CHAPTER IV

INDUSTRIAL DEVELOPMENT

Industrialisation is a prerequisite to the economic development of an economy. The per capita income of developing economies is low because of their extensive dependence on agricultural sector.

The shift of work-force from agriculture sector to industrial sector is imperative for economic development. Surplus labour is a source of saving potential in under developed countries. Unlimited supplies of labour can be a source of capital formation in under developed countries. As per-capita-income increases, people spend more on manufactured goods. Industrialisation caters to the need of diversified market at higher stages of economic development. The improvement in productivity of agricultural sector is required to provide a source of capital to industrial sector and to create demand for manufactured products.

Indian economy being primarily an agricultural economy, most of the industries were agro based. There was predominance of cottage and small scale industries. Handloom industry, printing of cloth (Hand printing), weaving of baskets, embroidery and paper making, rope making, manufacture of agricultural tools and implements, utensils, traditional furniture, artistic goods and other arts & crafts were the most popular industries. Thanks to the generosity of Rajas
Indian crafts were extremely popular not only in the domestic market but also in international market.

During the 15th and 16th centuries, the mode of production in India was very common and crude. By and large, in a production unit, all agents of production were combined. The differences between the major factors of production were unknown. Therefore, the allocation of returns in the form of rent, wages, interest and profits was unknown to the people.

"Though India was known as an agricultural country, yet it had a special position for her industrial enterprises." Wood work, leather items, embroidery, cloth printing, inlay work, sugar, scents and different kinds of oils were some other items produced for wider consumption, and some of these products found a good market abroad.

Small Scale and Cottage Industry Production was carried out jointly by the members of a family without hired labour. India was known as 'the house of cottage industries' during those days. Use of machinery or much investment was almost to a negligible extent, and there was no fixed place of production. Family members themselves were involved in the production process by convenient rotation. Raw material was available in nearby areas and the finished product was sold in the nearby markets (mandis). There was no use of power, credit and machinery. Production was a subsidiary
activity along with other main work.

During the peak period of Guru Nanak, the concept of medium and large scale industries was unknown because these concepts emerged only after the Industrial Revolution in the developed countries.

An attempt has been made in this chapter to study the type of Industry (Section I), Labour-Employer relationship (Section II), Industrial Finance (Section III), Entrepreneurship (Section IV), and Comparative Importance of different Factors of Production (Section V).

1. Type of Industry

1. Textile

Cotton textiles, i.e. the Handloom Industry, proved to be the biggest and most flourishing because of huge Indian market, easy availability of cotton and convenience of production as a part time job. Most of the raw materials used in Indian industries were available locally.

Among the non-edible products, the most important one was cotton which supplied raw material for manufacture of fabrics which was of legendary fame in foreign countries. Guru Nanak has described the process of cloth manufacture from cotton and its stitching in the following couplets:

"The cotton is ginned, corded,
spun and woven."
Arranging and arraying,  
the cloth is washed white.  
The scissor shears, the tailor tears  
and the needle and thread  
sew the cloth.  

The textile industry was the largest industry during those days. It included the manufacture of cotton cloth and silk. Cotton was extensively grown for agro-based industries in the country. Cotton fabrics were dyed with the leaves of trees, flower-plants and vegetable dyes. The popular colours were red, yellow, blue, green and black. Guru Nanak has repeatedly mentioned majith (red) colour which was fast and long lasting. People were fond of bright colours as is evident from the contemporary paintings of early Mughal India. The dyeing industry and calico painting went hand-in-hand with the manufacture of cloth. Coarse cotton clothes were either dyed or printed with a variety of well-shaped and well-coloured flowers or figures which were so fixed in the cloth that no water could wash them out. The quality of Indian textile products was superb, and the output was sufficient to meet the demands of internal consumption.  

Embroidery, and gold and silver thread-work industries were also flourishing in many big cities. Costly clothes with rich embroidery and gold work were in great demand with the aristocracy and other rich
classes of the society. Guru Nanak has given a detailed description of the clothes worn by these people. A large quantity of woolen stuff and fur was imported from outside for use of the upper classes.

