




Open appeal

handbook for field activists

action programme for people's economics and allied literacy



text by

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A yellow line-art illustration on a yellow background. On the left, a woman is shown from the chest up, wearing a headscarf and a patterned top, looking towards the right. On the right, a man is shown from the chest up, wearing a wide-brimmed hat and a patterned shirt, looking towards the left. The lines are simple and sketchy.

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Foreword

In India, social activists have always put great emphasis on enabling themselves to respond to societal changes locally, nationally and internationally. Already during the 70ies and 80ies, training programmes on social analysis were conducted, and grassroots activities were firmly grounded in this. The changes of economic policy since the early 90ies in India, the opening of the market to international liberal trade has brought about many new challenges and threats for the poor and marginalised women and men in the country. They observe a decline in the control over resources as well as a withdrawal of welfare measures by the state, both reducing their opportunities to meet even their basic livelihood requirements. International private economic actors have become major, but inaccessible, players in the lives of the poor.

In such a situation, Evangelischer Entwicklungsdienst (EED) was approached by a group of social activists and trainers working together in the Popular Education and Action Centre (PEACE) in New Delhi, India. They were realising, that the training approaches on social analysis were not sufficient any more to work in solidarity with the poor. 'Economic literacy' was the need of the hour. The poor need to analyse their economic situation, understand the context in which they are living in order to be able to act meaningfully in a struggle for their survival. In the mid nineties, a small team of women and men at PEACE began to work out approaches of economic analysis which can be applied at grassroots level, by the local people. EED had the privilege to be a funding partner to this process from the very beginning. Over several years of cooperation with grassroots groups and NGOs in India, a handbook for field activists emerged and was applied by many activists all over the country.

The feedback by the numerous users of the handbook have encouraged us to go for an edition that is not restricted to India only, but can also be used in other countries of the global South. An entirely new edition of the handbook is the result, which is hereby presented. While the approach and method remains as before, issues of economic liberalization and globalization from all over the world are now taken up. Furthermore, the handbook has been made more user-friendly: different parts are clearly marked, so that one can easily find the one's way through the book. And lastly, the experiences of the training activists who have already worked with the handbook, are also taken up.

EED is happy to be part of this experience in development education along with its partner organisation, PEACE. We wish this organisation every success in its future work and we hope and trust that the experiences of working with grassroots women and men on complex issues of economic analysis in India will be inspiring for activist from many other countries and that this handbook will be widely used and further adapted to different contexts.

Evangelischer Entwicklungsdienst EED

Edda Kirleis



Preface

The experiences of grassroots communities, world over during last decade evidently take the veil off the façade of neo-liberal prescriptions doled out in the name of 'globalisation'. It is no more a rhetoric that the neo-liberal sway over the globe has actually resulted in creating islands of prosperity and ocean of paucity in every society irrespective of its place in the hierarchy of the Nations in terms of 'development'. Even chieftains of the 'globalisation dogma' have lately begun to admit that the results expected from the process of restructuring are not forthcoming.

However, the glamour and glitter of weird reality created by the 'masters of the universe' still smoke screens the factual reality. As a result of the nexuses between the drivers of power, war-mongers and dream merchants working together for 'constructing consensus' in favour of the dogma, the attention and energies of grassroots communities is successfully diverted and defocused.



First step towards working out any alternative and/or putting up resistance to the prescriptions of neo-liberal globalisation is to assist the communities see through all kinds of deceptions and collectively realise what is happening to their own household economies. This handbook is designed for the field activists to trigger off a process among the communities that eventually will accomplish the prerequisite for moving ahead to formulate their own strategies.

Hundreds of field groups, activists and organisations in India have been oriented by PEACE during the last five years. Encouraged by the feedback and motivated by the needs of grassroots globalisation we sought help of partners in making it possible to share our experience and excitement of little success across the world. This edition of Handbook is an improvised version of the Indian edition keeping in view the cross-cultural requirements. We hope that the use of Handbook by the activists beyond the borders will help to evolve cross-cultural bonding necessary to accomplish the common dream of a better world.

