

Economists, Allies of Labour¹

- Ela R. Bhatt²

I deeply appreciate your inviting me to the Conference of Labour Economists. Thank you. I am here to inaugurate the Conference however, what I need to do is to share my concerns related to work, and to the way the economy is presently going and to make some suggestions .

Work and the Economy

Since decades I have been active as part of the trade union movement and had attended trade union conferences, including at the international level. When I first attended such conferences, trade unions would emphasize the need for full employment, it was always on the agenda. Government meetings and conferences, highlighted the role of labour and the need for full employment at the national level. At international forums too labour and full employment were important subjects. I remember I participated in Trade Unions (ICFTU) rally on main street of Oslo raising voice for Full employment. However, today, at national and international level, labour and full employment no longer seem to be relevant topics! Even in trade union meetings, full employment is on the back-bench. It is high time, focus is brought back on the importance of work, of labour and of bringing workers as the focus of policies at the national level.

Economics gives Governments the theories and logic on which they can build policy as I understand. Earlier, labour economics and the centrality of the worker played an important part in developing policy and growth theories. Today all that is changed, and it is finance and investment which has become central almost to the exclusion of all other considerations. Today's economic growth devises more and new ways of developing a labourless economy. When I read about '4th Industrial Revolution', I do not understand what it means. We need to bring the workers and labour back into focus and I urge you, brothers and sisters, let 1000 labour studies bloom in each year for next five years to push it to the national priority agenda.

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The world has changed over the last decades, yet we do not see much fresh new thinking in our trade unions even as formal labour, who had hard-won rights and social security is being converted into , insecure, poorly paid and unorganized informal labour. We have Jobless growth, labourless employment and then we will have citizenless nationals, as everyone is converted only into a consumer. What next, peopleless planet! What will happen to the trade unions then? Who will be members of unions? Will it become unions of robots, conferences of robots ?!

The changing situation is filled with confusion and fear. This is the time when the trade unions need fresh thinking to understand the present trends and to bring in new direction which once again gives priority to people, to workers and to an economy which cares about them.

Work is changing fast and so is the economy. Between the two, who is moving faster than the other, we do not know. We know today finance drives the economy, and it is work which has to fit into the going economy as it is, and follow the current changes. We need to reverse this trend -- work must shape the economy. If work should shape the economy, what should it shape into?

Let us not impose systems and practices in the name of modernization on workers if it leaves them at constant disadvantage, feeling inadequate, and vulnerable to poverty and exploitation. How is it progress if one person benefits at the cost of another?

This question many of us are struggling with, all the time today., and I would like to share some of my ideas.

100 Mile Communities

When economists and policy makers discuss the economy today, local considerations rarely enter into their calculations. Finance which drives the economy, is rarely local, it is national and global, with finance flowing more and more easily from area to area, nation to nation. However, work is always local. I work where I live, I develop social and economic relationships in my community, at my workplace. In a country like India where the majority of people live in villages and where most are poor, this is even more true, and

possible. So, if in order to be more 'worker-centric' we need to move economists and policy makers to think more locally.

Based on my many years of work with women of SEWA, I developed a principle, which I call the 100-mile principle, and which I have seen work on the ground. This principle states that basic needs of people, namely food, clothing, shelter, as well as the primary services of education, health care and banking are locally produced and owned and consumed locally. Such a decentralized approach brings the producer and the consumer closer together resulting in many advantages. It develops the local economy, and allows finance to circulate locally creating local growth; it reduces transport costs thereby reducing the carbon footprint; it relies on and regenerates local resources, thereby ensuring healthy natural environment. Of course, trade outside the 100 miles, and globally is desirable, and local people will both import and export goods and services, but such an approach shifts the focus towards the local. The approach is not against global trade but in favour of local, decentralized and emission sensitive future of the world. Such an approach surely, I believe, is the path to remove starvation and emission to large extent, in India. The closer the distance between the producer and consumer, the producer and the raw materials, the government and the governed, we find the greater accountability. Such 100 Mile community weaves together decentralization, locality, scale and livelihood.

Arguments about economics of scale and consumer preferences, while valid, do not take a holistic view of people and their environment. My intention is not so much to counter global market forces as to put viable local alternatives into the hands of the people that will serve them in both good times and bad.. Although the focus of 100-mile communities is local, the outcomes are much larger: overlapping 100-mile communities can be seen as part of a global solution to counter environmental degradation and promote inclusive development. By consciously adopting *anubandh* in our lives and building local communities, we can weave a web of relationships with people and with nature across the world.

