40% of the people of the area should directly depend on agriculture; 20% on agrico-industries; 20% on agro-industries; 10% on trade and commerce and 10% in administrative white-collar jobs. The percentage of people engaged in the non-agricultural sector must be kept within 20-30% of the total population. The percentage of the people to be engaged in this non-agricultural industry is to be formed by reducing the percentage of people depending directly on agri, agrico (pre-harvesting), and agro-based (post-harvesting) industries. The industries which are directly dependent on agriculture, such as flour mills, paper mills, and medicines are called agro-industries. The industries which are directly engaged in making agricultural implements, such as picks, axes, spades, tractors, etc., are called the agrico-industries. Surplus and deficit labour are the problems of an unbalanced socio-economic structure. In a balanced economy, there should be proper adjustment between agriculture, industry and commerce. Unfortunately, such an adjustment does not exist even in economically advanced countries like Great Britain, USA, etc. While England is developed, Scotland is backward. Even amongst the counties of England, some are developed, some are backward. For instance, Lancaster is highly developed while Yorkshire is undeveloped. The development of any country should not depend on imported raw materials. Development must utilize indigenous raw materials. This will bring about an integrated self-reliant economy free from the possibilities of exploitation.

According to PROUT, first land holdings must be economically viable to facilitate increased production. The optimum holding is determined by factors like fertility of the soil, climatic conditions, etc., in relation to input, output, productivity, etc. The minimum and maximum size should be determined bearing two things in minds: (1) productivity and (2) impact of scale on social equalities. Just as in other industries, the cooperative system is the best approach for management of land. Consolidation of landholding systems have failed in some countries due to the lack of proper psychological preparation and the irrational

distribution of land. The socialization of cultivable land may be carried out stage-wise as follows :

1. Uneconomic land holdings should be compulsorily brought under coops ; individual ownership remains ; profit distributed 25% on basis of work and 75% on the basis of ownership.
2. All cultivable land holdings are brought compulsorily under the coop system ; individual ownership remains ; profit distributed 50% on basis of ownership and 50% on the basis of labour.
3. Ownership of land reorganized rationally on the basis of :
 - (a) amount of land necessary for a family
 - (b) amount of land a farmer can cultivate personally.Along with the standardization of coops, profit distributed 75% on the basis of work and 25% on the basis of ownership.
4. Production and distribution of agricultural commodities will be fully under the coop system. Private ownership ceases to exist. 100% of the profit distributed on the basis of work.

Share-cropping is also being widely practiced today. Share-croppers do not own land, but cultivate other people's land for a share of the produce. Usually the share cropping system yields less than optimum results due to three reasons : (a) only fertile lands are cultivated, leaving less fertile lands unutilized, (b) most modern technology is not used due to scarcity of labour and capital and (c) lack of motivation. These defects are rectified in a cooperative system where pooling of communities' resources generates a "cooperative dynamo" and it becomes possible to overcome all hurdles. Farming cooperatives should be guided by the principle : "more production, more dividends, and more bonuses". The commune system, on the other hand, is worse than share-cropping. Lack of incentives and feeling of oneness with the job are the primary defects. That is why Russia and China have to import food grains from the USA, Canada, Europe, Australia, etc. It has been found that the social environment

gets corrupted by the floating population. Such a problem will not remain in the cooperative economy where only the members of the socio-economic unit will be granted the membership in cooperatives.

Through improved systems of costing, use of developed irrigation and fertilizer techniques, newer and tested multiple cropping patterns and use of alternative technologies, the cooperative agricultural system promises to remove starvation from the face of this earth.

Finally, there also needs to be an improvement in the agricultural taxation system. Farmers should be able to offer produce as direct taxes. It will serve to fill up the buffer stocks of the local governments and relieve the farmers from the burden of arranging cash by selling the produce. The consumers cooperatives will eliminate the need for intermediaries in the agricultural sector.

COOPERATION IN BANKING AND FINANCE

From the ancient days of barter to the modern days of credit cards, the role of money has drastically changed. Money is no longer mere coins, notes, promissory notes, bonds, securities, checking accounts, etc., needed as a medium of exchange, store of value and unit of account. Its impact today goes far beyond these to embrace the entire gamut of interpersonal relations. It has become the cause of destruction as well as a source of survival. This resource, which is money, therefore must be treated in the same way as we treat other forms of energy.

According to PROUT, money is not something to be detested. Rather, it is a resource created by man to further collective human welfare. The society, therefore, must establish an efficient and fair banking system in order to aid the full expression of economic potentialities of each area. The guiding principle of the banking system should be: "Keep money rolling" because the value of money increases with its mobility. However, the rolling of money should never be blocked by any sort of nonproductive investments.

Two words of caution have been forwarded to the cooperative bankers by the propounder of PROUT:

“First, a system of banking should be such that the life of the average person is not jeopardized by the demonic greed of the banks. Charging high rates of interest has brought ruination to all sections of society. Second, in the banking system, political administrators who have no financial consciousness should not be allowed to print monetary notes indiscriminately without reserving the proportionate amount of bullion in their treasuries.”

Cooperation in banking also will bring about revolutionary progress in all economic spheres. The key factor is that the system of interest rates must not impair the flow of money at any stage. In the words of Sarkar:

“Let the government administration be active in their economic endeavors. Let the people purchase rice, grains, pulses, vegetables, fruits, etc. as much as they need. Let money go to grocers, to vendors, to factories, to labour, to professionals. And let the colourful saris of the weavers be purchased and worn by the newly wed brides, adding to the colour and prosperity of society.”

Cooperation and discriminate behaviour of the financial system will not only reduce the oscillations like inflation, recessions, etc., but also pave the way for an accelerated progress of the socio-economic aspect of the society.

EMPLOYMENT IN A PROUTISTIC SYSTEM

Unemployment is an ugly expression, a disease of an unbalanced society guided by self-interest. Where the motivation is to serve, the number of job opportunities become limitless. That is why, while in capitalism people look for jobs, in PROUT, jobs will look for people. The key of this lies in the motivation of the socio-economic order.

In order to give a practical solution to this problem, PROUT advocates reduction in the hours of work, opportunities for retraining, priority of employment to the local people and vigorous creation of new job opportunities through maximum utilization and fair allocation and distribution of society's endowments. Through proper decentralized planning (inter and intra-block planning), the economy will become humanized and omni-dynamic. The development plans of each block should pay special attention to the cost of production, purchasing capacity, productivity and collective necessity. These will bring about an equipoise in both supply factor markets as well as in the consumption sector. Demand and supply functions are not static, but inherently dynamic expressing their multidimensional characters. The employment sector must, therefore, also keep pace with the dynamicity of the cooperative economy.

TAXATION IN A PROUTISTIC STRUCTURE

Progressive taxation is a favourite of those who wish to retain the capitalist system, but at the same time provide a cover up of their guilt for "unjust" accumulation of wealth. The efficacy of the progressive taxation depends on the honesty of the rich persons. The success of the policy is at the mercy of the taxpayers who look for ways to evade these taxes. Corruption abounds. The welfare schemes of the rich countries face similar ills of corruption. Moreover, the "lazy" and the "opportunists" misuse these welfare schemes and create an atmosphere of apathy towards the productive economy. Such a mentality is dangerous and does not strike at the root of the wealth and income inequalities. PROUT expounds such an economy where people get their basic necessities not like beggars from the government or any bureaucratic agency, but all get scope to work to earn their living. Those who due to physical or mental debility cannot work, must be supported by the social welfare institutions attached to every socio-economic zone and which are financed by local cooperatives. The government does not meddle with the finances of the cooperatives, nor with the administration and management of social welfare institutions.