Besides the manufacture of cloth, other articles like carpets, coverlets, beddings, prayer-carpets, bed strings and several others were also manufactured.

In Gurbani, reference about dyeing and textile industry is extensively made as it is evident from the following couplets:

Thy Name alone is the madder,  
with which my cloak is dyed.  
My loved Lord, this colour is everlasting.

* * * * *

She is dyed in the love of her darling  
and abides in the fear of the True One,  
Imbued with His affection  
she assumes true colour.

* * * * *

My beloved, stepped in the  
mordant of worldliness  
this body cloth is dyed in greed.  
My beloved, such a cloak  
pleases not my Groom.
How can the bride 
go to His couch?

If the body becomes the dyer’s vat, 
the Name is put into it as madder 
and if Lord, the Dyer stains therewith, 
such a colour would appear, 
as had never been seen, O beloved. 
They, whose cloaks are thus dyed, O beloved; 
The spouse is ever near them.10

Guru Nanak conveys the spiritual message that the 
colour of Lord’s Name is everlasting and the worldly 
colours are perishable. With Lord’s Name, all human 
sins are forgiven as cloth cannot be dyed without the 
help of dye master. It is evident from the following 
couplet:

Nanak without a mordant, 
the brand new cloth cannot be dyed. 
If the mordant of modesty 
be applied to the body 
it is washed white 
of sins in Lord’s fear. 
Nanak, if the man is imbued 
with the Lord’s meditation, 
then, his repute is not false 
even in the least.11
Metal Work

Metal work has a very old tradition in our country, to which many ancient idols of South-India, Mehrauli’s iron pillar and coins etc. bear witness. In fact, next in importance to the textiles was the metal industry which continued to make progress during the period under study. The Indian metal workers handled various metals like gold, silver, brass, iron and zinc, mixed-metals and mica with great skill and perfection.

In Guru Nanak Bani we find several references to goldsmiths, silversmiths, and blacksmiths who produced excellent jewellery and a variety of knives, scissors and items of armoury including swords, daggers, shields, iron coats and head covers for the soldiers of the army. Iron chains for prisons, iron buckets for the Persian-wheels, axes, hatchets, choppers and agricultural implements were also manufactured.12

Guru Nanak delivers spiritual message by describing the process of gold and iron melting in furnace in the following couplets:

"Make continence thy furnace,
patience thy goldsmith,
understanding thy anvil,
Divine knowledge thy tools,
God’s fear thine bellows,
practising of penance thy fire
and Lord’s love thy pot,
wherein filter the Nectar
of God's Name.
Thus in the true mint
the Divine word is fashioned.13

* * * *

The body is the furnace
and the mind the iron therein.
The five fires of passions are heating it.
Sin is the charcoal placed
thereon by which the mind is burnt
and anxiety becomes the tongs.14

* * * *

When bronze, gold and iron break,
the smith effects welding with fire.15

Another class of metal workers made utensils of
gold and silver for the aristocracy and utensils of
common use (for the masses) made of iron, bronze and
zinc. Guru Nanak's Bani mentions the names of some of
the utensils which were in use in those days, such as,
thaal (tray, a brass plate), lota, garva (a jug of
brass), karahi (frying pan, a stewpan, cauldron) katori
or katora (a small bowl or dish of metal) and karchi
(large spoon or ladle) and others.
Some utensils are mentioned in the following couplets of Gurbani:

In the sky's salver (thaal)
the sun and the moon are lamps
and the stars with their orbs
are the studded pearls.\(^\text{16}\)

* * * * *

Extracting the juice,
they put it in the caldron (karaha)
and it groans as it burns.\(^\text{17}\)

Potter's Work

Although potters (kumhars) did not enjoy any respectable position in the medieval Indian society, they constituted an important part of the village and urban society. Their products like pitchers and clay pots of various sizes and designs were used by every rung of society, irrespective of their material position or official status. The only difference could be in the quality of the products used by the upper and lower classes of the people. No home was without earthen pots, be it a palace or an ordinary dwelling. Big earthen trays, water containers, (matka or ghara),\(^\text{18}\) (surahi or handi), piggy banks and toys were the main items commonly used by the people, while artistic types of vases, jugs, flower-pots and other such items found favour with the richer sections of the
society. Guru Nanak used the word ‘bhande’ (utensils) for all the items used in the kitchen or in everyday life of the common householders.