We are grateful to our partner EED for their cooperation and support in this endeavour. Special mention needs to be made of Ms. Erika Marke for facilitating the initial cooperation during 1997, Ms. Edda Kirleis for carrying and caring through the process and Ms. Angela Krug for guiding us through the production of this edition of Appeal Handbook. We also like to put on record our gratitude for Mr. Rainer Hoerig without whose help this edition would not have been possible.

Popular Education and Action Centre

Anil K. Chaudhary
26th December 2003 New Delhi



Introduction

This handbook is the outcome of a long process of struggle to understand - and help others to understand - the changes taking place in the domain of our public life. This struggle began in 1990, when our statesmen and macro-economic experts began to prepare the ground for acceptance of the "grand prescription" of the World Bank and the IMF for economic renewal. Our effort was to understand the implications of this prescription from the standpoint of ordinary people.



The task at that time was rather complicated, as the Structural Adjustment Programme that came as a part of the IMF loan package, and the issue of the Dunkel Draft of the Uruguay Round of GATT were debated simultaneously. At the outset, we depended largely on experiences from other continents and countries, which we used to educate people and policy makers. We also used these experiences to question the intentions of the ruling elite in accepting such obviously anti people measures. The focus of our efforts at advocacy and public education during this period was on policy influencing. The collective efforts by many scholars, journalists, activists, organisations and networks did indeed influence the debate.

However, the Government of India decided to ignore popular sentiment and go ahead with signing the Uruguay Round draft agreement, the scene changed drastically. One after another scholar, editors, economists and NGO leaders changed their stances and began to rehearse their apologies for falling in line with WB-IMF and the Government of India.

Most of us concluded that "the battle was lost but the war had just begun" and began to prepare for the next round. Some of us decided to specialise in studying the implications of one or the other aspect of these changes, while some of us continued to be "generalists" in our approach. The common denominator of both these approaches was the determination to take issues and debates on issues to the grass-roots.

As popular educators, we were in the category of "generalists". We continued our struggle to evolve a 'pedagogy' that could help people at the "baseline" comprehend the dynamics and nuances of macro-economics.

During every workshop we organised or participated in, between 1993 and 1996, we found participants expressing their desire to understand changes taking place at the macro level. We struggled to respond to this over-riding concern with all the means and materials available to us. We experimented with several ways of explaining these phenomena, with varying degrees of success.





A breakthrough came in June 1996 when, during a training sessions on 'social analysis' we used an exercise (taken from behavioural science) called "star power" to create a situation where participants experienced the marginalisation and powerlessness of certain countries/societies/sections involved in the process of globalisation. Since this was the second phase of 'social analysis' training with the same group of learners, there was a shared basis of analysis and a high degree of bonding among the group. The results were fascinating. This hour-long simulated experience had a tremendous effect on the participants, all of whom later said that they learnt more from it than what they had gained in two years of reading. On our part, we realised that interventions to help people understand the meaning of macro-economic changes would be effective only if they were based upon real-life experiences.


At this juncture, we met friends from EZE Germany who were looking for partners to join them in studying the impacts of globalisation on various sections of society, particularly the deprived and marginalised majority. After a few rounds of discussion, we settled on a joint venture to explore and evolve a learning process that would help ordinary people to comprehend the transformations taking place around them as a result of changes at the macro level.

Initially we saw this process as a programme of "economic literacy", but as we went along to try it out at the field level in collaboration with the participating organisations, our perceptions began to change. During the course of our initial interactions at the level of community groups, we realised that what was unfolding was a process of helping people to articulate their own economics, rather than trying to understand macro economics through simplified reading materials or through other means of communication.

This process was also helping us to learn about 'people's economics' from their own standpoint. We could foresee that once people became able to articulate their own economics, they would be better equipped to see linkages with many other macro-factors and phenomena. Accordingly, we changed the name of the process from 'economic literacy' to "APPEAL" (Action Programme for People's Economics and Allied Literacy).

The process of APPEAL as presented in this handbook is the result of joint exploration by a variety of players in different locations. The activists of the participating organisations were at the frontlines in this effort as partners with the facilitators. The facilitators in turn have drawn a lot from the experience and expertise of the advisory committee and from the queries, questions and apprehensions raised at the consultative forums.





