

# **LOCAL MARKET**

## **A Fundamental Basis to Challenge Globalization**

*Sunil Sahasrabudhey*

The idea of “Local Market” is an integral part of the ideology for creation of a society free from exploitation. When the produce manufactured in home based units and in the countless small units will necessarily sell locally, then there can be no doubt about the general happiness and prosperity inhabiting the life in rural and local areas (*anchal*). This is not a new idea. Gandhiji shaped the idea of Khadi, village industries and localized consumption to fight imperialism. That very same idea, in the form of “local market” today, provides the basis for a decisive fight against globalization, which is nothing but the newly emerging form of imperialism. New areas of struggle need to be devised in the face of great changes taking place in organization of production, capital, technology and structure of markets. Focus of economic debates has shifted from modes of production to forms of market. In this, the free market and foreign trade policies are the main subjects of debate. The idea of public-welfare-through-state-intervention is disappearing and in its place the idea of “economic might is right” is being propagated. In this process, the market is getting so reconstituted that the pavement hawkers that work with little capital are getting ruined, and the real income of the farmers and artisans is continuously declining. The main task of the state intervention is to hasten these processes to completion through new policies and police repression. There appears to be wider political consensus on this, and one does not perceive any signs of protest within the political process. There have been sporadic protests against this process by organizations of farmers, artisans and tribals. The “local market” is an idea that provides the basis for an organized and long term struggle against this.

The ideas of “*lokavidya*”, “*anchal*” and “*swadeshi-samaj*” along with “local market” are taking shape as ideological basis of a struggle for creating an exploitation-free society. The social and political developments of the last one hundred years have brought the dreams of Gandhi and Marx to a common meeting ground, obliterating the differences. This can be understood through an analysis of the changes occurring in different constituent parts of the economic system and the critical role of “local market” in the process of fundamental social change can also be understood through such an analysis. This is the subject matter of the present article.

### **I. GLOBALIZATION**

To understand the changes taking place in the economic system of our society and the world, we shall organize our discussion under six heads. These are: capital, unit of production, market, technology, resources and producer classes.

#### **(1) Capital**

Finance capital is becoming the dominant form of capital today. There can be several forms of capital in a society at any given time. The most important among these are: industrial capital (means of production, machines) and finance capital. The industrial

capital alone ruled after the industrial revolution in Europe. Owners of this capital were called capitalists. Karl Marx saw the basis of exploitation in the private ownership of this capital and hence emancipation from exploitation was seen in the socialization (social ownership of) capital through revolution. Under capitalism, this capital first becomes monopoly capital and subsequently transforms into finance capital. Finance capital spread extensively in Europe after World War I. This is indicated by development of banks and financial institutions. The newly liberated countries of the Third World adopted industrialization based on the western technology after the World War II. This provided new lease of life to the industrial capital.

However, that era seems to be coming to an end after fifty years and even in countries like India, we can see undisputed ascendancy of the finance capital over industrial capital. All industries - from gigantic corporations to tiny household units - depend on debt capital from banks and financial institutions. It does not mean that the *private* capital is any less important today. The finance capital exists in both forms *private* and *public*. Capital has its own dynamics, its own laws of motion. If its movement is impeded by state ownership, then it moves into other private or public forms and if the private ownership stultifies it, then it would tend to transform itself into other public forms, or the society will create forms and arrangements other than private and public categories to accommodate capital.

In any case, the transformation of industrial capital into finance capital has opened up the economic system to far reaching changes in all its aspects. The power of the capitalist has multiplied manifold in the sense that he is no more bound to any one form of capital and at the same time he has also freed himself from being seen as the enemy of the labour. At the same time, since now the capital has found its most abstract and generalized form, it stands in uniform relation to all components of the exploited classes. As a result, all sections, groups, components of the exploited classes can now, more easily, perceive the sameness (of their condition), and hence a wider, all encompassing unity of the exploited classes becomes a definite possibility. The basis for this unity is no more to capture any particular forms of capital but to annihilate capital and its motions for ever. "Local market" is an important component of the concrete program towards the above goal.

## **(2) Organization of Production - Unit of Production**

Unprecedented changes occurring in the organization of production has left the political and economic understanding developed over the past one hundred and fifty years in a state of shock. The large and heavy industry is no more the ideal. Production organized in smaller units is becoming the model. This is in accordance with the necessary requirements of capitalism and the laws of motion of capital. Taking the textile industry in India as an example, the textile units of Mumbai never reopened after the lockout of 1980, following the strike. Textile production shifted to household based powerlooms. Instead of running the textile mills, the capitalist found it more profitable to get the various components of work, such as weaving, dyeing, printing etc. done by artisans located separately and then simply stamping its brand name on the product. Thus, he was freed from all responsibilities of a mill-owner, such as regular pay, bonus,

arrangements for housing, health, children's education, insurance, work safety norms etc. At the same time his profit swelled. Considering *just the pay*, we see that a worker in weaving would have been paid Rs.5000/- p.m. in the mill, he now earns no more than Rs.2000-2500/- p.m. while weaving on his powerloom. In other words, the income of the erstwhile mill worker has been reduced by half. The market price of cloth has not come down. So where did the money go? Obvious answer is that it is pocketed by the capitalist.

