

## **Responsible Engagement for Equal Opportunities** **in an Unequal World**

### **The Nature of Inequality:**

Inequality has numerous dimensions-economic, social, political and cultural. It is, of course, above all a human tragedy. The governments of the various countries often announce schemes and measures to eliminate inequality but little is achieved in practice. The increase in the number of poor indicates the 'absolute poor'-those who are unable to meet their daily nutritional requirements calculated in terms of calories. The numbers would be far higher if other aspects of a dignified quality of life are considered. Large sections of the population-easily the majority-are deprived of the basic necessities of life.

The nature of inequality is such that the victims of inequalities are systematically deprived of their rights to food, health, safe drinking water, education, and other rights such as credit, livelihood resources etc. This means that they are excluded and marginalized from their rightful access to resources, opportunities and power. Thus, it is essentially a denial of justice, equity and dignity of life.

### **Divided world: the haves and the have nots:**

The latest Global Wealth Report from Credit Swiss has exposed the stark inequalities in wealth distribution not only between countries, but also within them. According to the report, India is the most unequal among the large economies with the richest 1% of Indians own 48.7% of the country's wealth. The top 5% of the Indian population makes up a plutocracy that owns almost two-thirds of total assets in the country. The top 10% have 73.8%, close to three-fourth of the nation's wealth. Contrast that with the bottom half of the Indian society owns 4.5%. The bottom 30%, which is either below poverty or just above it, has 1.4% of the country's wealth. (Estimates at [bit.ly/17+Sysm](http://bit.ly/17+Sysm))

Two different worlds have almost always co- existed in India and in the recent past the two have begun to lose touch with one another. That is the characteristic of inequality which the people face continuously. They find themselves in a country divided against it, a country in which two realities co-exist simultaneously, one for the ruling elite and its allies and another for the toiling masses. The rulers find themselves in a land of plenty, a land which may soon become a virtual paradise on earth.

The poor people find themselves consigned to inhuman conditions. The country for the poor people is one in which starvation deaths occur in a large number of places despite over sixty-five years of independent development, where drinking water is not available to most villages, where vast majority spends less on their survival needs per day than what is seen as the necessary expense to maintain a prisoner in the jail in its capital. The ruling class elite refuse to

acknowledge the hardships faced by the people. The so called achievements make no sense to the people. This is indeed an ironic situation.

For tiny elite, there is the excitement of joining the clone culture of Walmart and MacDonalD's. For the tribals, the peasants, the craft people, it is the loss of land and livelihood. The more the government talks of economic growth, the more it excludes large numbers of Indian citizens by appropriating their land for mines, factories and SEZ's. The result of this unjust and violent appropriation of people's resources is violence against humanity and nature. Inequality is not a distortion of the system. It is the logic of the new liberal paradigm and necessary requisite for growth and permanence of the system.

### **The Neo-liberal Growth Model: the structural re-production of inequality:**

The countries of the Global South, blessed with the gifts of natural resources, is today under the spell of the neo-liberal economic growth model. These natural resources are now commodified and no sphere can escape this process. The goal is that of granting capital to totalitarian control over human and biological life and development. This shameful pillage of humanity's collective economic resources is being plundered under the spell of the neo-liberal economic model, even those areas of life-forms once considered sacred, like the genetic codes, flora, fauna, seeds and even natural resources like water once considered common heritage of humanity.

Development as conceptualized in the dominant paradigm has the following elements: Highly capital and resources intensive with corporate driven agenda for control of natural resources to meet the market demands. The model has no regard for the rational use and the conservation or regeneration of these resources.

The underlying assumption is that nature's resources are unlimited for human use. This is further bolstered by an anthropocentric cosmology and worldview that alter original unity of the ecosystem and convert it into extractive and exploitative relationships that seek to consume and subjugate nature to meet the market demand. This is then viewed as something "natural", with no thought for sustainability or renewability. Access to them is restricted and control over them is established by the market forces which are in conflict with nature's regeneration and people's survival. They thus become objects of trade and commodities with a price. This process of commercialization of natural resources deprives the socially and politically marginalized communities of their access to livelihood and sustenance.