The potters also made bricks (itan) which were used for making houses, mansions, royal palaces, tanks, badlies, wells, etc. Sometimes clay was procured from old and dilapidated graveyards for making earthen products. The clay pots and bricks were then baked in fire as it is clear from the following verses of Guru Nanak:

"The dust of a Muslim's grave 
becometh lump for the potter's wheel, 
And of it he (the potter) fashions bricks 
and, burning they (the clay products) 
vessels wail. 
Yea, the hapless clay burns 
and cries out as fiery coals fall, 
continuously upon it."19

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The Lord, who has fashioned the pots 
and made the world kiln, 
decides the time to put them therein.20

****

He who has fashioned the vessels 
and poured the Nectar within them;

78
That Lord's mind is pleased only with the love worship.21

1.3 Stone and Brick Work

A large number of workers were engaged in stone and brick work. The Indian artisans and masons displayed remarkable skill in constructing forts, palatial buildings, tanks and reservoirs. In Guru Nanak's Bani, we find references to words like 'kotgarh' (forts), 'pake-bank dwār'22 (residential mansions of the rich) and 'sar' or 'sarovar'23 (tanks) and the like which were constructed with stones and bricks. Babar particularly appreciated the skill of Indian workmen. He employed more than 2000 stone-cutters for the construction of buildings at Agra, Dholpur and at other places.24 But the labourers were poorly paid. They had to toil very hard to earn their bread.25 They were exploited in every possible manner by the rich and the hiring agents.

The period under review also witnessed the introduction of the use of enamelled tiles and bricks. These industries continued to grow in the subsequent centuries due to royal patronage.26

1.4 Leather Work

The leather industry developed considerably during the medieval period. Although Guru Nanak has made no direct reference to it, references of chamars (shoe-makers, tanners or cobblers), a caste or a class of
leather workers are found in the banis of other saint poets of Adi Granth.

The social status of this class was very low in the society as is clear from the following couplets of Bhagat Ravidas, who himself was a chamar (shoe-maker) by profession:

My constant companion is Evil
I am oppressed by this thought
My deeds are perverse
My birth is low
But Ravidas, the tanner utterth thy praise; for he is dedicated to thy Love-worship."27

In another place, Ravidas states:
'I am of low caste,
with little honour,
Yea, my birth is low:
And still, I, the cobbler,
have not served my Lord,
the King (of the universe).'28

The leather-workers produced shoes of different kinds, scabbards of swords and daggers, covers of books, saddles and bridles for horses in the royal army and for those maintained by the nobles. Peasant’s water buckets to draw out water from well and other articles of daily use were also made of leather.29 Leather was used for packing sugar parcels for export.
Skins of goats, buffaloes, oxen etc. were sent from Gujarat in shiploads to Arabia and other countries.29A

1.5 Oil Crushing Business

Oil crushing business was carried on a large scale by a class of people called telis30 (the oil mongers). Mustard oil was used for earthen lamps as well as for other domestic needs. Mustard seeds were crushed in the ghani (an oil mill), a word used by Guru Nanak in his Bani.31

The process of manufacturing oil was almost similar to the process still in vogue in the rural areas. Telis used a bull or an ox to make the press work:

Yea, he circles round desire,
as does oilman’s bull
round the oil press.32

1.6 Gur and Sugar

Sugarcane was cultivated in India on a large scale for the manufacture of gur and sugar for local consumption as well as for export. The villagers widely used gur (unrefined sugar) made out of sugarcane juice. The process of making it was almost similar to the one which still prevails in UP, Haryana, Punjab and other sugarcane producing areas of the country. The usual process of manufacture was as follows:

They cut the sugarcane into sections, then pressed them in the mill; the juice was then heated in big
iron-pans until it crystalized into unrefined sugar, then it was either turned into cakes of gur, or with a little more refining made into soft sugar (khand). The most refined and esteemed form of sugar was the crystalized white khand.33

There is no denying the fact that candy, unrefined sugar and sugar are very sweet; honey and buffalo’s milk are also sweet, but Lord’s name is the sweetest of all as evident from the following couplet of Baba Farid:

Sweet are candy, sugar,
gur (unrefined sugar)
honey and the buffalo’s milk.
Yea, sweet are all these,
but sweeter by far is God.34

The refined sugar (khand) was a luxury for the poor. It was mainly used by the rich and the aristocracy. Sweetmeats must have been made almost entirely from gur.35 Country-made liquor was distilled from gur as it is indicated in Guru Nanak Bani.36

Honey was collected, all over the country, but rearing the honey bees was not a profession by itself.37

1.7 Perfumery

The rulers and the rich of the society were fond of perfumes and scented oils. Words like Chowa, chandan, agar, kapoor, etc. are frequently used in Guru
All these items were commonly used in those days. The perfume industry must have flourished in the big cities only, where the rulers, the nobles, the provincial heads, merchants and other rich people generally resided.

1.8 Other Minor Industries

Certain other minor industries also thrived in various parts of the country. They included coral work, ivory work, imitation jewellery and glass work specially glass bangles of various colours and sizes. Indian ivory workers at that time were great expert craftsmen in making in-laid and plain articles like bracelets, bangles, dice, chessboard etc. Red coloured ivory chooras (bracelets) were worn by the young brides at the time of marriage. Some of these items are mentioned in Guru Nanak Bani:

When these beauties were married,
their glamorous spouses sat
by their sides,
Yea, and they were carried
in palanquins
and bangles of ivory dangled
round their arms,
(In greetings) water was waved
over their heads,
and they were fanned
with glass studded fans.\textsuperscript{39}

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Smash thy couch along with thine bracelets,
O bride, Break thy arms
as well as the arms of thy couch.
Thou hast not the real bracelet dealer,
neither gold bracelets,
norr good glass bangles.\textsuperscript{40}

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The Lord has snaffle all
with snaffle (nose-ring)
and when he forgives man
he breaks his snaffle.\textsuperscript{41}

\*\*\*\*\*

I am grown weary
of wearing many necklaces,
hair-strings and bracelets
and making ornamentations.\textsuperscript{42}

1.9 Woodwork

Woodwork of different designs and qualities was a speciality throughout the country. Local workers engaged in this profession produced the popular items like palanqh and charpais or manjian (beds), peerihan (a kind of flat chair without back), doors, pegs, toys,
writing boards (takhtis), writing tables, pens (galams), pen containers (galam dans), scabbards of swords and daggers.\textsuperscript{43}

1.10 Paper Industry

During the period under study, paper was commonly used for writing books (manuscripts), farman, sanads and for maintaining the records of land revenue in vahis (registers kept by the patwaris and other revenue officials). Moneylenders (sahukars) also kept vahis (registers) in which the records of loans given and returned were kept. There are several references in Guru Nanak's Bani which confirm our belief that paper was widely used by government and private agencies for the above mentioned purposes.\textsuperscript{44} Paper was manufactured at Gujarat, Burhanpur, Sialkot, Delhi, Patna and Kashmir.\textsuperscript{45} The manufacture of ink was another produce which went along with the paper industry.