This change is more clearly seen in the case of textile industry. However, it may not be so obvious in other fields of industrial activity. In engineering industry, manufacturing of parts is carried out in numerous small units in a big way. All big industries want ancillaries to be organized as many small units. The machines, component parts and equipment used in these small and tiny units are owned by the households in whose premises these units are located. Thus, the power of the capitalist is not based on the ownership of physical capital (machines) since the capitalist is simply not the owner of them. The power of the capitalist flows from his control of finance capital. This allows him to bring all these units into a coherent whole, which is that particular industry.

Big industry was the ideal in the era of the steam engine. For that form of energy and technology, the large industry was the most profitable form. The big industry was presented as such an ideal in countries like India after independence, so much so that it became a synonym for economic development. Big industry has remained an ideal for a fairly long period. Many principles were propounded in this model including economies of scale, efficiency, principles of management, dignity of labour etc. Now, the whole of this world is coming down crashing. All the structures since the industrial revolution of Europe and all social and economic theories in their support or in opposition to them will crash all at once. Thus, requirements born out of the motion of capital are also giving birth to that historic opportunity when it may be possible to annihilate capital itself - lock, stock and barrel. Now, when the basis of exploitation does not lie in the ownership of the means of production, it is imperative that the followers of Marx turn to those recesses of the philosophy of Marx which provide the fundamental explanation of the relation of man and capital. They will have to find the basis for struggle in coming decades on the two legs of the fundamental understanding of the relation of man and capital and the dream of a classless society. They, too, will need to turn to the "local market".

Establishment of the organization of production in small units as a model implies that those modes of management and market are taking shape, which will facilitate the transfer of value from these small production units to the capitalists. New telecom technologies including telephones, cellular phones, e-mail, internet, computer and television etc. are providing the means of new controls. In this scenario, supporting household and tiny industries poses no opposition to this new form of imperialism. In this first round, what is produced in small units and what is produced in big industry will be decided by the international economic power, as per its needs. There will be limits and pressures, arising out of the nature of technology and political forces, in actually carrying through these designs, but let there be no mistake regarding the direction of change. This change neither implies any movement towards small capital nor does it mean any type of political or economic decentralization.

The capitalist will continue to hold all the controls, the concentration of capital will increase and power of the State will increase accordingly. In all this, a section, representing the politics of big capital, will vociferously talk of promoting household industry, *swadeshi* and the artisans. This way it will try to establish itself in the continuity of Gandhi since khadi and village industries occupy a central place in Gandhi's schema. It is necessary to understand that khadi and village industries provided the political basis for challenging imperialism in Gandhi's time. However, the world economic order is undergoing fundamental changes. Hence, unless we add local market to *swadeshi* and home-based industry, the new capitalist politics in fact gets support from the politics of *swadeshi* and home-based industry. Now, when Gandhi's legacy and continuity with his thought is being claimed through false propaganda, it becomes necessary for the faithful followers of Gandhi to understand these new changes, bring about necessary changes in themselves for attaining their objectives, and for this, they must accord the same pride of place to local market in their economic philosophy as given to village industries and home-based industries.

Whereas this change in favour of production being organized in small units serves the interests of the capitalist class, at the same time it also fulfils an important condition for social change from the Gandhian perspective. It is helping in accomplishing the great task of changing the material conditions of production of those who will change the society. It is becoming the state policy itself to close down the large factories and promote organization of production in small units. Now the main change required is in the institutions of finance and in the organization of life dictated by consumption. It is not difficult to see that 'local market' will occupy the central place in both these changes.

### **(3) Market**

"Market" is the most talked about entity in discussions about changes taking place in the name of globalization. Three sources have been identified as responsible for the unestimable wealth of Europe and America: one, appropriation of the labour of the worker; two, development of science and technology; and three, unequal exchange in the market. When the appropriation of labour takes place not in Europe or America but in the countries of the Third World, then this appropriated value gets transferred to Europe and America through unequal exchange. New technology opens up new ways of creating value, but the value thus created also finds its ways to the coffers of a small number of capitalists or reaches a few centres of the world, again, only through the unequal exchange in the market. In this way, it is the market or the expansion of trade that alone prepares the foundation for the concentration of unlimited wealth. The unprecedented prosperity of Europe and America after the World War II is seen to be based on such expansion of trade in the Third World countries. Now, once again attempts are being made to expand the markets to qualitatively new levels in the name of globalization.

