

PROSPERITISM

----- **Ram Prasad Dahal**

2008

----- **RAM PRASAD DAHAL**

PREFACE

Among the most popularly used three words, equality, prosperity and development, the first one was and is used to lure the common people of all periods of human history for supreme happiness in that world or for financial affluence in this one. Innumerable people were sacrificed in one or other name of equality but only a few did prosper from those efforts and the rest were crushed under the wheel of poverty, un-equality and un-justice for ever. Innumerable saints, preachers and philosophers forwarded methods, rituals and principles for that purpose but hardly, they could bring equality among the people. The result of all the time efforts concluded that equality to all people among them is an impossible dream. However, the process of development continued and so did the level of prosperity of the people.

Prosperity is a fruit of human endeavors and only those people, who desire it, do prosper. Others may get just a crumb or leftover of those efforts. Those people, who are satisfied of what they have or those ones whose desires are fulfilled all the time, have no prosperity desire or desire to prosperity increment and they are satisfied on fulfillment of their basic physical needs or they depend upon others parasitically.

Development is a conclusive result of human efforts to raise one's prosperity among the others. Man is a competitive survivor and his competition is with his own kind. People, who can adjust and adapt themselves to surrounding environment with their natural instincts, can forward to prosperity and then to development of society.

Principles of Prosperity are all time working principles and they fail only when equality, which never happens, prevails. Un-equality in capitalist system or pseudo-equality in communist system pave the road of competitive prosperity struggle of human being and human development rolls forward on that never ending path of human civilization.

PROSPERITISM

Part I

Prosperity Desire

Contents

Page

1. Prosperity Desire

1. To Human Being
2. Human Desire
3. Earning & Time Value
4. Prosperity
5. Prosperity Desire
6. Prosperity & Equality
7. Poverty Line or Poverty Threshold
8. Saving, Investment & Capital
9. Time Line Prosperity & Development
10. Capital & Exploitation

Part II

Principles of Prosperity

1. Principles

1. First Principle
2. Second Principle

2. Corollaries

1. First Corollary
2. Second Corollary
3. Third Corollary

Part III

Explanation of Principles of prosperity

1. Explanation of Principles

1. Earning, Consumption & Prosperity
2. Labour, Non-labour & Production Costs
3. Balance of Trade
4. Production of Unlike Products
5. Equivalence between Un-similar Products
6. Capital & Technology Transfer
7. Increment of Prosperity

R.DAHAL'S

PROSPERITISM

Part I

PROSPERITY DESIRE

(The Driving Force of human Development)

PROSPERITY DESIRE

(The Driving Force of human Development)

1. To Human Being

I have no reason to believe the religious doctrine of creation and so have to follow Darwinian Theory of evolution. As we find coral-like semi-living or semi-nonliving animals or materials even now, they provide justification to believe in creation of animal from material by evolution, though the first creature should be lowly one-cell creature. No doubt those creatures received all their nourishment from one source to make their life easy. To avoid the tedious path of changing from non-living to living time and again, the one-cell creature learned to divide itself to two and further. Sexual generation was not evolved yet. As the one-cell creature evolved to multi-cell one, source of nourishment became diverse and so started a harsh competition for food, water and mate and those too in time of physical need until human being did not appeared. Nature freely provided them what they needed or they were satisfied of and adjusted to what nature provided to them or they used to die out. Natural evolution had no other option.

Evolution to human being created a new dimension in the law of nature. While earlier creatures were limited to natural needs, man fascinated a new luxury called desire. Only very highly developed mind could afford such luxury.

Thus, came the difference between man and other animals. Man learnt to act and to venture to fulfill his desire. So by dictate of evolution a semi-living creature was converted to a desiring animal and he dominated the earth, at times, even defying the nature.

Animals need to consume to survive and higher the animal species higher will be the sphere of consumption. Only human being has a sense of desire and its highest form of desire is prosperity increment desire or prosperity desire.

Animal needs are basic need but some of the human needs are optional.

- 1. Air**
- 2. Water**
- 3. Food**
- 4. Mating**
- 5. Shelter**
- 6. Clothing**
- 7. Other needs as per social status**

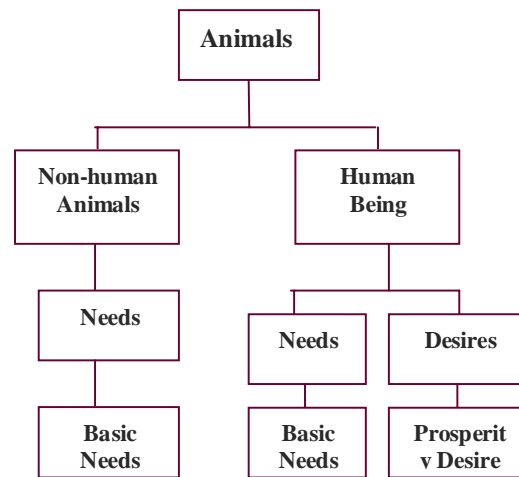


Fig 1 – Basic Needs & Prosperity Desire

The first three are basic needs of animal survival and their priority decreases down from air to food. Mating is not an absolute need for survival of an individual but it is natural necessity for regeneration. Shelter is taken some times by other animals if available but the all further down are created by human desire. In modern days of civilization, consumables created by human desire may be converted to basic needs of survival in that very civilization.

2. Human Desire

After all, what is desire which boosts human activities? What is the difference between human need and desire?

Every living being needs some thing basic to sustain his life and to continue its

activity. Every living being efforts to acquire these items in daily basis and is satisfied if it gets them but human being does not do so and wants some thing more. This want beyond the natural requirement is called desire. While human need is essential for his survival, desire is just string longing for satisfaction and happiness or for some thing beyond natural need. Desire may very from time to time, place to place and person to person. A person without desire is a hermit living in the wild, who has neither future plan nor better expectations.

Desire motivates a person to have more and activates him to gain it. A tallest giraffe can not grab the leaves above its height. Two bulls can hit or push hard each other by what their strength provides. Even the fasted leopard has limit in its speed but man has no such limits. He uses stairs, cranes, and lifts to raise himself above his height, uses bicycles, vehicles, horses, airplanes to gain speed and wrestles cunningly bare hand or uses tools to overcome his opponent. The superb brain acts both positively and negatively to fulfill his desire. Capacity of strength of others animal can b measured in power units but that of man can not be done so. Other animals have measurable physical strength but mental creativity of man is un-measurable. And so is desire.

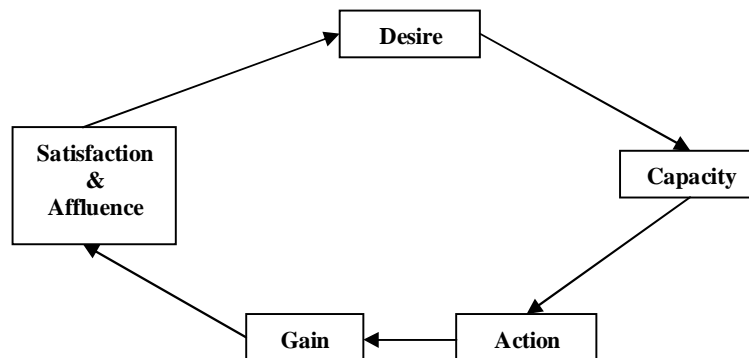


Fig 2 - Desire Cycle

Fulfillment of one desire creates another and so on. Desire creates capacity, capacity fulfils action, action creates gain and gain brings satisfaction and raises affluence level where another desire rises automatically. The never ending circle of human activity moves like a spiral upward, raising human knowledge and affluence. Human civilization is a creation of revolving activity of desire.

