

JUST CHANGE

Humanising globalisation

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Why is it that all the profits from a business go to those who put up the capital? A new form of producer-consumer-investor co-operative gives all the participants a share.

For nearly three decades now, my wife Mari and I have struggled for the poor. We have fought human rights abuses, land alienation, untouchability, feudalism and violence against women. We have won major victories and changed the lives of the poor we worked for. But, finally, we have been forced to conclude that fighting poverty and fighting for the economic rights of our people seems to have moved beyond our control.

Many people I know feel the same way. The vast majority of human rights activists who have worked at the grassroots for the past few decades are plunged into gloom. Whether we are working with adivasis¹ in the Nilgiris or dalits² in Orissa; or with unemployed people living in run-down council estates in London; or with the homeless on the streets of Dublin, the forces defeating us are faceless and frighteningly anonymous.

So what is going wrong? Are we fighting the wrong fight? Are we too fainthearted in battle, surrendering to more powerful adversaries too easily? Or is it simply that our strategies are deeply flawed? Different people give different answers. The most common one is that young people have been de-politicised and are single-mindedly pursuing careers in the hope of finding an imaginary pot of consumerist gold at the end of an imaginary yuppy rainbow.

But at events like the 2004 World Social Forum in Mumbai, a more likely explanation has been rolled out in high decibel sloganeering to the accompaniment of deafening dalit drums – “down down globalisation”; “down down liberalisation”. Yet when you stop anyone of those whose throats have gone dry with the shouting and ask “what is globalisation?”, “why has it caused you so much pain?” – they are not quite sure. They can describe the pain in vivid and heart-rending detail but they cannot articulate or analyse why it happens.

While many of these campaigners may not understand how or why globalisation has created poverty, they do know that the vulnerability of the poor is steadily increasing and that this was aggravated when the government of India decided to toe the World Bank/IMF line and liberalise the Indian economy. This moved the country away, surprisingly quickly, from its socialist underpinning. The concept of a mixed economy as envisaged in the Indian constitution gave way to a modern free market economy. As a result, the ground gained over the previous two decades in the fight against poverty began to slide out from under them. Accordingly, they are not taken in when they are told again and again that globalisation is good for all of us but that we must go through the belt-tightening phase even if eating less means malnutrition or death for the poorest women and children. At the same time, there are bigger houses, faster cars, and more partying opportunities for the rich who can afford them.

Like the campaigners, ordinary people feel helpless against the globalisation juggernaut that ruthlessly mows down anything that smacks of protectionism even if it is directly protecting the weakest and most vulnerable. Sure, it promises heaven on earth but there is a rider in micro-fine print – ‘Heaven, yes, but only for those who can afford it.’

But let us cut through the emotion and anger and try to analyse what is actually happening, and why is it that at a time when nations like India can declare “India Shining” with record-breaking 8% economic growth and foreign exchange reserves ballooning to an all-time high of over a billion dollars; those of us who work with the world’s poorest are not able to share the euphoria.

Changed Rules

The first thing we need to recognise is that the rules have changed. Not just the rules of trade, not even the rules of governance, but the fundamental rules on which economies are based. And this impacts on poor people in new ways that are not fully understood.

Trade dominates the economy. Not production. And we now have an economy where trade extends far beyond just goods and services! You can trade in notional wealth like stocks and shares, or even in non-existent things like a banana crop expected in the future, or even the very thing that was meant to keep track of trade and exchange – money itself.

Twenty years ago, when we started working with the adivasis here in the Nilgiris³, the analysis was Marxian clear. Poverty was caused by a loss of control over the means of production.

>>> *The end result: a once proud and self-reliant community reduced to being unskilled landless labourers*

In the Nilgiris, a rural agricultural economy, land lay at the heart of production. And once upon a time the adivasis had complete control over the land and its forests. It was obvious that the root cause of the adivasi's poverty and exploitation was their loss of control over the land and forests their ancestors had held sacred since time immemorial. British India nationalised their forests, colonial economic interests then took over the land and converted huge areas of centuries-old forests into tea plantations. After independence, India continued the trend with land-hungry colonisers from the neighbouring state, Kerala, flooding the area in large numbers. They grabbed, through fair means and foul, whatever land they could and in the process enslaved the adivasis, luring them with alcohol and trapping them in debt. The end result: a once proud and self-reliant community reduced to being unskilled landless labourers, the bottom of the economic heap, in a land that was once their own. Their life, a daily struggle of ensuring that there would be enough food for the evening meal.

