



**Economic Philosophy
of
Deendayal Upadhyaya**

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Praxit

The State of Indian Economy

Deendayal Upadhyaya was the President of a party the roots of which were embedded in the cultural heritage of this great nation. And which was averse to aping the ready-made western models of material life. There is no denying the fact that no party can today carry on the concept of modern welfare-state without a cogent economic policy. No party can attain political power merely on the strength of cultural, religious and traditional ideals, without closely working in tandem with the socio-economic philosophy that is germane to the nation. Hence, when Deendayal Upadhyaya assumed the leadership of Bharatiya Jana Sangh (BJS), he tried to develop an economic policy in consonance with its cultural emphasis.

The Jana Sangh was accused of being devoid of any economic policy; but after the study of Upadhyaya's lit-

erature, it appears that probably his party and its workers could not articulate the economic philosophy of the party to the society. On the contrary, Deendayal Upadhyaya has written immaculately only on the economic issues. In the contemporary age of economic-centric cycle of events, his reviews, assessments and evaluations were thoroughly judicious, which are the subject matter of this chapter in the light of his basic economic thoughts and ethos. In addition to the contextual articles and lectures, the following books present his views on the subject:

- The Two Plans: Promises, Performances, Prospects.
- *Bharatiya Arthaniti: Vikas kee ek Disha*
- Devaluation- A Great Fall

Economic Outlook with the Concept of Equality

Deendayal Upadhyaya made his first economic exposition with '*Bharatiya Jana Sangh kee Arthaniti*' in 1953, on the occasion of the U.P. Provincial Conference.

This was primarily meant for the workers' camp in the Conference. But even before that some incidents took place that suggest his basic 'socialist' instincts. However, because of the evolution of his philosophical thoughts he later on, rejected 'socialism' in its technical meaning. But it does not mean that he relinquished his basic 'socialist' approach. Indications of his views are available even before he joined BJS and was a whole-time worker (pracharak) of Rashtriya Swayamsevak Sangh (RSS) in U.P. While replying to the charge of the RSS being 'capitalist' he said: "It is absolutely

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preposterous to think that Sangh wants to nurture capitalists and zamindars." He asked, "Can lakhs of educated youth who have dedicated themselves to the cause of the nation and work day and night think of working for the benefit of a handful of zamindars?"¹

After the foundation of Jana Sangh, many efforts were made to merge it with the Ram Rajya Parishad but they failed. At that time, the criticism of Ram Rajya Parishad by Deendyala ji is worth remembering, "Ram Rajya Parishad, by keeping itself separate from the United Front has proved that it represents only reactionary and capitalist elements, and its programmes are drawn, not from the cottage of Karpatri ji but from the palaces of landlords and Marwaris."²

The public statement he gave in July 25, 1953 as General Secretary of the Jana Sangh regarding its economic programme is also worth mentioning, "Our economic programme is absolutely socialist. It is committed to end the inequality in the income and expenditure frame of different sections of the society. We want to establish a ratio of 1:20 between the lowest and the highest incomes. We not only want nationalisation of the infrastructure industries, but also want to apply this principle on those few who tend to monopolise them. The decentralisation of economic and political powers is our guiding principle. "In fact, it has been our demand that the *ex-zamindars* and *jagirdars* should not be paid any compensation. Though whatever is necessary for their rehabilitation should be done."³

The detailed elucidation he presented towards end of

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that very year in the Provincial Conference of U.P. is only a detailed manifestation of the same statement. But its analysis is not the subject matter of this chapter. Before a formal review of the economic policy and programmes is made, a recap of three incidents will help in understanding his basic economic vision.

■ The labourers of the Kanpur Cotton Mill had gone on a strike against its modernization which they felt would result in the retrenchment of the staff. Supporting this strike, Deendayal Upadhyaya made an erudite commentary delving into the nexus between capitalism and modernisation, "The question of modernization is complex. It is not only related to the labourers (of this mill), but also affects economic issues at all India level....In fact, modernization is at the root of the establishment of big industries and a capitalist economy. Today, the science is constantly trying to introduce maximum automation and minimising employment of human labour. These

inventions prove a boon where there is a dearth of man-power, and there is an extensive market for the products. In our country, every such new invention brings a horrifying tale of unemployment." ⁴

■ Deendayal Upadhyaya wrote an essay based on the case studies of the problems of vendors sans shops, in which he expressed his views as follows, ".....Probably, much more than the number of shopkeepers, we have vendors who earn their bread on the way side pavements, rehris, khomchass, etc. According to Delhi Municipal Committee rules, they can not sell their arti-

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cles at a fixed place. Delhi Traffic Police faces the problem of burgeoning traffic, which, it feels is aggravated by such vendors. Since they occupy pavements, pedestrians have to use roads making the latter congested and difficult for motorists to pass through. The shopkeepers also have a complaint: because of the pavement-sellers, their sales go down. There is also the question of keeping the city beautiful. The barrows, trollies, broken trucks and untidy *khomchas* spoil the appearance of the capital. The Delhi Government has initiated a drive against the pavement traders."

While drawing a living pen-picture of these vendors and pavement traders, their inferiority complexes, the behaviour of the police with them, and the mass-psyche created by the whole scenario, Deendayal Upadhyaya concludes, "Today, just as we have the problem of land less cultivators, we also have the problem of the shopless traders. We shall have to find a solution to this problem too." ⁵

■ Jana Sangh had passed a resolution demanding that diamond mines should be taken back from the leaseholders in Vindhya Pradesh, and they be paid no compensation. Also, an independent corporation should be constituted for diamond mines in the state, "The Working Committee expressed satisfaction at the report of the Emerald-Diamond Inquiry Committee....The (Working) Committee said that it was in favour of the establishment of an independent corporation with the cooperation of the government and the public, as recommended by the Inquiry Committee. The (Working) Committee vehemently opposed the suggestion of giving compensation

While drawing a living pen-picture of vendors, the behaviour of the police with them, and the mass-psyche created by the whole scenario, Deendayal Upadhyaya pleaded for a solution to this problem.

to the lease-holders because they had violated the Sections 48 and 51 of the Mineral Concession Rules. Hence according to Section 53 thereof, their leases should be forfeited." 6

The above details are quoted here only to show that the canard of Bharatiya Jan Sangh and its economic-philosopher Deendayal are rightwing capitalist is baseless. This canard stands exposed by Upadhyaya's literature. Instead, the basic nature of his thoughts is economic-equality, and integralism.

Review of Economic Policy: Indianisation (Bharatiyakaran) of Economic Policy.

Upadhyaya expressed his views on various issues relating to the economic policy from time to time, through his statements and writings. In general, he regarded it a blunder to imitate the foreign trends in the

economic sphere. There is a great difference in

our circumstances and those of the western

world. We shall have to Indianise our eco-

nomic policy. Explaining his view,

Deendayal Upadhyaya has written,

"There cannot be two opinions that

poverty should be eliminated. But

today, the question is how it should be

done. Should we follow the American

model or the Russian model or that of

the European countries? We shall have

to understand that howsoever these

economies may differ in details, there is

one basic similarity. All have accepted

the machine as the means of economic

development. And the machine has a univer-

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sal characteristic - maximum production by small labour. Consequently, these countries had to find markets abroad for their surplus production. Imperialism and colonialism were its natural outcomes. This expansion might have assumed different forms, but whether it be Soviet Russia, or America or England, all had to follow this path.....We shall have to admit that the path of India's economic development is not the path of mechanisation.....The economic development of our country is possible only through decentralised economy with cottage industries as the backbone." 7

Upadhyaya did not regard it appropriate to build Indian economy on the basis of big industries, given our peculiar socio-economic conditions. In the field of agriculture, he favoured small self-holding fields. In 1959, the Congress had passed a resolution in its session for encouraging cooperative farming on the pattern of Communist China. Upadhyaya rejected it declaring it unpractical and undesirable.

Cooperative Farming

Deendayal noted that so far, agricultural reforms had concentrated on granting ownership rights to the cultivator. The concept of cooperative farming will deprive him of the ownership of the land, which is against our goal. The ownership system of cultivation is in accordance with the spirit of democracy and economically viable....The proposed plan would once again reduce the cultivator to the status of only an agricultural labourer.

Following unthinking mechanisation, the Western countries had to find markets abroad for their surplus production. Imperialism and colonialism were its natural outcomes. Machine has a universal character.

His individual freedom and inspiration would be dead and only dictatorial tendencies will develop." 8

In the Congress-resolution three stages were suggested:

- In the first stage, the extent of maximum limit of holding would be fixed. The extra land would be handed over to the Gram Panchayat. This land would be cultivated jointly by the cooperative organisation of all adults of the village.
- In the second stage, all owners of non-profitable land units would be asked to join and transfer their land to the cooperative organisation.
- In the last stage, all the land would be owned by the Gram Panchayat for cooperative farming.

From the above three-stage plan, it seems that economy and sociology follow the dictates of the plan-makers. It has been assumed that the neo-cooperative farming of the first stage would be cost-effective and profitable.

Hence, the first stage non-profitable self-owned holding would be voluntarily handed over to the profitable cooperative farm. Ultimately, under the ownership of the gram-panchayat, the entire village-land would be converted into one farm. Upadhyaya held the above plan a Utopian dream - unpractical and against the spirit of human freedom. This would only foster bossism and degenerate into the autocracy of the bureaucracy.

Jana Sangh was the protagonist of land-system based on ownership farming. And regarded the mechanization of agriculture inappropriate for the contemporary economic structure of India. However,

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it accepted the need of determining upper land-limit under one cultivation. Hence, Upadhyaya proposed a resolution that:

- The maximum limit of land-acquisition should be fixed.
- Cultivators should be provided the facility to purchase and own the land under his cultivation.
- The *bhumihars* (land-owners) with more land than the upper limit should be asked to sell it off within three years. The prospective buyer should be provided finances from the cooperative banks or some other financial institution. The cost of land should be allowed to be paid in installments.
- *Chakbandi*, i.e., consolidation of the land holdings should be immediately started.
- Cooperative institutions should be established for providing loan, sale-purchase facilities etc.'⁹

Upadhyaya holds that only restructuring of cultivation-units on the basis of ownership is practical and is germane to our milieu. "Japan and other countries have utilised this restructuring to the best advantage. Even Poland had to take recourse to this system after facing failure in the scheme of cooperative farming."¹⁰

Deendayal Upadhyaya was of the view that instead of legitimising bureaucratic mentality through gram panchayats, in the name of cooperative farming, the institution of gram-panchayats should be organised in democratic way so that a decentralised political system is initiated. Gram panchayats should become manifestation of the philosophy of our ancient organised rural life."¹¹

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Nationalisation of Food-grain Trade

Besides the plea for cooperative farming, the Congress resolution had suggested control over production and distribution, and to achieve this, nationalisation of food-grain trade. Upadhyaya regarded it impractical. In this context, he made the following suggestions:

- Licences should immediately be granted to wholesale grain merchants.
- Fair price grain shops should be opened in a large number in all the towns and backward areas. Only the services of the experienced wholesale and retail dealers should be taken for this. New and inexperienced persons should not be initiated into this work lest they create a chaotic situation.
- At every level, all-party committees should be formed to supervise the distribution at the fair price shops. ¹²

Upadhyaya's opinion was the "the issue was a purely practical proposition and did not warrant any debate on ideological level." Criticizing Jana

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Sangh's stand on cooperative farming, the Congress mouth-piece, 'Economic Review' (of April 1, 1959) had tried to paint Jana Sangh as a 'supporter of capitalists', and called it names like, 'obscurantist' and 'orthodox'. Replying to it, he wrote: "The success of cooperative farming ultimately depends on the public-psyche, not on its management. This atmosphere will change only on understanding others' outlook and accepting it for gathering more information, and not by obstinately sticking to one's erroneous views.' ¹³

Upadyaya regretted that instead of presenting arguments and reasoning for its disagreement with the policy-criticism and constructive suggestion proposed by the Jana Sangh, the mouth-piece had only chosen to call names and indulge in criticism solely on party lines. The views of the economic-politico elite of the country had endorsed this criticism of cooperative farming by Upadhyaya. In the Nagpur session of the Congress, Jawahar Lal Nehru got his resolution passed riding high on the crest of his personality. But leaders like Morarji Desai, Kanhaiyalal Manek Lal Munshi, Prof. Ranga and Chaudhary Charan Singh vehemently opposed the very idea of cooperative farming. Consequently, bringing the resolution in the Lok Sabha as legislation had to be deferred. Cooperative Farming could not be implemented. The Congress resolution was not supported by any party except the Communist Party.

During his most politically active period of two decades, Deendayal Upadhyay would present his constructive and deep critique of economic-centric events and economic policies. Of these, his 'Review of the Five Year Plans' is most perceptible. Nevertheless, prior to delving into that critique, it would perhaps be more appropriate to discuss his reviews on three earlier occasions, in the context of (a) P.L. 480 (1960), (b) Gold Control Act (1963) and (c) the Devaluation of the Rupee (1966).

P.L. 480.

During the Chinese aggression, not only the hollowness of our military and foreign policies were exposed,

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but in the matter of food grains also, we had to face such a great shortage that we had to take recourse to seeking foreign aid. This was the consequence of unfounded priority to big industries in the economic planning, and the neglect of agriculture. Consequently, on the one hand, we were preparing the Draft of the Third Five Year Plan, and on the other, we had to sign an agreement with USA, under their Public Law 480 for wheat on loan, valued at Rs. 607 crore!

No doubt, such a relief was essential in the given economic scenario and in view of the war-efforts. It was, therefore, regarded a great achievement of the then Agriculture Minister, S.K. Patil. For USA it was a win-win situation, on all the fronts - economic, diplomatic and political. President Eisenhower was so excited that he himself signed it leaving aside the normal protocol, when India was represented neither by the President nor by the P.M., but only by one of the ministers.

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Indo-American relations have remained strained because of India's anti-imperialist and anti-capitalist outlook and pro-socialist tilt. China, of course, was a Communist country. USA policy, therefore, was to avoid alienating India also. The Chinese aggression provided it with an opportunity to expand its friendship in Asia against the communist imperialism by showing warmth towards India. US supporters in India also hailed this agreement and the USA as a leader of the free world, who had checked the march of Communist imperialism. In the backdrop of this, Deendayal Upadhyaya wrote a lead article

in his regular column 'Political Diary' in the 'Organiser'. In this article, he comments, ".....It would be wrong to conclude that the agreement was a simple act of compassion or diplomacy and USA does not gain much from it. The fact is that PL 480 was passed by the American Congress in 1954 for the economic stability of American agriculture and for the extension of international trade of agricultural products. Up to December 31, 1956, USA had sold to 38 countries agricultural products valued at \$4 billion 156 million (19, 78 crore rupees). Hence, it should be clearly understood that this agreement serves the interests of both the countries. Thus, whatever political importance vested interests may try to attach to it, we should view it only with a realistic and purposeful outlook." ¹⁴

In addition to this political and diplomatic situation, Upadhyaya was also deeply concerned with the tendency of over-dependence of our economy on foreign powers. He, therefore, emphasized the need of being cautious in this respect: He said, "Although we do not underrate the advantages of this agreement for the Indian economy by way of import of food grains in such a huge quantity, we counsel caution in this respect.....In our country more than 70% population depends on food grains and other agricultural products as the main source of their purchasing power. However, if the prices of agricultural products fall down because of the policy of the government to pile up buffer stocks, this will have a serious impact on the country's economy. Would it not mean providing market to the American farmer at the cost of the

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Indian farmer? There is one more cause of this apprehension. Under the agreement, in addition to the import of wheat and rice, India has committed to buy 1,46,80,000 quintal wheat from the world market. This condition has been imposed upon us to satisfy Canada and Australia, because they fear that because of the Indo-American agreement, their wheat market would shrink substantially. This condition is grossly unjust since India has been coerced to buy more food grain than it actually needed. Obviously, this would lead to a great fall in the prices of Indian agro-products, making them unviable."