1.11 Ship Building and Boat Making

Ship building and boat making industry flourished in the times of Guru Nanak. This is evident from the frequent references (in his Bani) to bohith (medium and small sized ships, vessels), nax and beri (boat or a ferry) and tulhara (ferryman), who carried passengers across the river or transported them to distant places during normal and rough weather conditions, in their boats or ships. The following stanzas of Guru Nanak are very significant in this regard:
The sea is rough and dreadful,
I know not its shores.
I am without a boat or a raft;
neither is there a Boatman
nor the Rows,
The True Guru is the only vessel
on the fearful (sea)
whose eye of grace takes me across.\textsuperscript{46}

* * * * *

The Guru is the ship
and with his Gurbani;
the dreadful ocean is crossed.\textsuperscript{47}

* * * * *

Without the ship,
the man is drowned in the sea of fear,
O'Beloved.
How can he get at the younder shore.\textsuperscript{48}

The boats were also the lifeline of fishermen who
used them in their profession to catch fish from deep
waters.

Guru Nanak does not mention the places where the
work of building ships or boats was carried on, but it
is a matter of common understanding that these places
must have been near the rivers or the sea-coasts.
II. LABOUR-EMPLOYER RELATIONSHIP

By labour it is meant the economic work of man, whether with hand or body undergone partly or wholly with a view to do some good other than the pleasure derived directly from the work. Marshall excludes the direct pleasure derived from the work from 'labour' because this direct pleasure is consumption and cannot therefore be a factor of production.

The wage rate, like any price, is determined by the demand for and supply of labour. Labour is demanded for its service by the employers in helping to produce goods. Thus the demand for labour is derived from the demand for the goods it helps to produce.

In fact it is not the demand for labour that matters but the elasticity of demand for labour which depends on the elasticity of demand for its product. The more elastic is the demand for the product, the more elastic is the demand for the labour which makes the products.

Specifically labour is demanded because of its productivity. The wage rate at any time is equal to the marginal revenue productivity. So long as the marginal revenue product of labour is more than the wage rate, it is profitable to employ more labour as it adds more to revenue than to costs. But the employment of more labour tends to diminish the marginal revenue product of labour, after a point, based as it is on the law of variable proportions.
The supply of labour, however, depends upon a number of factors like the rate of population growth, the age and sex of distribution of population, the working hours, the normal period of education and training, labour laws regarding the employment of child and woman labour, the attitude of society towards the employment of woman labour, the attitude of labour in general towards work and leisure and the mobility of labour. If the labour is mobile, its supply will be elastic. Another factor in the supply of labour is the work-leisure ratio. At low level of wages, worker will work for longer hours. But with the rise in the wage rate the workers take home bigger pay packets and a time comes in the life of each worker when he feels that at a particular wage rate his needs are easily met.

A minimum wage is that wage which must provide not only for the bare sustenance of life but also for the preservation of the efficiency of the worker. It is the minimum that must be paid to the worker to cover his and his family's bare necessities including some measure of education, medical and other facilities.

Minimum wage prove beneficial both to the employers and the community by increasing the efficiency and productive capacity of the industry. Higher wages by raising the standard of living increase efficiency and even the bargaining power of the
workers. Thus higher wages by raising productivity encourage employers to adopt better techniques of production, weed out the inefficient employers and increase national income.

Minimum wages, if related to the cost of living as is the case in advanced countries, tend to reduce labour unrest and maintain industrial peace. They also cause a more equitable distribution of income.

In order to ensure better productivity and optimum level of production, the relationship between workers and management should be cordial and harmonious. To have better industrial relations, workers should be provided with adequate wages and salaries, good working conditions, opportunities for growth & development, and medical and recreational facilities.

Guru Nanak propounded the theory of distribution and was against the misappropriation of other’s wealth. He placed emphasis on manual work with honesty for two reasons. Firstly, the real physical output is of more importance because in its absence neither consumption nor exchange is possible. Secondly, the way we earn our living influences our character. Honest and hard physical labour will keep one’s mind and body in equilibrium. Marshall too has given importance to the way income is earned:

"And very often the influence exerted on a man’s character by the amount of his income is very less, if it is less than that exerted by the way it is
Guru Nanak emphasised the dignity of labour in the following lines. He said:

Who have pondered on the Name,
and have departed after putting in toil
O' Nanak! their faces shall be bright
and many shall be emancipated along with them.  