An analysis of the forces that trapped them in poverty threw up the obvious solution - reclaim control of the land. So we began a Tribal Land

Rights Campaign in 1988 which, 15 years down the line, has seen the majority of adivasis gain control of small pieces of land ranging from half an acre to three acres.

Further analysis led us to the conclusion that, in addition to reclaiming their ancestral land and organising the community against further exploitation, it was imperative that the land should start to yield. After much debate, we decided that it was best to plunge into the mainstream economic activity - the cultivation of tea. There were several reasons for this. It was a permanent crop which once planted would establish possession rights over the land. A tea bush properly planted and tended would provide a steady income for the next one hundred years! The local infrastructure for the tea trade was already present and we would not have to invest in developing it. The people already had the requisite skills and we were not introducing something alien and new here. But most importantly, it would make a strong political statement if supposedly unskilled labourers became tea planters. It would radically change their social and economic status.

So the adivasis of Gudalur have moved from being part of the faceless masses that provided labour to the local plantation and agricultural economy to being key players in the local tea industry. However, with this transition has come a host of new problems. The most relevant one was pointed out by a colleague, Ramdas, who asked why we were moving the community out of the local economy into a global economy over which it had no control.

As India hurtles down the path of structural adjustment and liberalisation, tea prices have crashed plunging adivasis into dangerous levels of debt. Cotton farmers in Andhra Pradesh are committing suicide by the hundreds⁴ as they find it impossible to cope with their ever-increasing poverty, and all over the country, people who depended on land for their livelihood are being plunged into unimaginable poverty. Before Mari and I arrived in the area, the adivasi population worked for local farmers. They could negotiate, protest. What would their weapons be if the adversary became a faceless multinational company?

Gaining control over small pieces of land, once the solution to poverty, is now no longer enough. And it is not just the marginal farmer who is feeling the pinch - even small and medium

farmers are struggling to cope. For that matter, so are large corporations! We were recently approached by a large tea company which owns thousands of acres of tea plantations. They were very reticent on the 'phone about the purpose of the proposed meeting and when we found out we were stunned! They were prepared to hand over their entire land holdings to their workers! Just give it away! Why? A conversion on the road to Damascus? A newly-discovered social conscience? It was straightforward market sense. The money was no longer in the production of tea but in the trading of it.

What we are seeing today is capitalism in its purest form. Wealth is no longer created through the control over the means of production. It is created through the trading of the fruit of production. And trading requires one single resource – capital. Not land, not labour. And so it is not the feudal owner of land who is today the powerful controller of a rural economy like ours in Gudalur. It is corporations like Unilever who control the trade in products like tea among a host of others.

So if history was to describe our civilisation, I think we could be called a civilisation of traders. Not just traders of goods. But traders of money, traders of capital. The market dominates every aspect of our economic life and, more importantly, our social life as well. Which is why it is rightly called a market economy. The obvious beneficiaries of any market are the traders and in today's market economy – which is a far cry from the local farmers' or village market – capital is of the essence. Power is no longer defined by natural assets like land or property, but by the control and ownership of capital.

Is it surprising then that the Bill Gateses and George Sorosés of the world wield far more political clout than millions of poor people demanding justice and human rights? Is it surprising that Dick Cheney and his ilk with their interests in the trading of oil are more influential than the millions who marched against the war in Iraq in London, Rome, Washington and all over the world? Is it surprising then that profits come before people?

Is this profit-driven market economy inevitable? Are justice and human dignity no longer relevant? Are there no other choices and options? We like to believe there are. And so over the past few years we have been pursuing one such option, Just Change.

Just Change

Several strands linked together to shape it. In 1993 we sent tea to a group of women handloom weavers and received beautiful saris in return. Both groups were ecstatic. Our women who got beautiful saris at half the local market price and the women weavers who received our garden-fresh tea at one-third their local market price. This made us think. Why not use the strength of mass mobilisation and the infrastructure that we had built up to help poor producers' communities trade with each other?