‘Necessity is mother of invention’ – says a proverb but what a person needs it he satisfied on what he has. Desire creates non-satisfaction or vice versa. A person desires to be better than or superior to others. A bread earner demands loyalty and respect from family members. He desires superiority, efforts for it and gets it to earn respect and superiority. Thus we come to conclusion: animal needs are natural necessities for survival and desires are human necessities for prosperity.

3. Earning & Time Value

Wild animals do not work and they live on what they get in wild. Domestic animals do not earn too. They are fed by their masters. Children, old and sick people are parasitic sub-ordinates to their bread earners. A person has to earn some thing for his own and for his sub-ordinates’ survival.

Earning of a person is consumable equivalent available to him within a time unit against his physical and mental work and that depends upon output of his work and upon his working situation and surroundings. Only working person earns some thing. Non-working persons live either on accumulated earning or as parasites on others’ earnings. But time value of a person is sum of consumables accessible to a person from all sources in a unit time. People may live without earning but they can not do so without time value. Human being with zero time value is a dead person. So time value of a person or personal time value is an accessible amount of consumables of a person within a unit time. In other words, time value is amount of consumables (materials and services) available from different sources accessible to him. While earning is main portion of time value for a working person, donation or charity or accumulated earning or subsidies are main source for parasitic sub-ordinates. Children too have their time value though they have no earning.

4. Prosperity

Who of the two is more prosperous? A person earning Rs 70,000 in New York or a person earning Rs 15,000 in Katmandu? Does a person earning Rs.100,000 per annum lives better life than a child of multi-millinery parent? Looking deeply in

these conditions we find that though earning may be main component of prosperity, it is not the final one and that too depends upon situations and environments. Among the persons, we can find more prosperous and less prosperous by comparing their time value. Among many people we can make a comparative time value list. This may be for one environment, for one condition. For example, we can compare prosperity of similar professionals in one locality on one condition. For different professions in different locality, in different condition, first we should get prosperity between localities, between professions and between conditions.

Thus, prosperity of an individual is a comparative expression of its time value with that of others in similar condition. For example, individuals A, B, C of similar profession live in same condition and locality with time values W_A , W_B , W_C respectively. Let τ_a , τ_b , τ_c be their prosperity, then

$$\tau_a = W_A / W_A = 1$$

$$\tau_b = W_B / W_A$$

$$\tau_c = W_C / W_A$$

If τ_b and τ_c are less than τ_a and B and C are less prosperous than A and if more, they are more prosperous. Prosperity of a single individual can not be measured. Change in one's time value may change one's prosperity and equally change in others' time value may change prosperity too.

$$W_G = W_A + W_B + W_C + \dots \dots \dots \text{to } n \text{ times}$$

And average of that group will be

$$W_{GAV} = W_G / n$$

Groups may be professional, institutional, regional, political and of all sorts. Prosperities between two individuals of two different groups are affected by prosperity of corresponding group strata or level. Average time value of the group individual rather than total time value will represent the prosperity of the group. For example, in a group if the sum of all individual time values is W_G and average time value is

$$W_{GAV} = W_G / n$$

And prosperity of individual in the group will be

$$\tau_a = W_A / W_{GAV}$$

$$\tau_b = W_B / W_{GAV}$$

$$\tau_c = W_C / W_{GAV}$$

and so goes up to n th term and prosperity of i th individual will be

$$\tau_i = W_{Gi} / W_{GAV}$$

where $i = 1, 2, 3, 4, 5, \dots, n-1, n$

Similarly, prosperity of a person in group B with respect to prosperity to the person of group A of same profession will be

$$\tau_b / \tau_a = \text{average time of value of group B} / \text{average time value of group A}$$

5. Prosperity Desire

When grass in one place dries out, animals go to other grazing fields looking for pasture. Early men did so too but later he learned to raise his own grass on that very spot. He did so for better life, better than earlier and better than that of his neighbors. The first was for easier life and the second was a competitive instinct within his species. Not only he desires good and enough consumables but also likes to have those things best of all. While desire of better living is desire of self-development, desire of excellence among its own kinds is desire of prosperity or prosperity desire. While development desire is survival instinct, prosperity is a rat-race within a society. Within the bound of allowed (some time called 'legal') limits, such competition enthruses a person for self-development. Accumulation of such individual efforts develops society. Human civilization is a total result of all individual human actions. In conclusion we can say that prosperity desire differentiates human beings from other animals and it is the driving force of human activity and civilization. If a man can not act on prosperity desire, his activities will be limited to animal requirements such as food, water, merry-making and mating.

Man is neither a saint nor an angel. The fruit of his activity he wants to consume or dispose alone and on his own. Even if he can not consume all what he has acquired, he will be ready to handover only a miniscule part of his gain. He would like to save it for his non-hay days. Man cares his own, not animals. He

has natural tendency not only of prosperity desire but also of saving or accumulation.

Prosperity gain of a person can not be consumed by him alone, though he tries to do so. He has to share his gain with other fellow members to maintain his prosperity. For example, if a person gains four pairs of shoes when he needs just one pair, he has to loan other three pairs to three other people. They will take those shoes only then, when they are able to pay for it. The former has to help the latter to raise prosperity at least he could buy one pair. Production by a person helps to increase his prosperity only if that production is distributed as consumables on his behalf among his fellow members and those fellow members will be able to consume it if they are able to compensate him against that product. Prosperity desire provokes each one to raise his production and prosperity can be gained only if part of that product is consumed by other fellow members, who applied the same process to raise their prosperities too. Directly or indirectly, they barter their production or actually their labors or efforts and raise their prosperity. The better producer can have a chance to raise his prosperity more and less produce one, though the less one too, raises his prosperity. Thus, time value of the whole community or society is raised due to the efforts of community members. Prosperity with respect to the past is raised too and society gets more developed. At the end of one process, starts another one and thus, runs the spiral of civilization up and up and even the idlest one gets a small share of civilization.

Development is another name of social uplift and it shows time value increment of society members in particular and that of the society in total. In development, social time value will increase with time but calamities may diminish social time value. Irrespective of social changes, prosperity of a person in that very society may rise or fall or standstill in both cases. For examples, haves and have-nots existed in primitive society too as they today and more or less prosperous by their standard were there too.

6. Prosperity & Equality

'All are equal to God.' – says religion but God never treated them equally and in reality no two things, even less two persons, are equal in all respect. A thing can be equal only to that very thing in all respect. That is a reality of nature. As un-equality is expressed by different dimensions in different space, equality arranged in one space creates un-equality immediately on others. Equality in all respect makes two things, ideas or expressions automatically one. Though absolute equality or equality in all respect can not be maintained, people preached and promised partial equality all the time in history. Religion promised equality in heaven and un-visible reality remained dream to all generation of human beings. Rousseau in 17th century raised voice for equality in politics and later in 19th century Karl Marx preached another principle of financial equality.

Human being is dimensionally unequal in physique. Tall, short, thin, obese, bald, hairy, broad, narrow and others are his visible physique. Fast, slow, steady, clumsy etc are his physical characteristics or physical capabilities. They are no where equal to one person to another. There are mental capabilities too in form of logic, ideas, thought etc that dictate and control physical action of human beings. If compared, no two persons are equal mentally as well. Even Siamese twins develop different capabilities physically and mentally. Amidst these unequal capabilities, we can not and should not expect equal output from equal input in them. Thus, we can draw a conclusion that if people act in their full capacities, the outcomes or productions of their action in quantity and quality both are never equal to one another.