When any commodity sells far away from its place of production, then returns realized by the two parties to such an exchange are in proportion to their power in society. Hence, exchanges over long distance (which, in other words, are also exchanges outside the control of the actual producers) always favour the elite and powerful. This is

what the trade is. All the rest is nothing more than shop-keeping.<sup>1</sup> Today, effort is on to absorb all the shopkeeping into trade. That is why many a time we witness no expansion of market materially (i.e. total volume of exchange of commodities may hardly change) and yet inexorable expansion of trade is going on all the time. Just to cite one stark example, witness the lucrative prospects in retail business dangled before large business houses - including the multi-nationals by market research agencies and the management experts. In this process much of productive activity, which was hitherto outside the world market system, will be absorbed into it. Handicraft fairs are doing this today. Commodities produced with family labour and skills and with help of very little capital, that used to be available in the neighborhood shops, will be absorbed in the system of trade. What can not be absorbed under trade, will be produced no more. Thus, expansion of trade aims at incorporating all production under trade, irrespective of structure of ownership or mode of production and finish off all that which can not be incorporated under trade. In other words people will live at their sufferance or not live at all.

Trade is the biggest enemy of man. It is the expressed form of finance capital. The root cause of the local society - farmers and artisans, women and tribals - not having control over their own lives is located in trade. Trade is also responsible for erosion of *swadeshi* and human creativity, for all pervasive alienation and for loss of human values in the life of the human being (both the producer and the purveyor of trade). Trade takes the man away from his human triumphs and tribulations leaving him in the clutches of abstract, blind, demonic forces. The ultimate basis for colonialism, imperialism, capitalism, exploitation of labour, exploitation of *vidya* (people's knowledge, skill, faculty to separate right from wrong, values etc.) and usurpation of the entitlements (rights) of ordinary man is to be found in trade. Trade has altered relationship of man with himself. In this world created by trade, the man has become stranger to his own feelings and experiences. In other words, relation between knowledge and sensitiveness has been ruptured. Hence, man does not know what is in his own interest, what is it that he wants, because when he peeps within, he finds someone else sitting there, to whom he relates only through trade. Thus, when he thinks about himself, actually he is thinking of the man sitting *in* there and hence he thinks in the interests of trade. His own experiences (perceptions) are lost to perceptions centred in trade. This is the same old story of chicken and egg: is this alienation of the man result of trade or is trade born out of the man losing his soul? The entire edifice of the economic system today is built on the foundation of trade and this has distorted, deformed and perverted the nature of man, and so are capital, market, profit, interest, wealth and state built the same way. Therefore, annihilation of trade is a necessary condition for reconstruction of a society in the interests of the man. And the idea of local market provides the foundation for a sustained and decisive struggle against trade.

---

<sup>1</sup> Two important and inter-related characteristics of trade as specifically conceptualized here are: (1) it is over quite long distances, implying necessarily a separation of consumption from production and (2) its fairly wide (and large) area of operation. Defined in this fashion, trade can be entirely within a country and does not necessarily mean "foreign trade". Of course exchange across national borders is an outstanding example of all the characteristics of trade being discussed here. Trade will be used in this sense through out this article.

#### **(4) Technology**

Developments in telecommunications and biotechnology have been termed technological revolution. These technologies have specially attracted attention in the context of environmental destruction caused by modern industry. Telecommunications is not a technology of production. However, this often escapes perception due to its almost all pervasive spread and its effectiveness in collection, dissemination and organization of information and in general management.

Biotechnology is a technology of production which has brought about new biological processes, entities and new methods of production. Biotechnology avoids damages to soil, food and environment caused by chemical fertilizers. The debate on impact of biotechnology on ecology and hence the nature and extent of the adverse consequences of biotechnology on the interests and very existence of man, is still at a nascent stage. Many ethical issues have also acquired importance in this context. From an economic perspective, the important thing to note is that there is nothing to indicate that either of the two technologies - telecommunications and biotechnology - will serve interests of ordinary man. Both technologies are highly cost and capital intensive. At most, these may cause a shift in the balance of power within the ruling classes. These technologies have accelerated the process of economic concentration further and have facilitated expansion in areas of production across different social classes and geographical areas while retaining financial and managerial control.

Further, an important change at the level of idea has occurred in the field of technology. Traditional technologies of various societies have attracted attention. Twenty years back, no one was willing to hear about traditional science and technology, while today there seems to be a great race to collect traditional knowledge regarding various processes and methods of production. This is because traditional sciences and technologies can possibly provide great expansion to trade, if they can bring about effective methods of production - and these may be in any areas such as: agriculture, industry, health, architecture, construction, metal work and metallurgy, textiles, dyeing etc. This is the attraction of traditional science and technology. However, in the process, the traditional systems of knowledge of non-western societies become relevant in new contexts. This creates the conditions where it is possible to bring the nature of knowledge into public debate. This opens up the possibilities for challenging modern science as the sole claimant of true and valid knowledge. World imperialism, surely, can not be happy with it.

