
SO THE BUSINESS SYSTEM MAY SURVIVE IN INDIA

A TEN-POINT PROGRAMME
for nationwide discussion by well-meaning groups

WILL PEOPLE VOTE FOR YOU? WILL YOUR
EMPLOYEES VOTE FOR YOU? WILL YOUR
CUSTOMERS VOTE FOR YOU? WILL YOUR
CREDITORS VOTE FOR YOU? WILL YOUR LOCAL
PUBLIC VOTE FOR YOU? IF THEY WON'T VOTE
FOR YOU, WILL THEY VOTE FOR THE SYSTEM
YOU STAND FOR? THE BUSINESS SYSTEM? THE
COMPETITIVE ENTERPRISE SYSTEM? THE WAY
YOU PRACTISE IT? IF THEY WON'T

N. H. ATTHREYA

M M C SCHOOL OF MANAGEMENT

SO THE BUSINESS SYSTEM
MAY SURVIVE IN INDIA

A TEN-POINT PROGRAMME

This monograph is the **THIRD** in a series of Occasional Papers. The aim is to supply information, ideas, and points of view with a view to stimulate discussion, provoke argument and to provide subjects for further research as well as generally to focus attention on subjects which are, will be, or ought to be receiving the attention of management.

The earlier two monographs are :

MANAGEMENT BY IMPLICATIONS

A CREATIVE APPROACH TO PROBLEMS OF DISCIPLINE

SO THE BUSINESS SYSTEM
MAY SURVIVE IN INDIA
A TEN-POINT PROGRAMME

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PREFACE

Love without criticism brings stagnation;
and criticism without love brings destruction.

JOHN GARDNER.

I believe in the business system.

I believe in the business system because
it enables a large number of people
to give their best to the country.

I believe in the business system because it provides
the *highest scope for man's creative energy* and
man's desire to do service to the community.

I believe in the business system because
it provides for the largest number of
decision-makers at the operating level.
If there are more decision-makers at the operating level,
more decisions will be made, better, and faster.

I believe in the business system because
it provides for *competent competition.*
When businessmen compete
in serving and servicing the customer,
it is good for the people.

I believe in the business system because it provides
opportunities for developing *pride of service.*

I am expressing these beliefs right at the outset
just to say that I have no ideological quarrel
with the business system.
As far as I am concerned,
what is socially important is what works.
What is important is
what will make life not merely worth living,
but worth living well.

It is my belief that the business system as a system
would contribute in the shortest time possible
to the largest number of benefits

to the community and the country.

The business system, therefore, should, thrive.

If it is to thrive, it must survive.

Will the business system survive in India?

The question mark is a big one.

Everything considered, the enemy is largely within.

Those who are in the system practise business in such a way as to invite restriction, control, and an unfavourable vote.

In a sense, business is driving business out of business.

How to reverse the trend so that the business system can survive and thrive in India?

This monograph explores a programme of action.

'Programme of action' because so long as it is at the intellectual level, it does not convince.

There is a widespread belief that those in business are silencing the critics.

The citizen argues: This silencing will continue so long as the system lasts.

Why let the system continue?

In other words, the answer lies in meeting the objections squarely and creatively.

Quibbling of any kind will only worsen the case and therefore worsen the cause of business system in India.

May I suggest that the reader discuss this monograph in groups of ten or twenty and evolve blue-prints for action — and execute those blue prints as quickly as possible.

The author is thankful to Professor Nissim Ezekeil for perusing the manuscript and making valuable suggestions.

1 September 1971.

N. H. ATTHREYA

INTRODUCTION

Business functions by public consent,
and its basic purpose is to
serve constructively the needs of society —
to the satisfaction of society.

From CED's* *POLICY STATEMENT*.

There are three R's of Management.
Results and Relations are two of the R's.

Of *Results*, those in business are clearly aware.
Certainly at the top level,
they are aware of the place of results —
the importance of results and
the approach to results.
Also, quite a lot of thinking and writing
has been done on this R of Management.

Of *Relations*, too, Top Management is quite aware.
It understands the value of
internal relations and external relations.

It is true that some of the businesses
in our country have some way to go
in the second R of Management;
but one can take it that Top Management
is keenly aware of
the relevance of Relations to Results.

Reputation is the third R of Management.

Businesses that have "arrived", in particular,
see the importance of Reputation
and have given thought to it.
They try to build their image with the help of
mass communication specialists.

* Committee for Economic Development on "Social Responsibilities of Business Corporation". Please also see P. 7.

Though mainly intended to improve the results of their operations, a good part of their publicity effort is intended to create a favourable image for their organisation or business house.

In this monograph I wish to focus attention on an aspect of management which is basic to survival.

It is not the reputation of a business organisation but the reputation of the business system itself.

If a referendum is taken to-day on the question
**Whether the Business System as practised
should continue in India,**

competent observers opine,
“even the deposit will be forfeited”.
The customers, the employees, the suppliers and
the general public will vote against it.

Indirectly, the public have lodged their protest already.*

Neither self-pity nor finding fault with the public sector will stem the trend of events. Nor even an examination and analysis of the competitive sector.

It is only action, appropriate action that may still save the situation.

This monograph will therefore confine itself largely to a programme of action that is called for by the situation.

The tendency will be to argue:
What will you get if the business system, the competitive business system, is removed from the scene?
Can you visualise the alternative?
Don't you already see what the alternative can give you?

In his present mood, the citizen treats such arguments as diversionary tactics.

* Please see appendix. (P. 30).

