

Rising Tide Production by the Masses Socialist Capitalism

Before the wretched FUKUS colonists destroyed Bharat, **it was one of the major economies in the world with more than a 25% contribution to the world GDP.**

The wealth and fame of Bharat lasted worldwide for millenniums.

This economic success did not come from financial casino capitalism and IT/BT/SEZ Coolie parks owned by Wall Street/Dalal Street Pimps/Lalas and Representative DFIs willing to selling the country and its people to these self interested “businessmen” who believe in the “wonder” of **FUKUS Industrial Mass Production Trickle Down Capitalist System.**

The principal components that brought well being and world wide fame to Bharat include:

- **Decentralised community based planning and participation**
- **State and even Village Community level decision making and involvement in justice and social welfare, healthcare and education**
- **An ethical population and ethical ruling class rooted in and abiding by a sense of Dharma which was also maintained by a justice system that awarded swift redressal of wrongs to victims and harsh punishment to offenders to act as a deterrent.**
- **A sensible and enlightened ruling class**
- **A well armed and empowered population**
- **Tolerance and acceptance of a wide variety of cultural and other practices of various ethnicities of the population**
- **Strong work ethic with acceptance of dignity of labour**
- **Judicious use of natural resources while still giving priority to environmental conservation and enhancement**
- **Efficient water conservation and management**

- **Educational excellence and a locally developed repository of vast knowledge developed over millennia for practice and disbursement in a wide spectrum of disciplines in agriculture, arts, culture, environmental conservation, science, technology, law, justice and governance and many other aspects that are important to the well being of society.**
- **Agricultural prowess using low cost, sustainable, ecofriendly cultivation and management techniques**
- **Handloom textile prowess**
- **Metallurgical and other technological innovations**
- **Handcrafting of fine goods and monuments. Bharat produced cotton, silk goods, shawls, muslins, rugs, jewelry, metalwork, and lapidary work. Bharat was the pioneer of craftsmanship.**
- **Trading both domestically and all across the world**

We must return to this system if Bharat has to regain its lost glory.

The concept of FUKUS Industrial Mass Production Trickle Down Casino Capitalist System itself did not exist in Bharat.

Bharat truly practiced guild based Rising Tide Production by the Masses Socialist Capitalism.

These guilds were not just merchant guilds, but cooperative craftsperson guilds also.

Bharat practiced true generation of wealth through hard work and sustainable methods:

- **Trade in real tangible handmade goods and agricultural produce**
- **Sustainable Agriculture**
- **Desi Cow Rearing and Desi Cow based farming**

Most places in **Bharat** were monarchies, but most monarchs remained in place permanently and were not shuffled like a pack of cards every 5 years based on populist whims and fancies.

Most monarchs were trained as good Administrators right from their days as a young prince.

The first part of the Kautilya's Arthashastra of almost 15 chapters was just on the training of the young prince.

The monarchs realised that if they were to remain as monarchs, they would be better off taking the well being of their citizens first.

The Nanda empire was one of the most powerful empires ever in the history of the world.

Just its mere reputation was enough to scare a world conqueror like Alexander to turn around and run back to Greece without even daring to fight the Nanda empire.

But the Nanda empire was also hated by its own people.

And the Nanda empire was hated even more by its neighbours.

The Nanda empire finally collapsed and was conquered by Chandragupta Maurya under the guidance of his most enlightened and wise teacher: **Kautilya**.

Even the legends of the Buddhists claim that Chandragupta was a descendant of the Sakyamuni and easily conquered the hated Nandas because he was going to restore Dharma and end the wickedness of the Nandas.

In fact one of the greatest saying of Kautilya's Arthashastra is:

In the happiness of his subjects lies the King's happiness, in their welfare his welfare.

He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects.

resources

- **Predominantly agricultural economy with focus on value addition**
- **Small scale industry**
- **Restrictions on land ownership – only locals can buy land in Himachal Pradesh**

True heaven is living with family as close to nature and as respectful of nature as possible.

Industrialization has only lasted 300 years and will fail soon.

Industrialization puts people out of jobs.

It employs machines instead. This drives costs lower.

This encourages people to consume more.

The monthly minimum EMI and consumption based economy encourages people to borrow more than they can afford to spend.

Most importantly it destroys the environment and pollutes nature.

The foundation of the economy must return to agriculture, farming and hand labour for textiles, weaving, artisans and footwear and items of daily use.

If we dont reform ourselves now, our future and unborn generations will be up to their eyeballs in debt and will lead miserable lives of not just poverty, but rampant crime and violence and environmental degradation.