On the other hand, the fact of matter is that the knowledge of traditional technologies and processes of nature, and the talent, skill and expertise required for them is available with those communities, which are rejected today. If their skill, talent, expertise and knowledge is to be retrieved from the abyss of rejection and humiliation, and if these are to be incorporated into a new progressive economic system, then it is not possible to prevent their knowledge and capabilities being accorded the status of theory. The movement for enthronement of *Lokavidya (Lokavidya Pratistha Abhiyan)* is a movement in that direction.

The local market is both the arena to challenge the monopoly of modern science as the only claimant to knowledge, and the natural habitat of *lokavidya*. Whereas, opening up of avenues for traditional technologies is bringing new forms of slavery for the communities in whom such *lokavidya* (and its one component usable by the world market and trade, namely, traditional technology) inheres, at the same time the very processes, needed to create these new modes of slavery, must traverse those pathways from where these societies, communities and classes will be able to raise a formidable challenge to the world imperialism. Together with *lokavidya*, the local market is both the idea and the location for giving shape to this challenge.

## **(5) Resources**

Technological developments also enlarge the scope of resources. Just as the steam engine converted coal into an important resource, in the same way the development of new processes and technologies facilitates in incorporating more and more natural resources into ever expanding list of raw materials. Biotechnology and traditional sciences and technologies have enormously expanded the list of material resources. Biodiversity, plants, trees, shrubs, roots, shoots, herbs, all sorts of flora and fauna have all become raw materials. These resources are quite unlike coal, petroleum or bauxite, which were either of no use or of very little use to man before development of modern technology.

An important characteristic feature of imperialism is that it engenders trade in raw materials. Before the industrial revolution of Europe, all trade was in consumption goods, whether for everyday needs, or for ornamental and conspicuous consumption or in goods of occasional use. But modern technology has been based on trade in raw materials from the beginning. Hence, now even biodiversity is becoming an object of trade. These are those local resources which are extensively used by the *people*. Villagers and tribals very extensively use bio resources in their everyday life. These include all aspects of life such as food, fodder, fuel, health, manufacture by artisans, agriculture and so on all of which use bio resources in a big way. Now under the direction and control of biotechnology and finance capital, the traditional technology will turn all these natural resources into raw materials and this will give rise to large scale trade in these resources. As a consequence the local people will be progressively deprived of the use of nature around them.

There are already movements for protecting community rights in biological wealth. The issue here is the same as that of tribal rights to the forests. In this connection, two important questions that must be considered are: (1) Can this struggle for these rights be fought within the context of law and social rights? Or on the other hand (2) will it be necessary to take help of the idea of an alternative economic organization and how such an organization can be created? Even if it was possible to win a legal-social struggle, the only consequence will be that the form and mode of trade in local bio-resources will change but it will not stop such trade. It is perhaps only the local market which can be the genesis of that new local economic organization which can wage a decisive battle to the finish against trade in bio resources and win it.

## **(6) Producer Classes**

It is to be expected that changes occurring in capital, organization of production, market, technology and resources inevitably must lead to far reaching changes in the real condition of the producing people and in their social and economic organization. Labour alone was the whole of productive class in the concept of pure capitalism. Something akin to this in the form of proletariat did come into existence during a stage in the western capitalism but nothing similar happened in the countries of the Third World. In a country like India, farmers by and large continued to remain farmers. The first stage of capitalist development after independence brought about abolition of *zamindari* and other intermediaries and thus brought the farmer in direct relation to capital. Owners of small plots and land came together to form a new farmer class and for the past 20-25 years, their movement has been known as the farmers' movement.

This was a period of development of big industry. In all this, the master of traditional knowledge and skills, the artisan, who organized his production in family units, was progressively ruined. However, just as India, though impoverished and emaciated by plunder by the British, could not be finished, likewise, though the artisan has been ruined, impoverished and famished through the colonial period and subsequent development of big industry, yet the artisan communities could not be finished. Neither any plunderer, nor capital can grasp and measure up to the depths of the knowledge, talent and values that got their sustenance from those very artisans who have sustained the great traditions of this country. That knowledge and talent has survived in its fragmented form to provide the foundation for reconstruction of the *Karigar Samaj* (the class of artisans). The changes now occurring in the organization of production and other economic aspects are transforming the *Karigar Samaj* into a social class.