The next strand was the advent into our lives of GEPA, a German fair trade organisation. The "fair trade not aid" concept intrigued and appealed to us. We started selling tea to GEPA and used the premium earned to assist more adivasis to get control over their land. The experience reinforced our belief that there were many people all over the world who were willing to work for ideals of justice and equity.

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But the visit of an adivasi group to Germany in 1997 raised some questions about the concept of fair trade. Bomman, one of the adivasi leaders, was thoroughly upset to hear that his new-found German friends paid three times more for our tea than it cost in Gudalur. "That's ridiculous and unfair," he protested. "How can our friends who work to support our struggle for self-reliance pay more for our tea? They should pay less, not more." Bomman's perspective led us to look at new ways of working which would incorporate his concept of what was fair.

In May 1994, sponsored by Hilary Blume of the Charities' Advisory Trust and Michael Norton from the Directory of Social Change, Mari and I visited Britain to look at development work there. In Easterhouse, Scotland, we looked at the endless cups of tea consumed and thought why don't we send them our tea? We could cut out some fat cat middleman and start a small marketing and distributing business for the local people. Or ginger? Michael Norton was delighted at the thought of our ginger coming to Scotland and being made into chocolate ginger in

Easterhouse. Value addition, income generation and a wonderful solidarity between two groups an entire continent apart. He even gave it a name "Direct Links".

In 1998, through Oxfam, we came in contact with the Matson Neighbourhood Project working with the residents of a council estate in Gloucester. The high level of unemployment in the estate made the idea of Direct Links between the adivasis of Gudalur and the residents of Matson very attractive. Impractical, maybe even impossible, but the coordinator of the project, Mark Gale, was convinced it was worth giving it a shot. The local press picked it up and BBC Radio 4 followed with a four-part serial called 'Trading Places'.

>>> *traditional aid diminishes the justice aspect of the poverty divide*

An article in the *New Internationalist* outlining the idea brought a tremendous response from readers and convinced us that the concept was far bigger than tea, adivasis, Matson or Easterhouse. It convinced us that there is a global community which cares. All we need is a means to link them. The traditional means of linking these groups has been through aid and donor agencies. But traditional aid somehow diminishes the justice aspect of the poverty divide. Here, the Fair Trade groups have gone a step ahead and played a tremendously important role in bringing the question of justice to the forefront. They have created an awareness among ordinary people about the unfairness of the trade game and appealed to them to give a better deal to poor producers by paying more for their products. But the Fair Traders have not tackled the inherent injustice of the blatantly unfair structure of the entire trade economy.

These strands, then, were the germs of the Just Change concept, an attempt to link producers, consumers and investors in a cooperative chain which allows the three factors of production and wealth creation to work together for mutual benefit. It is now slowly developing into a fully-fledged system through which community groups have begun to trade directly with each other. From being helpless victims in a marauding global market economy over which they had no control, these communities are now beginning to hope that

by working together they can strengthen their local economies by restructuring the way they trade.

Where we are now

Just Change is now a registered trust both in India and the UK. For strategic reasons we are developing and strengthening the model in India before moving into other countries. Pioneered by the Adivasi Munnetra Sangam⁵ (AMS) from Gudalur, three more people's organisations – Bhodhan Vikas Mandal (BVM), SAWARD and Sahabagi Vikas Abhiyan (SVA) have joined the network here in India. BVM and SAWARD are both women's organisations in Kerala while SVA is a federation of dalit and adivasi organisations in Western Orissa. A number of other organisations will be joining soon.

These organisations will become shareholders in Just Change by providing a common pot of working capital. They will take out of the pot whatever it costs them to participate in the chain either as producers, value-adders or retailers to their consumer-members. The final value of the tea (or other products) when consumed goes back into the common pot and when books are closed, the surplus will be divided between all the shareholders. It will be left to the organisations to decide how to pass on this surplus to their members. While all of us are agreed that we will not touch the surplus for the next three years, the AMS has already decided that any surplus will be collectively used to contribute to the health care and education costs of their community while BVM is considering distributing the surplus among its members on the basis of how much of the tea each member has consumed.

At the heart of this system is the fact that everyone who joins the network, irrespective of their role in the network, are all seen as investors and therefore are entitled to share in the surplus.