More bizarre is consumption pattern. Non-producer like children, sick and old people may need more than adult producers. Investment in children is a saving for their parents or society and that in sick and old adults is liability of their past investment on their children or society. Consumption of adults is too never equal to one another. Thus, we conclude that neither input (consumption) nor output (production) of any two individuals is equal.

There are different options of input and output. The first one is equal input for

equal output. Soldiers of one rank in a barrack get equal consumption and they are expected to have equal fighting capacity. So the students of a class in a hostel are expected. Second option is equal input but an unequal output. Children may demand consumption equal to adults' or even more but they never are asked for equal output. So may be among adults too. The third option is of unequal input and equal output. Two workers of one profession in two places may have different consumption possibility but they produce equal products. Or in a paid party, each individual pays equal amount even if they consume more or less.

The fourth option is unequal input and unequal output. As human beings are not equal, the consumption can never be equal and can not be equal their production too. 'They give what they can do and get what they produce' – says capitalist system. 'Human being should give what he can and should get what he needs' is communists and Utopians too. All of them accept unequal output for unequal input in one or other form. While capitalist allows the producer to save the positive extra output (output minus input), communist likes to distribute that extra output among the less fortunate ones who have negative extra output for the sake of just distribution. In other words while capitalism practiced individual freedom, communism stressed on community benefit.

With guaranteed minimum requirements of livelihood, every individual in capitalist structure moved towards self prosperity development and flourished. On the other hand, the protagonist of communist establishment drove hard the hungry enthusiastic mass towards euphoric dream of absolute equality and gained success to provide basic animal requirements of livelihood to all within the system. But hardly had a new generation been matured, the well fed generation could not give them more than what they had, they opted negative prosperity desire i.e. to have the same time value for less work. Lack of individual freedom and development of negative prosperity became the root cause of the fall of Soviet Union, the father nation of communist establishment. Snooping the pressure of negative prosperity, China, the biggest communist establishment in world, quickly shifted its position and allowed prosperity desire act positively and prospered very much within a quarter of a century.

20th century was a struggle between haves and have-nots or a struggle between more and less prosperous. It also showed that if not provided basic minimums, mass will revolt against the establishment and if positive prosperity is not allowed to work, negative prosperity desire starts automatically.

7. Poverty Line or Poverty Threshold

Who is poor? This term is undefined if there are no rich person and richness is undefined too without poverty definition. Poverty and richness like two poles of a magnet can exist only in pairs. So it became necessary to draw a line where these two terms meet and it is called poverty line or poverty threshold. People having less time values below this threshold are assumed to be poor and above it rich. Prosperity at that poverty line can be taken as one i.e. above that poverty line it is more than one and below it – less than one.

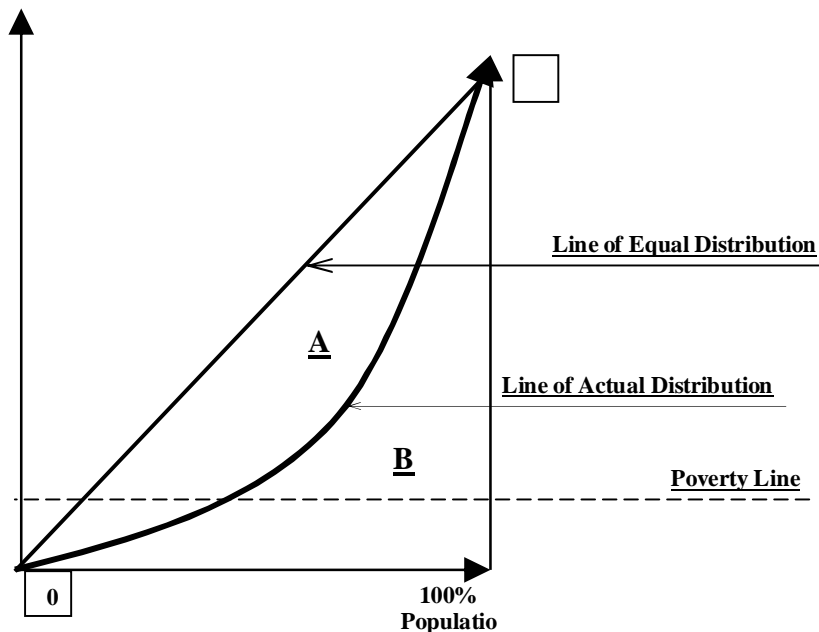


Fig 3 - Lorenz Curve

Poverty is expressed in term of time values called absolute poverty, whereas that expressed in relative term, like prosperity, is called relative poverty. Change in time values of members of community does not change their prosperity and relative poverty in the community but changes the absolute prosperity. For

example, if persons of time values W_1, W_2, W_3, W_4, W_5 have W_3 at their threshold and $W_1 < W_2 < W_3 < W_4 < W_5$, then W_1, W_2 are in poor zone and W_4, W_5 in rich zone and W_3 on the border. For the sake of simplicity, let us assume their time values as followings

$$W_1 = W$$

$$W_2 = 2W$$

$$W_3 = \underline{2.75W}$$

$$W_4 = 6.25W$$

$$W_5 = 8W$$

Then, the average

$$W_{av} = 20W/5 = 4W$$

And prosperity with respect to average time value are

$$\tau_1 = W / 4W = 0.25$$

$$\tau_2 = 2W / 4W = 0.5$$

$$\tau_3 = 2.75W / 4W = \underline{0.6875}$$

$$\tau_4 = 6.25W / 4W = 1.5625$$

$$\tau_5 = 8W / 4W = 2$$

Let us take $2.75W$ as threshold time value at one side prosperity 0.6875 as threshold indicators respectively.

Suppose the community developed 10% time value of all members. The time values of above mentioned time value can be denoted as following.

$$W_1 = 1.1W$$

$$W_2 = 2.2W$$

$$W_3 = \underline{3.025W}$$

$$W_4 = 6.875W$$

$$W_5 = 8.8W$$

Then, the average

$$W_{av} = 22W/5 = 4.4W$$

Let us calculate the prosperities with respect to average time value in later case.

$$\tau_1 = 1.1W / 4.4W = 0.25$$

$$\tau_2 = 2.2W / 4.4W = 0.5$$

$$\tau_3 = 3.025W / 4.4W = \underline{0.6875}$$

$$\tau_4 = 6.875W / 4.4W = 1.5625$$

$$\tau_5 = 8.8W / 4.4W = 2$$

In this later case, W3 by time value indication crosses poverty line and jumps to rich zone but by prosperity indication all the members remain there where they were before. Thus we draw following conclusions.

- Absolute poverty level is a fixed time value indicator of a person along time line.
- Relative poverty is a fixed prosperity indicator between individuals in community.

In the Lorenz Curve, poverty line indicates the portion of population below that line. In that curve, lower the Gini's coefficient, higher will be proportion of population below the poverty line. In the graph, wealth of whole community is taken as 1 and population in %. In the diagram, the area between Line of Equal Distribution and Lorenz Curve is noted as A and the rest as B.