Guru Nanak wished that this world should be blessed with abundant resources acquired honestly. Man should enjoy supremacy over other factors of production. He says:

Let the rivers be cows
Oceans full of milk and ghee
This earth be Sugar
Enjoyment ever for human beings 

Guru Nanak has exhorted better to live by honest labour than by begging.

"Those who eat the fruit of their labour
and bestow something,
O Nanak, recognise the right way."

The Guru stressed the need for living honestly and to earn by the sweat of one's brow. It was reflected in his own actions as he himself cultivated land at Kartarpur for twenty years. It was in this context that he told Malik Bhago, "Your food is blood stained and
drawn from others. Lalu enjoys what he earns by hard labour and shares his earnings with others. No sanctified chauka (kitchen) can make your food pure. The Guru was, at the same time, a strong opponent of begging. He said, "Do you not feel ashamed of begging from door to door?" Thus, he regarded beggars as parasites on society.

Guru Nanak was much concerned with the means for increasing the production. He called upon the people, especially manual workers who produce value on the principle to "Ghall Khai". It means that workers should do their best and get mixed with the earth to produce. In this way his productivity will increase and he will be well paid.

On the other hand the Guru was equally concerned about fair wages to labour. He stressed upon the employers not to appropriate any part of the worker’s earnings. According to him:

\begin{quote}
Whatever belongs to others is the flesh of cow to a Hindu and of pig to a Muslim.\end{quote}

Hence the Guru forbade ill-gotten wealth, or in other words, unpaid wages. Emphasizing that labour did not ask for more than what was due, Guru Nanak said,

\begin{quote}
Eat the fruit of thy labour and bestow something on others.\end{quote}
Underpayment or non-payment of wages in time or the absence of good working conditions is sheer exploitation of the workers by the firm or the employer. Guru Nanak using the image of a labourer comments that he is robbed by the same agent viz. Maya for whom he works:

The mortal comes into the world for earning some profit;
He becomes a cooly (labourer) and is cheated by the mammon cheat.56

In the economy of Guru Nanak’s vision, labour is looked upon as dignified productive activity. A person engaged in whatever occupation, vocation or profession he may be, is not 'high' or 'low':

Saith Nanak : None is high or low.57

The dignity attached to labour in this system will automatically ascertain the sufficient supply of labour. The liberal reward of labour increases the bodily strength of the labourer and creates a hope for better living. It stimulates workers to put in their efforts to the utmost. It is this concern for reasonable wage rates that inspired the Guru to advise the employers not to appropriate what was other’s due.

"Where wages are high, we shall always find the workman more active, diligent and expeditious than where they are low".58
Thus we find that then Guru tried to strike a balance between the interest of the employer and of the worker. Guru Nanak propounded the concept of mobility of labour, because he was the first Indian saint who travelled abroad, to the Gulf Countries. He encouraged international trade. He sent Punjabis abroad to buy horses and dryfruit and to sell silk and textiles.

III. INDUSTRIAL FINANCE

Capital has been defined as "stored up labour". All capital goods are products of the human labour in the past. It is thus contrasted with land and labour which are 'original' factors. Capital is wealth that yields income or aids in production of an income or it intends to do so.

Finance is the life blood of industrialization. In the case of medium and large scale industries, the requirements of finance are more important. During those days, no organised industrial finance was available to meet the requirements of small and cottage industries. The entrepreneurs were mainly dependent on unorganised sector i.e. relatives and moneylenders. These moneylenders, who were called Sahu's and Mahajans were local well-to-do persons. They functioned as a sort of present day banks. But they charged exorbitant rate of interest from their illiterate and poor clientele, who had usually to surrender their
property to the moneylenders ultimately. Consequently these moneylenders became rich landowners.