FUKUS Industrial Mass Production Trickle Down Capitalism is a complete lie.

We cannot keep growing infinitely.

The only thing that grows without control is cancer and we all

know what happens when we get cancer.

We must stop this cancer of infinite growth.

We need sustainable businesses that can provide sustainable prosperity without growth.

Real estate and gold alone are not assets.

They alone do not generate capital or income, they just keep up with inflation.

You can stitch a fine suit with an 5 gm of gold today, even my great grandfather could do the same.

I cannot stitch two suits with 5 gm of gold today, I can still just stitch one suit, that too not of the quality that my grandfather had.

In my grandfathers days you could get a full woolen suit for 5 grams of gold.

Today you will get a part polyester, part woolen suit for 5 grams of gold.

So gold has really not even kept up with inflation.

They just encourage hoarding speculation.

Real estate and gold do not generate capital or income unless it is sold, mortgaged or rented out.

Only consistently profitable, income earning, small farmers, small handcrafted artisans and small dividend paying businesses can generate true capital.

For this we should practice **Rising Tide Socialist Production by the Masses Capitalism.**

A rising tide lifts all boats.

For Rising Tide Socialist Production by the Masses Capitalism,

most of the funds should be diverted from the Wall Street/ Dalal Street Pimps/Lalas to small businesses, small farmers and small entrepreneurs and workers especially engaged in the hand crafted production of the fundamental needs of society – farming, clothing, food, housing, water and environmental conservation.

In fact, in Bharat , **Small business is big business.**

Following are the statistics of small business in Bharat vs the Corporate Sector as per a recent ad in the Economic Times dated 13-10-2014 and on the website <http://smallbusinessisbigbusiness.org>:

- **45% contribution to GDP by Small Business compared to 15% contribution by Corporate Sector.**
- **90% of the employment in the country.**
- **46 crore employed, 24 crore self employed**
- **62% owned by ST/SC and OBC**

Despite generating Rs 6.28 lakh crore (Rs 6,28000,00,00,00,000) per annum, the access to banks by the Small Business sector for their financial needs is less than 4%.

This country can create a success story like Amul for an extremely perishable commodity like milk, but cannot do so to help other farmers and artisans and workers who are engaged in handcrafting.

The mainstay of any economy is development of innovative technologies to solve the basic needs of civilisation, small scale entrepreneurship, family farm based agriculture, craftsmanship and minimizing machine labour by encouraging handcrafted goods and cooperatives for basic needs like clothing, footwear and food.

The basic needs of civilisation are:

Energy, Water, Food, Clothing and Footwear, Healthcare,

Education, Transport and Telecommunications, Social Services and Law and Order.

E-commerce, vaporware start ups, and other such new fangled click click based technologies are superfluous needs and should be given the lowest priority.

MK Gandhi had a vision for Bharat which also applies to the whole world.

His version of **Bharat** was not that of an industrial “powerhouse” of IT/BT/SEZ coolie parks, mega steel plants, and other such industries that only benefit Wall Street/Dalal Street/Lala Pimps.

He said that Bharat lives in its villages.

MK Gandhi knew that Bharat rose to great well being and prosperity because of its Village Industries.

MK Gandhi said this is which absolutely true even today:

“The poor of the world cannot be helped by mass production, but only by production by the masses”.

Read his comments on Machinery and Village Industries.

These are very enlightening and prophetic statements of MK Gandhi made more than a 100 years ago.

What he said almost a 100 years ago has come true today especially in the FUKUS countries and China.

It will soon happen in Bharat, if we continue to be inspired by the wonder of **FUKUS Industrial Mass Production Trickle Down Capitalism.**

Whatever people may think of MK Gandhi, and whatever faults he may have had, he was one of the most visionary men of his times.

If he were alive and had directed the course of development of **Bharat**, instead of coconut Nehru, by now, after 70 years of independence in 1947, Bharat would have been restored to its past glory.

Farmers and villages would have been self sufficient, very prosperous and everybody would have been gainfully employed.

There would have been very little crime which is usually a result of unemployment and and idle mind.

MK Gandhi was not against Machinery.

In fact if you read his comments on Machinery he said:

My opposition to machinery is much misunderstood. I am not opposed to machinery as such. I am opposed to machinery which displaces labour and leaves it idle. (H, 15-9-1946, p. 310)

I hold that the machinery method is harmful when the same thing can be done easily by millions of hands not otherwise occupied. It is any day better and safer for the millions, spread in the seven hundred thousand villages of India, scattered over an area nineteen hundred miles long and fifteen hundred broad, that they manufacture their clothing in their own villages, even as they prepare their own food. These villages cannot retain the freedom they have enjoyed from time immemorial if they do not control the production of prime necessities of life. (YI, 2-7-1931, p. 161)

What I object to is the craze for machinery, not machinery as such. The craze is for what they call labour-saving money. Men go on 'saving labour' till thousands are without work and thrown on the open streets to die of starvation. I want to save time and labour, not for a fraction of mankind, but for all.