Gini's Coefficient, $G = B/(A+B)$

But, total wealth = 1

And so, triangle area $A+B = 1/2$

So, $G = B/(A+B) = B/0.5$

$G = 2B$

8. Saving, Investment & Capital

In a group of equal distribution, the stringiest saves the most but it does not mean that he will spend that saved amount on later date. An entrepreneur will borrow from him, will run it as a capital and will return him that amount with some interest. In other words, saving is a stringy act; investment is a risky spending of that saving in form of capital. An entrepreneur miser may perform both of actions, if he desires, but is rare.

But all these actions do not come from nothing. Desire for prosperity acts behind the scene. The miser stockpiles his saving not for nothing but to raise his

prosperity status in his community and the entrepreneur does the same through production and profit. For example, a shoemaker A makes a pair of shoes every day, sells it, buys raw materials for another pair and the rest income he uses for his daily livelihood. At the end of day he has nothing but the raw material for another one pair. As demand of his shoes is there, one good day, he borrows some raw material for another pair of shoes from miser to have a full day's work for him. At the end of the day, he disposes both of the pairs, earns extra money return back loan with some interest. Within some days he was able to have two pairs of shoes by himself without borrowing. As there is demand and his effort continues, he was able to buy a sewing machine and hire an assistant. The junior learnt to work and helped to him. At the end of time period, the master paid the junior, discounted all expenses and gains some profit. The entrepreneur goes on investing his profit for further gain to fulfill his never ending desire of prosperity.

Karl Marx forwarded a principle of equality – ‘Give him what he needs and force him what he can do’ or ‘supply as per needs and work as per capacity.’ Communist Party of Soviet Union continued party authoritarian rule for three quarter of a century to achieve Marx's dream of equality but could not reach beyond state capitalism and, at last, it itself got dissolved. Another giant nation, communist China, smelled the fiasco immediately and turned its economy towards prosperity competition. History and experience of different communist ruled countries concluded that definition of equality of classical communism works true until basic animal needs are not fulfilled. Prosperity desire works all the time. First, man tries to increase prosperity further to fulfill his animal necessities and then, goes to its prosperity desire i.e. goes to increase his prosperity level. Also, change in prosperity of one individual member of a society brings change in social prosperity. Classical communism defined vice versa i.e. individual member should work to change the prosperity of the society and that change in society brings change in individual prosperity.

9. Time Line Prosperity & Development

Before the Second World War, a common mathematical calculator, now available on footpath of under-developed countries, was a colossal machine beyond the dream of a common man even of a developed country. Thousands of such examples are available. It shows the increase of prosperity of the people as a whole along the time line. The change is visible in food, in healthcare and in all sectors. Change of time value of individual along the time line changes his prosperity relative to his past along the line and such change indicates the change of prosperity of an individual within the given duration. For example, a person A had a time value W_{A1} at one time and also his prosperity at that time relative to his own time value,

$$\tau_{A1} = W_{A1}/W_{A1} = 1$$

After a duration of time that individual changes his time value to W_{A2} then the prosperity τ_{A2} relative to earlier time value is

$$\tau_{A2} = W_{A2}/W_{A1}$$

If $\tau_{A2} > \tau_{A1}$, that individual is developing and if $\tau_{A2} < \tau_{A1}$, he is lagging behind.

Time line prosperity indicates development of an individual person or of a group or society or of a nation in time duration. So, it can be called development indicator to differentiate it from prosperity. Development is not subject of single individual prosperity but accumulation of individual prosperities in a society or nation. Modern human world is so complex and related to each other that part of individual prosperity is automatically distributed to whole community in one form or other. Effect of change of prosperity goes from one individual to society, from society to nation and from a nation to the whole human community. Prosperity can not work neglecting or discarding individual desire and neither can be changed group or social prosperity without changing individual prosperity. Flight of flock of geese is due to the flight of individual goose of the flock, not vice versa. Every goose is free to move as it likes towards common goal to move the flock in one. Likewise, each human being is free to act on his own to advance forward the human community towards a goal under certain rules. Desire for prosperity need individual freedom to act and ultimate net result of these actions is development of civilization.

10. Capital & Exploitation

Earlier, we found that saving turns to capital if it is invested to earn more saving

by entrepreneurship. Money deposited in banks, though earns interest, is not a capital. Mere earning does not turn an amount to capital. Though raw materials and tools are essential to run capitalist enterprise, they are just accessories to human risk and labor. By means of accessories, venture and risk of an entrepreneur and labor of the workers turn saving into capital. If entrepreneur does not risk his capital, labor alone can not run the enterprise; neither capitalist can run it without the laborers. Two human resources, human venture and labor turn a saving to capital.

In a capitalist enterprise two desires of prosperity act at opposite directions. While the capitalist desires to have more production from the same amount of risk, the labor wants to have more wages for the same amount of labor. As no capitalist enterprise can exist without either of capital or labor, these contradiction desires are attached to each other like two poles of magnet always trying to get a neutral point. Before twentieth century, rights of laborers were not accepted and capitalist did what he liked in the enterprise. May 1 revolt of laborers started a change in mind of capitalist and laborer both. In mid-nineteenth century, Karl Marx forwarded a theory which accepted the right of laborers only and not of the capitalists within the enterprises. The communist government, based on Marx's principle, in Soviet Union practiced non-individual capitalist enterprise to create an non-exploitation society but could not go beyond state capitalism where the state administrators had to act the role of pseudo-capitalists without any personal desire, if they acted sincerely and as corrupt official, if they followed unholy desire to loot the enterprise. On the other side, while an un-sincere labor avoided the work in one pretext or other and the capitalist was absent to cajole him, a sincere labor saw no chance of prosperity in work. Both the parties had neither responsibility nor feeling of ownership towards the enterprise. Even in normal and sincere practice, pseudo-ownership of enterprise through government by laborers deprived them the right of demand of individual prosperity desire and the administrators had a pseudo right without any right to own it . As the prosperity desire stops nowhere, the administrators started corrupt practices to gain some thing and the laborers idled and cheated their own work time to gain negative prosperity. In the mean time, the westerners expanded ownership of their capitalist system

distributing capital shares as far as possible up to the common people and laborers and providing trade union rights to the laborers to express their grievances through organizations and negotiate better labor conditions through them.

Now, let us discuss this term 'exploitation'. The English word 'exploit' has two meanings, 'use, work or develop natural resources of a country' in good sense and 'use selfishly or for one's own profit' in bad sense and exploitation too bears both of the senses. In an industrial enterprise, both the capital and labor are essential. Capital must gain some thing to work further. That very saving works as a capital in further development. Accumulation of capital is not possible without exploitation of resources and labor. If an industry distributes all what it acquires from a production cycle among the laborers and gains nothing, the industry will have nothing to accumulate and use as capital for further development. So, like it or dislike, exploitation is essential in industrial development raising the civilization upward. Just should be taken in mind that un-reined capitalist activity will run amok as nineteenth century capitalists in Europe and North America did and abolition of capitalism will stagnate industrial development as communist states experienced. Controlled exploitation of resources and labor and balanced distribution of gain between capitalists and laborers will provide incentives to capitalists for further industrial ventures and a just distribution of the gain the laborers.

Exploitation, if not used in bad sense, is a tool of industrial development. Absence of labor exploitation dismantles the cycle of industrial production development an human beings will have to be satisfied with what they have now.

End Part I

----- **R. DAHAL'S**

PROSPERITISM

Part II

PRINCIPLES OF PROSPERITY
(The guiding principles)

PRINCIPLES OF PROSPERITY

1. First Principle of Prosperity

"Prosperity of a person is directly proportional to his time value."