In the much-touted free market economy, only one participant in the economic chain is seen as an investor, the person who provides the capital, and it is accepted that this person owns the entire surplus - or profit. All other participants - the producer, the consumer - get nothing although their actions contributed to the creation of that profit. This is the reason that the rich are those with capital and the poor are those without. This applies to countries too. It does not matter whether a country is rich in natural resources or in labour as these commodities can be purchased with capital. It is the capital that

counts. And if a country decides to protect its natural resources or its labour by regulations that restrict foreign capital, then in come the unholy trinity of the WTO, IMF and World Bank to force it to open up its economy to allow the unfettered flow of foreign direct investment.

Because we know in our hearts that the very nature of a capital economy with its narrow notion of the meaning of investment must result in some people being rich and some people being poor, those of us concerned with poverty seem almost reconciled to accepting that the poor must always be with us. And so our language has changed – we no longer seek to eradicate poverty, we seek to alleviate it. Poverty is no longer an injustice, a blot on our civilisation and society- it is an inevitable part of it.

Yes, as long as we accept the capital economy as it is, poverty is inevitable and the best we can do is to cry ourselves hoarse demanding the redistribution of wealth. But if we really want to eradicate poverty, it is not enough to talk about the redistribution of wealth. Even in the best-case scenario, redistribution will amount to a small fraction of the wealth generated.⁶ We need to challenge the structures that create wealth. Redistribution should not be an afterthought, an action to be taken after the creation of wealth. It has to be an inherent and integral part of the creation of wealth.

Just Change challenges the notion that investment is just a matter of the capital employed, that one can scoop up the entire surplus of any economic activity simply by putting up the necessary capital. Instead, Just Change offers a structure where it is possible for any participant in any economic activity to be seen as an investor as long as they are willing and prepared to work as part of this structure. Just Change ensures that the generation of surplus is not for the benefit of any one participant but for all. The purpose of economic activity then changes from the creation of wealth (profit) to the creation of well-being for all.

Tea was the first product to be traded through the Just Change network but at the time of writing, August 2004, rice was about to be introduced. Our hope is that, over time, the network will trade in a range of products among communities both in India and across the globe.

In Britain, we have developed links with community groups in Newcastle, Manchester,

Gloucester and Cheltenham. We need to make these more robust.

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Frequently Asked Questions

Let me end by raising some of the most frequently-asked questions and attempting to answer them.

Is Just Change compatible with the goal of strengthening local economies?

It has become obvious to anyone concerned about the negative impact of the free market global economy that the only way to challenge it is by strengthening local economies. But we need to be clear about what we mean by global and what we mean by local.

To me, local is not geographical. Local is not a small community, tucked away in some tiny village, struggling to produce all its requirements within a five kilometre radius. I think we live in a far too sophisticated, complex world for that to happen. And so I would redefine what we mean by local. To me local means linking up communities who believe in certain fundamental principles. It means linking up people who subscribe to a similar kind of thinking. To a similar set of values. It does not matter where we live. What matters is whether we are willing to work together for mutual benefit. Irrespective of our role within the economy – irrespective of whether we function as producers, consumers, or investors.

Years of “thinking globally and acting locally” has led us now to think locally and act globally as well! And so Just Change seeks to link these producers, consumers and investors in a cooperative chain where they can work for the mutual benefit of all within the chain, irrespective of where they might reside.

How is this different from Fair Trade? Is it different? Are you in competition?

In terms of values it is not different and we are not in competition. In fact, Just Change builds on the concept of fair trade – that trade is *not* fair and we need to do something about it. The Fair Trade movement has worked wonders in terms of creating awareness of the unfairness of the trade

structures, in increasing the demand by consumers for fairly-traded products and forcing the likes of Sainsburys and Starbucks to stock and make fair trade goods available.

But Fair Trade does not change the fundamental relationship between labour and capital. Capital still has the power to “buy” labour and the fruits of labour. Paying a higher price will definitely alleviate the suffering of the producer but Just Change argues that we need to go further. We need to change the structure under which we conduct our trade and our economy in a way that will change the power relationship between labour and capital. We need a structure that recognises that labour and capital have a role to play in the economy but in a way that ensures they are not in competition with each other but work in tandem for mutual benefit.