His reasoning runs somewhat along these lines:
We are not choosing a better alternative perhaps.
Our contention is that business
is not living upto its reputation.
We do not see much reason why it should exist.

The citizen is annoyed.
Thank God, he is still not angry.

This is not the time to give him a homily.
This is not the time to tell him
that it is the business system
that can give competitive service to him —
business in the past decade or so
has created a *credibility gap*:
the citizen has come to feel
that there is only one type of competition and
that is to fleece him, under one pretext or another,
with one conspiracy or other.
He even feels that
*the private sector and the public sector
have joined hands to live at the expense
of the common-citizen sector.*

As I have indicated in the introduction,
I believe that the business system
can serve the citizen best
through better products and services.
I certainly believe
that the competitive business system
will benefit the community most.
It gives scope to the creative talents,
the citizenship urges and
the dynamic practical energies of thousands of people.

My belief or yours, however, does not matter now.
In the eyes of the citizen,
the business system is falling down.
The citizen will reconsider his verdict on it
only if businessmen speak through action.
He does not trust the businessman's words;
he *may* trust the businessman's actions.

I say 'may' because
the credibility gap is daily deepening.

It is sad to reflect —

but every businessman would do well to reflect:

Will my *employees* vote for me
if I stand for election?

Will my *customers* vote for me
if I stand for election?

Will the *general public* vote for me
if I stand for election?

If the answer is 'no',
he should ask a further question:

Is it a 'no' to a businessman or
is it a 'no' to *every* businessman.

If it is a 'no' to every businessman,
it almost means it is
a 'no' to the business system.

*Once a 'no' is given
to the business system as a system,
what chances has a businessman
to work as a businessman?*

It is this emerging phenomenon
that should make every decent businessman —
the majority of businessmen are decent —
sit down and think.*

He should ask himself searching questions like these:

As a representative of the business system, and as one
who believes in its relationship to the larger inter-
ests of the country, do I want the business system to
continue in this country?

If I do, would I like to do what I can do to let the
business system survive in this country?

If the businessman is not prepared
to squarely answer these two questions,

* Indeed he has thought and acted too; but the action so far is
partial and unconvincing, 'almost cosmetic in nature'. The thesis
of this monograph is that the answer lies in a massive, *perceptible*
action on the part of at least an organised dynamic minority.

if he 'philosophises' saying,
I will see how things develop,
things will develop faster than
he can cope with them —
in fact, quite a few even now feel
that it is almost too late;
and the businessman will be faced
with the following consequences:

1. He will lose an opportunity to give his best to the community.
2. He will have to hang his head in shame: posterity will not forgive his lack of foresight.
3. He will lose in tangible and intangible terms faster than he can ever imagine: not one tear of pity, not one whimper of sympathy will he get from the public.
4. He will be hated and persecuted as will his innocent children and children's children.

Some time back, a Committee came out with a policy statement. It starts with the basic proposition that "business functions by public consent, and its basic purpose is to serve constructively the needs of society — to the satisfaction of society."

It expands on the point thus:

"Today it is clear that the terms of the contract between society and business are, in fact, changing in substantial and important ways. Business is being asked to assume broader responsibilities to society than ever before, and to serve a wider range of human values..."

In as much as business exists to serve society, its future will depend on the quality of management's response to the changing expectations of the public."

If this is the trend in an affluent free enterprise country like USA in 1971, we can realise the feelings in our country.

Action point number One:

GO FOR SMALL-MARGIN-LARGE-VOLUME

A thin profit from many ships will eventually produce more money than a quick killing.

Y. K. PAO*.

In the recent past, efforts have been made and associations have been set up to regulate business practices.

This is commendable.

The impact on the citizen of these efforts is, however, yet to be felt;

the citizen still feels that business does not mean business in this area.

What is done, he thinks, is more for publicity than in reality.

If the business does mean business, it has to be much more aggressive in this effort.

The impact if not obvious at the macro-level should be obvious at the micro-level.

The citizen is not an unreasonable person; he is not unimaginative either.

He does not want something for nothing; he is prepared to pay for services rendered, goods delivered.

What he is concerned about is that in a country like India where you have a captive market of 200 million or more people, business does not observe the fundamental principle of business, namely, that *it is volume multiplied by margin of profit that makes the surplus.*

He asks: why should the margin of profit be so high?

* Hongkong shipping magnate.

The first thing that business men should do and having done should announce is that they stand for volume, and reduce the margin of profit.

The retailers in particular *should act promptly* — they are the nearest to the customer. The manufacturers should act fast too — they are the ones that *can* act promptly.

Nobody wants businessmen to sell below cost; at the same time, nobody wants them to sell *much above* cost either.

If this is done, namely, that the margin of profit is controlled at a reasonable limit and the fact is made known, it will have both an economic and a psychological effect on the people.

People will get more for their rupee and if you help people get more for their rupee, you have contributed to a higher standard of living. You can legitimately be proud of this.

This is sacrifice but it is a *small* sacrifice.

If this step is not taken, the business system in the eyes of the citizen has no right to continue existing. This sounds almost 'leftist' but its motive is not to strike terror. The idea is to focus attention on a harsh reality and that reality in business is not attractive. The citizen says:

If the businessman's job is to join hands with others and exploit the large, seemingly helpless majority, why should we let him? We can do without him.

What the system is capable of giving if it does not give, why should it exist?

Action point number Two:
PAY A LIVING WAGE AND A LITTLE MORE
AND PAY GRACEFULLY

Fanaticism consists in redoubling your efforts when you have forgotten your aim.

GEORGE SANTAYANA.