2. Second Principle of Prosperity

"In competitive market, change in prosperity of one individual member changes prosperities, relative to that member, of all its members."

1. Definitions

While quantity of consumable resources available to a person within a unit time is personal time value, the entire consumable resources generated by human being in a unit time is human time value and equally divided portion of that human time value to each individual is average time value. Ratio of one individual time value with average time value is called prosperity of that individual in that society.

Human economic structures are multi layers, having different time value for similar skill or proficiency. Such layer or stratum of time value gives vertical prosperity. In addition, different proficiencies have different time values in the same stratum creating lateral prosperity.

If W denotes time value of an individual profession in a financial setup where a layer or stratum is denoted by superscript m and a proficiency by

subscript n and where A denotes corresponding number of people of a proficiency in a stratum and also superscript and subscript m' and n' denote respective average values in that stratum, then above definitions provide following conclusions:

$$\text{Professional Time Value} = {}^m W_n$$

$$m=1, n=1$$

$$\text{Human Time Value of a society} = \sum_{m,n} ({}^m W_n \cdot {}^m A_n)$$

$$m,n$$

$$n=1$$

$$\text{Number of people of all professions in } m\text{th stratum} = \sum_n {}^m A_n$$

$$n$$

$$m=1$$

$$\text{Number of people of } n\text{th profession in all strata} = \sum_m {}^m A_n$$

$$m$$

$$m=1, n=1$$

$$\text{Number of people of all strata and professions} = \sum_{m,n} {}^m A_n$$

$$m,n$$

Average Time Value of the society,

$$m=1, n=1$$

$$m=1, n=1$$

$${}^{m'} W_{n'} = \sum_{m,n} ({}^m W_n \cdot {}^m A_n) / \sum_{m,n} {}^m A_n$$

$$m,n$$

$$m,n$$

$$n=1$$

$$\text{Stratum Time Value of } m\text{th stratum} = \sum_n ({}^m W_n \cdot {}^m A_n)$$

$$n$$

Average Stratum Time Value of m^{th} stratum,

$${}^m W_n = \frac{\sum_{n=1} ({}^m W_n \cdot {}^m A_n)}{\sum {}^m A_n}$$

$m=1$

Proficiency Time Value of n^{th} profession = $\sum ({}^m W_n \cdot {}^m A_n)$

m

Average Proficiency Time Value of n^{th} profession,

$${}^m W_n' = \frac{\sum_{m=1} ({}^m W_n \cdot {}^m A_n)}{\sum {}^m A_n}$$

Then, prosperity can be concluded as followings:

Professional Prosperity ${}^m \tau_n = {}^m W_n / {}^m W_n'$

Stratum Prosperity ${}^m \tau_n' = {}^m W_n' / {}^m W_n$

Proficiency Prosperity ${}^m \tau_n = {}^m W_n / {}^m W_n'$

$m=1, n=1$

Human Prosperity $\tau_h = \sum ({}^m W_n \cdot {}^m A_n) / {}^m W_n'$

m, n

2. Corollaries

On the basis of **Principles of Prosperity** following corollaries can be drawn:

- **"Prosperity of a person is directly proportional to his professional prosperity with respect to base profession in his stratum and prosperity of his stratum with base stratum.**

- "Prosperity is directly proportional to value of traded time input between producers."
- In a competitive production market least prosperous member can not raise its prosperity without external interference

First Corollary of Principles of Prosperity

Let us have n professions and m strata representing as subscripts and superscripts in time value.

Then, we can create a table of following form.

Change of strata ↑

mW_0	mW_1	mW_2	mW_3	...	${}^mW_{n-2}$	${}^mW_{n-1}$	mW_n
${}^{m-1}W_0$	${}^{m-1}W_1$	${}^{m-1}W_2$	${}^{m-1}W_3$...	${}^{m-1}W_{n-2}$	${}^{m-1}W_{n-1}$	${}^{m-1}W_n$
${}^{m-2}W_0$	${}^{m-2}W_1$	${}^{m-2}W_2$	${}^{m-2}W_3$...	${}^{m-2}W_{n-2}$	${}^{m-2}W_{n-1}$	${}^{m-2}W_n$
.....
.....
3W_0	3W_1	3W_2	3W_3	...	${}^3W_{n-2}$	${}^3W_{n-1}$	3W_n
2W_0	2W_1	2W_2	2W_3	...	${}^2W_{n-2}$	${}^2W_{n-1}$	2W_n
1W_0	1W_1	1W_2	1W_3	...	${}^1W_{n-2}$	W_{n-1}	1W_n
0W_0	0W_1	0W_2	0W_3	...	${}^0W_{n-2}$	${}^0W_{n-1}$	0W_n

Change of Profession →

If two professions x and x' in strata and with proficiency y and y' have time values ${}^{x'}W_y$ and xW_y respectively and m' and n' denote average time value in

mW_n , then prosperity ${}^{x'}\tau_{y'}$ and ${}^x\tau_y$ can be expressed as followings.

$$\begin{aligned} {}^{x'}\tau_{y'} / {}^x\tau_y &= ({}^{x'}W_{y'} / {}^mW_n) / ({}^xW_y / {}^mW_n) = {}^{x'}W_{y'} / {}^xW_y = \\ &= ({}^{x'}W_{y'} / {}^{x'}W_0) ({}^{x'}W_0 / {}^0W_0) ({}^0W_0 / {}^xW_0) ({}^xW_0 / {}^xW_y) = \\ &= (\alpha_{y'} \cdot {}^{x'}\tau) / (\alpha_y \cdot {}^x\tau) \end{aligned}$$

$${}^{x'}\tau_{y'} / {}^x\tau_y = (\alpha_{y'} / \alpha_y) \cdot ({}^{x'}\tau / {}^x\tau)$$

For example, among time values 2W_2 second profession and second stratum and 1W_1 in first profession and first stratum in above table

$$\begin{aligned} {}^2\tau_2 / {}^1\tau_1 &= ({}^2W_2 / {}^mW_n) / ({}^1W_1 / {}^mW_n) = {}^2W_2 / {}^1W_1 = \\ &= ({}^2W_2 / {}^2W_0) ({}^2W_0 / {}^0W_0) ({}^0W_0 / {}^1W_0) ({}^1W_0 / {}^1W_1) = \\ &= (\alpha_2 \cdot {}^2\tau) / (\alpha_1 \cdot {}^1\tau) \end{aligned}$$

Thus, can also be said First Corollary.

"Prosperities between two professions in two different strata are proportional to their professional prosperities in their respective stratum and prosperity of their strata themselves."

Or

"Prosperities between two prosperities in two different strata are proportional to their respective professional and stratum prosperities."

B. Second Corollary of Principles of Prosperity

Production cost C of any item in a unit time is a sum of human cost or time value W and non-human cost inputs M respectively in production process. Production by the same proficiency produce identical items and so cost of production of similar products in two strata can be expressed as following.

$$C_1 = M_1 + W_1 \quad \text{and} \quad C_2 = M_2 + W_2$$

Difference of production cost per item

$$C_1 - C_2 = (M_1 - M_2) + (W_1 - W_2).$$

Non-human input in like items is more or less same everywhere with few exceptions and so $M_1 = M_2$ and then

$$C_1 - C_2 = W_1 - W_2$$

But

$$W_1 / W_2 = \tau_1 / \tau_2$$

And thus

$$C_1 - C_2 = W_1 - W_2 = W_2 (\tau_1 - \tau_2) / \tau_2$$

In a balanced trade between these two producers, the second producer has to pay

$$(\tau_1 - \tau_2) / \tau_2$$

times more of its time value to the former for the same type of item and the former prospers in expense of later one.