This handbook is a collection of ideas on:

- strengthening ongoing educational/analytical processes in the communities with whom you work;
- a process which can help people to articulate their own economics;
- helping people to explore linkages between their own economics and macro-economics.

This handbook contains:

- a set of field notes;
- a set of exercises;
- a set of field experiences and
- a set of reading material.

These may help you to kick off and sustain the process of APPEAL.

The exercises in this handbook can be used selectively to match the requirements of your ongoing work with the community, or in the sequence in which they are presented here.



Setting the

Helping
people to
talk freely
about
themselves
and their
families in
a group





The purpose of the exercise is to:

- ❑ help people overcome barriers in talking about themselves and their family in front of others;
- ❑ trigger off a process of thinking about the family or household as a unit;
- ❑ record the household profile of each participant.

You are the best judge of what is "right" !

- ❑ Ensure that everyone is able to share details and is listened to and understood by others.
- ❑ Intervene in the process of communication - be the "Traffic Police" and "Gatekeeper".
- ❑ Interpret and clarify when required.
- ❑ Frame the questions and sequence them in a way which is best suited to the group.

Ask the participants to share information about themselves

- ❑ How many people comprise their "household" i.e., how many people share food from the same kitchen.
- ❑ How many of them are
 - Old (above 60 years),
 - Adults (between 18-35 years and between 36-59 years),
 - Children (between 0-5 years and 6-17 years)
- ❑ How many members are earning.
- ❑ What work they do and how much they earn.
- ❑ Who looks after the children who are too young to go to school.
- ❑ Who looks after the aged and the sick.



What you need to do

Ensure that everyone talks freely, listens to and understands what others are saying.

Remember

The purpose of this exercise is to:

- ❑ evolve a shared understanding of the requirements of managing the household.
- ❑ prepare ground for evolving an understanding of livelihood requirements in the next exercise.

While consolidating the answers, put different activities into the following categories

- ❑ Related to sustenance and well being of the family.
- ❑ Related to community obligations.
- ❑ Related to social and cultural obligations.

At the end of the exercise -

Everyone should have a better understanding of the household as a critical unit of their lives and society.



Ask each participant

- ❑ To list out all the activities they do from the time they get up in the morning till the time they go to sleep.
- ❑ To share their lists in the larger group

Now ask the question

Why do we have to do all this ?



Some experiences of initiating discussions with different groups of people

"On a winter morning in village Talai in Udaipur some of us were talking to the village children. While chatting, few of them pointed and named the various trees and plants growing in and around the village. However, they were unable to cite their uses. By this time, their parents had also gathered and they encouraged their children to spell out the uses of trees. Some of them pointed towards the bamboo straw used in their houses. This had the desired effect making the children feel free. Later, we had a discussion with the parents and the village elders. We discussed that today we can show these plants and trees to our children and teach them about their uses but tomorrow if the trees are not there what will we show them. This helped us in leading discussion further on ecological degradation.

"In a village level meeting organised by a group based in Ghazipur, U.P, the villagers were asked to reflect on the changes they have witnessed in their area during the last 10-15 years. The participants observed that there is drastic changes in cropping pattern, increase in marketing outlets, use of fertilisers and pesticides, mode of payment etc. When asked about the implication of these changes on their way of life, the participants observed that they were not benefiting from these changes because every change is related to availability of cash and in absence of it they cannot meaningfully relate to these changes. But why you people don't possess cash, the participants were asked. The prompt reply was that neither do they own land nor have control over other resources. What are the causes of such deprivation? A lively discussion ensued and the group was able to establish a platform for holding such discussions.



Coming to the Point

Helping the group to evolve a shared understanding about the livelihood requirements of their households

What you need to do

- ❑ Help each person to understand the task and encourage them to complete it.
- ❑ Ask Participants to give detailed account of items.
- ❑ Ask for "invisible" items like fuel, fodder, drinking water
- ❑ Also draw people's attention to services like taking care of children and elders as well as contributions to rituals and festivals

Don't be surprised

if the first attempt of listing is tentative, sketchy and incomplete.

COMPARE THE PRESENTATIONS, RAISE QUESTIONS AND ASK PARTICIPANTS TO REWORK ON THEIR LISTS IF NEEDED.