The Indian consumer does not want the fruits of sweated labour. Please do not tell him therefore that if the wages are more, the products and services will cost more.

We in business cannot raise the standard of living of the five hundred and odd million people in the country; but we can raise the standard of living of the fifty or five hundred people in the country who are working with us. *Are we doing for them what we can?**

Here are questions for reflective action :

- * Am I paying just the minimum the law requires?
- * Am I using the loopholes in the law?
For example, do I keep hundreds of people temporary for months, thereby denying them the larger dearness allowances quantum to which they are entitled?
- * Am I paying a certain amount and getting a signature for a higher amount?
- * Am I taking undue advantage of the employment position in the country and talking glibly of the

* The writer's purpose in this monograph is to draw your attention not merely to what you are doing as a businessman but how you are doing it and its impact on the survival of the business system.

law of supply and demand?

- * Having done all these and more, do I still expect the business system (of which I am a part) to be eligible for a favourable vote from my employees or the general public?

Here are further questions for reflective action :

- * Why don't I make wages to employees a *first charge* on my business?
- * If funds permit, why don't I pay a living wage right at the outset?
- * If funds are inadequate, why don't I pay the difference as soon as funds are assured and with retrospective effect, at the end of the year?
- * Why don't I help in any way I can to make the nett income higher for the people who work with me?
- * Why don't I do it all voluntarily, thoughtfully, and *gracefully*?
- * Why don't I avoid ostentation living, if only as a matter of discretion?

Action point number Three:
GIVE VALUE, A LITTLE MORE
THAN THE CUSTOMER EXPECTS

The only image you should care about is
the smile on the face of your customer
as he enjoys your product or service.

ROBERT TOWNSEND.

The citizen in this country pays
the price the businessman asks for;
whether it is for a lunch plate
or a room airconditioner.

He pays in good faith.
Just as his cheque can be cashed,
he thinks that the price he pays
can be exchanged for value.

Does the businessman give him value?
In the name of profit maximisation,
does he not dilute value?

This is acting in bad faith.
This is living at the expense of others.
Why should the citizen permit
the perpetuation of a system
that cannot regulate itself on this score?

It may be pointed out that
the guilty are only a handful.
Are they 'only a handful'? The citizen wonders.

What is the business system doing to them?
Where is the proof that this *value-dilution*
is *not* characteristic of the system?

The citizen would like to take
the hotel business as a case in point.

“Have you looked at the kitchens lately?
Are you sure your raw materials are not sub-standard,
sanctified by the fire?
At every conceivable opportunity,
you raise the price.
When did you make a sincere attempt
to raise the value?
You are not merely cheating the customer
but damaging the health of the public.
Why should you be permitted to continue this game?”

You may say:
If you don't like our goods,
why do you come to us and pay for them?

Yes, says the consumer,
this makes my position all the more pathetic.
I am not left with much of a choice.
I have suffered and for long and would you like
to see me come to the breaking point?
The citizen would like to say and mean:
Nothing but the best for me.
He is not able to insist.
His choices are limited and
becoming still more limited.
Rightly or wrongly he feels
that options would have been wider
if the practitioners of the business system
had played their part well.
He is doubly disappointed.

*In a world of rising expectations, verbal quibbling
like 'why don't you go elsewhere' cuts no ice.*
The voter can tell a system and its practitioners off
if he feels convinced that
the businessman will use substandard material,
give questionable value, and not hesitate
to hurt and flout the health of the people of the country.

Here are then some questions for reflective action:

Am I diluting value in my product or service at any
state? Why don't I promptly and quietly stop it?

Am I misleading people by telling them sweet words?
If I do, why don't I straightaway play down my false promises?

Now that I am assured of the price I need, why don't I give the best value to the customer?

If stepping up the value means less profit, why not be content with less profit? (*When I realise that the alternative may be no profit.*)

If in any business area monopolies are taking undue advantage of their strength, why don't I help to break the monopoly and thereby save the business system?

Businessmen have limited power to solve the problems of the world, but they can and must do something in their own backyards.
about rebuilding consumer confidence.

This means supplying better and more dependable goods and services. Further, it means communicating a sense of quality and reliability.

The alternative to self-control is state-policing. And this does not make sense to the citizen.
Policing, he feels, is a costly and a tricky process.

Control, on the other hand, breeds corruption.
The citizen knows that the controls work only upto a point; he knows that those who administer control are silenced by the business community. They are silenced not by threat, nor by force; they are silenced by hard cash.

The customer pays directly or indirectly for the consequences of control and corruption. He naturally concludes that a system that cannot observe self-control is too demoralising and deceptive to deserve retention.

Action point number Four:
ENCOURAGE EFFICIENT COMPETITION

We aren't in any danger of
being destroyed from the outside;
we've perfected do-it-yourself methods.

ROBERT TOWNSEND.

*One of the essentials of democratic living is
that the customer should have a choice.*

The citizen fears that businessmen are using
their power and cleverness to restrict this choice.
He fears the businessmen are trying to
create near-monopolistic situations for themselves.
He further fears that they do it so that
they make the citizen's choice a Hobson's choice
and thereby exploit him further.

In any growth economy, there will be natural scarcity.
The citizen fears that the businessman
is creating *artificial scarcity*
so that he can make a quick profit.
Instead of creating a competitive system,
the businessmen, it is feared,
is creating a private monopoly system.

May be, the citizen is not properly informed.
If so, those in business
should inform the well-meaning citizen.

Perhaps there is justification for his fears.
If this is so, the businessman should ask
questions like the following for thoughtful action :

Have I competitors? If I do not, in the interests of the
business system, why do I not encourage competitors
myself?