Under this agreement, there was also a provision that out of the payments made by India for the purchase of this wheat, a sum of Rs. 95 crores would be spent in India itself by the US embassy to ease financial situation in country. Deendayal Upadhyaya *pooh-poohs* this idea and says that it is not meant for easing the financial situation

in India but it is for nurturing US interests in India

and calls it a transgression by America in

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India. Under the impugned legislation, US Administration had proposed that loans should be granted to private US companies, or their subsidiaries in the beneficiary countries or their collaborators or domestic companies assisting in the sale of agricultural products of American companies." Upadhyaya regards this provision known as 'Coolay Amendment in the PL 480' against India's economic independence and its quest for swadeshi.

".....Because of this agreement, not only they have secured a market for US agri-

cultural products in India, but also reserved a privilege and facility for American entrepreneurs desirous of enterprise in India. It would not be wise to shut our eyes to this far-reaching evil effects of these proposals."

Therefore, despite an immediate respite, we should remain vigilant to insulate ourselves from the imminent evil effects. He writes: "With the passage of time, we have been increasingly becoming dependent on foreign aids. We fear that because of the 'adequate availability' of sufficient food grains, the government might not become sluggish in its efforts of enhancing domestic production. The US ambassador has claimed that America is following the present policy to assure the struggling people of the world-democracies that 'freedom and food both can go together.' But what we want is 'our own freedom and our own food.'" This is possible only when we again raise our old slogan of 'Freedom From Foreign Food'.....We shall, therefore, warmly greet Patil not on his return from America, but when he boosts our production to achieve self-sufficiency in food grains, and prove to the world that he was free India's last Agriculture Minister trotting the globe with a beggar's bowl for food." 15

Gold Control Order

Gold Control Order was promulgated on January 5, 1963 by the then Finance Minister Morarji Desai. The Indian society's lust for gold had raised the price of yellow metal so much that it went much beyond the international prices. The war-torn country was facing lot many prob-

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lems because of this. Not only did the government face great difficulties in the forex market but excessive buying of gold by people was having an adverse effect on India's fledgling economy. In this background, Deendayal Upadhyaya justified the provisions of the Gold Control Order. But the way efforts were made to bring out gold in the market, was termed unpractical and undesirable by him. He said, "Morarji Bhai's gold policy is although justified in its objectives yet it is destined to meet a tragic fate that the prohibition policy met. We fear that this would push normal transactions underground, resulting in a great loss to the revenue and a huge increase in black money."

Upadhyaya regards society's lust for gold extremely undesirable. "Keeping in view the economic development of the country, there cannot be any justification for hoarding gold. It is unproductive and for the last decade it had been exerting great pressure on our meagre foreign

exchange reserves. By investing in gold, neither

individual incomes nor the national income

rises. It does not even generate capital for any additional employment. Hence, if

people instead of hoarding gold, invest

it in any other productive industry, they

would be doubly benefited. Not only

would they earn extra interest, devel-

opment process would receive a boost

and inspire savings and entrepreneurs.

He emphasized the necessity of find-

ing ways and means to drive our peo-

ple away from their lust for gold. The

emotional call for accelerating war-

efforts could not hold for long. Our lust for

gold has many political and economic rea-

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sons." Upadhyaya urged the government to take measures to overcome this lust. He enumerated some of the more conspicuous causes:

■ The greatest cause of gold-attraction is the inflation. If the government cannot keep the prices (of essential commodities), and the value of its currency stable, the tendency to invest in a precious metal is inevitable.

■ The shortage of banking and credit facilities is also an important factor. The rural population have no other facility to preserve their savings. They also have no provision for securing a loan without a security deposit. If they have gold, they can pawn and get money when in need.

■ The feeling of economic insecurity also leads people to convert their savings into gold. The middle class of India is immensely infested with this tendency.

■ Government's industrial and trade policies are also responsible for this unrealistic increase in the demand for gold. We have in the country a huge amount of money that is seeking avenues for investment, which at present are blocked because of the so called socialistic obsession of our economic policy. The investors get scared by the apprehension of nationalisation also. They, therefore, run after gold, whether it is contraband or otherwise.

■ The rampant corruption in the revenue departments and the civic services has also increased the demand of gold. This demand has created 'black money' with people, which cannot be converted into 'white'. Hence, it is converted into the yellow metal.

Deendayal Upadhyaya emphasized that we shall have

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to think holistically while framing our economic policy. With the sky overcast with the above factors, we cannot gainfully use our vast stocks of gold in the development of our economy. "Whatever good intentions may be in the framing a policy, unless they are matched with a visionary action plan, the policy is destined to fail."

There was also a humanitarian and cultural aspect of this gold-policy. The government gave no thought to the resultant unemployment of the goldsmiths and the mortal blow on the age-old art of making gold-ornaments. The representations and delegations of the goldsmiths were not heeded to. Instead, repressive measures were adopted. There was another aspect of this problem. The goldsmiths in the countryside were not accustomed to work with the substandard hardened 14 carat gold and did not know how to use machines for making ornaments. No thought was given to the fate of his skill and craftsmanship, for which India was famous the

world over and which earns valuable foreign exchange. Upadhyaya's view was that the mechanization propelled by the introduction of 14 carat gold would centralise the ornament-making industry in the hands of urban capitalists. He held the view that boot-legging and smuggling in gold are natural outcome of such an uncoordinated step. Later on, his prophecy came to be true. The Gold Control Order could not bring out even as much gold as people had voluntarily brought out during war-efforts for the India Security Fund. Meanwhile, country's economy, inflationary situation and forex

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reserves continued to go topsy-turvy and at last, on June 5, 1966 the Indian rupee had to be devalued.

Devaluation of Indian Rupee

On June, 1966, in a hurriedly called Press Conference, at 11 P.M., the then Finance Minister Shachindra Chaudhary announced the devaluation of rupee. The rupee now got valued at 0.118516 gm of gold. In this context, Deendayal Upadhyaya wrote a booklet entitled "Devaluation-A Great Fall."¹⁶ In this booklet, he has reviewed all the four of our Five-Year Plans and regretted their over dependence on the foreign aid or loans. To make it a cogent review, he extensively quoted various aspects of the Plans and variegated statistics, and referred to the reports of different ministries and commissions. He asserted that we were forced to devalue the rupee due to erroneous economic policies. More than his regrets on the devaluation, Upadhyaya regretted the political undercurrents that forced this decision. Upadhyaya holds that this decision was forced on the country under US pressure. And this pressure was exerted on us not for economic reasons alone, but because of imperialistic rivalry, before which we made an abject surrender.

He writes in this book, "It can not be denied that this decision was taken under pressure."¹⁷ Nobody is convinced with the government denial. Had the people been taken into confidence, the decision would have been more honest and democratic. And this has been revealed by none other than the former Finance Minister T.T. Krishnamachari. He deposed before the Congress

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Working Committee that for the last two years the World Bank and US Administration had been pressurising us to devalue rupee. He reminded that India had tried to get financial aid without devaluing the rupee; but the USA kept up the pressure. Probably after the Tashkent agreement, when we bowed down to the Soviet pressure, US also wanted to exhibit its strength. Whether it is cause for worry or pain, we must accept, that we succumbed to their pressure.....We devalued the rupee and we devalued both the democracy and the nation. Our sovereignty received a setback." 18

So far as the question of our economy gaining strength by devaluation is concerned, it is only a figment of imagination; because along with devaluation, there has been an unexpected increase in the loan. The foreign debt which stood at Rs. 2,733 crore on June 5, 1966 became Rs. 4,100 on June 6, a day after devaluation.....The increase in the principal and interest of this loan will prove to be a curse for our already dwindling economy." 19

The claim that our economy would gain strength by devaluation is only a figment of imagination; because the foreign debt which stood at Rs. 2,733 crore on June 5, 1966 became Rs. 4,100 on June 6, a day after devaluation

Deendayal holds the following causes responsible for reaching the stage of devaluation:

- An incessantly deficit economy
- Over dependence on foreign aid
- Inflation
- Statistical jugglery
- Infatuation for Dollar(undesirable use of foreign currency)
- Lack of clarity in forex rules
- Increase in black money
- Large scale machine-centric industrialisation

■ Dependence on imports and slackness in exports

■ Neglect of *swadeshi*

Upadhyaya had elucidated all these points from economic and political angles. But his main stress is on 'swadeshi', "Along with rationalisation of forex rules, we shall have to bring about revolutionary changes in our outlook not only in planning but also in entire life values. We should inspire the spirit of 'swadeshi'. We should free ourselves from the hallucinations that all the progress flows from abroad, especially in the West. Only the spirit of self-respect and self-confidence can reduce our appetite for Dollar. 'Travel only if you must' was the slogan of railways during the war, 'Buy imported goods only if you must' should be our slogan now." ²⁰

He did not regard this devaluation unavoidable. His view was that we should have resisted the US pressure, "Had we refused to devalue our rupee, may be those giving us economic aid, would have drawn cold feet. But then, we should have decided to make our progress without foreign aid. This would have been economically profitable and politically honourable. It would have surely ensured a determined progress with revolutionary changes in our plans and policies." ²¹

We have not secured our objective of 'swadeshi' and 'swavlamban' (self-reliance) even after four Five-Year Plans. External pressures continue to force us to bow down, he lamented. Upadhyaya was a serious analyst of our Five Year Plans. He had reviewed all the four Five Year Plans.

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when he presented an article titled '*The Economic Policy of Jana Sangh*' as a Draft resolution at the Worker's Training Camp. He has thus, presented a much more analytical and critical review of the Draft II Five Year Plan. Commenting on the Planning Commission recommendation in the II Five Year Plan, he writes, "It is good to proceed with high ideals and goals, but we should have the means to achieve them too. The means that the Finance Minister has cited are rare to be available and also not without risks involved. Taxes amounting to Rs. 450 crore can be levied but it is not easy to collect them in the present economic conditions. If this is levied mainly on the rich people, the amount of investment of Rs. 2,200 crores needed for the private sector cannot be attracted. And if this burden is passed onto the common man, it would immediately hit his life-standard and the mass-psyche required for this huge enterprise would not be built up. Besides, no increase has been

made in the Plan in the outlay allotted to help the small-scale sector even after the recommendation of the Karve Committee.... Of course, consumer goods sector received a liberal amount." ²³

In fact, Deendayal Upadhyaya's economic thinking is actually available to us systematically in writing only after 1953, when he presented an article titled 'The Economic Policy of Jan Sangh', but thereafter, he never looked back.

Minimum Income Fixation

In 1953, declaring his economic policy, Deendayal Upadhyaya had stipulated a ratio of 20:1 between the maximum and minimum incomes and suggested that the economy should be so moulded that gradually this ratio may be brought down to 10:1. There ensued a discussion at the time of the preparation of the II Five Year Plan. Commenting on the

same in his regular column *Vichar Vithi*, in *Panchjanya*, Upadhyaya wrote, "Prime Minister Pandit Jawahar Lal Nehru has called it impractical and has regarded this way of looking at the entire issue of income and expenditure is Utopian. He regretted that the preceptor and supporters of the resolution sought the attestation of socialist ideology for their demand. According to the apostle of socialism in our non-socialist country i.e., Pandit Nehru, they have not understood the ideology of life properly. Shri Nehru also holds

We do not know Nehru ji's socialism but at least this much we understand that socialism must reduce the wide gulf of inequality between the rich and the poor, particularly with regard to income and property.

that for bringing socialism, the limits to property and profit cannot be fixed."²⁴ In the same article, analysing Nehru's criticism he writes, "We do not know Nehru ji's socialism but at least this much we understand that socialism must reduce the wide gulf of inequality between the rich and the poor, particularly with regard to income and property.....In the II Five Year Plan also the ratio between the maximum and the minimum incomes has been intended to be brought down to 30:1 but what Pandit Nehru proposes as the Chairman of the Planning Commission, he disposes as the Prime Minister."

".....Socialism is nothing more than a hollow dream or slogan. When the time comes for levying a new tax, the Finance Minister argues that in a socialist economy, the common man shall have to bear the burden of the extraordinary measures of development plans but when the issue is of cutting down the unearned income and wealth of the rich, the P.M. rejects the proposal because in his view this will kill the initiative of the individual.....It is a matter of great regret that our 'servants of

the people' and the industrialists understand only the language of baton or the one that serves their own interests.

"It is also essential to fix a limit for maximum income because we want to avoid the undesirable effect of a deficit of Rs. 1,200 crore in the budget. There being very little possibility of the generation of any employment on large scale, and there being an allocation of a meagre Rs. 200 crore for small scale industries, the earnings will go into the pockets of high officials and big industrialists.....If we want to make the plan a success, we should not neglect our vast population."

Decentralised Economy

In order to make his economic philosophy clearer vis-à-vis Five Year Plans, Deendayal Upadhyaya wrote an article titled, *Vikendrirata Arthavyavastha*, i.e., Decentralised Economy, ".....We do need a decen-

tralised economy.....We shall have to develop

a self-employed sector.....Such a decen-

tralised economic model can be given to

the world by India alone.....Once big

industries are set up, we would have to

face many difficulties, if we were to

wind them up.....Hence, we must

examine all their pros and cons before

we make a step forward in the dawn

of national reconstruction." 25

Elucidating the goal of our plans

along with decentralised economy, he

writes, "Before preparing our plans, we

shall have to give recognition to the prin-

ciple of 'Work to Every Hand'. If this is

accepted, the direction and form of our plans

*Whatever
Pandit Nehru
proposes as the
Chairman of the
Planning Commission,
he disposes as the Prime
Minister. Sometimes, he
swears by socialism,
sometimes, he appears
brushing it beneath
the carpet. It is no
more than a
slogan for
him.*

will change, even if unemployment is removed gradually.....We should select our product and tools only after deciding this. If small-scale industries, cottage industries aiming at giving employment to large numbers are planned, we shall need less capital, the burden of heavily paid bureaucracy will be reduced and no foreign borrowing will have to be made. The country will really progress and democracy would find a firm root." In favour of his principle of decentralised economy, Upadhyaya quotes Mahatma Gandhi, "I want mass production, but production by masses as well."

Before preparing our plans, we shall have to give recognition to the principle of 'Work to Every Hand'. The direction and form of our plans will change, even if unemployment is removed gradually.

The Two Plans: Promises, Performances, Prospects

Deendayal Upadhyaya penned a research book in English titled, "The Two Plans: Promises, Performances, Prospects,"²⁶ which is an analysis by a politico-economist. Certainly, the writer is a political leader from the opposition. Hence, the language of analysis and elucidation is abound in political hits on the party in power.