Those who borrowed were generally the poor and the weak people whose needs were urgent and whose power of bargaining was very small. Those who lent were either people who spared freely from their superfluity to help their distressed neighbours, or professional money lenders who found an easy prey in the poor people who would turn to them for money in their hour of need. Once caught in the net, they had no way out, except to suffer all their lives.

Whatever the motive of borrowing, for production or consumption, the nature of interest was such that it could not be the result of "Dhall Khai" i.e. hard physical work.

If we argue on behalf of the lender and say, as the economists do, that interest is paid for sacrifice, waiting, abstaining etc., it is of no avail, because the lender must have accumulated his wealth by exploiting the poor. "Wealth cannot be accumulated without sins" said Guru Nanak.

Guru Nanak made it clear that the object of human life is to serve humanity and not accumulation of wealth. He chided those persons who acquired wealth through cheating and through unfair means in the following words:

He is blind who earns blindly.

Has no eye (discriminative power) in heart.
Though Guru Nanak has stressed the need for fair dealings, he has emphasised the importance of capital in business in the following couplets:

Without capital the trader looks about in four directions.
He understands not his origin and the merchandise of God's Name remains undiscovered within his house's door.
Without the Name commodity great is the anguish and the false man is ruined by falsehood.
He who thoughtfully (meditates) or (assays) the Name jewal day and night, reaps brand new profits.
He finds the commodity in his home and departs after adjusting his affairs.
Trade with God's traders and through the Guru deliberate over the Lord.

* * * * *

Without money wares cannot be had from a shop.

* * * * *

Sublime is the capital of the stainless Lord's Name.
Nanak is Thine dealer.
Thou, O Lord art my capital.
IV. ENTREPRENEURSHIP

Production always extends to the future and is conducted in anticipation of demand. A producer makes the best possible estimate of demand and then plans production on that basis. But when production has fulfilled its object, i.e. succeeds in producing the service or commodity, the demand may have changed. It is likely that his estimate of demand may be found to be correct, yet there is always the feeling of uncertainty in his mind. This involves risk in production and some one must come forward to perform this function of risk taking. The man who does this is called the entrepreneur.

Management is essential for all kinds of organisations, whether they be business organisations or non-business organisations. This is so because every organisation requires the making of decisions, the co-ordinating of activities, the handling of people and the evaluating of the performance directed towards its objectives. Management brings the principal resource human talent into combination with non-human resources viz. machines, materials and money.

In this materialistic world, one is engrossed in amassing wealth by adopting unfair trade practices and is least concerned about His Name. It is evident from the following couplets in the Gurbani:

In lust, wrath and wealth,
thy mind is engrossed. 
On account of secular love in thy mind, 
thou art awake in falsehood and sin. 
Thou hast amassed the capital 
of vice and greed. 
With the immaculate Name, 
O, my mind, do thou 
swim across the life stream. 

Due profit for enterprise is also upheld in the 
economy of Guru Nanak's vision provided that he shares 
his profit with his fellow-beings after satisfying his 
basic needs. The following composition of Guru Nanak 
refers to due profit:

Have dealings with the Lord's dealers 
and taking the profit 
be happy in thy mind. 

The economy of Guru Nanak's vision attaches due 
importance to every kind of industry.

V. COMPARATIVE IMPORTANCE OF FACTORS OF PRODUCTION 

Thus production is the result of human exertion 
concentrated on capital and land. All factors of 
production are essential for production. However, some 
factors of production may be more important in an 
economy because of the availability of the factors of
production, nature of economy, technical co-efficient, level of technology etc.