Am I killing competition? Why don't I stop it
forthwith?

Am I encouraging efficient competition?

Action point number Five:
BUILD THE COMMUNITY

If we want to preserve the principles of individual freedom and private initiative, we must devote an increasingly larger proportion of our time to meeting the nation's social needs. The day has passed when our public responsibility can be met merely by offering sideline criticism of the government's efforts.

In effect, we must move into the social welfare field and offer constructive alternatives to the government's programs.

M. A. WRIGHT.*

We are unhappy with many things around us — the roads, the parks, the schools and many more.

We complain about them not being in proper shape; We point out that somebody has not done his job.

How about giving a big hand in getting these jobs done?
How about doing the little things and the big things that will build the community in which we are living?

*We have the men; we have the will;
we have the discretionary cash;
above all, we have the sense of urgency.*

Let us add to these our pride in the community.

Let us put these all together and build the community in which we live and work. It is true all this means work and sacrifice — are we not glad we have the freedom to do this work, make the sacrifice and

* Mr. Wright is Chairman of the Board, Humble Oil & Refining Company and president of the U. S. Chamber of Commerce.

share in the pride of the community?
The community may not vote for us
just because we have made this little gesture.
Once it sees the cumulative contribution
of the units that make the business system,
the community will at least *not vote against* the system.

It is not as if business units are doing nothing
for the community now; they are.
Only they are doing it piecemeal;
they are doing it in a random fashion;
they are doing it on a whimsical basis.
There is no organised, sustained
constructive effort.

The community and the people that make it
have a sense of self respect.
If the business system respects this,
the community may reciprocate the gesture.

**Action point number Six:
CREATE PRODUCTIVE JOB**

An aristocracy that shirks its leadership
is done for.
Its only excuse for existence is
that it takes the lead.

ALFRED NORTH WHITEHEAD

*There are in India a million productive jobs,
potentially speaking.*

To do so, opportunity sense, organised effort and
risk capital are required.
And all this those in the business system have.
Will they place it at the service of the community
and earn the lasting gratitude
of the young and the old?

Each businessman can create one to one thousand jobs.
He can create jobs by putting interested people
(in other geographical locations)
in the same business.
This does not mean competition to him;
he is serving one community,
and the created competitor
will be serving another community.

He can create jobs by underwriting people
who want to get into business.
He has a number of suppliers
and he can double that number.
This means a little inconvenience and extra effort;
but it does not mean injury to his earning power.

He can create jobs by providing seed money
for the technologically skilled people
who want to *make things*.

He can create jobs by sharing his volume of business

with others who want to be on their own
and serve themselves and the community.
This calls for a lot of guts
but it is a possibility.

*In the self-employed sector alone;
he with others in the business system
can create a million productive jobs a year.*

As we saw in the earlier section, by supporting
the many things that are
not done at all in the community
and that are incomplete today,
he can create many more jobs.

He can have the satisfaction at the end of the year
that he has put a ten, a hundred,
a thousand on productive jobs — to add
to the qualitative and quantitative standard of living.

He is denying himself this divine satisfaction today;
he *need not*: he has still the freedom to create jobs.

**Action point number Seven:
ISOLATE THE ANTI-SOCIAL, AND
KEEP THEM IN CHECK**

In the interests of a family,
an individual can be sacrificed;
in the interests of a village,
a family can be sacrificed;
in the interests of a state,
a village can be sacrificed.

AN OLD INDIAN SAYING.

There is an anti-social element among businessmen.
These men do not care for society.
They do not care for their neighbours.
Perhaps they do not even care
for the members of their little family.
They care only for themselves all the time.

These businessmen are a national calamity.

We may say they are a minority and
that they are a small percentage.
*What disturbs the citizen is
the fact he is a fast-growing percentage.*

Perhaps the very first thing
the decent businessmen should do is
to isolate this minority of businessmen,
bring group pressure on them,
and keep them under check.

In fact, they can go one step further—
they can set up an authority like an ombudsman
to blacklist them,
as we do in the case of law and order.

The blacklisting need not be permanent.
The people concerned can be given an opportunity

to mend their business practices
and be back to decent living.

If people persist in their anti-social ways,
they should be made to pay a price;
they should be openly boycotted.

Some of the anti-social businessmen
may have a monopoly of certain goods, and services.
So that they may not openly defy the public,
the majority should come to the rescue of the citizen
with similar goods and services.

If an alternative cannot be provided,
the citizen should be persuaded to sacrifice
and thus starve such men to sense.

This is a choice the businessman should make:

Am I for the larger or for the smaller?

Am I for the immediate present or the lasting future?

*Am I prepared to bring self-regulation to the community
or risk the existence of the community itself?*

(Yes, this is the emerging option.)

Self-policing is harsh; it is painful.

The alternative cannot be
someone policing us, not for long.

The alternative is actually much worse;
possibly the exit of the business system.

Action point number Eight:
BATTLE FOR A CAUSE

If affluent individuals regard their resources as providing a wide margin within which they can enjoy the luxury of creative experimentation with their environment, affluence can be a blessing.

JOHN GARDNER.

Habits take time to form.

Even awareness takes time to develop. There are a number of national causes for which we need god fathers, patrons, wet nurses and persistent fighters.

To take a few examples:
the cause of the talented children;
the cause of functional excellence;
the cause of sound values;
the cause of common-cause;
the cause of preventive health; and
the cause of training for life.

All such causes are important for society but they receive inadequate attention. They need the zeal of a missionary, the energy of an explorer and the persistence of a businessman.