This book presents not only a review of Two Plans, but also an holistic assessment of the concept of plan, history and rational preambles. The book abounds in so extensive factual, comparative and explanatory data and tables that it is difficult to comprehend it and take interest in it without an adequate economic knowledge.

About this book written by Upadhyaya, Yagya Dutt Sharma says, 'These works were so penetrating, that the then Deputy Chairman of the Planning Commission at that time, Shriman Narayan Agarwal issued a circular to all concerned officials that he had never come across

such a purely dispassionate and illuminating critique of the plan as Deendayalji's 'Plan and Proposals'.²⁷

It is difficult to present a detailed review of the book here. Briefly, this book written in English has Five Parts:

- Towards Planning
- The First Five-Year Plan
- Review of the First Plan Period
- The Second Five-Year Plan
- Critique of the Second Plan

The five-parts book has 21 chapters. We would make study of these chapters part-wise.

Towards Planning

This First Part contains three chapters relating to the nature of planning, historical review of Indian planning and an introduction to the Planning Commission. Upadhyaya elucidates the economic planning processes,

etc., in different countries and the concepts of various prominent scholars. He wants to formulate a concept as to what a plan is. Can centralised economic planning be concordant with democracy? What is the relationship between a socialist-country and planning? What is the difference between the Annual Budget and Economic Plans covering a definite period? We cannot reach a conclusive solution to our problems by the political and economic ethos evolved in the West. He concludes that we shall have to inspire a new process of thought in consonance with the environment of our country. Deendayal Upadhyaya has presented in

The then Deputy Chairman of the Planning Commission issued a circular to all concerned officials that he had never come across such a purely dispassionate and illuminating critique of the plan as the one presented by Deendayalji.

these chapters, a detailed history of the thoughts and process of economic planning in our country right from M. Vishweshvaraiya's book 'Planned Economy for India' published in 1933 to the thought process that preceded the constitution of Planning Commission. This chapter gives a detailed and graphic account and description of the role played by Indian political leaders, economists and British Administrators in formulating plans.

Upadhyaya has introduced to the reader the original resolution passed by the Government of India in March, 1950, for the constitution of the Planning Commission, its objectives, actions envisaged, and the intended process and methodology for implementation along with full references of original articles. The history of the First Five-Year Plan also has been discussed in details. He has underlined his own stress on integral-governance, with the background of difficulty experienced in the federal constitution in the Union of India.

The First Five-Year Plan

This Second-Part relating to the First Five-Year Plan has only two chapters. In these, the technicalities and outlines of the plan are discussed. This part is more descriptive than analytical. The description embodies fine details along with references from the original script of the body of the First Five Year Plan, its technical concepts, objectives and policies.

In the outline of the I Five-Year Plan, are stipulated the budget-sources and allocation of the budget in various

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varaiya to thought
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ed the constitution
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Commission.*

fields. Upadhyaya regards the role of foreign aid, foreign technique and psychic modulation in their implementation, against the objectives, and satirically observes, "A people's movement was intended to be launched with inspiration and under the guidance of experts from America and was to be sustained through monetary help from that country. No wonder that these schemes have failed to create any impression on the seasoned people of Bharat." 28

The Review of the I Plan-period

This Third Part of the book consists of six chapters, which generally deal with the economic condition, finance, developmental programmes, industry, transport and implementation aspects. This part is a show window of his talent in description, analysis and critique. Presenting the assessment of the achievements year by year, Deendayal Upadhyaya rejects the claims of the

Commission, "..... The Planning Commission

in its report has claimed a large measure of success....especially in the field of domes-

tic production and in the elimination, or

better say, controlling of inflationary pressures. But equally notable have

been the failure in tackling the problem of unemployment and in main-

taining an integrated and stable price level.....There are people who feel

that the major achievements are in agricultural and private sectors" 29

whereas in the spheres which the government had planned to execute by itself,

have lagged far behind the coveted goals.

To buttress his claim, Upadhyaya furnished

We wanted to initiate a mass movement under the inspiration and guidance of American specialists with the help of their own financial aid. It is no wonder the plan failed to impress the knowledgeable and experienced people of India

such an elaborate data and so many facts that it is beyond our scope to reproduce them.

An analysis has also been made of plan outlays, their apportionment, and political interference in it. The exploitation of the domestic financial resources, taxation, railways and other government sector working process have been objectively and vividly dealt with in details. Focusing attention on the difficulties faced in financial planning because of the federal constitution, he quotes

Prof. R. Balkrishnan of Madras University, ".....There are unsolved problems of Federal Finance. It is not easy to solve them. Equity without transference of real resources is not easy to attain in a Federal Structure and transference would necessarily involve a disturbance in the pattern of resource employment. Similarly redistributive principle cannot to be sacrificed in a Federal Constitution. An easy and radical solution is to have a unitary state." ³⁰ In this part, issues like external aid, payment equilibrium, financial deficit, etc., have also been dealt with in details.

Deendayal Upadhyaya averred that the common man in the country with limited purchasing power cannot reap the benefits of large-scale planning of development programmes. Supporting his conclusion with many illustrations, Upadhyaya suggested, ".....We have to reconsider our decision on large projects, at least in respect of those substantial work on which has not yet started." ³¹

The First Five-Year Plan was basically an agricultural plan. The picture of industrialised India cannot emerge out

The problems of federal financing have not been resolved.

Equality is not easy without transforming financial resources in a federal structure. Transfer will surely disturb the resources-allocation system.

of that plan. No attention has been properly paid on the ancillary cottage industries essentially related to agriculture. The funds allocated under this plan for the industrial sector were mainly implemented through private and corporate sectors. Naturally, it was capital oriented, and served only the vested interests of big families. For the neglect of the cottage industries, Upadhyaya never misses an opportunity to bitterly blame the planners.

He has also reviewed railways, transport, water-transport, port facilities, and airways. Education, health, public welfare, etc., were included in the Plan document though it did not have any cogent schemes in these fields. Commenting on this, Upadhyaya says, "The plan was...intended to serve as a political manifesto of the party in power, and, therefore, all programmes, which have some public appeal were included in it."³² While reviewing the achievements and failures

of this plan-period, Upadhyaya wants to

emphasize, " Working of the public enterprises during the plan period is sufficient

to teach the Government that the

state enterprise is not synonymous

with the state ownership Ownership

is easily acquired by enterprise and

managerial skill are not easily

established." ³³

Upadhyaya refuses to endorse the

working of the big irrigation projects

and power projects. He expresses

doubts whether such projects can

achieve an all-India character and

expresses resentment on the dire neglect of

the small projects.

The First Five-Year Plan was basically an agricultural plan. The picture of industrialised India cannot emerge out of that plan. No attention has been properly paid on the ancillary cottage industries essentially related to agriculture.

The Second Five Year Plan

This Part of the book has only two chapters. The direction and the outline of this Plan form the subject matter of this Part. On April 1, 1956 this Plan was passed. In March 1955, Prof. P.C. Mahalanobis presented a 'Draft Recommendation for the Formulation of the Second Five-Year Plan'. The Planning Commission generally accepted these recommendations. Mahalanobis was a Soviet-supporting Leftist-economist. In this context Upadhyaya quotes Babu Jayaprakash Narain, "All the seven authors of the Second Five-Year Plan are persons from behind the 'Iron Curtain'." ³⁴

Three objectives of the Second Five-Year Plan were stipulated: Firstly, an increase of 25 percent in the National Income; secondly, provision of employment to 12 million people and; thirdly, establishing socialist society. Deendayal Upadhyaya has called the third objective bureaucratisation or Sovietisation of the Indian economy.

In this chapter, the outline of the II Plan, the investment allocation under different heads have been dealt with in details like the I Plan. The allocation to the public and private sectors, the production-goals and development and priority to large-scale industries have been discussed in this chapter. The domestic and foreign income-resources also have been dealt with in details. According to Upadhyaya, it is a colossal plan, the implementation of which, as a pre-condition depends on several 'ifs'. He poses a question: 'Is it a big 'if' with 'I' and 'F' capital?' ³⁵

He refused to endorse the working of the big irrigation and power projects. He had doubts whether such projects can achieve an all-India character and was pained at the dire neglect of the small projects.

A Critique of The Second Plan

The Fifth Part of the book is the biggest. It contains eight chapters. This part is the most analytical too. It is divided under the heads: The difference between the two Plans, Technical Shortcomings, The Paucity of Domestic and Foreign Resources, Private Exchange Programmes and Priorities, Conclusions and Suggestions.

Upadhyaya outlines four major differences between the two Plans. The first and the foremost being the goal of building a 'Socialist society'. The planners have stipulated thus because a 'conceptual idealism' agitates people emotionally and the appeal of principles inspires them for unprecedented sacrifices. Upadhyaya agrees, but according to him, socialism is a confused principle. It can not inspire people to make sacrifices. Socialism has produced autocratic governments everywhere. How can India be an exception?

The second difference, Upadhyaya holds is that the I Plan was functional, whereas the Second is 'structural'. A functional plan does not alter the fundamental system. It tries to amend and reform the existing system. It does not reconstruct or alter it. The structural Plan, on the other hand aims to alter the system altogether.

The third difference is that while the First Plan was agriculture-oriented; the second one is big industry-oriented. Without effectively implementing the First-Plan, Upadhyaya does not hesitate in calling it an indecent and misconceived hurry to make new declarations. Fourthly, the Second Plan is quite compre-

According to Upadhyaya, the Second Plan is a colossal plan, the implementation of which, as a pre-condition depends on several 'ifs'. He poses a question to the planners: 'Do both the letters 'T' and 'F' have to be capital? He never got a reply.

comprehensive in comparison with the First, not only in dimensions but also in spheres of fields. Upadhyaya's assessment is that it is beyond our implementation. He formulates the following shortcomings therein:

- It is based on erroneous pre-suppositions, because we have no scientific system to measure level of increase of population, per capita income and capital formation ratio. Consequently, estimates of our conclusions of the First Plan did not come true.

- It lacks a proper balance. The equation of the inter-relationships of the programmes in various fields has not been clearly indicated. The equilibrium between the actual demand, fulfillment and allocation seem to be unbalanced. The projected expenditure and the achievement of the goal are not mutually balanced.

- The Plan suffers from technical defects. In spite of shortages in supplies, what technique for implementation will be used has not been stipulated in the plan-draft.

- It is impossible to fulfil the cost-effectiveness of this plan even after exploiting indigenous and foreign resources. The people would be reeling under its burden and we shall have to wander with a beggar's bowl for it.

Upadhyaya wants to change the programme and the priorities of the Plan. It is a mere rhetoric to declare - 'First Plan, Agriculture-oriented; and Second, Industry-oriented'. In fact we can not neglect agriculture. We should undertake again the unaccomplished task of land-reforms and agricultural-marketing. The initiation of big industries should be changed giving priority to immedi-

It lacks a proper balance. The equation of the inter-relationships of the programmes in various fields has not been clearly indicated. The equilibrium between the actual demand and allocation is unbalanced.

ate industrialisation at small scale. His suggestions can be listed as follows:

- This Plan is so evidently clear that its period should be increased, otherwise it will remain only a paper work.
- To relieve the public sector, some industries should be transferred to the private sector.
- Instead of trying to implant concepts like 'Socialism', ancient Indian cultural emotion of 'Yagya' (sacrifice) should be inspired.
- The ministers should set examples of simplicity; accept not more than Rs, 1,000/- p.m. as honorarium.
- A big cut is needed in the non-developmental expenses of the government.
- The duplicate taxation-system of the state and the Centre should be done away with and replaced with a unified system.
- Privy-purse and other political pensions should be stopped forthwith.

In fact, we can not neglect agriculture. We should undertake again the unaccomplished task of land-reforms and agricultural-marketing. The initiation of big industries should be changed, giving priority to immediate industrialisation at small scale.

- The foreign-bank accounts of the rich people should be used as 'forex reserves'.
- The higher income-limit should be fixed. No body should have pay and allowances or income from other sources more than Rs. 2,000/- p.m.
- 'Government Lottery' may be used for small savings.
- The expected imports under the Plan should be reduced to the minimum and indigenous options should be explored.
- Inflation can not be avoided without reducing deficit.
- The constitutional status of the Planning Commission and the National Development

Council and their correlation with the Cabinet should be made clear. Besides, there should be a provision of an authority for assessment of various schemes and programmes. It is urgently needed.

The singularity of Deendayal Upadhyaya's book is also its weak point. Whereas elaborate data, tables and descriptions add to the knowledge, they make the subject-matter monotonous. Between the description and the analysis, the former dominates. This might possibly be the compulsion of the matter being economic-centric.

It is often said about large write ups on the Five Year Plans that "only two categories of people go through the text from A to Z: Firstly the writers of articles, and second, the proof-readers." These large-sized articles also might have been distributed among several writers and many might have been used as proof-readers. The study of the book reveals that not only Deendayal Upadhyaya has carefully read every word of the Plan-articles but also the Parliamentary discussions leading to the decisions, the lectures at the National Development Council and even the critiques of noted economists, deeply.

From the point of view of knowledge, the book is an ocean of knowledge in miniature. In analysis it is indeed objective and presents a transparent picture. From the point of view of party politics and strategy, it is the literary-work of a competent opposition-leader, who has never missed an opportunity of scoring a hit at the political policies and strategies of the party in power. What is most important is that he studied it deeply and placed his

The constitutional status of the Planning Commission and the NDC and their correlation with Cabinet should be made clear. Besides, there should be an authority for assessment of various schemes and programmes.

conclusions fearlessly before the public, which not only form an excellent critique of the Plans, but also inspire a faculty of independent thinking.

We have studied the economic critique and analysis by Deendayala Upadaya of the First and Second Five-Year Plans on the basis of his book in question, appended articles and their assessment. The assessment of both the Plans was combined because of the nature of the literature. The other two Plans would be reviewed separately.

The Third Five-Year Plan

Even after huge outlays on the First and Second Plans, an era of prosperity could not be ushered. Instead, a horrifying shortage of food-products ensued. Consequently, we had to import heavily under PL 480, and the Chinese Aggression revealed that we had criminally neglected defence industry. Price stabilisation was discussed vis-à-vis

the Third Five-Year Plan at the National Development Council on April 17, 1960, but

From the point of view of knowledge, the book is an ocean of knowledge in miniature. In analysis, it is indeed objective and presents a transparent picture. From the point of view of party politics, it is the literary-work of a talented opposition leader

no conclusion could be arrived at. On the eve of the III Five-Year Plan declaration, the shortage of food-grains and price-instability due to inflation necessitated immediate action. The Planning Commission suggested extension of state-trading in food-grains also. There were sharp differences of opinions on this subject. Hence, the issue was decided half-heartedly and the states were authorised to carry the task, wherein most of them failed miserably. Upadhyaya quotes C. Rajgopalachari and Jayprakash Narain in one of his articles, ".....The food-

grain traders organised a conference which was inaugurated by C. Rajgopalachari. Being a staunch supporter of free trade economy, he naturally supported the traders opposing the government move. Even Jayprakash Narain, who should have sided with the government being a socialist, gave his opinion that socialist principles should not be extended to food-grain trade. He expressed the view that the local traders had been experts in the job for generations. The government could not exercise expertise and foresightedness comparable to them. Thus, there was no chance of dissensions or discussions of principles on this account." 36

Deendayal supports J.P.'s contention, adding that the planners had adopted trade-control in the name of stabilisation of prices; but for the time being this had generated an ugly internecine dissension and jealousy between the states. A food-grain surplus state regards it a profitable trade, and is not prepared to lower the prices. M.P. government purchased wheat at Rs. 13-14 per maund but it supplied the Centre at Rs. 19 per md., who in turn supplied it to deficient states at Rs. 22 per md. Thus, state trading only contributed to price-rise." Deendayal Upadhyaya suggests that there is only one way out. Some central corporation or similar organisation be set up under the Constitution, which should be completely responsible for both purchase and sale of food-grains. The states should not interfere in the process. Only in this way, there can be equity in the prices throughout the country." 37

Upadhyaya expresses resentment that the government instead of concentrating on grain-production is only

Deendayal supports J.P.'s contention, that the planners had adopted trade-control in the name of stabilisation of prices; but this had generated an ugly internecine dissension and jealousy between the states.

playing with the distribution arbitrarily. In the present situation of shortage, government distribution will only enhance corruption and bureaucratic autocracy. Hence all the attention should be paid on production only.