The taxes in a Proutistic system are limited only to the

commercial surplus economy where the taxes (in cash or kind) serve to support the infrastructure and buffer stocks for emergencies and calamities.

PROUT advocates the abolition of income tax. If income tax is abolished and excise duty on excisable commodities is increased by only 10%, there will be no loss of government revenue. When there is no income tax, nobody will try to accumulate black money. All money will be white money and as a result there will be economic solidarity, an increase in trade and commerce, more investment, more employment and an improvement in the position of foreign revenue. Intellectuals should take up the demand for the abolition of income tax.

PSYCHO-ECONOMY

Economic life is closely intertwined with civilization and culture. A civilization divorced from a developed economy is reduced to a primitive stage. At the same time, economic life without a developed civilization is a mere dry and crude existence. The close link between economics and culture cannot be denied. One must help another and thereby glorify the human existence.

Civilization is a collection of usages, manners, etiquette, formalities, ideologies and love. The culture of humanity is the same, but civilization varies from society to society. The relation between man and man, man and woman, individual and collective requirements, individual and collective responsibilities, how to move singularly and collectively, the collection of all these is civilization. Economics is to serve the development of civilization, not subordinate the cultural life.

Human civilization is created in, and moves along, river valleys. Like a river, human civilization also has three stages: hill stage, plain stage and delta stage. A civilization starts in the hill stage, develops in the plain stage and matures in the delta stage. Humans and animals follow these rules, but the birds do not. Due to the blending of civilizations at the points of merger of different rivers, there are variations in the manners, customs, languages, intonations, physical structures and economic

conditions. Thus civilizations vary and subcivilizations and branch civilizations emerge at different stages of the movement of a river and blend with other river civilizations. In original civilizations, people are physically strong and simple psychically. In blended civilizations, people are strong in the psychic stratum and the civilization is complicated as well as forceful. The economic demands which are a function of individual motives and meta-motives, behaviours and longings, are greatly influenced by the nature and stage of the civilization of which one is a part.

Human longings are trifarious: physical, mental and spiritual. The purpose of an economic system should be to develop society, and the economic system must also develop and enhance the psychic pabula of its members. In a developed society, therefore, the psycho-economic dimension becomes a serious matter. Psycho-economy must also fight to eradicate all exploitative, unjust economic practices, behaviours and structures. PROUT supports the growth of psycho-economy as an instrument of nurturing the psycho-spiritual and cultural evolution of humanity.

The immediate task of psycho-economy is:

1. To stop the suppression of local languages and sub-cultures taking place through mass-standardization of economies.
2. To stop all forms of economic imperialism.
3. To stop all profit-motivated economic practices which reduce the socio-economic locus standii of the masses and cause worker alienation.
4. To strengthen the people's self-reliant economies.
5. To encourage cooperation in all spheres of commerce, industry, agriculture and banking.
6. To remove all barriers in the unhindered flow of money particularly within the boundaries of socio-economic zones.
7. To put a stop to the accumulation of wealth that is done without social sanctions.

8. To free the developing countries from the clutches of debt traps of the rich nations.
9. To ensure basic necessities of life to one and all, irrespective of caste, creed, colour, race or language.
10. To fight for the benevolent use of science and technology.
11. To accept the right of employment as the constitutional right of all citizens.
12. To fight against all inhuman practices which encourage divisive tendencies in society and go against cardinal human values.
13. To provide complete security to all plants and animals.
14. To work for the economic independence of women.
15. To aid in the provision of a decent standard of living to the refugees, minorities, tribal and backward peoples.
16. To bring about a *pramad'* (balance, equipoise and equilibrium) among all strata of existence.
17. To create an omni-dynamic economy endowed with the ever-accelerating progress in all spheres of life for one and all.

COMMERCIAL AND GENERAL ECONOMY

In the animate world, other than that of man, the cooperation between unit and Cosmic Mind is not of a coordinated nature, the unit mind works in a subordinated cooperation with the Cosmic Mind; but in human spheres, the cooperation can be both of coordinated and subordinated nature.

The general and commercial economy of PROUT is to further this natural cooperation between the unit minds and the Cosmic Mind in the process of full utilization of all of nature's bounties and their proper distribution for the good and happiness of all (not just a few !)

When the motivation of economic activity becomes consumption and not profit and the higher longings (psychic and psycho-spiritual) begin to dominate the social consciousness, the spirit of cooperation will take the economies of the world into the stratosphere. Money will be kept rolling, knowledge will be as free as sunlight and air and the discriminating intellect will reign over the world under the leadership of "Sadvipras"—the benevolent leaders of human society.

CHAPTER 10

BEHAVIOURAL TRANSFORMATION

In seeking to explain the political economy of PROUT, the role of individuals as leaders of society cannot be sidestepped. Each age is shaped by the dynamism of its leaders and their philosophy of thought and action. PROUT's notion of political economy is marked by its unique theory of leadership. Leaders are not always born. They can also be cultivated through rigorous training and discipline and the hallmark of a Proutist society is that it utilizes the neglected ancient meditative science of behavioral change and adapts it to modern conditions in order to build up the necessary leaders for a universal society. Thought pollution is more dangerous than all other forms of pollution. The Proutist approach to leadership is intended to eradicate this evil of the society through scientific approach of neo-humanistic education. Neo-humanistic education is a rare blend of occidental science and oriental wisdom. Already, over three thousand such special academic institutions are running on every continent of this globe. The strategy of these institutions is to start with the children and cultivate in them the necessary qualities of an ideal leader.

FORCES OF HUMAN DEVELOPMENT

Three factors determine the developmental processes of a human being:

1. born potentiality which is, incidentally, the accrued momenta from the pre-birth,
2. environmental influences or external circumstances that condition the growth process, and
3. attraction of the macrocosm expressed in the intensity of longing for universal expression.

So in essence, the leadership emerges either due to exceptional gifted capacity of the individuals (what we call born

genius), or due to clash and cohesion resulting out of social necessities, external pressures or environmental conditioning, or due to meaningful endeavour of an individual to transcend the known limits of human existence. The key variable in the inculcation of leadership quality is psychic change. The psychic change can be both a conscious or an unconscious process. PROUT advocates neo-humanistic education as a proven tool for conscious psychic metamorphosis. Among the several techniques employed for this purpose, PROUT recommends intuitional practice called *Sa'dhand'*. This practice brings about ectoplasmic concentration, dissolves the inflated ego and deepens the level of consciousness. The theoretical details of this process have been elaborately discussed by Didi Anandamitra in the popular edition titled "*Beyond the Superconscious Mind*".

ROLE OF NEO-HUMANIST EDUCATION

Human existence embodies several layers of being, ranging from the coarsest and densest (the physical) through subtler and finer psychic layers, to a unified field of infinite consciousness. Like a banana flower, the mind itself is a continuum of several levels from coarse to subtle. In each succeeding layer, there is an expanded awareness, a sensitivity to the different degrees of metamorphosis of the Cosmic Consciousness. Just as ice, water and steam are different degrees of condensation, similarly sensory perception, intellect and creative intuition are also different degrees of condensation of psychic energy.