Thus comes up Second Corollary of Principles of Prosperity.

"Prosperity difference is directly proportional to value of traded per item time value difference between producers."

C. Third Corollary of Principles of Prosperity

Let β_1 be increment of less prosperous economic society and β_2 be that of more prosperous one every year and ${}^1\tau_0$ and ${}^2\tau_0$ be the prosperities respectively in base year and let the subscripts and superscripts denote number of years and average stratum prosperity indices respectively then

$${}^1\tau_1 = (1+\beta_1) {}^1\tau_0$$

$${}^1\tau_2 = (1+\beta_1) {}^1\tau_1 = (1+\beta_1)(1+\beta_1) {}^1\tau_0 = (1+\beta_1)^2 \cdot {}^1\tau_0$$

$${}^1\tau_3 = (1+\beta_1) {}^1\tau_2 = (1+\beta_1) {}^1\tau_2 = (1+\beta_1)(1+\beta_1) {}^1\tau_1 = (1+\beta_1)(1+\beta_1)(1+\beta_1) {}^1\tau_0 \\ = (1+\beta_1)^3 \cdot {}^1\tau_0$$

Thus

$${}^1\tau_n = (1+\beta_1)^n {}^1\tau_0$$

Similarly,

$${}^2\tau_n = (1+\beta_2)^n \cdot {}^2\tau_0$$

If in the n th year the two prosperities are equalized, then

$${}^2\tau_n = (1+\beta_2)^n \cdot {}^2\tau_0 = {}^1\tau_n = (1+\beta_1)^n \cdot {}^1\tau_0$$

$$\text{Or } (1+\beta_2)^n \cdot {}^2\tau_0 = (1+\beta_1)^n \cdot {}^1\tau_0$$

$$\text{Or } {}^2\tau_0 / {}^1\tau_0 = (1+\beta_1)^n / (1+\beta_2)^n$$

Or ${}^2\tau_0/{}^1\tau_0 = [(1+\beta_1)/(1+\beta_2)]^n$

Or $n = (\log {}^2\tau_0 - \log {}^1\tau_0) / [\log(1+\beta_1) - \log(1+\beta_2)]$

The prosperity of less prosperous economy will equal to that of more prosperous economy after n years (which may come never), if the growth is more than that of more prosperous one and if lesser one can maintain trade at its side.

Thus comes up Third Corollary of Principles of Prosperity.

"In a competitive production market least prosperous member can hardly raise its prosperity without external interference"

End Part II

----- **R.DAHAL'S**

PROSPERITISM

Part III

EXPLANATION OF PRINCIPLES OF PROSPERITIES

EXPLANATION OF PRINCIPLES OF PROSPERITY

1. Earning, Consumption & Prosperity

Poor people want to be rich and rich ones to be richer. Every one tries to earn more and more. Haves and haves-not is an all time phenomenon. Another factor such as consumption has another role in human life. Possibility or capacity of consumption of earnings gives value to richness. A rich person without a possibility or capacity of consumption is no better than a poor one without any time value. Therefore, combination of time value and consumption defines prosperity of a person. Also in this industrial world the main source of time value of most of the people is their earning in unit time and so we can use earning in unit time as a time value of concerned person.

Let an individual in an economical stratum of a society time value 0W for any particular profession and let it be basic time value of that type of work. Let similarly two other individuals respectively have time value 1W and 2W for the same type of work in other two strata of that very society. Then, prosperity ${}^0\tau$, ${}^1\tau$ and ${}^2\tau$ of all earners with respect to basic time value will be as followings.

$${}^0\tau = {}^0W / {}^0W = 1$$

$${}^1\tau = {}^1W / {}^0W$$

$${}^2\tau = {}^2W / {}^0W$$

"Prosperity is a relative expression of possibility of access to consumables between individuals."

2. Labour, non-labour & Production Costs

If three workers in three different strata are equally skilled, they will produce equal numbers of items in unit time and labor costs of those products can be

expressed as ${}^0W, {}^1W, {}^2W$.

Let non-labor production costs per item are ${}^0M, {}^1M, {}^2M$. Then, production costs per item ${}^0C, {}^1C, {}^2C$ will be

$${}^0C = {}^0M + {}^0W$$

$${}^1C = {}^1M + {}^1W$$

$${}^2C = {}^2M + {}^2W$$

Therefore,

$${}^0W/{}^0W = {}^0\tau$$

$${}^1W/{}^0W = {}^1\tau$$

$${}^2W/{}^0W = n {}^2\tau$$

As source of non-labour material expense is more or less the same one that can be taken the same and so it be M . Then,

$${}^0C = M + {}^0W = M + {}^0\tau {}^0W$$

$${}^1C = M + {}^1W = M + {}^1\tau {}^0W$$

$${}^2C = M + {}^2W = M + {}^2\tau {}^0W$$

and thus,

$${}^2C - {}^1C = ({}^2\tau - {}^1\tau) {}^0W$$

$${}^1C - {}^0C = ({}^1\tau - {}^0\tau) {}^0W$$

$${}^2C - {}^0C = ({}^2\tau - {}^0\tau) {}^0W$$

3. Balance of Trade

If the workers trade their products between themselves, there will be losses and gains among themselves. The low earner has to pay more to high earner

due to higher prosperity of later one. As higher is the difference of prosperity, higher will be the gain or loss to high and low earner respectively. If prosperity is ${}^2\tau, {}^1\tau, {}^0\tau$ and production cost ${}^2C, {}^1C$ and 0C respectively, then

$${}^1C - {}^0C = x \quad \text{i.e.} \quad ({}^1t - {}^0\tau) {}^0W = x$$

$${}^2C - {}^0C = y \quad ({}^2t - {}^0\tau) {}^0W = y$$

$${}^2C - {}^1C = z \quad ({}^2t - {}^1\tau) {}^0W = z$$

Value of x and y may be both positive and negative depending upon the level of prosperity of former to later one. The highest prosperity will always gain, the lowest will always loose, and in-between prosperities gain or loose on and off as they can sell and buy whom to and whom from. In a normal production and trade market, the least prosperity has no chance of increment its prosperity level.

4. Production of Un-similar Products

Human need is innumerable and so are human consuming items. So production is not limited to a single item and neither is the trade. Skilled required to produce different commodities must be different and so the earning per unit timework must vary according to the skill. If ${}^0W_0, {}^0W_1$ and 0W_2 are earnings of three skilled persons in three different professions in same stratum in unit time and if the used subscripts and superscripts denote skills and prosperities respectively, unit time earnings or time value in two other strata ${}^1W_0, {}^1W_1, {}^1W_2$ and ${}^2W_0, {}^2W_1, {}^2W_2$ skill and coefficients $\alpha_0, \alpha_1, \alpha_2$ can be expressed as followings.