Price-rise Vicious Circle

Upadhyaya drew the attention of the Plan-builders on the vicious circle of price-rise which vitally hits the economic, administrative and social set up, ".....The price-rise is an immense burden on the middle class and fixed income people. There is no autonomous agency which can maintain an equilibrium between income and price. Dissatisfaction is rampant and demands are being put.....Industrial production and government work badly suffer on this account. Constant dissatisfaction breeds indiscipline. To find a way out, corruption is sought and used as an easy tool. These corrupt ways persist, even when the demands are accepted. Consequently,

there is a greater price-rise. Thus the vicious circle continues."³⁸ Upadhyaya, therefore, maintains that mere distribution-control does not bring about stability of prices. The salaried middle class has expanded immensely. So long as an equity between salaries and prices is not achieved, this section will keep on price-destabilising tactics. A solution must, therefore, be essentially found.

The discussion on the III Five-Year Plan was under way when the Annual Conference of the Bharatiya Jana Sangh was held in Bangalore. Upadhyaya presented his detailed critique of the format of

Constant dissatisfaction breeds indiscipline. To find a way out, corruption is sought and used as an easy tool. These corrupt ways persist, even when the demands are accepted. Consequently, there is a greater price-rise and the vicious circle continues

the Plan, in the session. He smelt some rat in the link between the Five-Year Plans and the Five-Yearly General Election. Hence, the appeal of cooperation from all parties in the implementation of the Plans loses all its meaning.

We could not mould the two previous Plans in accordance with Indian socio-cultural ethos, and the prevailing economic situation. So far alien development models have been our inspirations. That is how the foreign concepts like Socialism and Capitalism have overcast our thinking.

".....Socialism is alien to our land. In practice it reduces to a control over all forces by the party in power.....Jana Sangh is against Capitalism also, because thereby all the means and powers are centralised in the hands of a few. In fact, Capitalism and Socialism are the two tunes for the same song.....In Europe the industrial revolution has obliterated the self-employment sector altogether. If we keep a cautious vigilance while industrialising the country, we can avoid the shortcomings of both capitalism and socialism for India. Our motto should be, large production by small units."³⁹ Bharatiya Jana Sangh suggested seven measures in its resolution.

- (a) It should aim at ensuring '**Total Employment**'.
- (b) The highest priority should be accorded to increase in agriculture production.
- (c) The cultivator and the labourer should be assured proper share in the profit, which will not only inspire them for greater production but also provide greater opportunities in the existing and the expanding market. It would also be essential to workout stability in prices.

We could not mould the two previous Plans in accordance with Indian socio-cultural ethos, and the prevailing economic situation. So far, alien development models have been our inspirations.

(d) Development of small industries, particularly using small machinery should be given the utmost priority.

(e) In addition to principles, it is incumbent upon the government sector to strengthen their already initiated activities instead of extension of their spheres.

(f) Greater emphasis should be on taking in hand small plans instead of large ones. Attention should also be paid that the new units which should be correlated to the ones completed during the II Plan.

(g) Greater attention should be paid to the demand of training and education of expert workers for the developing economy. ⁴⁰

Elucidating the above suggestions Deendayal Upadhyaya remarks, "The Congress has also talked about small industries; but they have limited themselves to 14 industries which are implemented by Akhil Bharatiya Khadi and Gramodyog Sangh. In fact, they

have only harmed the interests of the small scale sector. Jan Sangh feels that newly mechanised units should be paid greater attention. A little research and reform accelerates the production-capacity of the indigenous equipment.

"The need today is that we wait and think. Everything should be organised in a systematic manner. We should concentrate upon what we have already started. A few, properly conceived institutes can fulfil the aims and objectives of the public sector far better than innumerable institutes infested with corruption.

"We made a mistake by not linking the Second Five-Year Plan within the First Plan. We

Cultivator and labourer should be assured proper share in the profit, which will not only inspire them for greater production but also provide greater opportunities in the existing and the expanding market. Stability in prices should also be worked-out.

should not repeat the mistake. The Planning Commission is responsible for not being able to use the increased irrigation resources of the I Plan in the II one, and if we could not find market for the manure and fertilizers produced in the government factories, it is again the onus of the Commission. We shall have to be cautious about such errors in the III Plan." 41

In the same context he wrote an article "The Third Plan: An Analysis"⁴² under his regular column 'Political Diary' in the *Organiser*. In this article too, he gave lot of relevant data and various facts supporting the above conclusions and suggestions.

It is noteworthy vis-à-vis this review of the III Plan, that this time there was sufficient discussion before initiating the Plan and Deendayal Upadhyaya participated in it dispassionately; but he did not write or speak much after the plan came into being. Probably, the Chinese Aggression of 1962 discouraged him from expressing his views on such issues. During war, it was his policy to cooperate with the government in solving all internal matters. He regarded it improper to instigate dissatisfaction and controversy during such a critical period. Upadhyaya criticised the Communists bitterly at that time for starting a movement against the shortage of food-grains.

The Fourth Five-Year Plan

Prime Minister Jawahar Lal Nehru passed away while the IV Five-Year Plan was being prepared. Naturally, if there has been one person who wielded the most domi-

We should concentrate upon what we have already started. A few, properly conceived institutes can fulfil the aims and objectives of the public sector far better than innumerable institutes infested with corruption.

nating influence on the Five-Year Plans, it was Pandit Nehru. He was the architect of this series of plans. His great influence on the ambitious economic development of the country is discernible in every aspect of these plans. Nehru wanted India to join the world race of economic development. He always anguished in seeing our country lagging behind in comparison with the advanced world. He, therefore, initiated gigantic plans on agriculture and industry with enormous resources. Deendayal Upadhyaya, on the other hand favoured a natural pace of development. He regarded gradual progress as more stable and least problematic. We should be cautious that whereas our national identity must get reflected in our quest for development, every fit person in the society should participate in the accomplishments. He, therefore, emphasized ceaselessly that the first priority of every plan should be 'Work to Every Hand'. The injurious effects of

speeding faster than one's capacity manifested themselves, but so did the immense pleasure, in attaining an ambitious goal.

He favoured a natural pace of development. He regarded gradual progress as more stable. While our national identity must get reflected in our quest for development, every fit person in the society should participate in the accomplishments.

This disagreement between Nehru and Upadhyaya persisted till the end. The IV plan was also too ambitious. Deendayal Upadhyaya warned that the hen laying the gold egg might be killed. He felt that the draft note prepared by the Planning Commission ignored the suggestions of the new P.M., Lal Bahadur Shastri. He, therefore, commented that 'The Commission was so obsessed with the old ideas that they could not even assimilate a new thought. It is desirable that the constitution of

the Commission be changed and persons who can take a stand testified by experience and fulfil the Prime Minister's coveted wish be entrusted with the responsibility.'⁴³

Lal Bahadur Shastri was not a revolutionary by nature and he did not like to assert to get the Planning Commission and their Plan-drafts changed. Upadhyaya has presented a commentary and critique for the IV Five-Year Plan, which is much more detailed and in order than the previous three. He wrote five lead articles in series in the '*Panchjanya*' under the title '*Yojna Badlo*' (Change the Plan). We would study his ideas on the basis of the same articles.

The Achievements and the Failures of the Plans

His candid views on economic policies of the Congress government notwithstanding, his objectivity on the same was also remarkable. This is also reflected in his writings. Commending the achievements of the three Plans, Upadhyaya states, "It cannot be denied that we are today producing many things which we used to import 15 years ago. Many new factories have been opened. Several new industrial towns have grown up. Dams and canals have been built. Power sector has registered new heights and the number of schools and hospitals has also increased. Other similar achievements can be cited. But the moot question is that what is the cost of this development?....Have we not created new problems in the process?"⁴⁴

But he bemoaned, "In spite of these Plans, we have been unable to solve many problems. Moreover, many

It is desirable that the constitution of the Commission be changed and persons who can take a stand testified by experience and fulfil the Prime Minister's coveted wish be entrusted with the responsibility.

new types of problems have cropped up, which are now the headache of every one: 'The shortage of food, unemployment, spiralling prices, inflation, tax-burdens adverse balance of payment, the foreign-loan, dependence on others, increase in economic disparity, shortage of essential commodities, shrinking capital-investment, all have grown to such a swarm of biting problems that the future seems full of great apprehensions and hazards.'

Passing the Buck

Upadhyaya considers planners responsible for these serious ills facing the country and takes the Planning Commission to task for the non-implementation of the solution of these problems, ".....The Planning Commission shifts the responsibility of its failures on many causes. But the planners should plan with full knowledge of the capacity and capability of the available working force and other resources. Anything which cannot be implemented in practice is useless, howsoever attractive it may appear.....In addition

The Planning Commission shifts the responsibility of its failures on many causes. But the planners should plan with full knowledge of the capacity and capability of the available working force and other resources. Anything that is impracticable is useless.

to non-implementation, the strategy of the action-programmes have been faulty and inopportune. In their craze for socialism, the planners kept on extending their public sector dreamland. According to Upadhyaya, this was the greatest drawback of the strategic action-plan: " In the Second and Third Plans, the goals have been surpassed in the private and small-scale public sectors. Had this not been achieved the shortage of agricultural products would have increased all the more. Unemployment and the number of landless farmers would have

increased immensely. The government would have either not been able to attract investment for agriculture or would have taken recourse to inflationary tactics and increased taxes. This all would have raised the prices all the more. It will, therefore, not be feasible to put all the blame on non-implementation as a scapegoat and brush the fundamental error beneath the carpet."⁴⁵

After giving the above background of the IV Plan, Upadhyaya reviews the Plan with his usual arguments. He does not appear to be saying anything new, but arranges his comments serially and presents evidences based on new facts. We will evaluate the above review briefly.⁴⁶

■ Unpractical time-frames and Capital-intensive Plans: Upadhyaya had declared the previous three plans as intensely burdensome and unrealistically inflated. This Plan which was expected to cost Rs. 22,500 crore, was destined to be back-breaking under increased taxation. Hence, it was sheer obstinacy to try to execute such a colossal-plan in just five years. The ifs and buts the commission has used in the context of mopping up resources, seem to suggest that it is nearly impossible to achieve the targets. The outlay on defence and rehabilitation are not in our hands. We would be acting like an ostrich if we think that we can put a cap on budget under these heads, particularly in view of the given attitude of Pakistan and China. Such estimates, far removed from reality and exigencies, result in a great fissure between goals and achievements and cause a great-strain on the people. The size of the plan exhibits its dire capital-intensive nature.

In addition to non-implementation, the strategy of the action-programmes have been faulty and inopportune. In their craze for socialism, the planners kept on extending their public sector dream-land.

"It is evident that we are not utilising human resources optimally for the development of the country. The main drawback of the plans is that they are not labour intensive.

■ The Concept of the National Sector: Upadhyaya insisted on resolving the controversy of Public Sector V/s Private Sector by forming a National Sector. Upadhyaya asserts that we shall have to shed our emotional attachment with the public sector, which imposes restrictions on the enterprises of private entrepreneurs. We should utilise the enterprising spirit of the private sector to increase production; in distribution, we can use the public sector management in the interest of the people, but it is not proper to curb initiative and self-reliant efforts (*purustharth*). He expresses resentment and disagreement with the Congress thinking and contention that social-justice can not be brought about unless along with the extension of the public sector, effective control is

exercised on the progress and development of the private sector." Upadhyaya concludes that the

IV Plan has emanated from this thinking of the Congress. "Jana Sangh is of the opinion that the superficial distinction between the private and public sectors should be done away with, and a united 'National Sector' should be conceived, wherein every individual or organisation should be provided an opportunity to participate in the development of the country with his utmost ability and capacity."⁴⁷

■ Not Small, but Big Plan of Small Units:⁴⁸ Extravagance, capital-intensive outlook, heavy burden of taxation, and plans

Outlay on defence and rehabilitation are not in our hands. We would be acting like an ostrich if we think, we can put a cap on budget under these heads, particularly in view of the given attitude of Pakistan and China. This must be remembered while planning.

causing increase in unemployment are the issues, extensively dealt with in Upadhyaya's critique. But even as he opposes big plans, he does not advocate a small plan. The national plan can not be small in size commensurate with the enormous size of the country and its vast population. Hence, advocating a 'Big Plan of Small Units, Upadhyaya reiterates his decentralisation philosophy which can be realised by dexterously using small units, small machinery, but intensive human labour. The plan, which can give us relief from dependence on foreign-capital and bring us back our honour of self-reliance. The present plans mastered by a few favoured capitalists and government bureaucracy have denigrated the common man only to the status of low paid labourers or helpless victims of unemployment.

■ Unwarranted Facilities to Foreign Capitalists: Under this Plan ".....Unwarranted facilities have been provided to foreign capitalists to set up their industries in India and to seek a convenient partner from among the Indian industrialists. Even the restriction that the control and majority of the shares of the investment-capital should be Indian has been waived. This concession would lead to foreign monopoly over big centralised industries in India and thus exterminate the indigenous enterprise.

".....Our entrepreneurs have been denied the options of manufacturing many items. The production-programme of most of the factories using foreign-investment is generally in the hands of foreign director or owner. They are not prepared to teach us the basic technology. Of course, they have employed some Indian yes-men in the management

While opposing big plans, he does not advocate a small plan. The national plan can not be small in size commensurate with the enormous size of India and its vast population. Hence, 'Big Plan of Small Units.

board and have appointed some Indian as wholesale agents on big salaries.

"The foreign debt also has assumed such a dimension, that during the period of the IV Plan a sum of Rs. 245 crore is needed as interest per annum. Instead of achieving self-reliance, we are becoming increasingly dependent", he lamented. ⁴⁹

Enumerating the vast loss because of the foreign capital and imported machinery, Upadhyaya stipulates: " It is not sufficient to import foreign machinery and install them. Various sorts of raw material and parts for repair have to be imported. Under this head, an amount of Rs 3,800 crore was allocated for the imports during the III Plan, which was higher than the entire imports during the II Plan. The IV Plan is similarly placed. An adverse balance of payment has become a cancer in our economy." ⁵⁰

■ Price-Rise and Profiteering: General opinion holds the trader responsible for price-increase and erroneously feels that if the government takes the control in its hands, prices would come down.....If the trader increases the prices, who is that trader? Why does not the government check him from doing so? Moreover, why does the government itself increase the cost of post-cards envelopes, telegram-charges, the railway fare, the rates of electricity-supply, the cost of fertilizers, steel, medicines like penicillin, etc? Why were the rates of imported wheat increased by the government?.....The people who decide government policies and draft the plan are responsible for this."