<i>Levels of Mind</i>	—	<i>Functions</i>
Conscious mind	—	Sensory perception
Subconscious mind	—	Intellect
Superconscious mind		
1st layer	—	Creativity
2nd layer	—	Intuition
3rd layer	—	Self-realization (Universal Expression)

The job of neo-humanist education is to cultivate each layer of the human mind through holistic education, training of the

body, mind and the spirit. The studies in brain growth reveal that we possess : a reptilian brain, a mammalian brain and a neo-cortex. The reptilian brain manages the life functions of metabolism, respiration, etc., and the basic instincts of reproduction and self-preservation. Much of the human behaviour is still guided by this part of the brain. The mammalian (limbic) brain is responsible for all emotions and sentimentality, and is closely related to the endocrine system, especially the pituitary gland, and the neo-cortex is the seat of the rational, creative intelligence. In the proper education of the brain-mind lies the hope for the future. By disciplined effort and proper guidance in the long, developmental period of childhood, we can elevate ourselves from animality to humanity and from humanity to divinity. This is the key to building new leadership in the society—the leaders who have mastered the self through inner discipline and who are ready to dedicate themselves for the universal welfare. Such is the Proutist approach to leadership for a new society.

Hitherto, Plato, Confucious, Machiavelli, Leibnitz, Locke, Fichte, Mill, Nietzsche and Marx—all spoke about the need to create 'ideal' leaders to guide the society, but none showed the practical approach to hasten their advent. PROUT descends from the high pedestal of theory into the dusty realm of practice and elaborates the process of socio-psychic churning for all-round development. In such an innovative approach lies the seed not only for social transformation, but also for individual perfection. Thus, the good of individual and society coincide and the dualism of "leader" and the "led" submerge in the flow of "universal outlook". Herein lies the speciality of PROUT over all other systems of political economy.

SADVIPRAS

PROUT calls the product of neo-humanist education "*sad-vipras*"—the highest expressions of humanity. These leaders will embody humility and sympathy of the early human; the courage and strength, honour and nobility of the warrior; the creative intellect and idealistic insight of the intellectual and the high competence and industrious skill of the merchant. By

their concerted action they will carry this troubled world from alienation to community, from despair to creativity, from passivity to participation, from cynicism to caring, from survival to transcendence. They are the torchbearers of the human society, the vanguards of the resplendent new civilization to come—the highest expression of humanity on earth.

Sarkar ends his discourse on *Sadvipras* with the following optimistic note :

“The history of the world has not yet seen the formation of a *Sadvipra* Society. For want of *Sadvipras* assistance, the foundation of human society is lacking firmness. Today I extend my earnest request to all reasonable, virtuous and moral fighters to form a good, well-disciplined *Sadvipra* Society without further delay. These *Sadvipras* will work for the good of all countries, for the all-round emancipation of the entire humanity. They shall have no rest, ever ... The downtrodden humanity of this disgraced world is looking to the eastern horizon, eagerly awaiting their advent with earnest zeal. Let the cimmerian darkness of the interlunar night disappear from their faces. Let human beings of the new dawn wake up in a new world.”

(Sarkar, *Human Society*, Part II, p. 105)

CHAPTER 11

POLITICAL SYSTEM OF PROUT

The political systems of any age are, in a large measure, the reflection of the collective psychology of the age. Every socio-economic system also has a political system that supports it. Capitalism, for instance derives from the social sanction of unlimited private property, which leads to the political power vested in the hands of the rich who do not shy to watch the masses reduced to beggars. Communism, on the other hand, has made the state or party as the custodian of all society's resources. This has led to the power being vested in the party dictatorship or individual dictatorship and these ugly dictatorships rule in the name of proletarian welfare and snatch away all freedoms of speech and free expression.

According to PROUT, the leadership of the society moves in a predictable cyclical pattern guided by the Law of the Social Cycle. The social psychology of each era guides the behaviour of economic and social institutions and the decision makers of these institutions. Each era also has its growth, maturity, and decline stages. Growth period reflects the benevolent characteristics of the era and during the declining phase, the era turns exploitative, unsuccessfully attempting to retain its status quo. Political systems developed so far on this earth have been expressions of the historical forces which correspond to a range of four social psychologies, viz. passive mentality of *Shudras*, martial mentality of *Ks'attriyas*, contemplative mentality of *Vipras* and acquisitive mentality of *Vaeshyas*. The socio-economic locus standii of the masses is dictated by the stage of maturity of an era in the social cycle and the degree of exploitation perpetrated by the ruling class.

Dr. Ravi Batra has very extensively studied the human civilization in relation to Sarkar's Law of the Social Cycle, and concludes :

“Just as human evolution from animal life is indisputable, just as the onward march of humanity up the

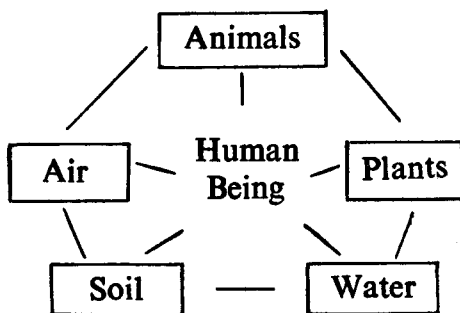
evolutionary ladder cannot be arrested, so is this movement of social cycle an inevitable natural phenomenon... Underneath the seemingly haphazard changes in society lies the invisible, but unmistakable imprint of a certain law of nature: social evolution goes hand in hand with human evolution... I have found this clear-cut pattern in all civilizations, ancient or modern, oriental or occidental."

(*A New Study of History*, p. 5)

RULE OF SADVIPRAS

PROUT advocates the "Rule of *Sadvipras* as the ideal political system as opposed to party dictatorship, individual dictatorship, parliamentary democracy, ministocracy, monarchy, oligarchy, autocracy, bureaucracy, etc. Hitherto, the field of government has been left to pedatory politicians who protect the interests of one of the abovementioned four classes, and the society has become a playground for self-seeking and corrupt people. According to PROUT, economic affairs should be divorced from the political system as far as possible through the cooperative and decentralized approach and the government administration should be placed in the strong hands of the "collective body of *Sadvipras* consisting of people guided by the spirit of service, morality and interest of all classes of people, i.e. they reside in the nucleus of the social cycle and not in the circumference.

(passive mentality)



"Sadvipras constitute the nucleus of the social cycle".

It would be more correct to say that today's democracy has gotten transmuted into "demonocracy" due to lack of political consciousness, lack of human values and the lack of courage to reverse the trend of group-governed states (GGS). Whenever a particular group begins to control the society either directly or indirectly, the *gana-tantra* (democracy) and *sadharan-tantra* (republic) becomes *gos' thi-tantric-ras'tra* (group governed state). Such a degeneration has already occurred in most parts of the world. The solution is *Sadvipra-tantra* (rule of Sadvipras), i.e. the rule of the righteous (neo-humanistic) forces. This cannot be brought about by force or power but only by spreading ideal education at the fastest pace. It is the responsibility of *mitra-pradhan* (benevolent wellwishers of humanity) to present the real truth before the people and hasten the advent of *Sadvipra* Society.

In order to upgrade the standard of democracy, the four aspects of the administration—legislative, executive, judiciary and public exchequer—all of them should be made independent of one another. Furthermore, to eliminate the seeds of injustice and exploitation, the rule of *Sadvipras* in all branches and all levels of the administration is the only solution.