$${}^0W_0 / {}^0W_0 = {}^1W_0 / {}^1W_0 = {}^2W_0 / {}^2W_0 = \alpha_0$$

Similarly, in two other skills on those strata,

$${}^0W_1 / {}^0W_0 = {}^1W_1 / {}^1W_0 = {}^2W_1 / {}^2W_0 = \alpha_1$$

$${}^0W_2 / {}^0W_0 = {}^1W_2 / {}^1W_0 = {}^2W_2 / {}^2W_0 = \alpha_2$$

But

$${}^0W_0/{}^0W_0 = {}^1W_1/{}^1W_1 = {}^2W_2/{}^2W_2 = {}^0\tau$$

$${}^1W_0/{}^0W_0 = {}^1W_1/{}^0W_1 = {}^1W_2/{}^0W_2 = {}^1\tau$$

$${}^2W_0/{}^0W_0 = {}^2W_1/{}^0W_1 = {}^2W_2/{}^0W_2 = {}^2\tau$$

Thus comparative prosperity of zero prosperity and zero skill level to two prosperity and two skill levels ${}^2\tau_2$ is

$${}^2\tau_2 = {}^2W_2/{}^0W_0 = ({}^2W_2/{}^0W_2) \cdot ({}^0W_2/{}^0W_0) = {}^2\tau \cdot \alpha_2$$

Similarly

$${}^2\tau_1 = {}^2\tau \cdot \alpha_1 \quad ; \quad {}^2\tau_0 = {}^2\tau \cdot \alpha_0$$

$${}^1\tau_2 = {}^1\tau \cdot \alpha_2 \quad ; \quad {}^1\tau_1 = {}^1\tau \cdot \alpha_1 \quad ; \quad {}^1\tau_0 = {}^1\tau \cdot \alpha_0$$

$${}^0\tau_2 = {}^0\tau \cdot \alpha_2 \quad ; \quad {}^0\tau_1 = {}^0\tau \cdot \alpha_1 \quad ; \quad {}^0\tau_0 = {}^0\tau \cdot \alpha_0$$

The high prosperity producer generally produces those items which low producer can not produce and fixes the price according to his prosperity. Trade of non-similar products is easier because it disguises the real difference of labor costs in produced items.

5. Equivalence between Un-similar Products

If m_1 products of 1 prosperity in ${}_1$ skill are equivalent to m_2 products of 2 prosperity in ${}_2$ skill then

$${}^1C_1 \cdot m_1 = {}^2C_2 \cdot m_2 \quad \text{i.e.} \quad {}^2C_2/{}^1C_1 = m_1/m_2$$

$$({}^1M_1 + {}^1W_1) \cdot m_1 = ({}^2M_2 + {}^2W_2) \cdot m_2$$

Then, difference of above mentioned two earnings is

$$({}^2M_2 \cdot m_2 - {}^1M_1 \cdot m_1) + ({}^2W_2 \cdot m_2 - {}^1W_1 \cdot m_1) = 0$$

Or

$$({}^2M_{2,m_2} - {}^1M_{1,m_1}) + ({}^2\tau_{\alpha_2,m_2} - {}^1\tau_{\alpha_1,m_1}) \cdot {}^0W_0 = 0$$

$${}^2W_{2,m_2} - {}^1W_{1,m_1} = {}^1M_{1,m_1} - {}^2M_{2,m_2}$$

$${}^2W_{2,m_2} = {}^1M_{1,m_1} - {}^2M_{2,m_2} - {}^1W_{1,m_1}$$

$${}^2W_2 = ({}^1M_{1,m_1} - {}^2M_{2,m_2} - {}^1W_{1,m_1}) / m_2$$

When non-labor costs are equal, then

$${}^1M_{1,m_1} - {}^2M_{2,m_2} = 0$$

$${}^2W_2 = (m_1/m_2) \cdot {}^1W_1$$

So

$${}^2W_2 - {}^1W_1 = (m_1/m_2) {}^1W_1 - {}^1W_1 = {}^1W_1(m_1 - m_2)/m_2 =$$

$$= {}^1W_1(m_1/m_2 - 1) = {}^1W_1({}^2\tau_{\alpha_2} / {}^1\tau_{\alpha_1} - 1) =$$

$$= {}^1\tau_{\alpha_1} \cdot {}^0W_0 ({}^2\tau_{\alpha_2} / {}^1\tau_{\alpha_1} - 1) = {}^1\tau_{\alpha_1} \cdot {}^0W_0 ({}^2\tau_{\alpha_2} - {}^1\tau_{\alpha_1}) =$$

$$= {}^0W_0 ({}^2\tau_{\alpha_2} - {}^1\tau_{\alpha_1})$$

So

$${}^2W_2 - {}^1W_1 = {}^0W_0 ({}^2\tau_{\alpha_2} - {}^1\tau_{\alpha_1})$$

$${}^2W_2 / {}^1W_1 = {}^2\tau_{\alpha_2} / {}^1\tau_{\alpha_1}$$

6. Capital & Technology Transfer

In capitalist system capital and technology transfer is motivated by profit incentives. Due to sophisticated transportation technology transfer of raw material is easy and cheap but immigration of cheap labor to prosperous economy is restricted. Hence capitalists move to less prosperous economy in search of cheap labor. For the sake of profit due to cheap labor, technology is

transferred to cheap labor area and so it is called technology transfer.

If a system of two prosperity strata ${}^1\tau$ and ${}^2\tau$ with time values 1W_1 and 2W_2 has two non-human inputs(nhi) M_1 and M_2 for two production items. If 1C_1 and 2C_1 be production costs of item with M_1 nhi and 1C_2 and 2C_2 that of M_2 nhi in those two strata respectively, then costs can be deduced as followings.

Let relation between them be as following.

$${}^2W_2 = \theta {}^1W_1$$

$${}^1W_1 = \rho M_1$$

$$M_2 = \delta M_1$$

Then,

$${}^1C_1 = M_1 + {}^1W_1 = M_1 + \rho M_1 = (1 + \rho) M_1$$

$${}^2C_1 = M_1 + {}^2W_2 = M_1 + \theta {}^1W_1 = M_1 + \theta \rho M_1 = (1 + \theta \rho) M_1$$

$${}^1C_2 = M_2 + {}^1W_1 = \delta M_1 + \rho M_1 = (\delta + \rho) M_1$$

$${}^2C_2 = M_2 + {}^2W_2 = \delta M_1 + \theta {}^1W_1 = \delta M_1 + \theta \rho M_1 = (\delta + \theta \rho) M_1$$

And

$${}^2C_1 / {}^1C_1 = (1 + \theta \rho) / (1 + \rho)$$

Similarly

$${}^2C_2 / {}^1C_2 = (\delta + \theta \rho) / (\delta + \rho)$$

where θ is prosperity between those two strata and

$$\theta = (a_2 {}^2\tau) / (a_1 {}^1\tau) = (a_2 / a_1) ({}^2\tau / {}^1\tau)$$

Productions are of two types: cheap non-human cost (material and technology) bearing like potato chips and costly non-human cost bearing like micro-chips

and equally are different time values in different places. Cost of micro-chip material for unit time value work is hundred of times more than that of potato chip material for the same time value work and so both non-human cost and human cost dictate the profit and terms of technology transfer. Let us take an example for it.

