

## On Local Markets

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Local markets are proposed as one of the solutions to liberate the family goods-producer/service-provider (Lok Vidyadhar) from exploitation in the globalised capitalist market, controlled by the nexus of MNCs and finance capital. The chief mode of exploitation in the capitalist market is the mechanism of unequal exchange. Hence although the family producer may possess the means of production like land, machinery she is unable to get a fair/just price for her product. The capitalist market is designed in such a way that the cost of production incurred by her is always more than the cost of production that a mass producer (company owning factories) incurs. The inherent bias of the capitalist market in favour of the factory producer and against the family producer, manifested through the system of laws governing taxation, credit, production, licensing, quality control, packaging-labelling etc. enacted by the state, the possession of a marketing machinery for advertising and branding covering global markets, access to cheap inputs sourced from all over the world, all these and more are the design features that make it nearly impossible for the family producer to survive in the capitalist market as a financially viable and independent entity. One of the solutions suggested to overcome the handicaps faced by the family producer in the capitalist market is to organize them into collectives like cooperatives or producer companies etc. But apart from a few exceptions these have not been successful so far, in India at least, in providing better incomes to the family producer.

Irrespective of the success of this strategy of corporatisation of the collectives of family producers, local markets (that can act as a non-exploitative

institution for the fair exchange of goods and services) do need to be promoted. There is a view that only through a process of social transformation that redefines the role of the state and its power structure can local markets really come into existence and serve the interests of the family producer. I am not inclined to accept this view which puts local markets only in the realm of future possibility with nothing much left for us to do except work and wait for the revolutionary changes that may occur in future.

During the freedom movement, Charkha and Khadi symbolised the economic philosophy of Swaraj as envisioned by Gandhiji. The constructive movement centred around Charkha and Khadi was as important as the political movement to gain freedom from the British. It is my view that similar is the case today as well. There must be a constructive movement centred on local markets, along with the political movement for social transformation. These movements will be inspired by a vision of a future society that will have the local market as its fundamental building block. Hence there is a need to work out the imagined role of the local market in the future society, its dharma, and also the program of action that will take us forward to the establishment of local markets as an alternative to the present global capitalist market.

The program for the establishment of local market will centre on these activities:

1. Conduct debates to reach a consensus on the moral value system such local markets must be based on, that is, the local market dharma. (See Krishnarajulu's article on local markets). The local market upholds that all forms of labour (all vidya) are equally dignified and there is no hierarchy among them or among the knowledge systems they are a part of.

2. Raise the demand for amending the Constitution to grant local communities including village panchayats, the powers to set up, own, operate and regulate local markets including the imposition of local taxes.
3. Boycott of factory-produced items of mass consumption in such sectors as food, clothing, shoes, furniture, ornaments and so on where family producers can supply the products easily.
4. Customised production will be the rule rather than the exception in the local market. Commodification of products will not be allowed. To begin with, local markets will allow only family produced items to be sold. Later on customised production of items by a producer to meet the specific requirements of a consumer will take over. For example, readymade clothes will be replaced by custom made clothes stitched by the local tailor, as ordered by the local consumer. Similarly, a weaver, a blacksmith, a goldsmith, a potter or carpenter will produce items that are meant to meet the specific requirements of particular local consumers. I envisage a situation where even a farmer will produce only those foods or crops as are required by a consumer member of the community. Hence there will be no difference between the farmer and the artisan as far as the local market is concerned.
5. Customised production will lead to a direct transaction between the producer and the consumer in the local market. A system of mapping of production to consumption through direct linkage of the producer to consumer will mean that there is no excess production or deficit production except in extraordinary situations like unexpected natural calamities etc.
6. This direct mapping of production to consumption in the local market can also be extended to non-local markets through internet-based ecommerce platforms that connect a consumer searching for his specific requirements to a producer willing to supply such items to the consumer. This will end the commodification of products and the resultant alienation of products from both the producer and the

consumer and bring human concerns for each other into their transactions.

7. Local markets will also encourage innovation based on the concept of jugaad. Today, the state has prohibited any individual producer to custom make motorcycles, motorcars, tractors, etc. made through jugaad technology by enterprising vehicle mechanics/mistris for own use or sale. The local markets will allow the sale of such jugaad echnology products subject to certain safety standards.
8. Right to repair and service factory made products. The local markets will allow mechanics/mistris to offer repair services for factory made products. The culture of "use and throw" imposed by the capitalist market encourages wasteful consumption. This is also a ruse to deny the local communities a chance to acquire knowledge involved in the making of the product.

The basic problem with all markets is that there is inherently a tendency towards aggregation/ accumulation in markets. Goods, Services, Capital, Labour all are aggregated and then sold in bulk. This problem of aggregation or accumulation becomes more and more acute as markets expand. And when aggregation or accumulation takes place at a point in space time, it will cause an underutilization and accompanied under valuation of the aggregated items. Those markets which do not allow such aggregation or accumulation will ensure that there is no under valuation of any of the above items.

Theoretically speaking, non-geographically confined local markets can exist among virtual communities. But then the basic problem will be the establishment of trust among the participants of virtual local markets, which is possible only where there is full transparency among the participants of the market. There are certain new IT based solutions such as Blockchain that

promise transparency in transactions. A local geographically confined market where everyone knows everyone else, like a village haat, may not always be possible. In such cases, a virtual local market with full transparency among participants may be an answer. We see many family producers using social media platforms like Facebook and WhatsApp to sell their products. This could be a trend that picks up strength in future.