In the words of Shri Sarkar,

"It is a fact that rule of *Sadvipras* will only come about through the systematic and rational application of PROUT by many highly intelligent people. It can not be done by blind physical force or idle intellectual extravaganza."

NEO-MAGNA CARTA

To strengthen the hands of *Sadvipras*, the world governments should be guided by a neo-magna carta—an ideal constitution based on the principles of fair play, justice, economic security, freedom and liberty to all. Accumulation of power is dangerous if it is not guided by some rules and basic principles. The guide-book in which all such rules, regulations and principles for the proper conduct of a state are codified is called a constitution. A constitution guides a state with policies and principles to render all-round services to the people for their rapid progress. P. R.

Sarkar offers the following four points for rectifying the defects of the constitutions of the world :

1. complete security should be guaranteed to all the plants and animals on the planet ;
2. each country must guarantee purchasing power to all its citizens as a constitutional right ;
3. constitutions should guarantee four fundamental rights; viz. spiritual practice, cultural legacy, education, and indigenous linguistic expression ; and
4. cardinal human values must take precedence over all other rights

Through this charter of rights, the fiscal and psychological defects in different constitutions of the world will be greatly reduced and the discriminations and disparities will be minimized.

HOW DO SADVIPRAS EMERGE ?

A key question is who are *Sadvipras*, how to recognize them and how they emerge to power to form a collective body of *Sadvipras*. Prof. Abraham Maslow pondered over this problem and observed that in human history, we have scores of cases where we have revered the wise and the selfless. It is such people with meta-motive of selfless service and sacrifice for others who need to be placed in the positions of leadership and authority. *Sadvipras* are honest, intelligent, and compassionate persons whose nature is to fight injustice and corruption in the society. The *Sadvipras* emerge in the society through the process of socio-psyhic churning. They imbibe the qualities of all four classes and therefore qualify to lead the society. Since *Sadvipras* rise to power only after having rendered selfless service to society, their influence will derive from their close contact with the masses.

FEATURES OF PROUT'S POLITICAL SYSTEM

To remove the "dirt of politics" has been proclaimed as a lost cause. Many have tried and failed. When the germ of

immorality and corruption has infiltrated into the very blood and elan vital of the social body, how can anyone bring a significant change? Besides, politics inevitably involves the unpleasant task of alienating the exploitative minority and no political leader dares to stand on the pedestal of righteousness and oppose the antimoral force... Only the Sadvipras of the PROUT system are the hope of a better world. The political theory of PROUT removes the ills of current political systems and there is a great deal to be gained from it. One of the features of the system is a qualified electoral college:

PROUT places the force of righteousness (*Dharmic* force) at the helm of affairs through a scientific and rational system of selecto-electional process. The idea of one person, one vote sounds sweet and appealing, but it never works that way in practice. Rich people have usually been able to buy votes. The fault here lies not only with the affluence of the politician, but also with the poverty, illiteracy and greed of the voters. If the election process is to be honest, then only those with integrity and education should have the right to vote. Hence, PROUT advocates the formation of the Qualified Electoral College, whose members must satisfy necessary qualities, such as :

1. socio-political consciousness
2. sense of responsibility
3. moral and service mindedness
4. educated and capable of discriminating between good and bad, right and wrong.

Without a proper system of selection, democracy gets degenerated into "foolocracy" where two fools are better than one genius because they possess two votes. Just as in the engineering or architect professions, only qualified persons with training are admitted, similarly in a political system also only the virtuous persons should be allowed to enter. The task for social scientists is to design a standard qualifying test to ensure that proper screening can occur. This will take the politics out of the realm of dehumanization and narrow sentimental influences. In a Proutistic system, the role of the electoral college is not over after it has elected members of various political bodies. It will con-

tinue to keep people in touch with the pros and cons of issues of socio-economic and political concerns. The press must not be under the influence of a party in power. Since the electoral college does not belong to any party, it can freely offer constructive criticism of government policies and programs. The electoral college is like a watchdog to ensure that the high standards of honesty, efficiency, nonpartisanship and concern for public welfare is maintained.

THE THREE-TIER SYSTEM

Three tiers of PROUT's political economy are :

1. world government based on democratic values
2. social boards parallel to the government structure
3. structural organization dedicated to making "ideal persons" through training volunteers in "self-development and universal welfare."

1. **World Government:** The world government of PROUT is a coordinating body which will frame the common constitutional structure, encourage a universal philosophy of life, develop a common penal code and ensure the production, supply and purchasing capacity of minimum essentials of life through a decentralized economic structure enunciated earlier. There will surely be many zonal or regional differences as regards traditions and customs. These should be appreciated and encouraged for the indigenous development of society. But under no circumstances should there be a compromise in principle or yielding to tendencies which are detrimental to the inculcation of cosmic sentiment.

The world government should have three branches of administration: executive, judiciary, and legislative. The legislative body will frame the constitution and make necessary amendments and its members will be elected. This is the synthetic portion of the government. It will have two legislative chambers—a lower council and an upper council. The lower council should consist of representatives elected by each country on the basis of its population, whereas the upper council should be composed of a fixed number of representatives elected from each

country. In this arrangement, all countries, even those with small populations, will have representation. All legislation should proceed from the lower council, but it cannot be passed without the approval of the upper council. In the initial phase, the world federation may act only as a law-making institution, whereas the administration of various regions may continue to be vested in the local government of each country. Through these processes, it will no longer be an easy affair for any government to oppress the linguistic, religious or political minorities according to the whims of the governing majority—which is very common today in various parts of the world. Sarkar stresses the need for world government in a very lucid way :

“Nationalism is fast getting out of date. Not only has national sentiment been given rude shocks in the world wars of the present century, but the social and cultural blending of the present age also shows the domination of cosmopolitanism in world affairs. Vested interests, however, continue to cause certain fissiparous tendencies. There are some who fear loss of their economic or political domination and are directly responsible for these detrimental or retrogradable reactions. Despite these obstacles, a social blending of humanity is in progress and needs a common constitutional structure to be evolved to cement the solidarity of the world.”

In support of the world government, PROUT advocates the necessity of one world militia and autonomous units concerning necessary things like education, food supply, flood control, public sentiment, etc., to look after mundane and supramundane problems. The boundaries of these units may be readjusted to suit growing communications. Also, a common lingua franca is also necessary without curbing the local languages which help to preserve indigenous cultures and contribute to world progress. Similarly, in the area of penal systems, the gap amongst cardinal, moral and human laws needs to be abridged.

2. Social Boards : While the government bodies are administrative in character, the social boards are socio-cultural bodies for organizing the multifarious social, cultural, scientific and technological research and other activities for the welfare

of the public. These social boards will serve as the catalytic agents to organize the 'mute' masses for service and public welfare. Sample social boards will include areas like education, relief, prevention of cruelty to animals and plants, tribal and backward peoples' welfare, society building, industry, commerce, farm, etc. This unique appendix of political theory has been accepted by PROUT's political system as a necessary ingredient for the people's involvement in the affairs of 'their' society. It separately positions politics from the social-body and thus brings a natural system of checks and balances into the management of the world society. These social boards will be elected by people from different walks of life, on each level, from central to village level. Only *Sadvipras* will be members of the social boards. The "Board of *Sadvipras*" will oversee the functioning of all social boards and provide the inspiration for dynamic social change and fight against all sorts of exploitations. The Rule of *Sadvipras* will not be a rule of religious irrationality and tyranny of the medieval age. On the contrary, it will be a rule of logic, scientific outlook, and humanitarian love. "*Sadvipras* will make sure that the caprice of the class in prominence remains under the leash. While the constitution will indeed give them the final word, their real source of strength will be their close contact with the masses" (Dr. Ravi Batra). The Board of *Sadvipras* does not have any of the legislative, executive or judicial functions to be performed by elected or appointed officials in accordance with the constitution. Their major function is to see that the class in power does not abuse its authority and they will offer their services for the upliftment of society in all spheres, but direct participation in different affairs of the society as engineers, farmers, laborers, lawyers, doctors, business persons, etc. Social Boards balance the state power or political power with a parallel social power of "unorganized and disparate masses." Social Boards are the catalysts of organized social change and progress, especially during the times of social crisis and downward phase of the era in a social cycle.