Now, since trade has been rendered possible in any commodity - however produced and wherever produced, the market has reached every town, village, hamlet or habitation - however near or remote. Therefore, the economic status of all artisans is the same, irrespective of method or place of production. Since the finance capital makes no basic distinction between one kind of technology or other, hence there is no fundamental difference between an artisan practising his traditional crafts or a skilled worker using modern technology. Now, when bio-resources have been brought on par with physical resources, the productive activity and the life of the tribal, the woman and the farmer is, in no fundamental sense, different from that of an artisan. Consequently, the working class that can challenge capitalism is now taking shape as *Karigar Samaj*. This *karigar samaj* has its own tradition, its own history, its own *vidya* and also its own regional and local sense and perception. These define its *swadharma*. This *karigar samaj* is there on the front against globalization and its *swadharma* forms the foundation of reconstruction of a new society. Local market has an effective role in both: *one*, to forge a unity in struggle against globalization, and *two*, in giving a concrete local, rooted, expression to the *swadharma* of the *karigar samaj*.

## II. THE IDEA OF LOCAL MARKET

Local market is a great calling of this age. This is perhaps the only way for the producer classes to reclaim their life. In modern life, market is the place of social

interaction associated with economic aspects of our life. In the field of knowledge (*vidya*), school or university is the corresponding place where people come face to face with each other or with their ancestors, where they establish their relations with the generations to come, and where they give a form to their interactions. In religion, temples, mosques or churches are not the places for man to establish a relation with God. No public places are required for man to relate to God. Rituals associated with such public places are to facilitate people to relate to other people. Thus, there are always public norms to facilitate relations among people in different aspects of life. These legislations or norms are not eternal and quite often, with the passage of time, they are unable to fulfill their objectives in a just manner. And then, change in them becomes necessary. We know that schools, temples and markets of today do not provide avenues for interactions based on justice, respectively in the areas of knowledge (*vidya*), religion (*dharma*) and economy. Perhaps this was the reason that Gandhiji came forward with ideas of basic education, prayer meetings, village industries and rural markets. Just as the values and practice of basic education (*buniyadi taaleem*) are entirely different from that of modern education, and just as prayer meetings (*prarthana sabha-s*) tried to promote those beliefs and practices which had become alien to temples, in the same way the idea of 'consumption near the place of production' brings forth the idea of local market which is fundamentally different from the market as it exists today - both in terms of its basis and purpose.

Neighbourhood shops located in various nooks and corners of towns, villages and *mohallas* provide all necessary articles of daily use. Neighbourhood artisans and *mistri-s* provide myriad repair services in addition to manufacturing a variety of big and small articles of use. Women within their households bring their knowledge of health and local medicines to look after health and sicknesses of people - from babies to adults - and where they are unable to do so, there are people in local societies who are competent and knowledgeable in various aspects of health care and medical care. Thus, the needs of daily life are fulfilled through mutual cooperation and local exchange. This is a picture of a self-dependent society which leaves very little scope for exploitation and injustice. The fulcrum of the economy of this society is local market. Local market may take various forms according to place and time but truth, non-violence and justice in a society are directly proportional to the share of local market in the economy.

Nature of trade is totally different from that of local market. Traders bring their goods from far off places and sell their goods very widely in distant places. We all know global market today. Even within a country raw material and finished goods are transported over long distances. With the onset of globalization, all sorts of concessions are being given to promote foreign trade, and for big business within a country in the name of free market. Goods from distant places dominate in all markets - small or big. The *karigar* is forced to migrate hundreds and even thousands of miles in search of work as labourer. A section among the farmers too is keen to sell its produce in the international market. This expansion in trade has resulted in unprecedented growth in exploitation, injustice, crime, poverty, unemployment, immorality and vulgarity. To rise in struggle against this state of affairs, to build up *lokashakti* (people's power), to enthrone *lokavidya* (people's knowledge), and to establish *lokaniti* (people's values), it is imperative to properly understand the opposing roles and natures of trade and local market, and to understand the role of local market for establishment of the rule of truth

and justice in society. Therefore, an attempt is made below to present a comparative study of roles of trade and local market.

### **(1) Basis of Exchange**

It is at the very foundation of trade that goods are transported over long distances before exchange. In trade, everything including labour, capital, goods of use, resources obtained from nature etc. travel over long distances before they are transacted. Goods of one society sell in another society. Therefore, the partners in exchange normally hold very different social and economic values and norms, as a result of which a pure economic logic comes into being and questions of justice become secondary. Since the objective of trade is maximization of profit, use of force becomes integral to such exchange. In medieval and colonial era, force was openly employed in defence of trade, which has been given a constitutional basis under the capitalist state. Such coercion is effected by governments with the help of police and army in the name of law and order. In direct contrast, exchange in local market is premised on shared social and economic values. Since, people living in the same locality are connected to one another through innumerable social, economic, cultural and familial links, hence force or coercion is not needed to resolve opposing interests. Even today it can be observed that the small shopkeeper often gives concession while selling to the poor in their society.