Remember

The purpose of this exercise is to:

- ❑ Help people to develop a holistic perception of the concept of 'livelihood';
- ❑ Help them to appreciate that this concept is a valid basis for learning.

Ask Participants

To list out all the things required to manage the household comfortably and to live with dignity. Select one of the following ways according to the circumstances and the profile of the group.

- Participants can write down the list on a sheet of chart paper

Or

- Participants can draw each item of the list on a sheet of chart paper

Or

- Participants can collect things that represent items of the list, and arrange them before the group
- You can decide what is appropriate.
- Use any or all the methods.



Ask for details, look out for "invisible" items !

In our experience, participants initially tend to confine the list of livelihood needs to obvious items like food, clothing and shelter in the generic sense. Only on asking for details of each of these categories does the list complete begins to emerge.

Items like fodder, fuel, water which are also essential for everyone's daily life take a back seat, particularly in case of people/communities who do not spend cash on these items. Another similar "invisible" item is care of children and aged people. These items tend to be invisible as the labour involved in meeting these needs (primarily women's labour) is also invisible.

Similarly, the overriding concerns of physical sustenance are like a smoke screen hiding the needs related to social obligations, rituals and ceremonies that are essential for sustenance as part of a community or social group. Even if the participants have the experience of struggling on this account, they do not usually perceive it as a part of livelihood needs.

These two aspects of livelihood need to be brought out through probing questions and citing examples.

Is this item needed, required or desired?

Once the reluctance to go into details disappears and the canvas of livelihood needs begin to expand, there is a tendency to transcend the boundaries of "need" and slip into the realms of "desire". We faced this problem wherever the group of participants became interested and excited as a result of looking at the vast canvas of livelihood needs. Discussions on the issue of differentiating between "needs", "requirements" and "desires" tend to become passionate, heated and unresolvable. We realised that the value premises, attitudes and perceptions of individual participants play a critical role in shaping their stands - reconciliation or consensus becomes impossible.

For us as facilitators this becomes 'tightrope walking'. On one hand it is essential for participants to acquire a holistic view of livelihood, which includes elements of socio-cultural and civic obligations apart from the issue of physical sustenance, whereas on the other hand, it needs to be ensured that the exercise remains realistic and is not directed by dreams instead of needs.

We found it convenient to accept the differences among the positions taken by participants instead of insisting on or forcing a consensus on this issue. Though our long-term organisational strategy may demand a shared understanding at the community level on such normative (value based) matters, it is advisable not to attempt to clinch the issue as part of this process.

Helping individual participants to evolve benchmarks to differentiate between "need" and "desire" in their own situation, before sharing in the large group was also useful in dealing with this delicate matter.

As activists, we definitely have strong opinions and stands on such matters. But certainly - as facilitators we need to exercise a high degree of restraint in peddling our own biases at this stage.



Examples of listing livelihood requirements

While asking activists of different organisations to make a list of their livelihood requirements, we faced a volley of questions. Some of them are given below. In addressing such questions we have been stressing the importance of beginning from individual experience for effective and meaningful learning. You should be ready to face such questions and respond to them using your own experience.

- ❑ When you already know about all our needs, why ask us?
- ❑ Will you or your organisation help us to meet these needs?
- ❑ Why are you asking us to write down our requirements?
- ❑ Who asked you to do all this?
- ❑ What is going to be result of this exercise?
- ❑ You are also from this village, don't you know what your needs are?
- ❑ We have an unending number of needs. Are you going to do anything to fulfill them?
- ❑ Will we get what we ask for if we write them down?



Once, while initiating this process with a group of women in Orissa, the participants burst out laughing when asked to list their livelihood requirements. Their response was when needs are unending, how could they list all of them. They were shown lists of the livelihood requirements made by other groups in different places. After going through these lists, the women said that they could also make similar lists. Later, they started naming important food items available in the area. Throughout the discussion, the facilitator kept probing about traditional food items. Though a little amused, the women said that many traditional food items are not in vogue today and are not consumed by rural folk any more. When questioned further about the reasons for such a change in food habits, they replied that eating local foods and wild vegetables was not considered respectable. Many families have given up eating these locally available food items out of shame. The arguments around this issue got the participants involved in an animated discussion.