3. Spiritual Cadre. The third tier of PROUT's political system consists of a structural body from the central to the village level, responsible for setting up examples of selflessness, purity of character and thought. This structural body is essentially the

“spiritual trunk” of the social tree. It provides a way to create *Sadvipra*-like personalities in the society. While maintaining no formal control of the political and social system, this volunteer-based structural body feeds the entire society with moral and spiritual force. It derives its vitality from the actions performed by the force of eternal humanism—the elan-vital of universal progress. Some may think that this structural body is none else but the “religions” of today. This is far from what PROUT is suggesting because PROUT advocates universalism while religions are based on tradition, sentimentalism and ritualistic observances, and due to lack of intuitional practice, they have shrunk into narrow-minded institutions.

In a nutshell, PROUT’s view of politics gives no room for misuse of political power. On the other hand, it allows for a strong centralized leadership backed by the moral and righteous force of social boards and a mechanism of creating ideal men and women to serve the society. The moral centralized leadership will ensure rapid decisionmaking and will usher the age of all-round progress of society. PROUT’s system has all the advantages of a participatory democracy and is free from the defects of the GGS (Group-Governing States), i.e. party dictatorships or individual dictatorships. PROUT’s approach is unambiguous and straightforward. It stands for separation of political and economic power where the former is centralized and the latter is decentralized. Both socio-economic and political system of PROUT stand for uprooting the stinking, rotten and dilapidated structures of the past and promises to building a fresh society on the solid foundations of morality, rationality, universalism and sweetness of divinity. PROUT rejects all narrow “isms” and opposes the hypocrisy of current materialistic, selfish and cunningly destructive political regimes. No sort of exploitation has any scope, whatsoever, in the Proutistic setup.

PLANNING AND BUILDING SUSTAINABLE BALANCED ECONOMICS

An introduction to the PROUT economy will not be complete without introducing the notion of *Prama'* and its relevance to environmental issues. This chapter will deal with the environmental problems in the light of the *Praza'* theory. Like all other economic problems, we will discover that the root causes and remedies lie in the "values", i.e. the nature of social consciousness presently inhabiting the human society. No solution therefore will come unless there is change in the values underlying the present socio-economic systems. Values have an actional dimension too. What we "feel, think and do" constitute our values. If we do not act as we feel, we surely do not "value" it to a high degree. The intrinsic worth of our values is reflected in the society we create around us or we choose to live in or what we are ready to demand or fight for or feel responsible for. Proutist values are the ethics and norms of a neo-humanist society, a society where people, animals, plants and even inanimate things have equal existential value and "some" utility value. Utility value may be positive or negative vis-a-vis other creatures. The task of recognizing, discerning, utilizing and promoting the inherent characteristic (*dharma*) of each entity or object (*vastu*) is the touchstone of neo-ethics and Proutist values. For instance, the *dharma* of human beings is the thirst for limitless happiness (*A'nanda*). So the help for attainment of this goal should be the norm of a progressive society. In absence of conscious movement towards this goal, much potentiality and endeavors of the society will be wasted. Concerning this point, Sarkar speaks in emphatic terms as follows :

"Everyone wants to attain freedom, to be liberated from all sorts of bondages. Human beings can be liberated from certain bondages temporarily, but after a while those bondages return again. Therefore, we can-

not ignore the external world, we cannot live without money. To attain temporary liberation from pains and miseries, money is required, but to attain permanent liberation, we need the intuitional practice... I want every human being to be guaranteed the minimum physical requirements of life ; every human being to get scope for the full development of his or her intellectual potentiality ; every human being to get equal opportunity to attain the Truth... This never-ending effort of proper economic adjustment must ceaselessly continue at all times with a view to assisting the spiritual, mental and physical evolution of humanity. Let humanity develop a cosmic sentiment for a cosmic ideal and world fraternity."

The goal of a neo-humanist society is not only the movement towards perfection of humanity, but also unfolding of the potentiality of other animate and inanimate entities. After all, the distinction between animate (living) and inanimate (non-living) is only arbitrary. According to Sarkar, "the inanimate objects may be transmuted into animate objects by scientific research in the very near future."

PRAMA' THEORY

The theory of *Prama'* advocates that an all-round balance is indispensable for enrichment of individual and collective welfare, peace, prosperity and progress. The etymological meaning of the word *prama* is "dynamic equilibrium and equipoise". The balanced state where all spheres are in harmony is the touchstone of a progressive society. True progress entails this difficult task of attaining dynamic equilibrium and equipoise.

Application of *Prama'* theory to the socio-economic realm suggests that there must be a balanced utilization of resources. In order to build sound economies, the following proportions are optimally desirable :

30% of the people of the area—not more, not less—should be allowed to depend directly on agriculture.

20%-40% agro- agrico-industries (agrico-industries are pre-

- harvesting industries, and agro-industries are post-harvesting industries)
- 20%-30% non-agricultural industries (such as steel plants, brass industry, oil refineries, pharmaceuticals, salt, etc.)
- 10% trade and commerce
- 10% service projects (administration, school, hospital, white collar jobs)

The problem of surplus or deficit labour exists only in an unbalanced socio-economic structure. Over-industrialisation creates economic imbalance as well as destroys the psychic health of the society. Today, the proper adjustment amongst agriculture, industry and commerce does not exist anywhere in the world. As mentioned earlier, even in industrially advanced countries like Great Britain, there is no such adjustment. While England is developed, Scotland is backward. Even within England, Lancaster is highly developed. Yorkshire is undeveloped. Sussex, Essex and Kent are not equally developed. A key factor for balanced development is that we must not depend on foreign raw materials for industrial revolution. Industrial revolution should be largely based on indigenous raw materials. In order to ensure *Prama'* in the economic sphere, the following factors should be considered:

1. Present demand of the day and that of the near future
2. Present supply and that of the near future
3. Availability of factors of production
4. Ensuring basic necessities of life through the application of principles of PROUT

The application of *Prama'* Theory further necessitates efficient block-level planning keeping in view the following four factors:

1. Cost of production
2. The productive potential of an area
3. Purchasing capacity
4. Collective necessity

Planning will naturally vary from area to area according to the diverse factor endowments of each area. In some cases, it may be necessary to coordinate the planning of several blocks for a single problem such as flood control, river valley projects, communication systems, afforestation projects, environmental impact, energy, etc. In all such cases, coordination and mutual cooperation through inter block planning should be always encouraged. Following this approach, the socio-economic planning will undergo total change in every part of the world. For instance, there should be no need to send tobacco from North to South India for processing; tea that is grown in South India could be replaced by rubber plantations which has both usefulness as well as a market; hydroelectric plants could be built in North Bengal where there is much rain; pineapple leaf fibre can be used for the manufacture of cloth; limestone from Purulia (West Bengal) can be used for making cement; stone chips from Bankura district can be used for roads; molasses and mung dal can be produced from Nadia district; Kerala hybrid variety of coconuts along the River Ganges; etc.

