



think
GLOBALLY,
act
LOCALLY

Conversation on Economic Decentralization

At the Pomonok Public Library in Queens New York Ananda Marga hosted a conversation on Economic Decentralization . The video below records a good part of the entire conversation which lasted one hour full of ideas for increasing the participation of the community in the economic local affairs.

At the event we summarized in one page the main points of the Economic Decentralization platform based on the original discourses of Shrii Prabhat Rainjan Sarkar, founder of PROUT – Progressive Utilization Theory:

The most important economic issue before the leaders of all the countries in the world today is how to increase the standard of living of their citizens through the economic prosperity of the state.

There is only one way to stop economic exploitation and alleviate the plight of the common people, and that is to implement a policy of decentralized economy in all the sectors of the economy.

Decentralized economy is the only way that people can attain

all-round welfare because it will not only guarantee economic prosperity, but also pave the way for individual and collective psycho-spiritual progress.

1. Principles of Decentralized Economy

The first principle of decentralized economy is that **all the resources in a socio-economic unit should be controlled by the local people.** In particular, the resources which are required to produce the minimum requirements must be in local hands, and all the industries based on these resources will have to be controlled entirely by the local people. Local raw materials must be fully utilized to produce all kinds of commodities necessary for the economic development of a socio-economic unit.

The second principle of decentralized economy is that **production should be based on consumption, not profit.** Most countries in the world have adopted economic systems which are profit oriented – that is, production is undertaken for profit. Producers give first preference to those items which bring maximum profit, so everywhere there is keen competition regarding the production of the most profitable goods. India is no exception. To increase the standard of living of the people, a new system of production will have to be introduced. Consumption, not profit, should be the underlying motive in the field of production.

The third principle of decentralized economy is that **production and distribution should be organized through cooperatives.** One of the principal reasons for the past failure of the cooperative movement is economic centralization. It is extremely difficult for cooperatives to succeed in an economic environment of exploitation, corruption and materialism, so people cannot accept the cooperative system wholeheartedly. Cooperatives are forced to compete with

the monopoly capitalists for local markets, and the rights of the local people over their raw materials are not recognized. Such circumstances have undermined the success of the cooperative movement in many countries of the world.

The fourth principle of decentralized economy is that the **local people must be employed in local economic enterprises.** Unless the local people are fully employed in the local economy, unemployment can never be solved. Local people should determine the quantum of minimum requirements and the basic policies connected with their own economic well-being. If this principle is followed the problem of outside interference in the local economy will not arise at all.

The fifth principle of decentralized economy is that **commodities which are not locally produced should be removed from the local markets.** As decentralized economy aims to develop local industries and create employment for the local population, those commodities which are not produced within the local area should be banished from the local market as far as possible. It is essential that the local population utilize the commodities produced in their own area to ensure the prosperity of the local economy.

PRINCIPLES OF ECONOMIC DECENTRALIZATION

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www.crimsondawn.net

Ph: 828 620 8928

In order to involve the community in the economic decentralization process we need welcome participation and initiatives from all.