Neo-liberal globalization has one characteristic: exclusion. As humans are reduced to the status of "Homo economicus", and thus leaving aside other characteristics of humans as a foundation of the global order, globalization also excludes many areas, countries, groups of society and social strata from having a future. Ideas are those who cannot compete in the international market. With the dominance of the Bretton Woods institutions, who govern the economic order

of the world, and the role of UN system is marginalized as a major player in regulating the destructive growth.

Expanding predatory capitalism as already noted is hungry for resources. In its quest for more and more resources, it becomes rapaciously extractive. The concepts of environmental balance, optimum utilization, renewal of resources are thrown to the wind. It privatizes, commercializes, and industrializes all natural resources. There is a move to privatize even water supply now. The corporations may begin with the urban centers but may soon take over even irrigation for agriculture.

### **Towards an alternative paradigm let people not be enslaved by free markets:**

The need for an alternative paradigm is an urgent task today; “Humanity today is in the midst of a profound civilizational change. These changes carry the potential to jeopardize human welfare, particularly in the developing countries, whose people are more directly dependent on natural resources for their economic well-being than are those in the industrial nations. It is now widely acknowledge that the path of development so far followed is deepening the economic divisions within and between countries and leading to a deterioration of basic life support systems. At present we confront at least five types of endangerment resulting from recent civilizational changes:

- a. Global warming
- b. Impending water shortages
- c. Declining area and declining yields of productive land
- d. Pollution of land, fresh water, sea water and air; and
- e. Biodiversity loss.

The situation in the country has reached a critical stage due to these rapid changes in socio-economic and cultural spheres with new challenges, and threats inherent in the developing situation.

### **Conceptualizing Alternatives:**

For the creation of alternative paradigms, it is imperative that the personal-social horizon of hope should strengthen our resolve to create a new era of prosperity of a qualitatively more humane, egalitarian, secular, democratic, ecologically balanced, socially just and sustainable kind, than anything known in the past. This calls, first, for a paradigm shift from ‘market’ and commodities to people-life centric approach. The realization of the alternative vision rests upon community sense and collective endeavor based on the accumulative experience of the people and their knowledge system. Search for an alternative is not mere utopia or idealizing the past. It grows out of the past and present experience and opportunities that emerge from the failures and crisis of the present. Creativity and self-preservation and innovation are the very essential dimension of the human spirit.

Negation and dialectical transcendence is integral to human progress and hope for the future. The alternatives to economic globalization do not come from universities or big institutions, but from the struggle of the people themselves. People's alternative science, people's power, organizations and their movements to region control over their living conditions at local level are the roots from which the new hope will flourish.

**Responsible engagement for an alternative economy:**

It is imperative that the global economy today needs for responsible engagement. Responsible Economics according to Gandhi stands for social justice, well being and dignity of all equally including the weakest and the last person. The local economies and evolving social enterprises based on empowered democratic cooperation, reciprocity, responsibility, plurality, compassionate competition and solidarity need to be strengthened. Responsible, compassionate social and economic practices lead to nonviolent economy. We need to recognize a multiplicity of perspectives that will offer diverse and plural solutions.

Fundamentally the economy should be conceived of as an ethical rather than as a materialistic enterprise. As such any alternative economy needs to be rooted in local values and concepts of responsibility and as such social economy is itself a pluralistic enterprise which will take different eco socio-cultural contexts. Furthermore, such thinking has indeed been advanced by social economists working from a South Asian perspective including such thinkers as Gandhi-economics for wellbeing of all, and J.C. Kumarappa who has developed a whole theory of economic practice 'Economy of Permanence', a quest for a social order based on non-violence.