Let me give one living example of SEWA experience related to building water communities in desert Districts of how 100 Mile communities and *anubandh* work together. A common local skill like embroidery brought the women together, brought cash income into the household, and set in motion a process of regeneration in the village community. At the same time, their collective

efforts brought water into the communities, filling their fields and ponds with life. The process has brought the women in touch with the outside world – with women in neighbouring villages, local towns, and even in distant cities. They have a voice in panchayats and they negotiate with local bureaucrats. Their embroidered products are sold at national craft fairs and through their company ‘Hansiba’, in the international market.

An Economy of Nurturance

Secondly, let me suggest, humbly before this learned audience, that we need to build an economy of nurturance.

Let me explain what I mean by ‘nurturance’. I mean nurturance is natural. Exploitation is learnt behaviour. None of us would be here if we were not nurtured in our infancy and childhood. Yet today’s world seems to educate us, incentivize us and forces us to be exploitative – in other words self destructive rather than be nurturant. The result is the triple crisis – unacceptable poverty despite abundance, rise of intolerance, hatred and violence, and finally environmental catastrophe.

A nurturing economy is economy that nurtures our daily life (food, health), that nurtures the soil that nurtures the Earth. Nurturing economy that nurtures the knowledge, and technology. That nurtures the next generation. Today, all across the world, progress is measured as growth in GDP, and modern science, production systems and lifestyles. But though this form of progress has improved food production and health standards and increased the standard of living; it has also caused damage to the environment, pollution, global warming and greater inequality vulnerability.

The existing ‘Development’ is largely based on mostly non renewable energy and is capital intensive. Agriculture today is dominated by monocrop, cash crop and new varieties requiring fertilizers and pesticides. Farming has become largely agri business and maximization of profit is the goal. This is not an economy that nurtures people and Nature. For doing that, we must grow healthy food and sell in local markets. This requires the 100 mile principle where the basic needs of the staple diet like cereals, vegetables, fruits, milk, must be produced and consumed locally. In this way, the primary needs of food will be accessible and affordable and healthy.

The economic, social and political systems should move for building better relationships and building collective strength. I plead for building such **an economy of nurturance** in our country.

Let us focus on Finance – overall finance, in a broad sense. Today the financial system is considered the driver of growth and progress., so much so that the financial system has become an independent structure, as it exists for its own sake, detached from the ‘real’ economy, detached from subsistence, climate change, relationships, culture, global-local well being. Of course, we know money is a useful tool, but today money has become a tool to make more money and more money. The truth is, all tools must serve the humanity and not the other way.

We need to think seriously when and which finance (investments) contributes to nurturance vis a vis self destruction – whether invests in a biscuit factory or a gun factory. How much for building unequal wealth and how much for creating full-employment at the household level?

Kokila Rana’s husband, a newspaper vendor. Kokila started a tiffin service with a loan of Rs.5000. She saved, borrowed again from SEWA Bank to get an autorickshaw for her husband. The rickshaw and tiffin service combined, brought more income. Then she took two loans to buy a house. She had reason to be happy. But then her brother suddenly died, she helped raising her brother’s family. She taught her bhabhi the tiffin service work so that she has her independent income. Today Kokila has engaged 50 SEWA women in her tiffin service.

We have many examples of how finance can be nurturing and strengthen the 100 miles local economy, the family, the community. One example is how a local bank like SEWA Bank handles finance. It gives poor women a place to save, which offers them security. It gives loans which women use to start and expand small businesses. These small businesses help their children and families to be educated and remain healthy and at the same time create employment for many other women in the area, thereby strengthening the community financially, starting a virtuous cycle of nurturance.

Hope

Labour economists are the hope for rethinking the place of labour in our changing world. Research and new ideas are important to build an economy of nurturance. I request the members of this august gathering to share their ideas on how financial systems can be reshaped to serve humanity, to promote work and the 100 mile principle, rather than jobless growth and environmental destruction.

Thank you very much for inviting me as I got the opportunity to share my idea and feelings. I look up to you to help me convince the consumers that building 100 Mile communities is the way forward to nurturing me, you, the people and the Mother Earth - promoting a 'nurturing' economy that eliminates poverty, hatred and environment crisis and ensures the dignity of labour.