Each business man can adopt a cause, small or large, and with like minded people can make a success of it.

At the moment, the businessman says:
"It is none of my concern;
it is the government's".

He also complains:

“These people are not doing a proper job.”

In other words, he wants
others to work and work well and
he wants to be their critic and beneficiary.

In this, of course he is like any other citizen.

He does not realise that
he is a better-off citizen and, therefore,
a citizen from whom society expects a lot more.

When he does not rise to this expectation,
he disappoints and his (business) system disappoints.

May be, in another clime and in another stage of history,
this is not the job of the businessman.

In countries like India, it is his;
in times like these it is his.

A businessman is not judged by what he earns
or what he gives the government:

*he is assessed by what
he gives the society from which he takes.*

Action point number Nine:
GIVE THE COMMUNITY ITS DUE.

There is enough for everybody's need;
there is not enough for anybody's greed.†

FRANK BUCHMAN.

“If we spend the way you ask us to spend,
what will we be left with?

You will be left with *goodwill plus*.

You are part of society — but only a part.
There are other parts —
the customer, the employee, the community
and the future of all of us.

You are eligible for 20%
of what you make from society.

The rest should go back to the society
from which you took it.

Only, you must learn to give it in such a way
that society will become richer still.

That way, you will be left with 20% *plus*.
You will have the goodwill of the community,
in addition.

The business system will gain this goodwill.

* The word 'community' is used here in the larger sense. If the conventional concept of community or jathwallas appeals to you, do make a start with it. As Rajaji points out, parts make a whole. (Please see appendix for Rajaji's insightful article in *Swarajya* of June 12, 1971.)

† The citizen asks: You say they are greedy if your executives or the government officers crave for more than their salary (which is a fixed amount). In other words, you want them to limit their personal needs. Why not do the same yourself? *Why claim a monopoly for greed?*

This goodwill will help the business system
not merely to survive but to thrive.

A thriving business system
will help the community thrive.

If this is utopia, let us try to make it
before we finally give up.
We may try and fail —
we have still a chance to succeed.

**Action point number Ten:
NOW TELL THE WORLD**

You're your greatest friend;
and you're your greatest enemy.

BHAGAVAT GITA.

Now tell the world what you have done :

Where you have *reduced* your margin;
By what quantum you have *raised* wages;
What steps you have taken to give customer *greater value*;
How many monopolies have been converted to *efficient competition*
What little and big things you are *doing* for the community;
How many productive jobs you have *created*;
What machinery you have activated to keep under *check* the anti-social section;
What *causes* you are actively *supporting*.

All this calls for greater productivity and better utilisation of resources and this story you *need not tell*: people know that without these you would not have been able to do what you have done.

Citizens are more concerned with what you do with the surplus you have than with the surplus you have or how you make it.

Let us not therefore waste words on our contribution to the cause of productivity and the rest.

They won't cut any ice;
only deeds relating to disposal of surplus will impress the citizen:
the nine points relate to this area.

Just as it is not enough telling,
it is however not enough doing.

We have to tell the world what we have done —
after we have done it.
We should reveal and make known our willingness
to be a useful, strong, significant,
and purposeful section of the citizenry.

Let us tell the story on a C-day.
Let us tell the *cumulative story* from that day.
Let us use all the media to tell the story.
Let us first have a story to tell.

Every person operating under the business system
can contribute to this story.
In fact, what is practicable
for such an individualistic group
like the business people
is *for each person* to do all that he can
to get a favourable vote for the business system
and without waiting for any one else.
This is an era of organised minority.
We need not therefore wait
for the majority to come around.
A handful of people can
get this '*operation survival*' started.

Let us once again remind ourselves:
We are thinking of doing something
which we should have started doing twenty years ago.
Every day may make the operation too late.
Let us do all that we can *and a little more.*
Let us give till it hurts and a little more.
The result will be to the advantage of every one of us.
The business system is not good
for the businessman alone;
it is good for society:
that is where its virtue and vision lie.

“ I AGREE BUT I AM ONLY ONE MAN ”

Are you big enough to be the master of your fate,
while others sit around with folded hands and wait?

ANON.

*The moment you agree.
you are not one man.
A good number will back you;
an increasing number will help you.
The moment you agree and act,
you are not ONE man;
you are one MAN.*

You may have read of*
what one MAN, yes, a businessman, has done
in France, Germany, Switzerland and Japan.
Such “ONE-MEN” will get
a greater support in this country
than perhaps in any other.

If a large number work for the common cause of
the continuance of the business system,
it will be well for us.

If that is not possible,
a small but organised section should do so.
If even that is not possible, a single man,
yes, a single MAN should act.

Let not posterity say:

The Business system in India
did not produce even a single MAN
who fought and failed —

who fought and — who knows? — succeeded.

Gandhiji uttered a caution as early as 1942:

“I see coming the day of the rule of the poor,
whether that rule be

* Articles in READER'S DIGEST (June 1971) P. 62, TIME Magazine (June 28, 1971) P. 54 and SWARAJYA (October 21, 1970). P. 9.

through the force of arms or nonviolence,"
and counselled *trusteeship management*
as an effective alternative to class conflict.

Conscious as he was of the limitations
of the capital class in the country,
he added: "It is perfectly possible
for an individual to adopt this way of life
without having to wait for others to do so.
And if an individual can observe
a certain rule of conduct,
it follows that a group of individuals can do like-wise.
It is necessary for me to emphasize the fact
that no one need wait
for anyone else in order to adopt a right course.
Men generally hesitate to make a beginning
if they feel that the objective
cannot be had in its entirety.
Such an attitude of mind is in reality a bar to progress".