As EF Schumacher said in his wonderful book Small is Beautiful:

The system of *Production by the Masses* mobilises the priceless resources that are possessed by all human beings, ***their clever brains and skillful hands, and supports them with first class tools.***

The technology of *Mass Production* is inherently violent, ecologically damaging, self-defeating in terms of non-renewable resources and stultifying for the human person.

The technology of *Production by the Masses*, making use of the best of modern knowledge and experience, is conducive to decentralisation, compatible with the laws of ecology, gentle in its use of scarce resources, and designed to serve the human person instead of making him a servant of machines.

We must return to predominantly Village Industries, decentralised local economic activity and the only permanent mainstay of any economy – family farm based agriculture and minimizing machine labour by hand labour especially for the fundamental requirements of mankind like food, clothing, footwear and construction.

The mainstay of the economic well being of a nation is also small scale local entrepreneurship and locally produced and locally consumed economies.

We must have huge financing and business establishment and promotion schemes to the rural poor and landless labourers to encourage them to take up weaving, cobbling, hand crafting, farming and livestock rearing.

We must look after the women, very old and very young in these villages.

We must concentrate on health care and education and empowerment of women thorough micro-finance schemes in these villages.

The State should set up a large fund of at least Rs 250,000

crores to fund innovative startups and small businesses researching and operating in the following areas:

- Farmer Producer Organisations to grow and market all sorts of farm produce including dairy, livestock and poultry. They should grow and market all methods of production but have an eventual goal to finally transition to grow and market only products grown by natural farming methods. These organisations should work upto gram panchayat level.

I firmly believe that this can easily be done if there is a will to do it.

- Improved Agricultural Production techniques and breeding using Natural Farming and historical traditional farming practices of Bharat.
- Improved agricultural livestock breeding for dairy, meat and poultry with a focus on pure breeds of native to Bharat.
- Improved textile, footwear, daily use consumer items production and marketing using Village Industries . Institutes like Rural Development & Self Employment Training Institute (RUDSETI) must be given more funding than all of the large corporate sector in Bharat.

These institutes must also train the Rural folk in the traditional crafts of Bharat that bought us worldwide fame – hand loom weaving and textile production, footwear and crafting of fine goods.

- Water Conservation, Rejuvenation and Pollution Control
- Biodegradable packaging for items of consumer use like diapers, sanitary napkins, bags, containers and other sectors that currently use toxic non-biodegradable packaging.
- If I have left out any sectors please use my feedback form.

Firms started as subsidiaries by large corporates should not be classified as small businesses.

Only firms with promoter funding more than 60% of the equity of the firm must be qualified as a startup.

This excludes funding by a government fund, for which promoter funding can be limited to 5% or even less if the project is more than Rs 1,00,00,000.

Promoter funding includes sweat equity.

Firm with large investors, private equity, investment banks etc , especially large foreign investors do not qualify to be a startup.

Startups do not just have to be started by local citizens of Bharat.

Foreign small businesses and individuals can also come and get funding from these startups on the condition that they pay of a royalty of 10% to the government of Bharat for the sale of each product.

This will apply till they reach a operating profit of Rs 5,00,00,000 or turnover of Rs 50,00,00,000 which ever comes first.

After that foreigners should pay a 30% royalty to Bharat for the sale of each product.

Huge tax breaks and interest free loans should be given to these startups and they should be exempt from all taxes until they make an operating profit for at least three years.

We then need a committee of people with real world experience in operating self help groups and community banks.

Some people say that micro-finance is also a good thing, but not all micro-finance groups have the interest of their

clients as their primary interest.

At least 70% of financing in the country should be diverted to community banks and self-help groups.

Since these groups may not have the resources to professionally manage it, a supervisory panel of at least 10 central bank employees must monitor and help run the self help groups for every five taluks or 100,000 customers, whichever is less.

Another option is to spin subsidiary of the existing large banks into community owned banks and self-help groups.

Of course in these days, unless things are of a quality standard, people will not buy it even if it is cheap.

Hence we have to ensure that the products generated by our workers, meet or even exceed minimum quality standards.

Meeting or even exceeding minimum quality standards is not a new thing to **Bharat** .

All products that are exported to foreign countries have to meet a minimum quality standard otherwise the foreign importers will reject the goods without even paying for it.