Even the restriction that the control and majority of the shares in the equity should be Indian has been waived. This would lead to foreign monopoly over big centralised industries in India and thus exterminate the indigenous enterprise.

The Fourth Plan has proposed that prices in the public factories should be so fixed that the profit should at least be 12 per cent. If this profit is earned through thriftiness in expenses and managerial skill, it will be praiseworthy but raising prices to show profit can be only termed profiteering"⁵¹

■ **Priorities and Imitation of Soviet Russia:** Upadhyaya reasserts that the priorities of production be changed. Instead of manufacturing luxury goods, the fulfilment of the needs of '*roti, kapra aur makan*' (food, clothes and shelter) should be declared the primary goal of the Plan which should be designed accordingly.

Upadhyaya ridicules the Planning Commission's assertion that the country should be prepared to undergo direct control-system to stabilise the prices of essential commodities, and calls it as a 'magic wand' mentality. Upadhyaya forewarns that this will not bring down prices but on the other hand, both farmer and trader would be destroyed. Items of primary needs would vanish from the market. He says, "For the production of food-grains, Russia has proposed to give aid in the establishment of agriculture farms in every province of India, 'on the pattern of Suratgarh Farm'. Upadhyaya reminds that the government farms in Soviet Russia have met with failure. Russia is purchasing wheat from America and is closing its own farms, but we are being advised to establish farm in our country on its pattern. And under the influence of knowledge gained from Soviet publications, Planning Commission too, is thinking in the same direction."

It is not sufficient to import foreign machinery and install them. Various sorts of raw material and parts for repair have to be imported. An adverse balance of payment has become a cancer in our economy.

■ The Farmers and the Middle Class in Jeopardy: The common farmer has not benefited in any way by the big projects of irrigation and fertilizers. Moreover, "when we talk of prices, generally we think about only urban people, we conveniently forget the vast majority of cultivators living in our villages. For some people only the low prices of food grain prices are equivalent of stable prices.So long as the farmer does not get a remunerative price for his products, neither the overall production of the country will increase nor the can be stabilised.....Why has the Annapurna (goddess of grain-affluence) turned into a beggar-maid? Though nearly half of our national income is earned through agriculture, we have been neglecting that sector. Instead of directing investment to the villages, we are driving it to the urban India.⁵³

Deendayal Upadhyaya was against the control-regime, and he was always forthright in his opinion on the same, "The issue of reducing inequality

When we talk of prices, generally we think about only urban people, we conveniently forget the vast majority of cultivators living in our villages. For some people only the low prices of food grain prices are equivalent of stable prices.

has not proceeded beyond slogan-shouting. The double-edged sword of 'Socialism' is moving through middle-class traders. The corruption pervading the administration, and the black-market generated by the rich people through evasion of income tax are undermining the basic concept of plan. Neither government raids nor the declaration of concessions offered by the Finance Minister have proved effective in any way. Different control orders only cause torture to the medium trader. Upadhyaya concludes, "We are not against

planning, but our Plans are based neither on realities nor do they inspire actions, sacrifices and cooperation." Upadhyaya demands the establishment of an independent commission, "which should evaluate the economic situations, policies and performance of our plans in the last fifteen years and point out the fundamental blunders."⁵⁴

In the reviews and critiques of all the four Plans by Deendayal Upadhyaya, there are many repetitions of well-reasoned arguments. The same issue has been presented in several forms in different contexts. There are probably two main reasons of this. First, the government also has repeated its preamble of 'Socialism' 'private sector' and priorities of 'big industries' several times. These three issues were parroted with same vigour in all the four Plans. Hence, the review or critiques could also not be different, nor could the arguments be substantially different. Deendayal Upadhyaya also maintained constantly his emphasis on the three fundamental concepts of 'swadeshikaran' (Indianisation or indigenous), national or self-employed sector, and 'decentralisation'. The analysis and support or opposition in every such context had naturally to be done on the basis of these concepts. The repetitions, therefore, were essential. The other reason seems to be that Upadhyaya was an ever-active political leader. He had to place his contentions repeatedly before his colleagues, workers and the public. It becomes essential to repeatedly emphasize his preambles and policy-issues before the workers and society to build up their faith (*aastha*) in their philosophy. To prove the fundamental concept appropriate

There should be set up an independent commission, which should evaluate the economic situations, policies and performance of our plans in the last fifteen years and point out the fundamental blunders.

in every new context, there is an essentially a repetition of reasoning. For a student, these repetitions may not appear an interesting piece of literature, but for a political leader, such repetition are his strength.

To equip his party with policy and programme enunciations in the economic field, Deendayal Upadhyaya took great pains and efforts. A thorough study of his comments and reviews in different contexts on the various issues, render the canard of Jana Sangh being poor in economic thinking absolutely unfounded. Probably, the reason of this impression has been that Jana Sangh could not articulate and present its economic dimensions with the same zeal and gust of emotions as it had voiced its fundamental principles and philosophy of national integralism, indivisibility and unity of culture through its converging movements.

The Jana Sangh worker could not associate himself with the fight for justice, the zeal for economic reconstruction and raising economic issues as vociferously and intimately as the issues of aggressions in Kashmir, Goa, Berubari and the aggression perpetrated by Pakistan and China. Among the leadership of Jana Sangh, it was only Upadhyaya who spoke and wrote with authority on economic issues. The Jana Sangh workers, mostly from RSS background did not have much interest in economic issues. Upadhyaya concentrated his attention and made deep study in economic field too, in spite of the exclusively intense patriotic environment of RSS. This was also essential for

To equip his party with policy and programme enunciations in the economic field, Deendayal Upadhyaya took great pains and efforts. He repeatedly emphasised his preambles before his workers to build their faith in the party's philosophy.

the leadership of a political party. This reveals the multi-faceted bright personality of Deendayal Upadhyaya, wielding high responsibility, demanding deep scholastic diligence and vigour.

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27. " These works were so penetrating that the then Vice-Chairman of the Planning Commission, Shri Srimannarayan Agarwal, issued a circular letter to officials concerned with planning stating that he had not come across such a purely dispassionate and illuminating critique of the plan as Deendayal ji's Plan and Proposals." -Sudhakar Raje, "DESTINATION-Nation's Tribute To Deendayal Upadhyay",

New Delhi, Deendayal Research Institute; 'Mahamanav' by Yagya Datt Sharma, p. 82.

28. " A people's movement was intended to be launched with inspiration and under the guidance of experts from America and was to be sustained through monetary help from that country. No wonder that these schemes have failed to create any impression on the seasoned people of Bharat". - n.26; Chapter V, " The First Plan in Outline", p.50.

29. "..... The Planning Commission in its report has claimed a large measure of success....especially in the field of domestic production an in the elimination, or better say, controlling of inflationary pressures. But equally notable have been the failure in tackling the problem of unemployment and in maintaining an integrated and stable price level.....There are people who feel that the major achievements are in agricultural and private sectors". - n. 26; Chapter VI, "General Economic Situation," p.54.

30. ".....There are unsolved problems of Federal Finance. It is not easy to solve them. Equity without transference of real resources is not easy to attain in a Federal Structure and transference would necessarily involve a disturbance in the pattern of resource employment. Similarly redistributive principle cannot to be sacrificed in a Federal Constitution. An easy and radical solution is to have a unitary state." - n.26; Chapter VII, "Finances", p. 95.

31. "We have to reconsider our decision on large projects, at least in respect of those where substantial work has not yet started", n.26. Chapter VIII, "Development Programmes", p.122.

32. "The plan was.....intended to serve as a political manifesto of the party in power, and therefore, all programmes, which have some public appeal were included in it." - n.26; Chapter XI, "Personnel and Assessment," p.153.

33. "Working of the public enterprises during the plan period is sufficient to teach the Government that the state enterprise is not synonymous with the state ownership. Ownership is easily acquired but enterprise and managerial skill are not easily established"-Do; p.156

34. "The seven authors of Pandit Nehru's Second Five Year Plan are all men from behind the 'iron curtain'- n. 26; Chapter XII "Approach

to the Second Plan", p. 162

35. "Is it a big 'if' with 'I' and 'F' capital?"- Do. Chapter XIII, The Plan in Outline, p.179.

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49. Ibid.

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ECONOMIC PHILOSOPHY

Pandit Deendayal Upadhyaya was a holistic thinker. He disagreed with all those who followed a fragmented approach and regarded a particular aspect of life as fundamental. Upadhyaya held that such an approach present an extremist system overshadowing other facets. In this context, Upadhyaya wrote extensively. While the previous chapter gives a vivid description as to how he observed the events and policies vis-a-vis the Indian economy, in the present chapter, an effort has been made to articulate his economic philosophy.

He was never apologetic when it came to replying to the criticism that the Jana Sangha did not have an economic philosophy. He asserted, "Bharatiya Jana Sangh has a distinct economic programme. However, it is accorded only that much importance in our scheme of

things as is commanded by artha (capital) in the Indian culture. The western culture being materialistic, is money-dominated. We have always tried to strike synergy between materialism and spiritualism. Hence, it is no surprise that on this issue, the **BJS** 'lags behind' those economists and parties who prefer to neglect all other life-values in comparison with economy. Jana Sangh considers the heart, head and body as an integral whole. Hence, some people criticize that Jana Sangha neglects spiritualism, it can not speak the language of Maharshi Aurobindo and others. We welcome the criticism of both sides and submit that economy is essential for life and society. But in our programme, we have included only that much of economics that is essential for an honourable sustenance and natural development and nourishment of other life-values.¹

To elucidate his thoughts regarding economy, Deendayal Upadhyaya wrote a book, *Bharatiya*

Arthaniti: Vikas ki Dishaen. Therein, he has dealt with the arthayam (economic aspect) of an "integral individual". "Arthayam stands for a proper system of economics that eliminates both the paucity and the abundance of capital".²

Artha in Indian Culture

Dharma has been accepted as the fundamental purushartha (objective of life). Chanakya has declared '*Sukhasya moolam dharmah. Dharmasya moolam arthah*' (happiness lies in dharma, which cannot be sustained without artha).³

Upadhyaya writes in his first treatise on

The realisation of the importance of labour did not wait for Marx or Engles' births and enunciation by Communism. This truth experienced by us was endowed to the humanity in our subtle way. Duty to work is a fundamental function of man.

economy in 1953:

".....We know that the Bharatiya way has always been based on dharma (not on religion). It is essential to reconstruct an economy only on the tenets of dharma..... For dharma, we accept the Vedic concept that enumerates 12 characteristics of it... The basic one is *shram* (labour) (*shramen tapasa srishta*). The realisation of the importance of labour did not wait for Marx or Engles' births and enunciation by Communism. This truth experienced by us was endowed to the humanity in our subtle way...Duty to work is a fundamental function of man. In the same way it is the duty of the state (or society administration) to ensure right to work to every individual.

The first duty of a government is to provide opportunity to every person to work according to one's ability and capacity. No distinctions on the basis of race, colour or gender should be made. Every economic policy or plan of action for reconstruction of the nation should aim at full employment."⁴ On this basic principle, Deendayal Upadhyaya continued to emphasize in the context of the Five Year Plans that our Plan objective must be '*Work to Everyone*'.

Psychology of Money

The paucity of money provokes a person for theft. Such an act of theft committed in the event of deprivation was not regarded a crime by our scholars but a natural behaviour forced by emergency (*Apaddharma*). Deenadayal said, "He (*Vishvamitra*) crossed the limits of

Economy is essential for life and society. But in our programme, we have included only that much of economics that is essential for an honourable sustenance and natural development and nourishment of life-values.

dharma many times. The authorities have justified such behaviour as apaddharma. If poverty becomes a norm state, apaddharma i.e., theft will become dharma. poverty envelopes the whole society, then almost every one will take course to stealing according one's ow apaddharma."⁵

Thus, the acute paucity of money in society or a pla that fuels poverty makes adharma itself as dharma. But in the same way, the predominant influence of money in a super-prosperous society also degenerates dharma. When excess of money breeds temptation or greed, power accumulation, lust and frivolous enjoyments, it is termed as dominating influence of money. '*Sarve gunah kanchanamashrayanti*', i.e., gold becomes the repository of all virtues and life-values...when society becomes money-minded. Every undertaking would need more and more money. This attitude, in turn, would make everything costlier and would create deficit in economy."⁶

It is said, gold becomes repository of all virtues and life values. When all in the society become money-minded, every undertaking would need more and more money. This attitude, in turn, would make everything costlier and would create deficit in economy.

He, therefore, emphasizes that societal norms should be such that money does not become the only denominator....the consequences of evaluating everything in terms of money will be that the poor and the weaker would not be protected. Those who are physically weak would resort to unscrupulous means using the intelligence to earn money and thus ensure his security. (Bribery would be rampantIt is difficult to evaluate shram (labour) in terms of money. Though in economics, labour is closely associated with wages, still it is nei-

ther easy to decide universally-acceptable evaluation of labour nor does it serve any purpose. In reality, both have different standards of measurement. Labour is honoured not because of the honorarium it gets, but because of the appreciation of the sense of duty. In the same way, the emoluments paid to any individual are not the fruits of his labour but only a means of his yogakshema, i.e., his maintenance and well-being."⁷

Upadhyaya propounded such a sociology and mass-psychology that revel not in high emoluments and perks but on the satisfaction that willing performance of efficient duty entails. He is against that economy that neglects the social and psychological values of human life, "..... We cannot accept unrestrained and unlimited competition of individuals as determining factors of social status nor is such a system sustainable.In fact, such a premise only leads to the principle of matsya nyaya (big fish devouring smaller) or survival of the fittest. We have never accepted this as being in consonance with dharma. In a society, certain norms are essential. Unrestrained freedom is only a Utopian idea. However, the more the restraints are external, the more they are painful. Self-restraint in behaviour is inculcated through education, *sanskara* (purification), *darshan* (philosophy or approach) and idealism."⁸

Society can not be left at the mercy of the self-propelling economy. It is essential to systematise economic-cycle in harmony with sociology and moral codes. Therefore, he says, "a self-propelled economy is impossible. To give the economy a start and later to keep it in

Upadhyaya propounded a sociology that revel not in high emoluments and perks but on the satisfaction that willing performance of efficient duty entails. He despised economy which neglects social values of human

motion with the least resistance, we would have find out the inspiration in individual and societal life not in artha but elsewhere. Political aspirations of a nation, the aspiration of an individual to earn respect in society, love from the family, etc could provide such inspirations that contribute in building and sustaining a sound economy."⁹

Upadhyaya holds that the basis of consumerism, competition and class-struggle is unrestrained consumption. "The West has carried on with its old principle of maximising consumption and felt no need to amend it. The reality is that the principle of maximum consumption is the root of all worries of the individual and problems of humanity. If the desire for consumption or enjoyment is fulfilled, it goes on increasing. Class-struggle which is the foundation of Communism grows only because of such a consumption. The Indian approach, which believes in harmony instead of class-struggle contends

that we have restrained consumption and made minimum consumption as our ideal instead of maximum through the sublimation of natural desires. The individuals in society are inspired to make efforts for maximum production, fair distribution and a restrained consumption. This is the function of cultural elevation in the economic field. The three are kept in proper equilibrium in this way."¹⁰

The Communist and capitalist philosophies both, crucify sociology, anthropology and justice at the altar of economy. The tendency of industrialisation of economics has led to the centralisation of financial-power. Upadhyaya believes

Society can not be left at the mercy of the self-propelling economy. It is essential to systematise economic-cycle in harmony with sociology and moral codes. A self-propelled economy is impossible to sustain. Inspiration has to come from national aspirations.

in the harmonisation of moral codes, Economics and Sociology. He regards this task as cultural and for this he propounds Arthayam.