AN OPEN LETTER
TO THE ONE PER CENT*

In the recent elections, most people who voted have indicated their disapproval of the behaviour of the one per cent to the ninety-nine per cent.

This does not mean they want the one per cent to be pauperized, to be humbled, to be put out of operation. In other words, they do not mean ill to the one per cent. Not yet, any way.

What they seem to want basically is a somewhat better deal than the one they are getting now from this one per cent.

To this natural expectation there are two broad ways of reacting.

One is to feel all is well with the world and particularly with ourselves and go about as we always did.

THE PROBABLE CONSEQUENCES

If we do this, the following consequences can be visualised.

The one per cent will be made a whipping boy. Those who have been elected will be forced to take measures to make it a little difficult for this one per cent to live and thrive. When they do this, they will get the support of the electorate.

* This was written immediately after the general election results in April 1971.

*It is true these steps while injuring the 1%
will not materially help the 99%.*

What the majority gets may be
just the sadistic satisfaction.

You may describe the resulting situation
any way you like.

The fact remains that the majority will feel
that *justice is done to the people
who are not giving justice to the majority.*

This process of making the one per cent
the scapegoat of the community
can absorb all the creative time and energy
of the people who would and should be
spending their time and energy
for more productive purposes.

This *can be avoided* if the one per cent
takes the initiative, reviews the situation,
reconsiders its approach
to the rest of the community and
joins hands with the well-meaning citizens
in meeting the common needs of the country.

If that is not done,
there is likely to be *a continuing tug of war*
between those in political power
and those in economic power.

It may be fun to watch a tug of war;
but this fun is not what the majority wants.
This fun is a dissipation of effort and
this dissipation we as a nation cannot afford.

*In this dissipation, all the parties will lose.
The one per cent will lose;
the 1% will lose the present and the future.
The 99% will also lose the present and future.
In other words, the prospect for the country
is a 100% loss.*

There is however still time to avoid this dissipation
which is a luxury for this country.

It is precisely to avoid this tragedy for individuals that I would like to *plead with the one per cent to co-operate with reality* and think of a second approach.

THE REALITIES

And what is the reality?

One is the reality of the political set up. The real power is the vote power; the 99% will have 99% votes.

Another reality is that we are living in times of rising expectations, of changing expectations. India can't be an exception.

A third reality is that the one per cent has been looking after itself at the expense of the ninety-nine per cent and for too long.

A fourth reality is that people are reaching the limit of their patience. As Vinobaji has pointed out, *if you don't share gracefully now, what you have may be taken away by force.*

A fifth reality is that while people are welcome to make all the wealth they can, they will no longer be permitted to keep it all to themselves. One may feel that he is born in the wrong century or at least in the wrong country, *but that too is a reality.*

If these aspects of reality are not met creatively and in time, there is *another emerging reality*, and that is the one per cent being pushed out as a thoughtless minority.

These are realities—however unpleasant.

They'll not oblige us; we must oblige them.

Enlightened self-interest suggests that we concede this reality and co-operate with this reality and not fight a losing battle.

If we do decide to battle,
all indications are it will be a painful battle,
a pathetic battle and a losing battle.
It *may* all be over and against our interests
in the next ten, if not five years.

CO-OPERATING WITH REALITY

How can we co-operate with reality?
What does this reality require of us?

- a. Reality requires that we reconsider our approach to men and things.
- b. Reality requires that we focus on *giving* to as *taking from* the community — giving a little more and taking a little less.
- c. Reality requires that we serve the worse off rather than the better off.
- d. Reality requires that we make all the wealth we can but that we strictly limit our personal expenditure and possession.
- e. Reality requires that formally or informally we hold the nation's resources in trust and make new wealth as fast as we can.

QUIT POVERTY: OUR WAR CRY TOO

In a sense, reality requires that we adopt the fashionable war cry, 'Garibi Hatao' (Quit poverty) as *our* war cry.

Indeed, this one per cent can give real substance to the new war cry if it chooses to.
It can create an impact disproportionate to its size.
It can create new wealth in abundant measure,

it can create productive and paying jobs,
and it can help raise the standard of living
quantitatively and qualitatively,
and in an unbelievably short time.

This is a plea to the trader,
the businessman, the manufacturer,
the agriculturist, the professional and
generally to the better off — the one-per cent in society.

The details are not difficult; the decision is.
This decision is a decision in principles,
in attitudes, and in personal discipline.
In substance, it means that

- a. We will creatively serve those
who are worse off rather than
those who are better off
and in a big way;
- b. We will make greater wealth
through our efforts,
but limit our personal expenditure.

This is a plea for competing
in the area of *creating and giving*;
this is a plea for suspending
the existing competition in *taking and grabbing*.

This creative approach may not
reverse public attitudes instantly;
we may not get their sympathy overnight.
In other words, if we act, it is only
to do the fair thing by the rest of the country.

FAVOURABLE VOTE: A BY-PRODUCT

As a by-product, we may be eligible
for a favourable vote in good time.
The Indian citizen is not an unreasonable person —
he is in fact generous to a fault.
In the words of William Penn Patrick,
“People have all the things to give

that one really wants.
If you really deserve it,
they will give you the love,
the affection, the votes, the confidence,
the appreciation, the opportunity."

Perhaps the one per cent has been unfair
to the majority citizen for long
and perhaps without meaning it.
It has to make amends and having made it
wait for a while, before it gets any response.