>>> *I do not believe that we are fundamentally or naturally selfish*

Just Change is not about fair prices alone - it is about the relation between capital and labour, between “investors”, producers and consumers. It is about creating a true market chain where all the forces of the market work collectively. So that one person is not the controller of market forces and another the victim of it! Just Change is tackling a centuries-old way of managing our economies. We are taking on powerful vested interests. We are Davids against a Goliath and we need as many stones as possible in our slingshot.

But is this practical? Isn't this too idealistic? Aren't people basically so selfish that you are asking for the moon when you expect them to work together in such a positive manner?

Of course it is idealistic. But isn't our society built on precisely that – ideals? I do not see being idealistic and being practical as opposing or contradictory concepts. Ideals are what we seek or hope to achieve; being practical is how we will go about achieving it! The concept is idealistic - the way we go about it is not!

Whether human beings are basically selfish is not an economic question but a philosophical one. How much of our own behaviour is due to conditioning and how much of it is natural? What gives us most satisfaction, contentment and well

being? How many of our most joyous activities are individual and how many are based on group or collective action?

Let me simply say I do not believe that we are fundamentally or naturally selfish. I have lived for too long with too many communities and have many friends – none of whom are selfish. They may commit selfish acts but they are not selfish by nature and they are too numerous for me to believe that we as human beings are basically selfish and individualistic.

The first consignment of Just Change tea went to Gujarat to the “dalit” community, which is treated as the lowest of the low in the Indian caste system. A community condemned by custom to perform only the most menial and “polluting” tasks like cleaning toilets and handling carcasses. Toilets in many parts of India mean an open ground enclosed by a wall and the members of this community are forced to go in and gather the shit, put it into baskets and head load it out of the village, a practice banned by law but still alive and well in many parts of the country. Mari has been campaigning for years against this practice and our adivasis in Gudalur were familiar with the plight of this community.

When the tea was about to be despatched we had a meeting with all the adivasi tea growers in Gudalur and asked them how they thought the profits if any, should be divided. One old man spoke, “Are we mad? Don't we know these people are much much worse off than us? Surely they should keep all the profits that are generated!”. Everyone was vehemently in agreement. And this from a community that itself struggles to make enough each day to ensure their children do not go to bed hungry.

Selfish? Think again!

But surely it is a very small minority that thinks like this?

The Adivasi Munneta Sangam has 3,000 families as its members. The people who were at the meeting were representatives of these families and spoke for them, an entire community. At a recent meeting, representatives from various organisations committed to become part of the Just Change network. We added up the number of people these organisations represented and shocked ourselves when we discovered we were talking of nearly two million people. And this is only the beginning.

But yes, perhaps we are a minority. Yet, all change begins with a minority and, given the right conditions and opportunities, I cannot help believing that it will become a majority.

People will have many more questions and we do not pretend to have the answers to them all. Let us just encourage everyone to be idealistic, to redefine the purpose of economic activity and

then to be practical and create the climate, the opportunity, and the structures that are needed to achieve their ideals. Step by step, brick by brick, community by community. And then perhaps, just perhaps, one day we will have a society where we can proudly say the poor are no longer with us. Because poverty has been eradicated and not just alleviated, because justice has been done.

Endnotes:

- 1 Adivasis – literally translates as the “first inhabitants” – India’s indigenous or aboriginal people.
- 2 Refers to the communities in India that are condemned by the caste system to be “untouchable” or “outcaste”.
- 3 Nilgiris – or the Blue Mountains in Tamilnadu, South India
- 4 The issue first hit the headlines in 1987 when 20 cotton growers committed suicide. The problem assumed alarming proportions in 1997. In the last seven years, about 200 farmers have ended their lives each year. And these are conservative estimates.

- 5 A “sangam” is a mass organisation based on direct membership and is very common phenomenon in the Indian voluntary sector where NGOs have mobilised thousands and thousands of people into sangams
- 6 The UN target for aid from rich countries is just 0.7% of their GNI and even this not honoured by the majority of countries. America gives just 0.19% even though its wealth per person doubled between 1961 and 2000. Source; Never richer, never meaner by Tony German and Ruth Randel