With the collective intelligence of society, newer and more progressive ways could be found by benevolent scientists and technologists to improve the utilisation and distribution of all potentialities and resources, keeping in mind the principle of *Prama'*.

Prana' theory removes the psychological dangers of positive hallucinations and negative hallucinations—both of which are the result of thought projections of the distorted mind. The mind clouded by propensities enhances complexes such as superiority, inferiority, fear, doubt, etc., and leads to several phobias, manias and hallucinations (seeing something which does not exist or not seeing something that exists). When the economy is guided by *Prama'* theory, there is little scope of psychic imbalances also.

Three approaches may be followed to bring about *Prama'* in the social and economic systems :

1. Outer-Suggestion *Prama'* : the approach where *Prama'* is brought about through positive conditioning from an outside source.

2. Auto-Suggestion *Prama'* : the approach where *Prama'* is brought about through positive conditioning from self-suggestion and introspection.
3. Self-Balance *Prama'* : the approach where *Prama'* is established through ensconcement in the Supreme Subjective Synthetic Reality. It is a higher idea and requires rigorous, intensive and subtler pursuits.

All three are relevant in different situations and powerful modes of change.

THE PROBLEM OF ECOLOGICAL BALANCE

The issues of protecting and promoting ecological balance, conservation of natural resources and controlling widespread pollution have caught the growth economists napping and despite scores of conferences and other efforts initiated by international agencies, the Green Party, etc., the trend appears to be towards continuous degradation and unprecedented environmental pollution. Some lay the blame on the greed of consumers, Some on population growth, some on technology, some on lack of environmental concern among profit-motivated businessmen and some on defective economic and industrial policies of governments. Whatever may be, we have yet to find the way to calculate the way of including the cost of ecological impact in the social welfare function—a conceptual design of the capitalist and the communist world economists. As long as the prevailing socio-economic ideology nurtures materialist values, there is no escape from the erosion of the quality of life and desensitization to the cruelties being perpetrated on the apparent mute environment and the flora and the fauna.

PROUT does not treat the environmental concern as an appendix of its socio-economic ideology, but accepts it as an integral part of achieving a neo-humanist society. The concern for flora and fauna occupies an equal and central place similar to the concern for fellow humans in a Proutistic economy. Rather, the afforestation program and Prevention of Cruelty to Animals and Plants are a primary feature of a Proutistic society.

"Elements of Nature"

"Remedial Steps"

- (A) Physical conservation efforts through technological advancements
- (B) Legal attempts at conservation
- (C) Shift in Consciousness and awareness through proper education

The manifestations of pollution are evident everywhere today: automobile fumes, noxious doses of chemicals in the urban air, congestion on the roads, oil slicks that destroy the beaches and the sea life, smog that suffocates our lungs and hearts, nuclear waste that yield deadly radiation and a lot more. Both capitalist and communist countries have failed to stop this environmental degradation. Neither the "invisible hand" of Adam Smith's markets nor the "proletariat power" of the Marxist state has averted the crisis. PROUT offers a three-fold solution to the problem :

- (A) Let technology cut technology: the task for the environmental scientists and technicians is to devise an afforestation plan and technologies which are energy saving, pollution-free, and which will even clean the polluted environment. If we will, we can harness the power of nature for the upgrading of the environment. The choice of a combination of plants can do miracles too.
- (B) To include the protection of flora and fauna in the neo-magna carta of the world constitutions. Strict enforcement of laws to protect the public interest will remain a necessity for all times to come.
- (C) Most important of all is to inculcate ecological awareness in the human mind from a very early age. PROUT recommends neo-humanist education for children from kindergarten level. In these days of urbanization, it is

even more important that our young experience and learn to appreciate the "organic" character of our environment.

These three strategies, according to Proutistic principles, will go a long way, to turn deserts into green pastures, congested cities into self-sufficient towns and neglected forests into places fit for humans, birds, and animal habitation.

THE POPULATION PROBLEM

Those who believe that there are limits to growth and call for restraint on population are dead wrong. In PROUT's view, the present world population is only a short-term problem arising mainly from income inequalities among nations. The material limits to resources are provided by the universe, not just by its tiny dot that we call earth. In fact, long before we run into resource limits and total depletion, we are already experiencing non-material (spiritual) limits to growth. Actually it is impossible to control population on a global scale. One nation or another may be able to restrain its growth, but not the whole world. This is what follows from the law of evolution wherein matter is converted first into unicellular amoeba and eventually into multimillion cellular humans. In the short run, population may be checked through famines, wars, family planning or some catastrophes, but it cannot remain in leash over the long run. Hence all efforts to control population are destined to fail. Rather, the growth of population is a blessing in disguise. Without large populations to support, new technologies would have never been operational and the human psyche would have continued to live in the periphery of narrow sentiments. Increasing population is a fear only for capitalist countries where the shortage of food and space pose a problem. There is no such reason for fear in a collective economic system where the planet's resources are shared rationally and science and technology are utilized for exploring the untapped bounties of nature with the explicit purpose of universal welfare. The population problem will disappear if four factors are developed:

1. economic affluence
2. sound health

3. increasing standard of intellectual advancement
4. psycho-spiritual channelization

The population problem is not only an economic problem, but encompasses biological, psychological and intellectual dimensions as well. The theory that population increases at a geometric rate while food production increases at an arithmetic rate is completely defective. Such a situation can only occur in an imbalanced economic system. In a progressive and balanced economic system such as PROUT, the cause of this worry is rooted out.

PSYCHO-ECONOMIC EXPLOITATION OF WOMEN

As the progenies of the Supreme Consciousness, both men and women inherit equal potentialities and rights to life, liberty and expression. The differences in natural and biological characteristics between men and women speak only of coordinated cooperation and not of subordinated cooperation. Yet the annals of human history depict painful and sad episodes of exploitation. Today, this exploitation has taken the form of "psycho-economic exploitation". Here, infection of inferiority complex in the minds of the exploited mass is the heinous conspiracy. Several dogmas are propagated and the group is made totally dependent and vulnerable economically. In this process, the bureaucracy gradually transforms into a kind of oligarchy, and this abominable oligarchy oppresses society like a heavy load. This is indeed a ruinous and unendurable position for society. The only way to liberate society from this unbearable situation is to arouse consciousness among the people and expose the dogmas of all spheres of life. The following is the Proutistic approach to free women from psycho-economic exploitation:

1. free education for women in all countries of the world
2. no discrimination in the social, educational and religious realms
3. the provision of economic and social security to all women

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GLOSSARY OF TERMS

PROUT—An acronym for Progressive Utilization Theory propounded by Shri P.R. Sarkar—a spiritual preceptor and social philosopher from Calcutta, India.

Psycho-Economics—a branch of economics which concerns the study and impact of economics on the human psyche and aims to nurture and enhance the ethical and moral aspect of an economic system.

Sadvipra—a category of leaders who form the social nucleus of a society and become the pioneers of social reform and total transformation of society. Sadvipras are moralists, oppose to exploitation and injustice and are adherents of spiritual consciousness.