A group working with Dalit communities in Tumkur district of Karnataka lit upon a novel method to help villagers to make a list of livelihood requirements. In a routine meeting, the group asked the villagers to bring along with them items which are essential for meeting their daily needs. In a short time, a big pile of items was created in the centre of the space. Then the villagers were asked to reflect upon the utility of these items. This exercise helped the villagers to arrive at a common understanding and also ensured the participation of those who could not read. The interesting part of the exercise was that people from each and every age groups were involved in the discussion. Old people directed children to bring particular items from their homes.

Initially, women watched all this from a distance but the moment the issue of how each item is being used come up, they came forward to participate in the discussion.

List of livelihood requirements

Food

Like Pulses, Grains, Flour, Vegetables, Spices, Oil etc.

Fuel

Like Firewood, Coal, Kerosene etc.

Water

Like Hand Pump, Well, Pond, River, Tap water etc.

Housing

Like Bricks, Cement, Sand, Mud, Windows, Door, Bamboo, Tiles etc.

Utensils

Like Glasses, Bowls, Plates, Containers etc.

Clothing

Like Pant, Shirt, Towel, Blouse, Shoes, Slippers, Frock etc.

Healthcare

Like Medicines, Ointments, Pills etc.

Expenses on Guest

Like Sweets, Snacks, Tea, Alcohol etc.

Children's Demands

Like Biscuit, Shoes, Toys, Fruits etc.

Childrens Education

Like School Uniforms, Pens, Books, Geometry Box, Notebooks etc.

Looking after the Elders

Like Medicines, Clothes, Entertainment etc.

Ceremonies, Fairs and Festivals

Like Flowers, Sweets, Alcohol, Cigarettes etc.

Entertainment and Recreation

Like Radio, TV, Cinema, Newspapers, Books etc.

What You Need to Do

- ❑ Discuss at length how each participant meet these requirements at present.
- ❑ Help participants sort out and place each item in one of the three categories.

The Purpose of the Exercise is to

- ❑ Help people articulate the current situation of their livelihood in its multiple dimensions;
- ❑ Help people to appreciate that factors other than money are also critical to livelihood.

Lets face it

- ❑ This analysis is dependent upon the extent of details in the list of livelihood requirements prepared in the first exercise.
- ❑ It will be helpful to refer back to the earlier list and refine it further.
- ❑ When listing items that are met through spending money, participants may get stuck on items that are seasonally available, and forget about the others.

Do not hesitate to probe and help participants to make detailed lists.



VELU'S STORY

Velu and his family live in a remote village of Tamil Nadu. His family includes his father and mother (who are over 70 years), his younger brother, his wife and four children. He owns half a acre land and a thatched mud house built on land that belongs to the village head. In return to this privilege, his wife and two older children have to work without wages in the village head's house as and when required or summoned. For the rest of the time, they work on their own land. Velu's younger brother also helps them some times (albeit reluctantly). The younger children just roam around the village all along the day. The grandparents are too old to be looked after them. Whatever grows on their land is very meagre and meets the requirements of Velu's household partially. As a result, Velu has to always look out for extra work.

Some times, Velu is able to get work construction site in the nearby town through a labour contractor or by using his own skills at public relations. He does all the odd jobs on the site since he does not possess any specialised skills. He is regarded as a jack of all trades, and the other workers like him as he is able to keep everybody in good humour. Apparently frivolous, Velu actually becomes a key person in the whole operation of house construction whenever he is able to get a chance. But these chances come very rarely and sporadically.

Looking back at the last couple of years, it seems that Velu has worked more often in the road construction rather than on the house construction sites. On a road job, Velu is an expert of breaking the stones, measuring the broken stones and assessing the requirement of stone for road construction. Though his formal status remains that of a daily wage worker supplied by a labour contractor, his effort to use every opportunity for work releases his latent potential. His contribution to the overall work goes far beyond the requirements of his status. This pays dividends. He continues working till the road is complete. Unfortunately for Velu opportunities of this type come only once in a life time.

His friends advice Velu to migrate with the contractor to other work sites. He has always held back because of his ageing parents and the rest of the family. He would rather try his hand at something new - vegetable vending or running a tea stall.