Question of Ownership

'Who is the owner of property'-- this is a question since the beginning of cultured society. The question assumed even greater importance as capital came to be considered the basis of social life. The ideological confrontation between individualism and socialism gave it a new dimension-- The ownership of property should rest in the individuals or in society (or state)? Upadhyaya regards this question of ownership itself as wrongly construed. As such he does not answer it directly.

Every individual is a representative of society. Hence, he is a trustee or protector of a part of the property of society. Upadhyaya is against making the individual insignificant. The individual is part of the *samaj purush* (the society-embodiment) and hence, a trustee of the society. Thus, the absolute ownership of all land and property vests in society as a whole. But he is not prepared to accept the 'state' as the sole representative of the society. That is the reason why Upadhyaya regards it wrong that in the name of ownership of the property, some people should have a monopoly over it and in the name of society, the state. Thus, there would be a concentration in the hands of a few manipulators. He regards both the systems wrong, unjust and unreasonable. Hence, he is the protagonist of decentralised economy.

Upadhyaya says, "..... The socialists want to do away

Every individual is a representative of society. Hence, he is a trustee or protector of a part of the property of society.

Upadhyaya is against making the individual insignificant, who is a part of samaj-purush.

with private property altogether. It is difficult to support them in theory and practice both. Although since the creation of the world, we have the commandment, "*ma grid-dhah kasyasvid-dhanam*" (do not accumulate money and property). But after all, this world is only a manifestation of '*mine and thine*'. Consequently, Communists, who wanted and claimed to have abolished private property altogether, had to relax and allow it. There are many ills of private property, still we can not totally abolish the system. All the same, many self-restraints will have to be accepted and imposed by society by consensus." 11

Upadhyaya commends and agrees to having partial regulation, control and planning by the state also. He regards nationalisation justified when there is a danger of concentration of all resources in a few hands, "Whereas cottage-industry is concerned, such a danger is very little; but when it is the question of big industry, such a danger stares into our faces. Defence industry, of course, must be nationalised. The key industries or capital-intensive industries should also be ultimately brought in the public-sector.

Upadhyaya commends and agrees to having partial regulation, control and planning by the state also. He regards nationalisation justified when there is a danger of concentration of all resources in a few hands. Cottage industries do not pose this danger.

"The capital-intensive industries at present in private hands should be gradually freed and brought under the public sector. So long as this nationalisation process has not taken the final shape, the tendency of big industries forming a group should be prevented. Wherever such a grouping has already taken place, nationalisation should be one at the earliest. Even about cottage-industries, we should be cautious lest they

also get formed into groups and get controlled by capitalists. In Japan, the evident inequality of distribution and ownership is property is because of the hold of capitalists on the cottage- industries." 12

The way the question of ownership is presented by the capitalists and the socialists respectively is an indication of their 'divided' outlook according to Upadhyaya. He regards the aspect of concentration more important than that of ownership. Besides the issue of consumerism is also crucial. Hence, he writes,

"The concepts of ownership, unrestrained control and unlimited consumption have placed this question in a wrong context. If I own a thing, it does not follow that I should use it arbitrarily. Unless we distinguish between the ownership and the right to use of a particular thing, we shall not be able to prevent the ills accruing from it. Everyone should have the understanding and insight that whatever is under my ownership, I have the right to use it only in the best interests of the society. Even when the state acquires the ownership it manages only through individuals. Anyone who today does not hesitate to make an unrestrained use of a thing under ownership, there is no guarantee that he will not do so for a thing under the ownership of society. If a rule of law and punishment is regarded essential to be framed to vouchsafe the proper use of the latter, the same can even be used for the former. 13

Deendayal Upadhyaya is against the right of the state to step on the rights of the individual and also against the

If I own a thing, it does not follow that I should use it arbitrarily. Unless we distinguish between the ownership and the right to use of a particular thing, we shall not be able to prevent the ills accruing from it.

individual rights that overlook the interests of society. He regards it as an unhealthy state of man. The right of unrestrained control over property also is outcome of the same unhealthy state. His contention is that if we look at it seriously, "the ownership of an object is the right under well-defined self-restraints (maryaadas) and for definite noble purposes. These rights undergo changes with the passage of time. Hence, we shall not join the issue... private property also is to be used in the best interests of the family (society); not arbitrarily. This principle of trusteeship has been ably presented to society by thinkers like Gandhiji and Guruji." 14

The principle of trusteeship regards every individual as a responsible member of society. There should be no slackness or dilution in society for this sense of responsibility and it should be a natural inculcation and growth in the social atmosphere. Such a social system is healthy.

The repression by the state of the devil in man and the revolt of the individuals against the brutality in the form of state-repression are both indications of lack of moral sense and noble life-values in society. Repression and revolts are the weapons used under the compulsion of an emergency. Only their discreet use has the sanction of the society. But the incessant use of repression or revolt cannot be characteristic of any reasonable and judicious system. The welfare and happiness of humanity lies in the coordination and willing harmony of the individual and society. Thus, Deendayalji's Integral Humanism aims at a

There should be no slackness or dilution in society for this sense of responsibility and it should be a natural inculcation and growth in the social atmosphere. Such a social system is healthy and humanitarian. This is the principle of Trusteeship.

cooperative ownership of property.

Opposition to Capitalism

Deendayal Upadhyaya is a supporter of the democratic system of society grown out of the western philosophy of the Freedom of the Individual, but he regards capitalism as a deformation of 'individualism'. Free enterprise and economic competition is the basis of capitalism. The capitalists interpret freedom as unbounded economic competition. But Upadhyaya is absolutely opposed to it.

According to him, "It is said that free and competitive marketing provides the individual the liberty of consumption. (This is not proper)...After the elimination of the contestants, one or a few producers attain a monopoly in the field and they snatch away the rights of democracy (options) from the consumer. Thereafter prices are fixed not under the market trends of demand and supply but by the policy and planning of the producer(s). It is a sort of dictatorship in the economic field. With the acquisition of financial power and the manipulation of publicity, these holders of monopoly of production deprive the common consumer the right of option. Hence, it is essential that the capacity of production should be restricted, which is possible only under decentralisation."

Upadhyaya is highly opposed to the centralisation unlimited production in a few hands, "..... If the freedom of production granted to one person obstructs the freedom of another, it should be disallowed. The owner of a large factory although fully exploits his freedom of production, he also hijack the freedom of small produc-

Because of his lack of concern towards the society, the capitalist only concentrates on his ownership. This tendency of monopolisation is manifested in the western industrialisation which gives machine a superiority.

ers and turns the enterprise of the latter to unviability. Very often, his labourers lose much of their freedom. Hence, a some sort of regulations are essential. ¹⁶

The tendency of capitalism is to centralise all the country's financial power in a few hands. Because of his psychology of lack of concern towards the society, the capitalist only concentrates on his ownership. This tendency of monopolisation is manifested in the western industrialisation, where the machine has not come as an assistance to man but as his competitor. Even new inventions in machinery and technique have given unprecedented boost to capitalism. Upadhyaya is deadly against intense mechanisation and colossal industrialisation. He says: "Capitalism got a boost in countries like USA because of intensifying production with the help of new inventions of machines and technology and the masters of these technologies also became the super-masters of

production. When the labourers did not get a share in the profit, there was a reaction and they developed a new economy called Socialism or Communism. This also emphasized distribution through the state and crushed the individual also."¹⁷

The real cause of the ills is not the system, but the individual(s). It is person/s who come first. A bad person, entering even the best system will spread evils in it. Every tradition of the society has been initiated by some or other noble person.

The capitalist economy causes reaction in the society as it does not establish a harmonious society. The cultural life-values are destroyed, the vicious circle of consumerism is retained and breeds lust. The concept of an 'Economic-Man' under capitalism is also unsustainable. These two concepts of lustful consumerism and of economic man

have divided humanity into fragments and created a deep gulf between labour and happiness. Instead of making machine an accessory for the labourer, man has been made a tool for the machine. Production has been divested of the glory of art and the pleasure of creation.

Therefore, Deendayal asserts further, "..... A self-sufficient, independent, self-reliant weaver has been transformed into an insignificant labourer of a huge cloth-factory.

The place of cloth-dealer was taken over by a departmental store. In place of a tailor, ready-made clothings shops have been established. Man has been degenerated into an animal working eight hours and consuming sixteen. A wall was created between work and life. Many western countries declare five days for work and two days week-end holiday only for enjoyment, eating and pleasure without a word about work. It means they earn for five days to live for two days. Hence, we shall have to plan a system where there may be no gap between work and a life of happiness and satisfaction. Man built of bones and flesh possesses the hunger for body, heart and mind, all the three collectively. We have to take care for all the three, otherwise the dehumanising effect of the eight hour work will take sixteen hours of relaxation for normalisation. By the end of this period, the taxing eight-hour circle starts once more." 18

The capitalist economy causes reaction in the society as it does not establish a harmonious society.

The cultural life-values are destroyed, the vicious circle of consumerism is retained and breeds lust.

The Opposition to Socialism

The concept of socialism also grew in the West, opposed to individualism. Ultimately, Communism that

declared 'Dictatorship of the Proletariat' came to represent socialism. It is also a supporter of undemocratic state and class culture and a supporter of industrialisation and centralisation, quite in tune with capitalism. Upadhyaya admires the spirit of socialism but vehemently opposes the so called 'pragmatic' approach of undemocratic state and centralisation.

Socialism revolts against the extreme individualism, despotism of one ruler or a group. It demands not merely a change of the individual but of the system itself because individualism is regarded as a consequence of the system, which ultimately degenerates into monarchy. Upadhyaya regards the controversy between individual and system. He advocates a harmonious system which takes care of every individual.

"The real cause of the ills is not the system, but the individual(s). It is person/s who come first. A bad person, entering even the best system will spread evils in it. Every tradition of the society has

Modern communism and capitalism at present have no difference except that of ownership. Both the systems are against the democratic right and healthy development of the individual. Both do not care for the development of the individual.

been initiated by some or other noble person. But when some evil person came to establish his hold, it degenerated.....

What is the guarantee that if an individual in private sector adopts wrong steps in his independent capacity, a representative of the state will not walk in his shoes? Our attention, therefore, should have been concentrated towards inspiring a sense of duty and responsibility in the individual."¹⁹

The tendency of centralisation kills the spirit of duty-consciousness. It inculcates an attitude of labour-employment. Such an out-

look of employed labour breeds a feeling of compulsion. The honour of performance and the satisfaction of fulfillment of duty is divested from it. Upadhyaya contends that all the ills of pro-centralisation of capitalism are infected into socialism also. An additional ill of bureaucratic bossism is added into it. Hence, he criticizes both capitalism and socialism simultaneously, "Modern communism and capitalism at present have no difference except that of ownership. Hence, both have no facility for the development of the individual."²⁰

"Both of them directly or indirectly establish their supremacy on the state. Capitalism first establishes its hold in the economic field, thereafter indirectly holds away on the state, whereas socialism makes the state owner of all products. Both the systems are against the democratic right and healthy development of the individual."²¹

Upadhyaya regards the tendency of centralisation itself inhuman. The cultural consciousness of man inculcates 'identification' or mutuality (atmeeyata) between one individual and another, the individual and nature, the doer and actions. Both these systems destroy this atmeeyata-inculcation and establish a mechanisation in relationships. "The centralised systems do not regard any man as an individual human but deal with everyone as a 'type'. This has no scope for the diversity and speciality of the person. Consequently, instead of elevating these system kill his personality by turning him to be only an insignificant part of the machine. Hence, only decentral-

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isation is in consonance with our culture."²² Upadhyaya regards the industrialization-dominated systems, viz., capitalism and communism, as inhumanitarian. He, therefore, formulates economic democracy and decentralised economic policy based on 'Integral Humanism'. According to him, both capitalism and socialism practically negate 'democracy' and 'culture'.

Economic Democracy

Deendayal Upadhyaya does not regard democracy only a dimension of the political life. His view is that "just as 'Vote to Everyone' is a criterion of political democracy, in the same way, 'Work to Everyone' is the criterion of economic democracy."²³ Elucidating the right of work for everyone, he says: "Work should be first of all vocation-oriented and secondly, the individual should have the option to make his choice. If, he does not

earn commensurate with his effort and the national income, this work would be regarded 'begar' (forced labour). From this point of view, minimum wage, justifiable distribution and some sort of social-security system becomes essential."²⁴

Upadhyaya adds, "Just as 'begging' is not 'employment' according to us, in the same way, not producing according to one's capacity, in spite of being busy, is not 'work'. 'Under-employment' also is a sort of unemployment."²⁵ Upadhyaya calls that economy 'undemocratic', which hits individuals' production-liberty and creativity. A labourer or employee not owning his own product

Because of the centralisation of big industries and the domination of mechanisation over the process of demand and supply, the big industries acquire dictatorial and inhuman trends. Deendayal pleads for discouraging heavy industrialisation.

actually sells his freedom itself. Economic freedom and political freedom are interdependent. "Political democracy can not thrive without economic-democracy. Only one who is economically independent will be able to express his political view and freely. 'Arthasya purushv daasah' (the individual becomes a slave to money)."26

The capitalist industrialisation has made its most formidable attack on production-freedom. Upadhyaya, therefore, wants such a control on industrialisation so that it is not able to destroy independent small-scale and cottage industries: "Today when we talk of all-round development, we assume the need of security. This protection will have to be provided to the indigenous industries against foreign industries competition and to small-scale industries against-big industries."27

Upadhyaya feels that the imitation of the western industrialization has pushed back the traditional Indian producer and brought forward the middle-men: "...We have imitated blindly the western process of industrialisation. There is no natural growth for our industries. They have not become integral and interdependent to our economy but seem as if they were extraneous to it. Their development has been made by industrialists who are blind followers and collaborators of the foreigners. This is the reason why the industrial class in India comes only from traders, brokers and speculators. The artisnas and craftsmen have not prospered."28

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Upadhyaya regards the controversy between the private and public sectors of capitalism and socialism an exercise in futility. Both have throttled the self-employed sector. This, he says, requires decentralised economy, "Just as by decentralisation of political power among the people the institution of governance is built up, in the same way the economy should be built up and sustained by decentralising the economic-power among the common people. In the political democracy, the individual gets full scope to manifest one's creative genius. In the same way in the economic democracy, instead of crushing the genius of the individual to manifest it in all conditions...just as dictatorship crushes the creative ability of the individual in politics, in the same way, heavy industrialisation in economic policy kills the creative genius of the individuals.....Hence, like dictatorship, such an industrialisation should be prohibited."²⁹

Regarding heavily mechanised industrialisation, Upadhyaya presents an equation: "If the right of work to everyone is accepted as a principle, the way to equal distribution gets fully decided and we proceed towards decentralisation. It is erroneous to regard industrialisation as the ultimate goal. This principle can be formulated into the following equation: $p \times a \times t = g$ "³⁰

Whereas 'p' denotes people, 'a' denotes action, 't' denotes technology and 'g' the (desired) goals. 'g' and 'p' are constant; 'a' and 't' are to be determined relatively to maintain 'g'. But when industrialisation is the objective, 't' becomes the

There is another very dangerous facet of heavy industrialisation. The masters chum up with foreign investors. Upadhyaya regards foreign investments in the indigenous industries bode ill for them - ill-boding not only politically, but also for economy.

driving force. 'p' has to diminish proportionate to increase in 't'. Even 'g' has to follow the diktats of 't', which is highly undesirable. Any system that retrenches the number of people employed as labour is undesirable and undemocratic. Any economy controlling 'g' unilaterally, is authoritarian. Hence 'a' and 't' should be correlative to 'p' and 'g'. Only such an economy can be termed democratic and in the interest of public welfare.