In two prosperity strata of 2W_2 and 1W_1 time values or human cost inputs, production units like micro-chip and potato chips of M_2 and M_1 non-human costs respectively where relations of components are taken as followings.

$$M_2 = 1000 M_1$$

Prosperity between strata $\tau = 50$

Proficiency ratio between two professions $\alpha = 10$

Let us assume the lower prosperity 1W_1 equal to potato chip material M_1

i.e. ${}^1W_1 = M_1$

Then,

$${}^2C_2 = M_2 + {}^2W_2 = 1000 M_1 + \alpha \tau {}^1W_1 = 1000 M_1 + 2.50 M_1 = 1100 M_1$$

$${}^1C_2 = M_2 + {}^1W_2 = 1000 M_1 + \alpha {}^1W_1 = 1000 M_1 + 10 M_1 = 1010 M_1$$

$${}^2C_1 = M_1 + {}^2W_1 = M_1 + \tau {}^1W_1 = M_1 + 50 M_1 = 51 M_1$$

$${}^1C_1 = M_1 + {}^1W_1 = M_1 + M_1 = 2 M_1$$

i.e.

$${}^2C_2 / {}^1C_2 = 1100 M_1 / 1010 M_1 = 1.09$$

$${}^2C_1 / {}^1C_1 = 51 M_1 / 2 M_1 = 25.5$$

We find that while the cost of microchips production has a small difference, the cost of potato chip production is very much cheaper in low prosperity zone. So, the first to move of technology from high to low prosperity area is potato chip

technology. Also, high prosperity area can consume high cost products easily, low prosperity area can not. Micro-chip technology is last to move to lower prosperity ever if it has to move.

7. Increment of Prosperity

Let β_1 be prosperity increment of less prosperous economic society and β_2 be that of more prosperous one every year and ${}^1\tau_0$ and ${}^2\tau_0$ be the prosperities respectively in base year and of that running year where subscript indicates number of years, then

$${}^1\tau_1 = (1 + \beta_1) \cdot {}^1\tau_0$$

$${}^1\tau_2 = (1 + \beta_1) \cdot {}^1\tau_1 = (1 + \beta_1)(1 + \beta_1) \cdot {}^1\tau_0 = (1 + \beta_1)^2 \cdot {}^1\tau_0$$

$${}^1\tau_3 = (1 + \beta_1) \cdot {}^1\tau_2 = (1 + \beta_1)^2 \cdot {}^1\tau_2 = (1 + \beta_1)(1 + \beta_1) \cdot {}^1\tau_1 =$$

$$= (1 + \beta_1)(1 + \beta_1)(1 + \beta_1) \cdot {}^1\tau_0 = (1 + \beta_1)^3 \cdot {}^1\tau_0$$

thus

$${}^1\tau_n = (1 + \beta_1)^n \cdot {}^1\tau_0$$

Similarly,

$${}^2\tau_n = (1 + \beta_2)^n \cdot {}^2\tau_0$$

If in the n th year the two prosperities are equalized, then

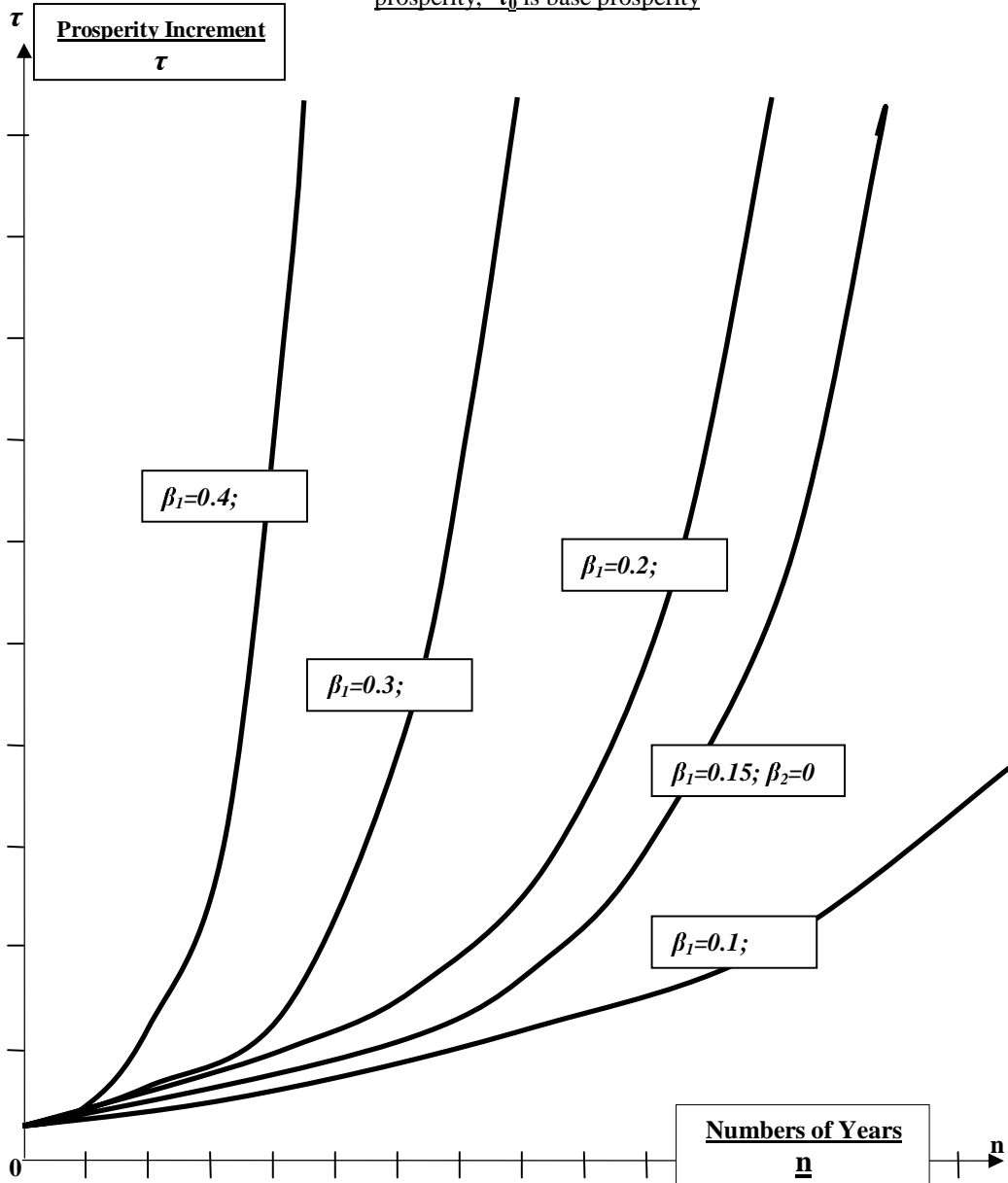
$${}^2\tau_n = (1 + \beta_2)^n \cdot {}^2\tau_0 = {}^1\tau_n = (1 + \beta_1)^n \cdot {}^1\tau_0$$

$$\text{Or } (1 + \beta_2)^n \cdot {}^2\tau_0 = (1 + \beta_1)^n \cdot {}^1\tau_0$$

**Prosperity Increment Under Different
Per Capita Increment Rate**

$$\tau = {}^2\tau_0 / {}^1\tau_0 = [(1 + \beta_1) / (1 + \beta_2)]^n$$

where ${}^2\tau_0$ is destination prosperity, ${}^1\tau_0$ is base prosperity



Or ${}^2\tau_0/{}^1\tau_0 = (1+\beta_1)^n / (1+\beta_2)^n$

Or ${}^2\tau_0/{}^1\tau_0 = [(1+\beta_1) / (1+\beta_2)]^n$

If ${}^2\tau_0/{}^1\tau_0 = \tau$ *then*

$$\tau = [(1+\beta_1) / (1+\beta_2)]^n$$

So,

$$n = (\log \tau) / [\log(1+\beta_1) - \log(1+\beta_2)]$$

On an economic society, the prosperity can be taken as a per capita income of the society and increment of prosperity as per capita increment of income. The equalization year n can be calculated on these data..

End Part III