### **(2) Exploitation or Convenience**

All, other than the capitalist class, are exploited through trade. This is one of the principles of trade that the exchange will be more unequal as it takes place further away from the place where goods are produced or obtained. In other words, the powerful partner corners the lion's share in such exchange. Look at prices of any of the goods available in the market today. Prices are increased excessively for any of the goods - from tooth powder and soap to rice, wheat, clothes and other goods. The farmer or the *karigar* gets no part of these high prices. Indeed they are compelled to sell their produce at the lowest possible prices. All the profit is skimmed by big business and the traders. The expansion of trade to the farthest corners of society in the name of free market and globalization, as is being aggressively pushed today, will further deepen and widen this exploitative system. In contrast to this exploitative character of trade, the very objective of local market is benefit of the local society. Local market does not purport to create new needs, desires or attractions for new things but basically to satisfy the needs of the people. Nobody produces all things required for life in a society. Institutions of exchange are required in any society. The local market is that institution. This market composed of small shops makes most of goods and services needed by people available to them at fair prices.

### **(3) Monopoly versus Availability**

As the trade expands and the market is filled with goods brought from distant places, variety of available goods shrinks. On the one hand, there is much greater variety in availability of goods that are expensive and glittering, as can be seen on the upper end of market for any of the goods like soap, oils, dental care goods, food stuff, variety of

sweets, textiles, ready made clothes, utensils, housing etc. On the other hand, not even half the variety is available in any of these category of goods for the common people. The rich and prosperous argue that there is a great increase in variety with expansion of international and domestic trade. However all these goods are beyond the reach of at least 80% of people and there is hardly any choice of the goods available within their reach. An important aspect of the local market is that this will give opportunities to *all* to find goods of their choice.

#### **(4) Glitter or Quality**

Whenever the question of local market for the local produce is raised, the prosperous raise the question of quality. Whether it is the question of foodstuff or textiles or metals or plastic products, they don't tire in claiming that packaged goods facilitated by large scale trade are of high quality and that the locally produced goods are not standardized, are of uncertain quality and therefore can not be trusted. But then, what can one say, if we loose our sense of aesthetics and taste, and if we start considering everything that glitters, that makes a big show of itself, and that is generally plain as synonym for high quality? Implementation of standards in a society, from point of view of quality, is the task of the consumers. It is a task, which can neither be entrusted to any government agencies, nor to any organizations or laboratories created by and part and parcel of the institutions of trade. Today attractive packaging and glitter have become synonymous with quality. It is necessary to challenge such manifestations for the health of any society. Hence, the market must be so organized that the local consumer alone has the right to judge the quality. This is exactly the case with local market.

#### **(5) Competition or Complementarity**

The very basis of the idea of free market lies in the idea of competition, which does not respect any bounds or limits or decorum. This is nothing but the principle of "economic might is right". Companies engage in fight to finish with one another; traders dream of finishing their rivals and also act accordingly. It is claimed that competition provides the basis for production of best quality goods at the lowest possible price. But this claim is as empty as the claim that the free market ensures equality of opportunity for all. Neither does it provide equality of opportunity for all, nor does it ensure the good quality in the goods, nor does it make a greater variety available to all consumers, and nor are the goods available at the cheapest possible price through competition. If anything is true then it is this that it facilitates emergence of monopoly in the name of competition, and renders the market itself a puppet in the hands of traders through false advertising. In direct contrast to this free market, the basis of local market lies not in competition but in complementarity. A self-dependent society is characterized by a dynamic and active local market. This is that place of economic exchange where everyone comes into contact with economic complementarities with respect to his own economic activities. Whereas the philosophy behind trade today treats every individual as complete in oneself and in competition with all other such complete selves, the concept of local market is based on a philosophy, which treats man, family, community, village etc. as autonomous and mutually complementary units. Therefore, local market provides

a broad-based foundation for re-establishment of sentiments and feelings of cooperation in the society.

### **(6) Crime versus Sociability**

There is a very close relationship between trade and crime. That world of crime, which could not be created in the long history of highway robberies, stealing and property disputes, came into being in a very short time in the age of today's trade. The underworlds of Mumbai and Delhi are a part of the world of trade. Under their protection and also independently, there has been incredible growth in crime in all small or big towns and cities. This happens in the urban centres because they are the centres of trade and the markets are located there. No one can stop the unrestrained competition from transforming into crime. It is not that trade or traders necessarily use criminals, but that, at the highest level, there is, in principle, very little difference between trade and crime. This becomes abundantly clear if we make no distinction between economic crimes and other crimes. Falsehood, deception, treachery, duplicity, fraud, swindle, forgery, dacoity, murder are all linked to each other and any one of them engenders the others. The world of trade is the haven to them all. The constitution of the local market liberates the society from this trade and hence to a large measure also from these crimes. There is no place for unrestrained activities in local market and its institutions keep everyone so linked to all the others that causing harm to any one leads to harm being done to all. This breaks the backbone of crime. This arrangement that makes for the commonality of interests and suffering, strengthens the economic basis for experiencing sufferings of the others in the society. Therefore, the principle of complementarity as incorporated in the notion of local market engenders the feeling of sympathy and empathy for one another. The basis for sociability lies in this very feeling and no society can exist without this disposition. Anyone, who is moved by the suffering of the others, can not commit any crime.