As a matter of information,
I am on the periphery of this one per cent.
I have been doing what I am suggesting to you.
I am not suggesting it to you because I am doing it;
I am suggesting to you because,
as the old saying goes,
"The minority is as important as the majority."
In fact, in our context,
the minority is more important.
My concern is with the fact that
if the one per cent does not get
a little more sensitive to reality and
if it does not co-operate with reality,
times may not be favourable to them and
they may be put out of commission.
It is not well for them or for the country.
It is in the spirit of a fellow citizen then
that I am writing this letter to
those who *can* if they *will*.

HELPING THE PARTS BENEFIT THE WHOLE*

by C. RAJAGOPALACHARI

Non-Statist social justice was enunciated by Gandhiji in his formula of wealth being held as a trust for others, who need help. This formula calls for uprightness and compassion, humility and godliness at the wealth-making levels of the people. Due to several causes this basis may be taken to have failed today. The alternative, Statism, viz., the removal of disparities of possessions by legislative and executive action, leads, under the Parliamentary system of Government, to waste, political corruption and authoritarianism.

There is another hurdle that cannot be got over by any conceivable policy, viz., the huge size of our population: 500 millions of poor people cannot be helped through taxation or other Statist measures to enjoy social justice. De-universalization is necessary, whether the means employed to achieve social justice be Statist measures or non-Statist and Gandhian. Any project planned to cover the entire population at one stroke must fail on account of the dimension of the problem. We must split our problem into parts, which is what I call de-universalization.

There is in India a factor that has survived the individualism and selfishness inculcated by modern civilization — what is called communalism and every day deprecated being opposed to unitary nationalism which has become the great national goal and slogan. Communalism is attachment to one's community or sub-community or subcaste, a mixture of abandonment of pure selfishness with generosity extended to one's community as a whole.

* Reproduced with permission from *Swarajya* of June 12, 1971.

Communalism, when it works against national interests or integrity in administration, is certainly bad. But attachments can be trained and exploited for good purposes. Statesmanship consists in converting the unavoidable disadvantages and defects in one's nation into advantages and opportunities for good.

The inspiration for applying this encouraging proposition came to me when I dealt with the second book of Tiru-Valluvar's Kural, about 37 years ago. The chapter dealing with Looking after the Tribe, Sutranthazaal, led me to make the following comments in my book. What I wrote on Sutranthazaal years ago is relevant in this connection :

“The Tamil classics lay great stress on the duty of conserving the affection of relatives and dependants. It is deemed a moral obligation to keep them well-fed and clothed out of one's wealth, a system that the Indian social reformers of the nineteenth century thought was responsible for blocking individual enterprise and the progress of the country.

“Individualism with competition as the socio-economic basis of life was neither rejected nor entirely accepted in Indian culture. The man and all his relatives formed a unit shared the fruits of their toil among themselves equally. Each was expected to toil also under the chief's instructions and moral influence, up to the measure of his capacity. He had the right to be maintained in equal status with everyone else in that group irrespective of the measure of his ability to contribute to its wealth. There was thus 'socialism' within this limited sphere. The units thus composed competed with one another.

“There was thus recognition of the principle of competition as among the groups formed on the basis of relationship. No one was compelled by law to remain within the fold. He could rebel and get away from his relatives. But so long as he remained within it, he was entitled to be looked after. For a man with a larger

earning capacity, to leave the fold with the selfish object of excluding his relatives from sharing in the fruits of his toil, was considered an offence against the culture of the land. There was thus a semi-coercive basis for the system.

“The modern conception of communism is a State-wide and State-enforced system to which serious objections are raised by individualists. The Sutranthazaal idea (enforced by public opinion without State coercion) is a very old compromise between the two systems. The problems are millenniums old, and the varying solutions too are of like age. If evils can be pointed out against a system of family dependence, so also can serious objections be pointed out against Statist socialism. Even as adherents of the latter admit the defects, but plead that we must choose the lesser of the two evils and suggest various remedies and adjustments to mitigate the defects, so also can thus Sutranthazaal plan of life be defended and mitigated in respect of defects. Perhaps the necessary adjustments are easier in the latter case.

“The world seems to be coming back in a curious way to old ideas. “Sutram”, need not necessarily, though it generally does, mean relatives. It is inclusive of others received as dependants on the same terms as relatives. The word literally means ‘those that surround’.

“Sutranthazaal is not nepotism, i.e., forcing one’s relatives on the State. It is sharing one’s own lawful possessions with them, and not defrauding the State in the interest of one’s relatives, which is nepotism. The later is, alas, that which prevails in countries prematurely forced from the Sutranthazaal culture into individualist civilization by adventitious circumstances. The instinct and moral compulsion of helping one’s relatives are there being an inheritance of the old culture but find outlet in a wrong channel.

“The distribution of the benefits of wealth among relatives and other dependants is not merely laid down as a moral virtue, but is justified as a plan of life with

an aim. It secures happiness for society by the intrinsic joy of helpfulness and by mutual support against common dangers. Go to the crow and learn, thou selfish man, says Tiru-Valluvar. The crow does not hide it when it finds something to pick and eat, but calls its fellows and then starts eating. Prosperity comes only to men who develop this disposition."

The above was written by me nearly 40 years ago in my book of Kural. The vast mass of our poor people numbering over 500 millions cannot be helped out of their miserable condition by the magic wand of 'socialism'. This magic wand is not better than the wands wielded by sleight-of-hand tricksters. To tax a people and give doles out of the funds thus collected through direct taxation and duties on commodities to keep discontent down must make citizens into beggars. It is not desirable that citizens who can work and make a proud and happy nations should all develop and alms-taking mentality. It is not sound simple arithmetic even if we do not test it by any higher laws of economy.