Bringing the agricultural labour to the urban centres will be a great loss to agriculture. The sturdy robust, healthy and congenial rural India will degenerate into a polluted, stinking, backward countryside.

No to Heavy Industrialisation

Because of the centralisation of big industries and the domination of mechanisation over the process of demand and supply, the big industries acquire dictatorial and inhuman trends. Upadhyaya has elucidated this issue extensively in his writings. We can present his views on the drawbacks of heavy industrialisation under the following heads:

- Being not in tune with Indian traditions, they will be imposing in nature, and tend to disturbing the harmonised equilibrium.
- Being antagonistic and not complementary to the independent craftsmanship, the mechanisation based on western model is undesirable.
- It is also against the principle of our objective of 'work to every hand'. The technological hands also get unemployed.
- They are capital-intensive. Hence, outside the capacity of the common entrepreneur and producer.
- They are highly dependent on import, becoming a heavy burden on our trade-balance.

- They are not in line with our managerial system and labour-training arrangements.
- They settle the worker in a novel, artificial, tense atmosphere devoid of humanitarian values. In this environment man becomes only a mechanised labourer, all his nobler faculties get deadened instead of developing his personality. He becomes a victim of deformities. This is not in consonance with Indian culture.
- A very high social price has to be paid for it. Urbanisation entails loss of health, problem of housing, etc.
- Their production process and managerial technique is very complex and the gestation period is quite long. It has a little multiplier effect on the capital invested.
- Being not closely related to agriculture, middle men and traders exploit the enterprise.
- Industrial labour organisations and rules have created a costly yet irresponsible labour in India....

Gradually, we are drifting to a condition where the industrial capital and organised labour together will tend to exploit the consumer.

- Bringing the agricultural labour to the urban centres will be a great loss to agriculture. The village will trail behind both in numbers and qualities. The sturdy robust, healthy and congenial rural India will degenerate into a polluted, stinking, backward countryside.

- Western countries established heavy industries in circumstances different from that of ours. They had vast colonies as easy

Western countries established heavy industries in circumstances different from that of ours. They had vast colonies as easy markets, where they could sell their finished products without competition

markets, where they could sell their finished products without competition and could procure raw products and food at arbitrarily fixed prices. They could hire labour at nominal wages and accumulate capital in unaccountable quantities. Even then they took 150 years to achieve the present developed state.

■ The all round progress of the country is hampered because of the trend of centralisation and regionalisation. In India 66 per cent of the organised labour and technologists are concentrated in Bengal, Bombay and Madras. The unique industrial development of merely a few areas breeds dissatisfaction and disunity amongst people, posing a great danger to the unity and integrity of the country.

■ Because of heavy industries, such powerful economic groups emerge who establish their domination in the political field also.

■ Large-scale industries create such a wide inequality that as a reaction generates class-struggle, which is foreign to Indian culture. ³¹

There is another very dangerous facet of heavy industrialisation. The masters chum up with foreign investors. Upadhyaya regards foreign investments in the indigenous industries bode ill for them. He holds the view that:

".....Our country should not be industrialised on the capital manipulated through foreign investments. Foreign capital is ill-boding not only politically but for economy too.

Their influence on the finances of an individual and the nation as a whole are extremely dangerous. Foreign

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labour*

capital exploits Swadeshi (indigenous) labour.....Heavy industries and foreign capital will establish the exploitative capitalism of the western brand in our country also.....The infiltration of the ills of capitalism in our country would be extremely poisonous for our social culture."³²

Upadhyaya regarded it very unfortunate that newly independent developing countries were vying with one another in adopting the most deficient capitalism or of equally faulty Communism as a national philosophy of life and economy. According to him, we should not go by bookish knowledge about these two but must observe them functioning in practice. We should base our decision regarding future policy on our own inborn social-traditions and nature. The centralisation of economic and production power is the worst enemy of personal and social freedom. We should advance our steps with determination, caution and wisdom learnt from the cut-throat experiences of the west.

Our goal should be a decentralised economy.

We shall have to set up a self-employed sector. The bigger this sector becomes, the more human progress will be achieved, development will be made and people will become mutually cooperative.

Affluent Industrial Policy

In spite of his opposition to heavy and super-imposed industrialisation, Upadhyaya was a supporter of healthy industrial development.

"The ancient scholars have dealt with trade, craft and industry and have considered them *aparmatrik*."³³

Aparmatrik ie. production more than needed to be self-sufficient and self-reliant should be our production policy. The following are the criteria of a desirable production policy:

- It should be helpful in providing 'work to every hand.'
- It should tend towards decentralisation instead of concentration.
- It should utilise the genius and labour of the traditional craftsman or artisan and his instruments.
- It should be complementary to the agriculture and the traditional rural system.
- It should not cause brain-drain from the rural areas and rural industry should only be *aparmatrik*.
- It may not adversely affect the humanitarian life-values.
- Industrial policy should be labour-oriented not machine-oriented. Mechanisation must be properly introduced as an assistance to mass-efforts and labour.

Upadhyaya suggests the following provisions to control the tendency of profiteering and monopoly:

- Corporation-system
- Parliamentary control
- Labour-participation in management
- Decentralised economy

To face the development of desirable industrial policy, Upadhyaya quotes S.S.Thakkar, who in his presidential speech at the Indian Science Congress session at Madras said:

"We have so far taken inspiration from foreign countries. We have imported machines, factories, specialists, technicians and artisan. May be it was essential in those circumstances. The outcome is that all the heavy mechanized industries have followed only the western pattern.

The machines that we get from the West are the outdated models. We purchase them but forget that they are not the basis of a long process of development but as a net result of it.

It is difficult to find industries based on indigenous technology and inventions. We would be helped by the west liberally. We would accept knowledge, science and fraternity from wherever it is offered. But like the bee collecting honey from every kind of flower yet transforming it anew in its honeycomb, we shall integrate all assistance into a form, in consonance with our need and aims that we may call our own. This is the responsibility of our scientists and technicians."³⁴

Man and Machine

Upadhyaya is against the machine dominating the man. He is opposed to the mechanisation tending to centralise production, but is in favour of the mechanisation assisting human-labour as an equipment and supplementing for a 'super affluent' (Aparamatrik) production. His views on the extent of mechanisation are illuminating,

".....Whereas there are people who are intensely in favour of mechanisation; there are others who are deadly opposed to it.

The former regard the slackness in modernisation of our machines as the cause of India's poverty. The latter hold that the craze of modernisation and large-scale mechanisation at the root of all our woes. In reality, the machine is neither an enemy nor a friend. It is only an equipment and its utility depends on many actions and reactions of forces in society."³⁵ We should not imitate the west in the context of mechanisation.

In support of his arguments, he affirms,

The objective of decentralisation is not absolute negation of heavy industries. Production aids should be manufactured by heavy industries, while the consumer goods should be by the small industries.

"The machines that we get from the West are the outdated models. They are marketing them after some standardisation. We purchase them but forget that they are not the basis of a long process of development but as a net result of it."³⁶ Upadhyaya is not in favour of super-imposed mechanisation but the swadeshi development of machines. We need most modern and easily available machines suited for our small-scale and cottage industry as an assistance to the artisans and craftsmen. The machines establishing the monopoly of the capitalists are the enemies of our economy. He contends: " Our machines should not only be in consonance with our economic needs but also unopposed to, if not congenial to, the flourishing of our cultural and political life-values."³⁷

Thus, Upadhyaya is neither opposed to, nor devoted to machines. He does not want machines to overshadow society or economy. When this happens, the distortion of centralisation takes place, which leads to the evils of capitalism and socialism followed by their actions and reactions. Hence he emphatically insists on judiciously avoiding a tense and unnatural state. Instead he invites and inspires to successfully establish our traditional decentralised economy with an extensive system of a harmonised combination of small-scale and cottage industries.

Decentralised Economy

For a decentralised economy, it is essential to have a decentralised political system. For this Upadhyaya is an

The cost-savings of the big industries are not because of competitions, but because of their suppressions and unscrupulous trade practices. Big industries often exploit their labour and keep new inventions secret.

ardent supporter of self-sufficient autonomous Gram Panchayats and District Boards. The economic developments inciting brain-drain and urbanisation causing 'deserted-villages' will ultimately make India itself a deserted country. The disparity in the rural and urban developments will also undermine our national unity and integrity. We can not escape the destruction of the vicious cycle of capitalism and its revolt in reaction. Hence a decentralised economy is fruitful for our country in the present circumstances. Upadhyaya therefore says, ".....Our goal should be a decentralised economy. We shall have to set up a self-employed sector. The bigger this sector becomes, the more human progress will be achieved, development will be made and people will become mutually cooperative. The faculties and the genius of the individual can flower only by taking a keen interest in his capacity and in his needs and by planning

their deployment accordingly. This sort of an exemplary decentralised economy can be endowed as a model for the world only by Bharat."³⁸

Small-scale sector which once had narrowed down is now extending itself considerably. The products which we could never even imagine to be manufactured in the small-scale sector, are now being produced on a large and cost-effective quantity.

It is difficult to pull back the systems of the vicious cycle of heavy industries and centralisation. The Third World countries, therefore should adopt the decentralised economy of village-oriented small-scale and cottage industries. Deendyala was indeed, a die-hard votary of decentralisation. Look at his affirmations, "The problems being faced because of heavy centralisation are solved through decentralisation. Capitalism holds its sway only because of

heavy centralisation. When there would not be any opportunities to establish a large-scale industry, how can capital be accumulated? In this system, not only the villages will become self-sufficient and reliant, also rise up. In the ancient times, cottage industries and handicrafts produced articles of such a fine elegance which the machines of today cannot match. The encouragement and inspiration received in cottage-industry system extend themselves to such a vast area that mechanized industries cannot approach. Just

Just as political democracy rises upwards starting from the units of gram-panchayats, in the same way economic democracy should flower upwards rising from rural cottage and small units.

as political democracy rises upwards starting from the units of Gram-Panchayats, etc., in the same way economic democracy should flower upwards rising from rural cottage and small industries production centres. Communism also is a manifestation of centralised economy. Hence its roots are up in the sky, whereas this economy has its roots deep in the soil."³⁹

According to Upadhyaya the objective of decentralisation is not absolute negation of heavy industries. He wants large-scale industries to be based on small industries, "Production aids should be manufactured by heavy industries, consumer goods by small industries.Secondly, the parts of a consumer-product should be manufactured separately in small scale industries and they should be assembled in big factories as is the case of Switzerland where parts watches are prepared by small entrepreneurs and their products are purchased by big watch making companies. taken over in big factories. All the big products like cars, etc. can be manufactured in the same way. Japan has developed this process con-

siderably. They utilise 77 per cent parts in the manufacture of railways 70 per cent in the manufacture of ships and 62 per cent for the manufacture of cars prepared by small industries.... If the above two sectors are properly coordinated the sphere of competitive industry would be very much limited."⁴⁰

Upadhyaya does not agree that small industries are not cost-effective. His view is that the cost-savings of big industries is deceptive. The real cost-savings are at the stage of small industries manufacturing parts, ".....The truth is that the cost-savings are not because of manufacture by large-scale but because of large manufacture. If we study history, we shall find that in spite of large-scale manufacture in Great Britain, imported Indian cloth was cheaper there. Japanese cheap goods, which drive away all makes from the market, are manufactured not in big factories but in homes.....If their problems (of the small

sector) are solved; and the facilities that large-scale industries manage with extra-routine manipulations are withdrawn, small scale industries will carry away the banner. We know that during 1930-37, small transports had beaten the railways in shifting goods. If the government and the war had not come for their rescue, the railways would have found it difficult to survive."⁴¹

The cost-savings of big industries is misleading. Illustrating this, Upadhyaya says: Shri M.M.Mehta in his book, Structure of Indian Industries has elucidated in great details the phenomenal rise of big industries. He came to the

Big Industries have one great malady: They regard money as their master and 'labour' (shram) as their servant. Upadhyaya wants the big industries decentralised and even owned jointly by the labourers managers and partners.

conclusion that:

- The cost-savings of the big industries are not because of competitions, but because of their suppressions and unscrupulous trade practices.
- The Big Industries in order to get conditions set up favourably to themselves are not because of that expertise and superior capacity but because of their influence and approach.
- Big Industries often exploited their labour, charge higher prices and keep new inventions secret to serve their vested interests.
- Once they capture the market, inspiration of their production efficiency gets degenerated and retarded.
- Most of the Big Industries have progressed not as a gradual development process but on the financial and government collaboration.
- These industries have not assumed their big form during the period of recession, which presents an opportunity for greater merit and financial standing, but during the period of boom when there is an occasion for earning a lot on securities and stocks.
- Generally they are so Big that they can not be effectively financially managed.

"We know that these Big Industries easily manage to have the facilities of banks, railways and brokers etc.Whereas small industries lacking mutual unity can not manage the chain from obtaining raw material to marketing the finished products. Once they establish this chain, it would be difficult to compete them. It is the government's duty and responsibility to help them establish this organization."⁴²

We can achieve social-justice, swadeshi, and self-reliance only through decentralisation. If the change in the direction of our economy is to be conveyed in just two words, they are decentralisation and Swadeshi.

Upadhyaya is very optimistic about the potential of small industries. He says, "Small-scale Industries Sector which once had narrowed down is now extending itself considerably. The products which we could never even imagine to be manufactured in the small-scale sector, are now being produced on a large and cost-effective quantity. The latest news from China that even steel is being produced there in the small-scale sector, has given a boost to the hope of a great increase in the potentiality of this sector."⁴³

In the decentralised economy, Small-scale and Cottage industries will be the backbone. Still the modern plans and public needs are so established that big industries cannot be neglected altogether. Hence he agrees to their necessity. But this may not lead to centralisation of economic power. For this, he presents two suggestions: (1) Government process of proper control and (2) the share of the labourers in the ownership. On this issue, he regards the traditionally conservative attitudes of the private and public managements unpractical.

Unrestricted consumption is the cause of inequitable distribution. Production does not determine the limits of consumption; on the other hand it is consumption that determines the goals of production."