The above discussion on 'trade' in a comparative framework shows how the notion of local market, in today's context, carries a message of a non-exploitative society. However, it still remains to identify those forms of struggle, which can provide a firm basis to challenge globalization and to establish how the local market occupies a central place in these struggles to challenge globalization.

### **III. THE CHALLENGE**

With new modes of exploitation emerging on account of market today the distinctions between different producing social classes of those living on their own labour and skills are getting erased. Globalization is pushing the farmer, the labourer, the tribal, the woman and the *karigar* all into identical economic state. A farmer generally owns a small piece of land and a *karigar* typically has machines, equipment and tools sufficient for home-based industry. Both of them depend on credit and carry out their production with family based labour, skills, knowledge of material and the natural world, and managerial capabilities. People drawn from their own families and classes only will sell

the commodities produced by them, but they will not realize even a small fraction of profit generated in this whole process.

Let us take an example, to understand this. There was this big edible oil (mustard oil) scandal in 1998. It was said that a dangerous disease is spreading because of adulterated edible oil. Some big companies marketing packaged edible oil were accused of adulteration and they even accepted this. The government took it “very seriously” and talked of bringing legislation to strictly regulate production and marketing of edible oil and suggested a ban on sale of unpackaged oil. Police repression was let loose on all small shops selling loose edible oil in the following weeks and then things slowly became as before. Sale of loose oil resumed as also all types of packaged oils were back in the market. None of the political parties raised a voice of protest against government. This indicates that there is a political consensus - under whatever compulsions or pressures - on the ban of sale of loose oil and that only packaged oil be allowed in the market. This is a decision of enormous proportions that will impact millions of people and business worth billions of rupees will change hands. Inevitably, there will arise great opposition against this accompanied by hopelessness, destruction and ruin. Consequently the government will take steps to minimize the damage. The proposal to ban the sale of loose oil in the market has already been mooted and now they will lie in wait for opportunities to take legislative action.

Tomorrow you may hear a farmer proclaim: “Look here. This land is mine. It is I who took decision to grow mustard on that; and I purchased the seed. My family members and I have toiled hard to produce this mustard. My brother has a shop in the neighbouring town and he has installed an oil press there. He extracts oil from my mustard in his oil press. However, he is not allowed to directly sell the mustard oil thus produced. A ‘matador’ van comes every third day and takes away all this oil. This very same oil returns in that very same ‘matador’ after being packaged. And then my brother sells this packaged oil in his shop. Now, be so kind as to explain to me: what sort of economic system is this where the owner of oil company packaging the oil has many buildings in the city, his children go to most expensive schools, and they adorn themselves in most expensive clothes, whereas I am increasingly sinking in debt, my children can’t go to school or college, and I can’t even provide proper medical care to my family members?”

The same story will be repeated for the toiling *karigar*. He will own the shed and the necessary tools, he will provide all the necessary labour from within his family, and even the articles of use that he will manufacture from myriad materials such as wood, clay, iron and other metals, glass, cotton, yarn, plastics etc. also will be owned by him. However he will have no control over avenues of marketing any of these. He will suffer loss in every act of sale or purchase.

The concept of local market belongs to that system of transactions in goods where this can not happen. Oil packaging companies will not be able to mop up all the profit in oil business and the traders and institutions of finance will not be able to corner all the profit from the work of the *karigar*. The only way to do that is for the local society to siege control of the local markets and reconstruct these markets after banishing trade

from them. Gaining control of the local markets by local society and reconstruction of local markets is the chief form of erecting the decisive challenge to globalization.

India is a country of villages, towns and other numerous small cities. Go to any of its habitations, you will find most people engaged in farming, handicrafts and home based industries. Farmers cultivating their own small holdings and the home based *karigars* are representative workers of agriculture and industry. From among these and connected to them are small shop owners who, today, are themselves in the grip of men of trade. These people together with their families constitute a local society. Government servants, skilled workers of big industries, and school, college or university teachers neither profess the interests of this local society nor do they work to further these interests. Interests of the farmer and the *karigar* are so much alike in this era of globalization that their unity seems to provide the natural foundation for the unity of the local society. This unity of the local society is a necessary precondition to built up a challenge to globalization and to capture the local markets for their reconstruction. Only a society constituted of autonomous local units has the potential to liberate from exploitation in society and provide justice and dignity to its people. Local market is a defining characteristic feature of the autonomous local society.