If our manufacturers can do this for their export customers, why should they not do this for us, who are the local customers in Bharat?

Why do we accept second rate products?

The money we pay for these goods is first rate and earned by our sweat and blood.

Agriculture

Samuel Johnson said:

Agriculture not only gives riches to a nation, but the only

riches she can call her own.

In modern times, farming has become the most miserable and loss making occupation.

This mainly has to do with economics since farming is poorly paid due to manipulated markets and can sometimes be quite risky if the crops fail due to weather or other forces of nature.

Farmers should be taught about commodity cycles, proper crop planning, crop diversification and crop production in time for the market and only sufficient for market demand and not to exceed it which causes prices to fall significantly.

They should also be taught to hedge against risk and grow crops and get crop insurance.

Just like I have said for banking and lending, self help groups, farmer producer cooperatives and farming producer organisations must be widely established.

The objective of these farmer producer groups is to help farmers having better pricing power and eliminate unscrupulous middlemen.

Read about my comments for sustainable and profitable agriculture.

Economic Planning

The founder of capitalism, **Adam Smith** also wrote the Theory of Moral Sentiments which is a far better book than the Wealth of Nations.

It is interesting to note that Adam Smith was a Libertarian.

All Pustak Badnekai (Bookish Brinjals or ivory tower) economists, especially those that promote the fraud Keynesian system of "free" "money" generated by producing debt to future and unborn generations should be totally ignored.

Almost 99.9% of them have not even run a newspaper stall, forget about establishing or running their own businesses.

Let these so called “wise” “economists” generate profit making businesses for themselves first, then let them try to figure out what is good for businesses and citizens of the nation.

As somebody once said:

An economist is somebody who worries tomorrow about why what he predicted yesterday did not happen today.

Even though I say the economists should be ignored there are some who have a enlightened world view.

Some of the economists whose works we could use are Kautilya, FA Hayek, Joseph Schumpeter, Nikolai Kondratiev, Hernando De Soto, EF Schumacher and JC Kumarappa.

I also like the ex RBI Governor Raghuram Rajan.

He is a really smart man and understands the needs of Bharat even though he had spent a lot of time abroad.

Rajan has proven credentials – he was the only one in the USA that caused a stink criticizing the so called “maestro” Fed Governor Alan Greenspan who loved giving away free money to the Wall Street Pimps.

Free Markets

I am a fervent believer in the free markets.

However the so called “free” nations do not really have free markets.

In a free market, the price would not just be determined by demand and supply a the lowest price.

It is not correct that monetary price alone is the determining factor in a free market.

Price should not just be based on monetary terms, but also in the terms of the total social and environmental impact it has.

So the price should include a cost of labour and employee welfare, overhead, profit and social and environmental impact.

In a real free market, capital would be easily available on equal terms even to small businesses, entrepreneurs and farmers and not just to large companies and Wall Street/Dalal Street/Lala Pimps.

When I say free markets, I mean that the State should have regulations, but it should not run anything except the State, Employees of the State and the establishment of the True Temples.

Even the True Temples should be run by the people, the State should just enforce regulations and provide subsidy funding.

Banking and Lending

We should encourage middle class and poor women to gather as many of their female neighbours and local female friends and female relatives to also take part in small business.

Women are more conservative and more detail oriented than men and only take calculated risks.

We must have huge financing and business establishment and promotion schemes to the rural poor and landless labourers to encourage them to take up weaving, cobbling, hand crafting, farming and livestock rearing.

More about my ideas for banking and lending.

Taxation

Huge tax incentives should be given for saving and financing for encouragement of business by the most poor and especially small farmers and small businesswomen and the small businessmen.

It is proven that the more incentives people are given, the better they are motivated to perform and the current taxation system is a huge disincentive.

We should not give people “free” money and cheap loans, we should give them freedom from taxes once they work hard and earn real money.

The only way a country can become prosperous is not by “free money” injected by the central banks, but by freedom from high and oppressive taxes.

Refer to my detailed comments about taxes.

Allocation of small and large works

For large works and even small works upto a value of Rs 1,00,000, the first thing these governments should do is get rid of price based selection, or rather selecting vendors solely on price.

Price based selection makes the vendors cut corners. Either they under quote and cut corners later, or they bribe and dont do the work at all.

The law for works contracts must be implemented.

Also public works projects like digging small ponds, small tanks and wells must be done by hand.

Rural roads must be improved and highways must be built, but we must not have expressways and the maximum speed on highways must be limited to 80km/hour.

There should be no access controlled roads, all roads must grant access to the local community in the area.