G.G.S.—Group Governing States are societies where a certain vested group of persons control the political or economic power.

S.S.S.P.—Supreme Subjective Synthetic Proposition. A new idea in the realm of intellectuality which focuses on the realization of supreme consciousness through the process of subjective synthesis. Through a logical process of subjectivisation, one concludes that supreme consciousness is the final subjective Entity. PROUT supports S.S.S.P.

Neo-Humanism—when the soft touch of the human heart is extended beyond geo-sentiment, socio-sentiment and human sentiment to embrace the care and love for plants, animals and the inanimate world, it may be called Neo-humanism. Neo-humanistic education includes cultivating and nurturing such values in children which help to establish Neo-humanism.

Prama—means dynamic equilibrium and equipoise i.e., proper adjustment among physical, psychic and spiritual spheres as well as proper adjustment among factors in each of the three spheres.

Supreme Consciousness—unit consciousness and the subjective or witnessing portion of the unit mind and hence outside the periphery of unit mind. Similarly, Supreme or Cos-

mic Consciousness is the witnessing entity for the Cosmic Mind. It is the supreme subjective reality—the origin of all external projections. Just as the sun is the source of light for all the entities in the solar system the Supreme Consciousness is the sources of all entities of the cosmological system. It is the Supreme Hub.

Atma-Sukha Tattva—the psychology of self-interest or selfish pleasure.

Sama-Samaj-Tattva—the psychology of social equality or selflessness. It provides the base of supreme synthesis among diversities of the universe.

Block-level Planning—A block is a jurisdiction of about 10,000-100,000 people depending upon population density. Economic planning should best be done at the level of each block.

Samajas—the system of socio-economic groups to maximise the benefits of homogeneity and compatibility of natural and human resources while protecting the strength of diversities among people of different cultures, races or river-valleys.

Psuedo-Philosophies—Psuedo means not exactly but tending to.” Psuedo-approaches divert the issues of fair allocation of resources and dim the fire of revolutionary and radical changes.

Sentimental Legacy—the social, cultural and psychological factors which bring the community together. Language is an important factor in creating one common sentiment.

Economic Dynamics—the subject matter of economic science which applies the science of movement (*gotivijnana*) to the measurement of economic variables. Mathematical tools can be very helpful in this respect.

LIST OF SOCIO-ECONOMIC GROUPS

I. Delhi Sector

1. Amra Bangali
2. Boro
3. Lepcha
4. Bhutia
5. Magahi
6. Angika
7. Bhojpuri
8. Maithli
9. Nagpuri
10. Kosal
11. Utkal
12. Vraja
13. Avadhi
14. Hariiwanvii
15. Garhwali
16. Kumayun
17. Pahari
18. Kinnauri
19. Dogri
20. Kashmiri
21. Assi Punjabi
22. Laddakhi Newari
23. Vidharbha
21. Sahyadri
25. Chattisgari
26. Bundelkhandi
27. Bagheli
28. Malvi
29. Kachi
30. Kathiwadi
31. Gujjar
32. Marwadi
33. Mewari
34. Harawati

35. Kannada
36. Tamil
37. Malayalam
38. Konkan
39. Sarkar
40. Telengana
41. Rayalaseema
42. Tulu
43. Singhali
44. Assamese

Hong Kong Sector

1. Shin-Nippon
2. Okinawan
3. Taiwanese
4. Korean (Hangul)
5. Hong Kong
6. Macao
7. Kazakh
8. Tadzhik
9. Uzbekh
10. Turkmen
11. Sibir (MU)
12. Mongol
13. Mang Chu
14. Chebanovsk
15. Sinkiang
16. Manderin
17. Cantonese
18. Min (Fukien)
19. Wu
20. Yunan
21. Chengdu
22. Chung

Manila Sector

1. Aklan
2. Bali
3. Bicolano
4. Capiz
5. Cebuano
6. Ilongo
7. Java
8. Kampampangen
9. Malaya
10. Mindanao
11. Sabahan
12. Sumatran
13. Tagalog
14. Sarawak
15. Central Thai
16. Morthern Thai
17. Eastern Thai
18. Kampuchean
19. Thailand
20. East Malaysia
21. Chinese Malaya
22. Indian Malaya

3. Belize
4. Central America
5. Cuban
6. Delta
7. Dominican Republic
8. Eastern Industrial
9. Haiti
10. Jamaica
11. Maritime
12. Mayan
13. Mexamerica
14. Mexico
15. Midwest
16. Miskito
17. New England
18. North Woods
19. Northwest
20. Ozark
21. Puerto Rico
22. Quebec
23. South
24. Western Mountain

Georgetown Sector**Suva Sector**

1. Papua
2. Aboriginal
3. Melanesia
4. Micronesia
5. Polynesia
6. Aocaria (N. Zealand)
7. Australian
8. New Zealand
9. New Caledonia
10. Fiji

1. Brazilian
2. Argentinian
3. Uruguayan
4. Colombian
5. Quechua
6. Chilian
7. Venezuelan
8. Guarani
9. Guyana (French)
10. Guyana (British)

New York Sector

1. Appalachia
2. Bahamas

Berlin Sector

1. Algerian
2. Moroccan
3. Canarian

- | | |
|--------------------|----------------------|
| 4. Dutch | 44. Venetian |
| 5. Flemish | 45. Sicilian |
| 6. Wallonian | 46. Sardenian |
| 7. Luxembourgian | 47. South Tirolian |
| 8. German | 48. Swedish |
| 9. Castillian | 49. Finnish |
| 10. Galician | 50. Gypsy |
| 11. Andalucian | |
| 12. Catalanian | Chairo Sector |
| 13. Basque | 1. Hellenic |
| 14. Portuguese | 2. Turkish |
| 15. English | 3. Serbian |
| 16. Irish | 4. Croatian |
| 17. Scottish | 5. Slovene |
| 18. Welsh | 6. Macedonian |
| 19. Russian | 7. Albanian .. |
| 20. Ukrainian | 8. Hebrew |
| 21. Latvian | 9. Maltese |
| 22. Lithuanian | 10. Cypriot |
| 23. Estonian | 11. Tunesian Arab |
| 24. Armenian | 12. Lybian Arab |
| 25. Azerbadzhanian | 13. Egyptian Arab |
| 26. Georgian | 14. Arabic |
| 27. Moldaviar | 15. Sudanese |
| 28. White Russian | 16. Kurdish |
| 29. Norwegian | 17. Azerbaijani |
| 30. Danish | 18. Persian |
| 31. Icelandic | 19. Pashto |
| 32. Greenlandic | 20. Turkmen |
| 33. Lappish | 21. Uzbek |
| 34. French | 22. Dari |
| 35. Breton | 23. Baluchi |
| 36. Corsican | 24. Panjabi |
| 37. Polish | 25. Sindhi |
| 38. Hungarian | 26. Beja |
| 39. Romanian | 27. Nubian |
| 40. Bulgarian | 28. Matakfur |
| 41. Czech | 29. Equatoria |
| 42. Slovakian | 30. Bahr Ghazal |
| 43. Italian | 31. Upper Nile |

Nairobi Sector

1. Ibo
2. Yoruba
3. Edo
4. Ga
5. Hausa
6. Ewe
7. Twi Akan
8. Dioula
9. Bete
10. Bacula
11. Mossi
12. Sengales
13. Criolo
14. Mende
15. Temna
16. Pigmy
17. Landa
18. Hottentot
19. Zulu
20. Di-N-Shi
21. Baganda
22. Bushman
23. Homa
24. Lozi
25. Nyanza
26. Swahili
27. Amharic
28. Eomo

Source : Sarva-Samaj-Samiti, P.U. Global Office,
Platenvej 30, Copenhagen, Denmark.