In any society, people from different walks of life, classes, communities, occupations feel compelled to come together in movements and agitate in support of their demands, because they suffer various infirmities. Some examples of such movements include: movements of tenant-cultivators and sharecroppers for ownership of land; farmers' movements for remunerative prices for the agricultural produce; movements of industrial and agricultural labour for improvement in their working conditions and for raising their wages; agitations of the urban middle classes against high prices; students' movements for educational reforms and employment; women's movements for dignity, security and social recognition in society; 'save the forest' movements of tribals; anti-dam movements of the displaced persons; and movements for social justice of the backward castes etc. This country has witnessed all these movements. Demands raised by each of these movements were just. Even so, if we look deeply - with utmost sincerity and sympathy - into these movements, we will find that, by themselves, none of them pose a serious challenge to the imperialistic exploitation or to the economic system dominated by the capitalists and the men of trade. And, it will also be revealed that these movements will actually complement and strengthen any such challenge (to imperialistic exploitation etc.), once it is posed.

There were four streams of challenge to imperialism during the national movement for independence. The first stream consisted of the movement for national independence *per se*; the second, the stream of Gandhi's *swaraj* based on khadi and village industries; the third stream was that of the communist movement; and the Islamic movement constituted the fourth stream. The challenge to imperialism, then, derived its strength to the extent of the reality of accordance between all these four streams. The national independence and Islam are now no longer relevant for posing a challenge to imperialism in this country. It is the concept of local market that must be seen as the new basis for realizing the dreams of Gandhi and Marx today. The challenge that the idea of local market can pose to imperialism of today, namely globalization, is capable of

revitalizing every section of society in a just struggle and also of drawing strength from every such section.

The demand of the women for reserving the areas of food and textile production for them under localized arrangements is on the one hand in continuity, in the post independence era, of the khadi and village industry movement, and it is, on the other hand, equally a part of the process of control and reconstruction of local market by the local society. Local market can become the mainstream of the women's movement in the context of farmer-*karigar* unity. This will also find natural support from movements in opposition of multinational companies. Boycott of their goods is the wider manifestation of the opposition to multinational corporations. This opposition can be further expanded and deepened by opposing the goods of everyday use coming from distant places. It then becomes a part of the local market movement. Today all markets are flooded with goods from outside their localities. Local production of all sorts of goods has stopped over the past three-four decades. Once goods coming from distant places are boycotted, then it won't take more than a few weeks or a few months before local production of all such goods is resumed. Indeed, the idea of local market is a harbinger of widespread prosperity, activeness, and creativity for the poor people.

It is pertinent to focus on another important development in this context, because it may provide important starting points for the local market movement. We are referring to the currently ongoing operation, by the civil administration, of forcibly uprooting the small and tiny shops, kiosks, hawkers etc. from pavements, roadsides, and *mohalla*-s of urban areas. This is a very large operation of devastation being carried out throughout the country. It is just possible that this is happening in other countries of the third world as well. All the aspects of this development including the constitutional aspects, the human rights angle, urban planning, means of livelihood, displacement and the aspects pertaining to market, are important. Here we shall comment briefly only on the aspect relating to the market. The first obvious thing is that all the business that has been carried on so far on the pavements will be transferred to the permanent shops. This involves huge amounts. If 20,000 tiny shops and hawkers, in a small city, doing business worth no more than Rs.200/- are demolished, then in the aggregate it means finishing off of a business of about Rs. 150 crores. When this business is transferred to the big shops, it becomes worth Rs.200-250 crores. Further, its impact on the movement of money, investment and other related aspects of trade will serve and promote interests of only the rich classes and the trade. Those, who are thus ruined, will join the ranks of the 'labour with cheap skills'.

The second significant aspect is that this "market on footpaths" is that market within the urban market, which by and large does not know how to follow the laws of trade. Since the pavement sellers are in close contact with people of their localities and themselves experience all the trials and tribulations of a poor man, they first and foremost relate themselves with the world of the worker and the *karigar* rather than with the world of trade. Consequently, there remains a local market in operation within the urban market.

Rural markets, weekly markets, fairs etc. are, in many ways, the traditional forms of local market, but there are limitations in conceptualizing physical forms of local market. The nature and characteristic features of local market can be better understood in

contrast with trade, as we have earlier attempted in this article. Hence, this operation of uprooting and ruination that is being carried out in urban areas, is, in many ways, aimed at destroying that form and quality of market, which can possibly challenge trade.

This operation of devastation has been carried out with strong police force in attendance in all places and any protest has been swiftly repressed. It is significant - as well as natural - that the government squads have faced opposition at every place and they had to withdraw themselves many a time. Until and unless these sellers and all *karigar* and working class localities are organized under a local market movement, this opposition will remain unorganized, scattered and isolated. This operation of uprooting is the glaringly visible form of globalization that is knocking at the door of every poor man. The local market movement is the answer to the operation of converting every poor man into a cog in a machine, which is sometimes put to some use, and left to rot at the other times. The challenge thus erected will have the capacity to turn the tables on globalization.

*[Translated from Hindi by Dr. Naresh Sharma, who teaches economics in University of Hyderabad.]*