Since times have changed, large scale infrastructure – roads, dams, canals, industries can be automated, but if human labour can do the same job in the same amount of time and at less than 15-20% increase in cost, then human labour must be

preferred.

If human labour is to be replaced by automation, then a tax of 20% must be imposed on the business portion that is automated to ensure that the replaced human employees are also getting a royalty on their job loss. This should continue for at least 5 years.

If the business can provide funding or alternate employment avenues for the replaced employees, then the 20% automation tax can be exempt.

Quotas and Preferred Treatment

All these quotas are currently being seriously misused because it is race, religion, caste or gender based.

We should completely abolish all educational, job and contract quotas based on religion, caste and race.

Here is my idea on quotas and reservations.

Special quotas upto a single contract value of Rs 50,00,00,000 should also be given to organisations that employ at least 50% widows, victimised, divorced, single women and low income married women.

Special quotas upto a single contract value of Rs 25,00,00,000 should be given to organisations that employ at least 50% of physically and mentally disabled workers.

THOUGHTS ON ECONOMY AND SOCIALIST CAPITALISM

The maxim of Seneca states:

If you want to help a man to be rich, do not increase his riches but decrease his wants.

As the Sakyamuni said in the Dhammapada:

Health is the supreme possession. Contentment is the supreme wealth. Trust is the supreme relation. Nirvana is the supreme

happiness.

Contentment is the greatest wealth.

Living a contented and good quality of life is much better than having wealth only.

Quality of life is not just measured in the ease of modern material conveniences.

Quality of life is mainly measured in the amount of happiness and peace of mind that one has and this cannot be compensated by modern material comforts.

I guess I could be called a Socialist Capitalist.

I am not sure if such a thing exists in economic theory.

Here is my definition of a socialist capitalist:

- **One who respects the loyalty and hard work of their employees and rewards them with benefits like medical insurance, and subsidises the education of their lower level employees. If the company is richer, then they should also provide some assistance to the employee to build their house.**
- **One who does not fire any employee in events of emergencies like health and accidents and provides paid maternity leave for at least 6 months.**
- **One who keeps a gratuity or pension plan to their employees.**
- **If one is a banker or financier, they provide much greater access to capital to small farmers, small businesses and small women entrepreneurs in comparison to the access to capital provided to Wall Street/Dalal Street Pimps and Lalas.**

In the same way employees should also put their heart and soul into their work.

I also don't believe that a person should get an increment above the inflation level, if they are doing the same job that they did previously.

You cannot do the same job that you did twenty years ago and be paid twenty times as much.

I am not a socialist in the traditional sense.

I am against socialism which justifies taking from the rich even if they have worked sincerely and hard to become rich, to give to the poor even if they have been lazy and made no effort to improve their lot.

I believe in these wise truths outlined by Abraham Lincoln:

You cannot help the poor by destroying the rich.

You cannot strengthen the weak by weakening the strong.

You cannot bring about prosperity by discouraging thrift.

You cannot lift the wage earner up by pulling the wage payer down.

You cannot further the brotherhood of man by inciting class hatred.

You cannot build character and courage by taking away men's initiative and independence.

You cannot help men permanently by doing for them, what they could and should do for themselves.

I also believe that mainly those who are shareholders in the company should dictate the future of the company.

By shareholders, I mean those who would not just lose their jobs if the company failed, but also their investment and a significant portion of their life's savings.

Labour just provided for a salary should really have no say in how the company is run.

If they don't like it they can leave and find another job and get a new salary, but a shareholder cannot find a way recoup

their losses.

If labour wants a say in the running of the company, they must invest a percentage of their savings as a pension contribution.

In percentage terms, it must be at least 50% of the fund contribution of the shareholders who promoted and own the company.

We must return to predominantly Village Industries and the only permanent mainstay of any economy – family farm based agriculture and minimizing machine labour by hand labour especially for the fundamental requirements of mankind like food, clothing, footwear and construction.

The mainstay of any economy is also small scale local entrepreneurship and locally produced and locally consumed economies.

There is really nothing more noble than the professions of farming, engineering, teaching, army, social services, law enforcement, nursing and medicine.

These professions help build the foundation of humanity and it is a shame that they are not recognised and followed by more people.

Bollywood and IPL do not qualify to be called sports and culture.

Most of it is just mass entertainment.

But there is nothing more noble than the professions of sports, writing, poetry, art, painting, sculpting, dancing, singing, playing music, theatre, puppetry and other fine arts and sports.

These professions help build the culture, spirit and lifeblood of humanity and it is a shame that they are not

recognised and followed by more people.