Velu's toilsome journey continues quietly. He is not alone. There are millions of Velu who together constitute the backbone of our famous "Gross Domestic Product", which is the key to any national planning.

The house construction in which Velu gets involved is part of the 'construction sector' which is dear to the heart of every Finance Minister. It is dear to others as well, because growth in this sector stimulates demand for goods like cement, steel, bricks and other raw materials. Every unit of investment in this sector provides a greater push to the 'gross domestic product'. Velu is not aware of this. He works in the construction sector to sustain his family.

Road construction facilitates trade and commerce, and unfolds a plethora of opportunities for economic activities. Roads are the lifeline of present day economic growth. The wider and smoother the road, the dearer it is to politicians and planners alike. Velu is not aware of this. He works in the infrastructure sector to sustain his family.

The services rendered to the sprawling and ever-expanding urban centres that are symbols of economic growth are part of the 'service sector'. The importance of this sector is getting recognised and now it is placed at par with the manufacturing sector in terms of its contribution to 'economic growth'. Velu is not aware of this. He works in the service sector to sustain his family.

Velu's contribution to the national economy is invisible, unrecognised and under valued, just like his wife's contribution to well being of the household is invisible, unrecognised and undervalued. In order to ensure their due in terms of visibility, recognition and value, it is essential to start our learning from their vantage point.

Let us help Velu and his wife to become aware and informed of their rights and strong enough to exercise these rights.



Necessities provided by women's work are often left out of the list of livelihood requirements.

Since women's work in the household is not paid for, it is mostly invisible and taken for granted.

Women working in the household cannot go on strike.

In this chapter we shall try to throw open women's contribution towards family income.

What You Need to Do

Question, confront and challenge people to think critically

- ❑ Why is the work that does not involve cash done mainly by women?
- ❑ Why is this work not considered work at all?
- ❑ What is the importance of the work done by women?

Remind participants of the answers given by them during the previous exercise. Don't get stuck to one or two activities. Try to be comprehensive.

Remember

The objectives of this step is to:

- ❑ Help people recognise the critical contribution of women's invisible work in running the household;
- ❑ Enhance awareness about gender biases in division of work.

Sort out Some Issues

Ask participants to analyse their own household in terms of women's contribution

- ❑ Which livelihood requirements are provided free of cost?
- ❑ Who performs the tasks that meet these 'non-cash' needs (those that are met without spending any money).
- ❑ How has this division of labour been arrived at and why is women's work hardly regarded as work?

Handle with Care!

- ❑ Gender stereotypes in division of work are generally considered to be natural and sacrosanct.
- ❑ Challenging this mindset may be painful and traumatic for many participants.

Be sensitive and polite but don't hesitate to ask questions.

In order to ensure that the **APPEAL** leads to action for change, everyone involved in the process must be involved in the creation of the picture, and must contribute to and own the final analysis and outputs of the process. This can only happen if, at various stages, opportunities are created for women and men to exchange their views, debate the contradictions emerging from their separate analysis and appreciate the need for incorporating both standpoints into the final understanding of reality.

Such opportunities can be created in many ways

- ❑ Each exercise can be done separately with men's and women's groups, but consolidated in the larger group, with time to discuss and sort out the differences in analysis. The facilitators will have to make sure that women get the space and opportunity to state their views, and to disagree with what the men are saying (if they feel this is necessary).
- ❑ Some exercises can be done twice by each group - once for themselves, and once, by proxy for their spouses. For instance, men can be asked to do a listing of the work they do during the day, and then can do a separate list for their wives. The same thing can be done by the women's group. All four lists can be put up and compared, and the discussion can focus around the differences in the lists.
- ❑ Some exercises - particularly those occurring later in the process - can be done in the large group by men and women working together. Of course, in situations where the women are used to working with men and confident about articulating their needs, all the exercises can be done in mixed groups.

Mapping the Village's Resources



Helping the group to assess the status of the resources from which the 'non-cash' requirements of livelihood are met.

Exploring the
"Non-Cash" Economy

Be Prepared.....