Different economists also had different views regarding the importance of these factors of production. Prof. Marshall puts it that man has no power of creating matter; he creates utilities by putting things into a useful form. However, the term 'land' has been extended to include the permanent sources of these utilities, whether they are found in land or in seas and rivers, in sunshine and rain, in winds and waterfalls. Economists consider even labour unproductive if the labourer is said to have produced no utility. The Mercantilists considered precious metals as wealth in a fuller sense than anything else. Consequently they regarded only that labour as productive which was directed to the production of goods meant for export and which brought gold and silver in exchange. The physiocrats regarded only agricultural labour as productive because in their view the agriculturist alone produced a net surplus. He sows one seed but reaps many grains. Adam Smith improved upon the physiocratic ideas but even he conceded that agricultural labour was more productive than labour assisting any other type of production. His followers did not adhere to the distinction but generally held that only that labour is productive which increases material wealth.

The comparative importance of factors of
production is also influenced by the level of technology adopted in an economy. The traditional rural economy which is basically engaged in agriculture, handicrafts and very small industries can produce products with a wide range of techniques and alternative combinations of labour, capital and land. It has variable technical coefficients of production. Since the factor endowment is such that labour is the relatively abundant factor, so that techniques of production are labour intensive in the sense that relatively large amounts of labour and relatively small amounts of capital are used. In contrast, in the modern sector there is only a very limited degree of technical substitutability of factors, so that production is characterized by fixed technical coefficients and the production processes in this sector are relatively capital-intensive.

All factors of production are paid their remuneration according to their marginal productivity. These factor payments are in the form of rent, wages, interest and profit. However, in a traditional subsistence economy there is no strict classification of factors of production. One factor combined the functions of landowner, labourer, capitalist and entrepreneur. Thus factor payments were not made according to marginal productivity but there were imputed rents, imputed wages and interest.
In the economy of Guru Nanak's vision, while fixing the price of the produce of the primary, secondary or tertiary industry the cost of land or rather natural resources as a factor of production will not be taken into consideration as these are used by the respective entrepreneurs free of cost. However, the cost of the other three factors of production viz. labour, capital, and enterprise will count in the fixation of price of the produce.

If this system is to be implemented properly, the private owners (possessors) of land and other natural resources, if any, have to give up their possession and hand these over to the Sangat who will re-distribute these among the individuals keeping their needs in view.

The Sangat will manage the re-distribution of land and other natural resources. It will not only distribute it but also ensure that the piece of land or the share of natural resources reaches the proper hands and the same is not intercepted by anybody else. For the purpose of making the system successfully workable the distribution may be renewed periodically, say, every year, by the local units of the Sangat and a proper record thereof be maintained by them.
REFERENCES


3. Bose, A.N., Social and Rural Economy of Northern India, Calcutta, 1942-42, p. 120.


8. Manmohan Singh (tr)., op.cit., p. 470.

9. Ibid., pp. 82-83.

10. Ibid., pp. 461-462.

11. Ibid., p. 354.
13. Manmohan Singh (tr.), op.cit., p. 27.
15. Ibid., p. 153.
16. Ibid., p. 35.
17. Ibid., p. 152.
18. For earthen pots. see Adi Granth, pp. 355, 843.
20. Manmohan Singh (tr.), op.cit., p. 316.
21. Ibid., p. 450.
23. Ibid., p. 1037.
31. Ibid., p. 1288.

33. For Gur and Khand, see *Adi Granth*, pp. 15, 142, 360, 582, 1286.


36. See *Adi Granth*, p. 360.


43. For these items, see, *Adi Granth*, pp. 14, 16, 557, 990, 1288, and 1291.

44. For references of paper, ink, kalam or pen in Guru Nanak Bani, see *Adi Granth*, pp. 3, 877 and 1274.


50. Ibid., p. 1.
51. Manmohan Singh (tr.), op.cit., p. 28.
52. Adi Granth, pp. 141-142.
55A. Ibid., p. 141.
58. Adam Smith., Wealth of Nations, Book I., Chapter VIII.
60. Adi Granth, p. 1289.
62. Ibid., p. 219.
63. Ibid., p. 284.
64. Ibid., p. 387.
65. Ibid., p. 183.
66. Ibid., p. 411.
67. Ricardo’s famous phrase ‘The original indestructible powers of the soil’.