South Asia has a long tradition of NGO activity, self-help groups, co-operatives, experimental socio-economic and ecological projects, women's movements and other forms of social action that overlap substantially with the contemporary notion of social and sharing Economy. Indeed, if one looks at South Asian societies many historical and contemporary forms of solidarity economy are known to exist-cooperative agricultural practices, maintenance of sacred groves community water management schemes, and many others. So while the notion is basically not new, what is new is the emergence of the concept of social and sharing economy as a new way of consolidating and synthesizing many of these traditional and long established practices into a new paradigm in the region for not only promoting community based economic practices, but also for confronting neo-liberal forms of capitalism and the globalization that it has given rises to with alternative forms of economy deeply rooted in local cultures, values and social structures. It is a new expression to confront patriarchal attitude, social practices, that still pervade many South Asian societies.

Living rural communities, care for each other, traditional culture, respectful tillage methods, closed circuits on the farm, all of these have very much been affected as a result of the forces of globalization and commercialization, but are still there. They not only reveal the actual range of

real “alternative” economies, also draw attention to economic practices that have proved, often over very long periods of time, to be culturally appropriate and ecologically sustainable and to nurture rather than destroy solidarity based and equitable social relationships.

### **Women Farmers’ cooperative: an example of best practices;**

In one of the communities in Kerala near Trivandrum where we are involved with our partner group Shantigram there the women themselves have formed in to an agricultural cooperative of small farmers by leasing in land and they have developed production and marketing cooperative for sustainable livelihood. The members of cooperative consist of 25 families and each member of the cooperative put in four hours of their labor after their household works. These women earn supplementary income to educate their children and other household needs. The farming activities are based on the use of organic materials like vermi composite, cow-dung etc. The women’s cooperative now supplies chemical free agricultural products to the local markets and also have built local consumers cooperative, as an alternative to dominant market paradigm. This example has motivated and inspired more women to undertake such practices.

### **The need for redefining Corporate Social Responsibilities (CSR):**

Business houses are the basic cells of modern economic life. Their outstanding success in converting the resources of the earth into wealth has shaped the physical and social world. The downside of the story is that, in popular perception, business houses have no use for ethics and values in life. In fact, till the middle of the 20<sup>th</sup> century, the phrase “business ethics” was considered an oxymoron!

However, in recent times, there has been a lot of discussion on how Corporate Social Responsibility may be redefined-Its legal obligations, its social commitments and its duty vis-à-vis ecological and environmental protection. The question is whether the role of the business organizations is confined to creating wealth for their owners, or is it more inclusive, embracing the well-being of a wider spectrum of stakeholders.

Doubtless, the 21st century demands a new business economics, which warrants CSR, both inside and outside the organization. In other words, business corporations are obliged to subscribe in thought, word, and deed to the long-term sustainability of this planet. All too often, leadership is still thinks in purely economic terms to maximize profit. There is still far too little focus on the moral character of managerial action. What is needed is a type of leadership that is motivated by the moral imperative of respecting fellow human beings and seeing people not as a means, but as an end in them.

**To conclude**, it must be said that the process of creating sustainable alternatives is a long-term endeavor and not a magic formula or a set of ready-made recipe for the future. It demands conceptual clarity, new social and economic ideas, theories and value systems that stand as

vision for the future, along with community engagement, patience, sustained perseverance and hard work. It is likely to fail if there are expectations of instant and short cut results or successes.

Any economic system does not only generate institutions and practices, but also mindsets and subjectivities. Amongst the richest potentials of sharing economy is not only that of creating new organizational forms and modes of economic democracy, but also in generating an alternative mindset of sharing, nurturing and preserving mother Earth to that of capitalist societies based on profiteering, greed, excessive consumption and commodification of natural resources. Such an alternative mindset is the ideal way to confront and undermine the non-social economy, and the sources of these values are still found in the traditional cultures, values and economic practices of common people, although some of the practices were damaged and undermined by the penetration of contemporary forms of monetized and capitalist economy.

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**Workshop 3: Sharing Economy: Cooperatives, Social Enterprises, Microfinance**

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