This truth led Gandhiji to propound his doctrine of the treatment of wealth which the few acquire as a trust held for the good of others and not as property for self-indulgence. Gandhiji did not elaborate his doctrine into what may be called a plan. He contended himself with the mere adumbration of the ideas. Gandhiji desired that a sense of family should dominate the national psychology instead of being a people governed by coercive laws. The State is the corporeal incarnation of coercion. The family is love and compassion incarnate.

Five hundred millions constitute too large a family. And there is not an adequate foundation of love and compassion and close attachment which can cover such a large mass of people. Our nation is a nation of communities and subcommunities. Hindus, Muslims, Parsis, Christians are all covered by this statement. In spite of every effort what has been deprecatingly called communalism is obstinately holding on and holding on for good reason. Individuals have an inescapable attach-

ment to the extended group to which they belong.

The love for one's own family is not decried as unpatriotic. But the attachment which is short of love but is still valid and strong, to the extended family called the community or caste or sub-caste, is considered disgraceful, being a deviation from the pure and single nationalism we desire to instil covering all our people. In this attitude, we seek to ignore nature, which is futile. Why should not Gandhiji's doctrine of trust be worked on a de-universalized plan? Let the nation be looked upon as a collection of extended families, and let the wealthy in each extended family, those who have the tase, equipment and talent for making wealth look upon their wealth as trust for the extended family to which they respectively belong.

The whole consists of its parts, and the parts together make the whole. If there are some sections which have not the advantage of a guardian and helpful trustee such as we contemplate, let them be looked after by the State. But let the bulk of social justice and the wiping out of helplessness be done voluntarily on the basis of Gandhiji's doctrine of trust. There is a foundation of attachment and a sense of duty and emotional satisfaction in the fulfilment of that duty to make a workable plan of the non-violent doctrine adumbrated by the Father of the Nation.

Let us thus make "communalism" a positive instrument for good instead of deprecating it and decrying it day in and day out, though finding ourselves unable to do away with it. Bona fide charitable endowments and institutions for the benefit of members of one's "extended family", as I call the community or sub-community to which one belongs should receive every kind of encouragement and concessions. Of course non-bona fide trusts which seek to benefit oneself, one's own family or close relations and not the community or sub-community as a whole should be excluded from any Government concessions or aids. But bone fide trusts to benefit a large number should be encouraged.

The whole consists of its parts and the parts make up the whole.

I have summoned courage to make this non-conformist proposal because I am convinced it is the best and probably the only way to avoid Statism and its evils and to give effect to Gandhiji's doctrine of holding wealth as a trust.

CITIZENS CAN BEAT RISING PRICES

PROFESSOR M. RUTHNASWAMY, M.P.

In a recently published book on Modern France by John Ardagh (Pelican) I find the story of one single citizen beating rising prices or inflation as economists and politicians call it. It is the story of Edouard Leclerc, a young grocer in a small town in Brittany, calling a halt to rising prices of consumer goods. His modus operandi was to buy goods from the manufacturer or producer and sell to public at near wholesale prices, cutting his own profit to a minimum. In 1949, at the age of 23 he opened his first store in a building with no pretensions to architecture in his home town of Landerne near Brest. He started buying biscuits from a nearby factory and selling them at 25 per cent below the market price.

While the local tradesmen laughed at this venture of his, the public rushed to his shop and Leclerc's turnover went up. By 1952 the local tradesmen, alarmed at his success, persuaded the manufacturers and wholesalers to threaten to stop supplying any further goods. The manufacturers took to boycotting him. Soon his supplies began to fall, on account of the boycott. Leclerc answered it by complaining to the Government against the manufacturers, and explaining his motive. The Laniel Government came to his rescue in August 1953 by passing a decree that made illegal the system of imposed prices, which the manufacturers practised in combination. De Gaulle's Government confirmed the decree which has become French Government's policy in regard to prices.

Encouraged by this move of a sympathetic Government Leclerc moved out of his town in his campaign

* Reproduced with permission from *Swarajya* of October 21, 1970.

against high prices. From 1955 a chain of Leclerc Centres began to spread over Brittany and from Brittany they moved to the rest of France. In 1959 the first Leclerc Centre was started in Paris. By 1960 the number increased to and following Leclerc's example, a few others were set up by others. Then the Leclerc 'menace' had become so strong that Big Business could not ignore it, and bestirred itself. The larger stores whose price-fixing monopoly was threatened declared war on Leclerc. They tried the usual methods which Big Business usually uses—making highly publicized reductions on a few minor articles while making the rise of prices in all others. This had some effect on the ignorant French populace.

Leclerc fought hard by extending the range of his own Centres from groceries to textiles where prices were absurdly high in France. And Leclerc's Textile Centres sprang up all over France selling at 30 to 40 per cent below retail prices. To meet this challenge Big Business resorted to all kinds of low tricks, pretending goods were out of stock, sending the wrong goods or delaying delivery — they even subsidized some retail shops so that they could sell at a loss. Leclerc once again appealed to Government who in March 1960 issued a sharp warning to Big Business against breaking the 1953 decree and the authority of the De Gaulle Government compelled them to obey the decree. Baffled, Big Business resorted to the lawful method of open competition with Leclerc Centres. But Leclerc and his Centres have a shoe-string staff and a minimum of paper work and modest buildings with austere equipment and decor, reducing his overhead charges. It was thus he has realized his ambition of keeping prices of consumer goods down. Although Leclerc Centres are relatively few in number their existence and methods have kept prices down all round.

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