In this context, his view is that:

■It would not be appropriate to adopt some highly conservative and theoretical attitude. The Chairman of the World Bank, Mr. Black has said in his address of 1957 Conference of leading industrialists of the world, "I am as much worried about the claim of the protagonists of capitalism to be able to fulfill all the demands of world development as I am by the assertion of socialists that only public sector can satisfy all the

needs of the people.' In undeveloped countries, both private and public sector, in practice have their respective limitations.It is said that in under-developed countries, most rare product is the risk-taking entrepreneur. In such a situation the government has to take the initiative. Several indigenous states, far away from socialism, established industries by their own initiative only because of this reason. Hence a practical solution may be followed that the government should enter wherever the private sector is unable to approach, although trade and industries are not the spheres, far less prerogatives of the governments."

44 Wherever such entrepreneurs are ready to come forward Upadhyaya holds that they should be organised by the government and the parliament should have a control over them.⁴⁵

■ Big Industries have one great malady: They regard money as their master and 'labour' (shram) as their servant. Upadhyaya wants the big industries decentralised and even owned jointly by the labourers managers and partners, "Just as for immovable property, the right of ownership of land has been accepted for the cultivator (and to the cultivator), in the same way why should not the ownership of the industry by the labourers also be accepted? It is astonishing that a share-holder of the company who has in general no interest in its production except the dividend, enjoys its ownership right, whereas a labourer who works in it regularly, keep the machinery running tip top and whose entire maintenance depends on its proper-functioning, should for ever feel alienated

The production which needs a rigorous search for market and forces a craze for consumption leads to a lack of equilibrium in society. Big industries and such consumerism are in a unholy wedlock.

from it. This aloofness not proper. Therefore, it is essential that along with the partner, the labourer should also have ownership right and he also should have a share in the dividend and management. Thus, the representatives of labour also be included in the Board of Directors."⁴⁶

Deendayal Upadhyaya regards decentralisation as the core-issue of industry. We can achieve social-justice, Swadeshi, and self-reliance only through decentralisation. His view is that "In the present situation, if the change in the direction of our economy is to be conveyed in just two words, they are decentralisation and Swadeshi."⁴⁷

Economic Culture

Production, distribution and consumption define Man's economic life. Uncontrolled or unrestricted consumption incites inequality and plunder (loot) in distribution. Production also becomes out of limits.

This is an uncultured economic life.

This economy should not neglect Man, should be helpful in his development and should preserve the cultural and other noble life-values of society. This is the Laxman Rekha which no economic planning should cross in any eventuality.

Upadhyaya's Economic culture has three preambles: affluent production, equal-distribution and self-controlled consumption.

He formulates three self-restrictions for production.

- For the proper consumption-needs and expected superfluous stock-preservation Aparmatrik (more than essential quantity) is needed. This is the maryada of production.
- The production which needs a rigorous search for market and which forces the producers to create a craze for consumption

leads to a lack of equilibrium in society. Big Industries and such a consumerism are in a unholy wedlock.

■ Natural resources have a limit. They should not be ruthlessly exploited. "There is a basic equilibrium in nature.....Nature replenishes its losses in its losses in its own way....But Man at present is exploiting it so fast that neither nature can replenish it nor it can sustain its equilibrium. Unfortunately, still Man lacks the knowledge of all the aspects of universal reality."⁴⁸

Thus, the production crossing the maryada of natural resources is undesirable.

He formulates three principles about distribution too:

■ Distribution should be such that the essential needs "Roti, Kapra, Makan, parhai, and dawai" (Bread, clothings, house, education and medicines) of everyone should be fulfilled."⁴⁹

■ The definitely decided proportion of maximum and minimum incomes should not be disturbed.

■ Distribution agencies should keep a proper balance between the producer and the consumer. Greater cost should not be against the interests of the consumer. It should be amicably and justifiably divided between the two.

His views regarding consumption are as follows:

■ Restricted consumption means consumption according to the need of a healthy body. A consumption incited by arousing sensual desires is harmful both physically and culturally.

Economy should aim at guarantee to every individual for a life with all essential needs fulfilled and from this state, an unrestricted development towards a greater prosperity, to motivate everyone's participation

■ "Unrestricted consumption is the cause of inequitable distribution. Self-control in consumption and simplicity.....Production does not determine the limits of consumption; on the other hand it is consumption that determines the goals of production."

■ Economic paucity as well as overbearing influence both create lack of self-control. Hence economy should be so planned as to inculcate *Arthayam*.

■ The material consumption by an individual also loses its self-discipline in the absence of spiritual, intellectual and mental happiness. When the individual wants to compensate this lack of cultural happiness by material consumerism, he gets entangled in the vicious the web of consumerism. Hence, for the planning of disciplined consumption, proper education and cultural environment are essential. Culture disciplines consumption.

Thus, Upadhyaya stipulates that production, consumption and distribution are not mere money or material process and transactions. They have some other social and cultural aspects also.

That production, consumption and distribution are not mere money or material process and transactions. They have some other social and cultural aspects also. We should develop an economic culture also and avoid artha vikriti.

The production, consumption and distribution overlooks and neglects this aspect would only infest humanity with inequality, lust, greed, exploitation and apathy. We have, therefore, not only to have planned economy but also have to develop and economic-culture (*Artha-Sanskriti*) so that we may avoid *Artha-Vikriti* (distortion/malfunction).

Ideal Economy

The above economy ideas of Upadhyaya

lead us to some conceptual elements of an ideal economy that may be listed as follows:

- *Arthayam* (Financial Discipline)
- The fundamental duty and right of work- 'Work to Every Hand'
- Rejection of Consumerism, Competitiveness and Class struggle.
- Issue not of ownership but of centralisation of ownership
- No ownership neglecting society, no individual without ownership- trusteeship principle.
- Rejection of both Capitalism and Communism
- Economic Freedom
- Economic Equation $p \times a \times t = g$
- Rejection of heavy industrialisation
- Decentralised economy and Small scale industries for home-consumption (aparmatrik)
- Agriculture independent of vagaries of nature⁵⁰
- Self-reliant Industrial Sector
- Ownership of labourers
- Economic culture, etc.

In his well-known lecture at Bombay he propounded that economy should aim at:

- Guarantee to every individual for a life with all essential needs fulfilled.
- From this state, an unrestricted development towards a greater prosperity, so that the individual and the nation may participate in world-progress according to their citti (cultural consciousness).
- For the attainment the above goal every opportunity for purposeful employment. The natural resources to be

The economic ethos of Deendayal are indeed, holistic. He is opposed to the evaluation of the integral human life merely from an economic viewpoint. From the cultural humanitarian view, he is an idealist.

used thriftily.

- Appropriate technology to be developed in accordance with the production-resources of the country.
- This economy should not neglect Man, should be helpful in his development and should preserve the cultural and other noble life-values of society. This is the *Laxman Rekha* (Line of Honour) which no economic planning or Action Plan should cross in any eventuality.
- In the various industries, the ownership of the state, individual and other institutions should be decided on a practical footing."⁵¹

In the formulation of the above type of Economy, the greatest impediment comes from the absence of strong political will and the misleading tradition of western ideologies of Socialism and Capitalism. But Upadhyaya shows that our indigenous vested interests also present a great obstruction:

".....India abounds with a large number of people who have got tied into a wedlock with the western economy and product in system. The economy that has developed in India during the last 50 years has made the industrial systems of our country and the western developed countries supplementary of each other. This did not promote the interests of India. Rather, these countries exploited India continuously. In the process of this exploitation, the western interests have made some Indians as partners or agents. Thus their vested interests developed initially from traders and commission-agents to partnership or independent

India abounds with a large number of people who have got tied into a wedlock with the western economy. The economy thus developed has made the industrial systems of our country and the western countries supplementary of each other.

industrialists of the same system. This section has all along dominated the economy of our country. Even today in spite of having a meagre proportion in number and national income of the country, they wield a great influence on the life of the society and the country. The ambitions of this section are well-defined. They want to replace their foreign competitors or say rivals more and more.....They easily create complementarity with the Indian scholars of western economics. All Indian papers, particularly English are under their grip. All these, knowingly or unknowingly have built a network which common people can not escape."⁵² Political leaders anxious to secure quick results also secure a concord. Upadhyaya says in this connection:

"They (political leaders) hypnotised by the prospects of foreign aid, support of foreign specialists, the attractive appearance of public life abroad and the anxiety to show quick results have and made them invulnerable to their problems." He emphatically asserts: "We would not be able to solve our problems, without visualising the 'Swa' (Self) identity of India."⁵³

The economic ethos of Deendayal Upadhyaya are indeed, holistic. He is opposed to the evaluation of the integral human life merely from an economic viewpoint. From the cultural humanitarian view, he is an idealist. But lest his thinking should become unpractical, he has tried to review practical systems also along with it.

He believes, instead of staunchly getting tied to any particular 'ism', in essential pragmatic changes and

Upadhyaya stipulates his concept of our economy and political democracy on the foundation-pillars of 'decentralisation' and 'Swadeshi' hence they are all the more important.

adjustments in the philosophy in the light of perennial life-values and humanitarian needs. He introduces his book *Bharatiya Athaniti: Vikas ke ek Disha* with remarks:

"As the title indicates, only a direction has been pointed out. Only broad outlines for the advancing Bharat have been sketched. Only *Prakriti* and *Purush* (Nature and the Power) will fill in the blanks of detailed lines and the appropriate colours. The picture would become more and more complete, as this process continues. It is our duty and responsibility to give up the role of a spectator to assume active and capable participation."⁵⁴

Today, every Third World country is trying its luck with the western economy. Political imperialism is also assuming the role of a pseudo-economic imperialism. It is difficult to adjust a concord between the modern western technology with the long dominated indigenous

genius. Today, in spite of making Herculean efforts to avoid the same, the Third World

Today, in spite of making Herculean efforts the Third world countries are not able to escape the tentacles of the imperialistic network. They are forced to offer their markets to the imperialistic network.

countries are not able to escape the tentacles of the imperialistic network. They are forced to offer their markets to the imperialistic network. They are forced to offer their markets to the imperialists even while keeping their people starved. The foreign technocrats and specialist establish a control over the swadeshi (indigenous) economic power. They establish some islands of prosperity. The common people are neglected and get frustrated because of the dire inequality. The western economy goes on throwing some crumbs of satisfac-

tion to the vested interests of the leaderships, mediocre intelligence and education. Consequently anarchy or cultural vacuum, political instability and economic slavery are being created.

To escape the onslaughts of these western neo-imperialists popular leaders like Mao-Tse-Tung and Julius Nyerere have experimented with predominated rural and small-scale industries in their respective countries, cutting off themselves from the main current of world-economy with a determined will power.

But they adopted dictatorial regimes to implement these experiments. Hence, they cannot be our models. The evil consequences of repressive measures have started appearing there also. Upadhyaya stipulates his concept of our economy and political democracy on the foundation-pillars of 'decentralisation' and 'swadeshi' hence they are all the more important.

Upadhyaya's economic thoughts are humanitarian and society-oriented. His cultural economic ethos is self-elevating as well as appealing to reason. But, can the vested interests enumerated and adumbrated by him be controlled on the strength of cultural influences? Democratic 'rights to the individuals were misused nefariously to establish capitalism. The regulation by the government is acceptable to Upadhyaya but not unilateral control. Upadhyaya does not elucidate the government and parliamentary regulation and the clash of the vested interests. His elucidation is positive and constructive. It is true that mutual clash and struggle cannot be the basis of a philosophy but in practical life it is difficult to escape

Upadhyaya's economic thoughts are humanitarian and society-oriented. His cultural economic ethos is self-elevating. But, can the vested interests be controlled on the strength of cultural influences?

them. Deendayal Upadhyaya's answer is "Cultural sophistication', education, the purification of public environment and inculcating self-discipline is the Laxman Rekha. We should experiment only within this self-limitation." He has unfathomable trust and faith in human nobility.

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About the Author

An avid researcher and writer, Dr. Mahesh Chandra Sharma holds the unique distinction of working relentlessly, and almost singularly on the various aspects of Integral Humanism, propounded by late Pandit Deendayal Upadhyaya. Even as a Parliamentarian, Dr. Sharma has been engaged in research activities on various streams flowing out of this unique philosophy. Presently, he is the Chief Whip of the Bharatiya Janata Party in the Rajya Sabha. Besides, he is also represented on several Parliamentary Committees including the Standing Committee on External Affairs.



Born on September 7, 1948 in Churu of Rajasthan, he completed his B.A. (Hons) in Hindi Literature and M.A. from the Rajasthan University and later took up teaching in the same varsity. However, in a year's time, he left the job for taking up an equally important task of national reconstruction through Rashtriya Swayamsevak Sangh (RSS) and became its pracharak (full time worker). And a year later, he landed in jail under MISA during the repressive Emergency.

After he was freed from jail in 1977, he became active in Akhil Bharatiya Vidyarthi Parishad (ABVP) and held various responsibilities in the country's largest student organisation. In 1983, he again took up academic pursuits and did his Ph.D. on the Political Biography of Pandit Deendayal Upadhyaya: His Actions and Ideology, which was later published under the title Deendayal Upadhyaya: Kartritva evam Vichar. His other titles are Bhoo-Sanskritik Rashtravad: Akhand Bharat (Geo-Cultural Nationalism of Undivided India) and Vibhajan Aswikar (Partition Not Accepted). Besides, for nearly two decades, he has been contributing weekly columns on international and topical issues, under the columns Vishwa Varta and Apna Desh, respectively, to various national and regional dailies

Dr. Sharma is also the Chief Editor of the prestigious academic journal Manthan, a quarterly published in Hindi and English, both. Besides, he has been bringing out an annual compendium of articles on the subject of Akhand Bharat, under the auspices of his Vasudha Stambh Seva. For his contribution to the literary field, he has been conferred upon Saraswati Puruskar by the Uttar Pradesh Hindi Sansthan.

A widely travelled man (both in India and abroad), Dr. Sharma has been deeply associated with Deendayal Research Institute for over two decades and presently, he is the founder Chairman of the Research and Development Foundation for Integral Humanism. He is also an active member of the Steering Committee of the Swadeshi Jagran Manch, an organisation spearheading movement for the Indianisation of Indian economy.

Research and Development Foundation for Integral Humanism

Today, the country is being governed by a new phenomenon called political pragmatism. And when the entire world is reeling under the vacuum of ideologies, and new concepts are taking shape, India too is debating whether there is really a need for an ideology to govern the country. Unfortunately, this vacuum of ideologies has led to new modernisation where the so-called winner wants to set aside all his social concerns and proclaims the victory of the concept of the survival of the fittest as the central paradigm. Can this situation lead to human happiness? Is mankind destined to degenerate on account of these Western values? Does Indian wisdom have any solutions to these problems? Pandit Deendayal Upadhyaya had foreseen a solution to these problems within the treasures of Indian wisdom. He regarded the Western concept of individual versus society as inhuman and diagnosed synthesis or integration of individual and society as the solace for humanity, and postulated a philosophical interpretation in the form of "Integral Humanism." However, not much work has been done on this concept. The evolution of this concept into an ideology has remained stagnant for various reasons. A group of social workers and academicians has felt the necessity to rejuvenate this stream. The group feels that this can be achieved only by launching intensive research and practical projects. Hence, the formation of the Research and Development Foundation for Integral Humanism. The Foundation is diligently engaged in academic and social pursuits.



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