**STATEMENT OF PURPOSES OF
THE PROUT INSTITUTE**

1. To establish centres for the "economic emancipation" of humanity.
2. To do PROUT-based research on issues of both a theoretical and applied nature.
3. To bring to bear the knowledge of all disciplines in formulating a balanced strategy for development.
4. To transfer and transmit the knowledge to all levels of the society and particularly link it to the villages through action programmes.
5. To expose all forms of psycho-economic exploitations and pseudo-humanistic strategies.
6. To extend the perspective of Neo-humanism through publications, seminars, conferences and other exchange forums.
7. To aid in the upliftment of neglected sections of the society including women and neglected tribal and backward peoples.
8. To develop new methodologies for understanding and predicting economic phenomena in the local cultural contexts.
9. To maintain an ecological perspective in all its research and development programs.
10. To extend the frontiers of knowledge through innovative research and mutual academic exchanges.

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COURSE OUTLINE FOR PROUT ECONOMICS

Course Outline—A Guide to Economic
Students and Teachers

- I THE EVOLUTION OF ECONOMIC THOUGHT AND THE HISTORICAL NECESSITY OF PROUT ECONOMICS**
- 1.1 Classical Economics
 - 1.2 Neo-classical Economic
 - 1.3 Keynesian
 - 1.4 Post-Keynesian
 - 1.5 Monetarists
 - 1.6 Rational Expectationsts School
 - 1.7 Supply-Siders
 - 1.8 Marxian (Socialism) Economics
 - 1.9 Radical School (New Left)
 - 1.10 Towards PROUT—Progressive Socialism
 - 1.11. Five Fundamental Principles of PROUT
- II SOCIAL-DYNAMICS AND ECONOMIC ORGANIZATION**
- 2.1 Market, Command and Mixed Economies : A Critique
 - 2.2 Sarkar' Law of Social Dynamics and a Progressive Economy
 - 2.3 Socio-Economic Zones : Unit of Economic Organization
 - 2.4 Block-Level Planning for Economic Organization
 - 2.5 Quadro-Divisional Structure in the PROUT Economy
- III BALANCED ECONOMY AND THEORY OF OUTPUT-DETERMINATION**
- 3.1 The Principles of Balanced Economy
 - 3.2 Production Function and its Determinants
 - 3.3 Organization and Models of Production
 - 3.4 The Choices of Production and Externalities
 - 3.5 Impact of the Use of Appropriate Technology
- IV INCOME DISTRIBUTION AND WELFARE ECONOMICS**
- 4.1 Present Wealth Disparities and its Social Costs

- 4.2 Impact of Wealth Disparities on Prices, Output and Employment
- 4.3 Why Poor Remain Poor ?
- 4.4 Pareto Optimality, Rawls' Theory of Economic Justice and PROUT's Theory of Incentives and Economic Justice
- 4.5 Taxation and Fiscal Policy

V STUDY OF FLUCTUATIONS OF MACRO-ECONOMIC VARIABLES

- 5.1 Output
- 5.2 Prices
- 5.3 Employment
- 5.4 Income and Wealth
- 5.5 Exchange Rates
- 5.6 Trade

VI CONSUMER BEHAVIOUR AND THE ECONOMICS OF THE FIRM

- 6.1 Models of Consumer Behaviour
- 6.2 Multidimensional Analysis of Demand Function
- 6.3 Cost Function and its Determinants
- 6.4 Worker-Owned Cooperatives, Wage Determination and Efficiency
- 6.5 Economics of Uncertainty: Speculations, Risk and Insurance
- 6.6 Budgeting, Capital Formation, Investments and Interest Rates
- 6.7 Units and Costs of Government Regulation

VII NEO-HUMANISM, ECONOMIC GROWTH AND INTERNATIONAL TRADE

- 7.1 Theories of Economic Development
 - a) Neo-classical Theories
 - b) Structuralist Disequilibrium Theories
 - c) Radical and Marxist Theories
 - d) Prama and Economic Development
- 7.2 Use of Technology for Economic Development

- 7.3 Role of Flora and Fauna in Economic Growth
- 7.4 Urbanization and the Economics of Rural Exodus
- 7.5 Import Substitution, Export Promotion and Colonialism
- 7.6 Foreign Aid, Debt and Economic Dependence
- 7.7 Multinational Firms and the Etiology of Imperialism
- 7.8 Trade Blocks, Commodity Cartels and the Failure of NIEO Proposals
- 7.9 Threat of World Recession and Depressions
- 7.10 Economic Benefits of Samaj Movements and World Government

VIII BANKING AND INTERNATIONAL FINANCE

- 8.1 Role of Money and Commercial Banking
- 8.2 Creation of Money and Increasing the Velocity of Money
- 8.3 Stock-Market Fluctuations
- 8.4 Monetary Policy
- 8.5 Mechanism of Foreign Exchange Determination
- 8.6 Cause of the Failure of Stability in International System of Exchange Rates
- 8.7 Options for the Future

IX STRATEGY FOR SOCIO-ECONOMIC CHANGES

- 9.1 A Charter of Rights and World Constitutions
- 9.2 Neo-Ethics and Fight Against Injustices
- 9.3 Pseudo-Philosophies, Dogmas, Superstitions and Inertness
- 9.4 Socio-Cultural Stir and Ideological Consciousness
- 9.5 On Evolution of Society
- 9.6 Role of Popular and Ideological Movement Based on: PROUT

X PSYCHO-ECONOMICS AND THE FUTURE OF ECONOMIC SCIENCE

- 10.1 Micro-Psychic Longings
- 10.2 Six Spokes of the Social Cycle
- 10.3 Principles of Psycho-Economy
- 10.4 Mathematical Nature of PROUT Economic System
- 10.5 Omni-Dynamics of PROUT Economic System

ERRATA

Correct ISBN 3-921-769-23-x instead of—19-2

Page No	Should be
6	Tables 4, 5, 7 are relevant to this section
30	Humanist Economics See diagram on page 34
45-46	relevant to page 64 Samaj Map of Berlin Sector : Samaj Map of Europe
69	See map of Europe, page 45
97	Delete (passive mentality) Diagram relevant to page 110
110	Beneath "Elements of Nature" place diagram of page 97

About the Author :

Acharya Shambhushivananda Avadhuta, 39, is currently the European Director of A'nanda Ma'rga, a worldwide grassroots socio-spiritual movement, and the associate director of the World Prout Institute—a non-profit research organisation dedicated to creating a progressive global society. He holds a Ph.D. in Business and Applied Economics from the University of Pennsylvania (USA), and is the author of "Economics of Malnutrition in Developing Countries." While engaged in research with prestigious research foundations at the University of Pennsylvania, he also taught at Rutgers University, N.J., (1971-74), and the University of Scranton (1974-78). Between 1979 and 1988, Acharya Shambhushivananda headed the A'nanda Ma'rga missions in Africa (1980-81), Middle East (1982-1983), Europe, Far East and the Americas. (1984-1988). He is also a celebrated speaker on "Yogic Tradition and Contemporary Problems."

THOU

ECONOMICS

Shambhushivaramanda