- ❑ Practical experience shows that in discussions about the state of resources, comparisons with the past are inevitable. In evaluating the state of natural and human resources it helps to relate to what elder people have experiences over time.
- ❑ If participants get interested, this exercise may take longer than what you had you expected. Don't lose patience. Adjust to the pace and demands of the group.
- ❑ These questions can be taken up one by one in small groups.
- ❑ This will provide space and opportunity for more people to participate but will take more time and few more facilitators to handle the process.
- ❑ Doing the exercise in a large group will save time, but will curtail participation of less vocal villagers and demand much more effort from the facilitator.
- ❑ Decide what to do based on your assessment of the group and your own convenience.

You are the best judge of what is "right".

Drawing a sketch of our village

Ask the Participants

- ❑ To mark the spot on a large sheet of paper or on a black board or on the ground indicating where the group is sitting.
- ❑ To identify directions, mark them on the board/chart or ground.
- ❑ Draw a map showing roads, lanes, water channels etc. treating their sitting position as a landmark.
- ❑ To mark the locations of their houses on the map.
- ❑ To mark the locations of resources like wells, ponds, handpumps, forests, orchards, market places, schools, playgrounds, pastoral land and other community places. These spots can be marked with pictures.
- ❑ To draw or mark the houses of affluent families on the map.
- ❑ To start a discussion on the relationship between the location of houses and the access of different households to common property resources or common goods.

Remember

This exercise will be more effective if an ambience of fun and gaiety is created and everyone in the group has a role to play.

Use your imagination to make this a lively session.

Example of Exploring Village Resources Through Mapping

While conducting a village level meeting, the activists of a local NGO in Ghazipur district of Uttar Pradesh enquired whether the villagers had complete information about their village. Thereafter one person was asked whether he could draw a resource map of his village. The man replied that he had never undertaken this kind of work before but when encouraged by one activist who had been trained in the process of resource mapping he started drawing the map. The rest of the villagers were carefully watching this process. The volunteer started by drawing the road, then the lanes and the bylanes of the village. Later the village boundary was marked and then the fields, the pond, the common land and other landmarks were drawn. One of the villagers wondered why the person drawing was taking so much of time in drawing the map. He demanded a separate sheet of paper and started drawing his own map. The rest of the villagers also got interested and proceeded to help their friends who were drawing the maps. This process lasted for two hours. Once, drawing map was over, the villagers were asked, whether they could show on the map, the changes that the village has undergone during the past 10 years. Immediately, the villagers started discussing on the changes and marked these changes.

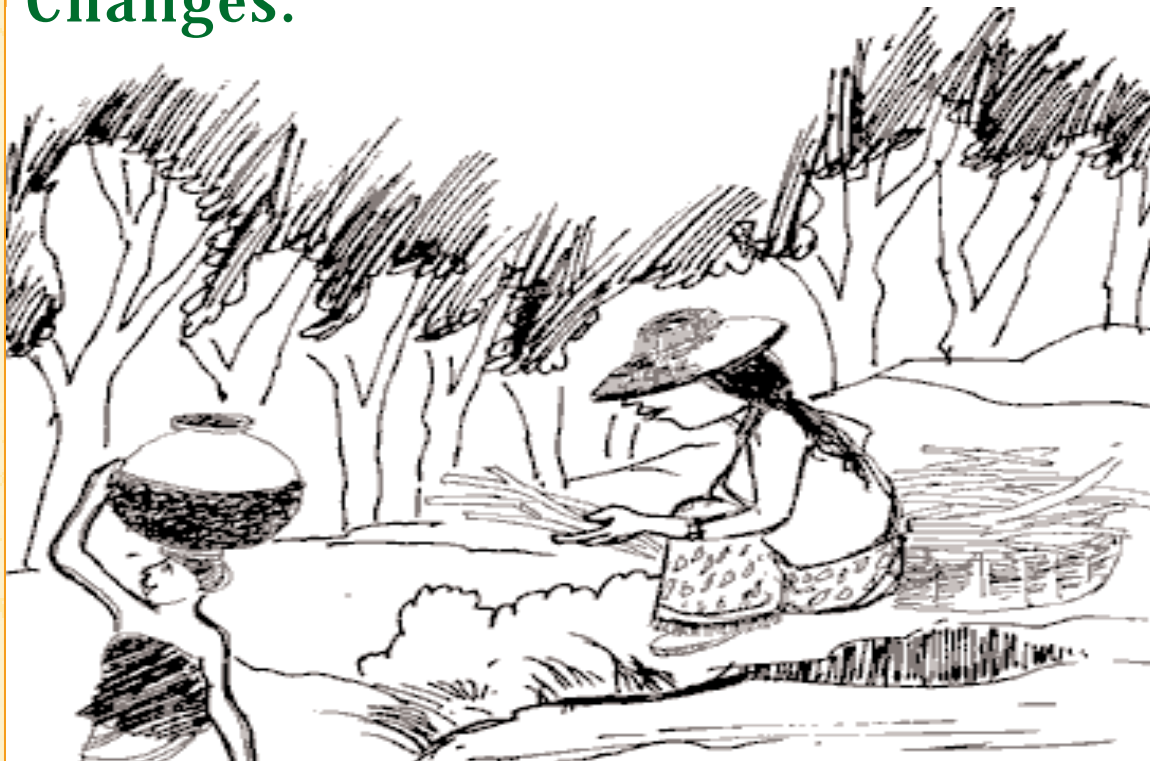
Using the earlier drawn map of village resources ask the participants to sit in small groups and discuss:

- ❑ The present condition of essential natural resources, its quality and its availability
- ❑ How and by whom these resources being used, the rules and restrictions of such usage

Once the groups have made their presentations, help them to arrive at a consensus. Then put the following questions to the group

- ❑ Has the status of these resources and the terms of access to these resources changed over a period of time?
- ❑ What was the turning point at which these changes took place?

Towards the end, ask them what they think are the reasons for these Changes.



In a village in Jhadol Block of Udaipur, a group of people was asked to draw a resource map of their village. Initially they were hesitant but with a little encouragement they agreed to try. Since it was the month of May and temperature was soaring high, they decided to carry out the exercise in the courtyard of a house. Few children brought chalk powder, pieces of charcoal and green leaves. One person marked the boundary of the village with chalk on the mud floor. Others put heaps of soil here and there to show the undulating terrain of the village. Then they marked the pond, forest cover, place of worship and pastoral land. All these landmarks were represented with different objects as symbols. An hour later, a three dimensional view of the village had emerged.

The group was then asked to mark the land which was earlier used by the community for collective purposes, but is not being used in the same way now. This started a debate among the group. Most of the villagers were of the opinion that powerful people belonging to the upper castes had encroached most of the common property resources. They also felt that this encroachment could be seen as continuation of upper caste hegemony.

Some of the points which emerged in the discussion are as follows.

1. For the first time, people realised that they could easily draw a resource map of their own village.
2. People realised that though they had been living in the village for years, they had never 'seen' the village as a whole. The map helped them to see that certain kinds of land belonged to certain castes and to realise how resources have diminished over the years.
3. They agreed that it was easier to understand the changes that have occurred in the last ten years through the 'model' they had created.
4. People came together and a lot of information was shared while drawing the map. The process helped in sensitising people to different issues.
5. While drawing the map, a woman pointed out that she now had to trudge a long distance to cut grass and collect firewood. She insisted that the place from where she collects the grass and firewood should also be shown on the map.
6. During discussion the map, the group said that there was a time when they were self-reliant, and got whatever they required from the precincts of the village itself. This is no longer the case.

This is the Time for You to Intervene

You can list out all the causes of change and point out which of the following categories of factors are involved.

- ❑ Public policy factors like land laws, forest laws, water management etc.
- ❑ Market factors like commercialisation of agriculture, import of agricultural products, subsidies and taxes etc.
- ❑ Demographic factors like population growth, migration to cities etc.
- ❑ Socio-political factors like erosion of traditional values and ecological concerns, consumerism etc.



Highlight the Links

Dilution of land-use regulations and expansion in the purview and power of land acquisition legislation

With

The conditions of the Structural Adjustment Programme (SAP).

Commercialisation and export orientation of agriculture and monetisation of products from common property resources

With

The inclusion of agriculture in GATT.

Erosion of non-monetary values and ecological concerns

With

Invasion of consumerist culture as part of "opening up" of the economy.

Exploring Cash Economy

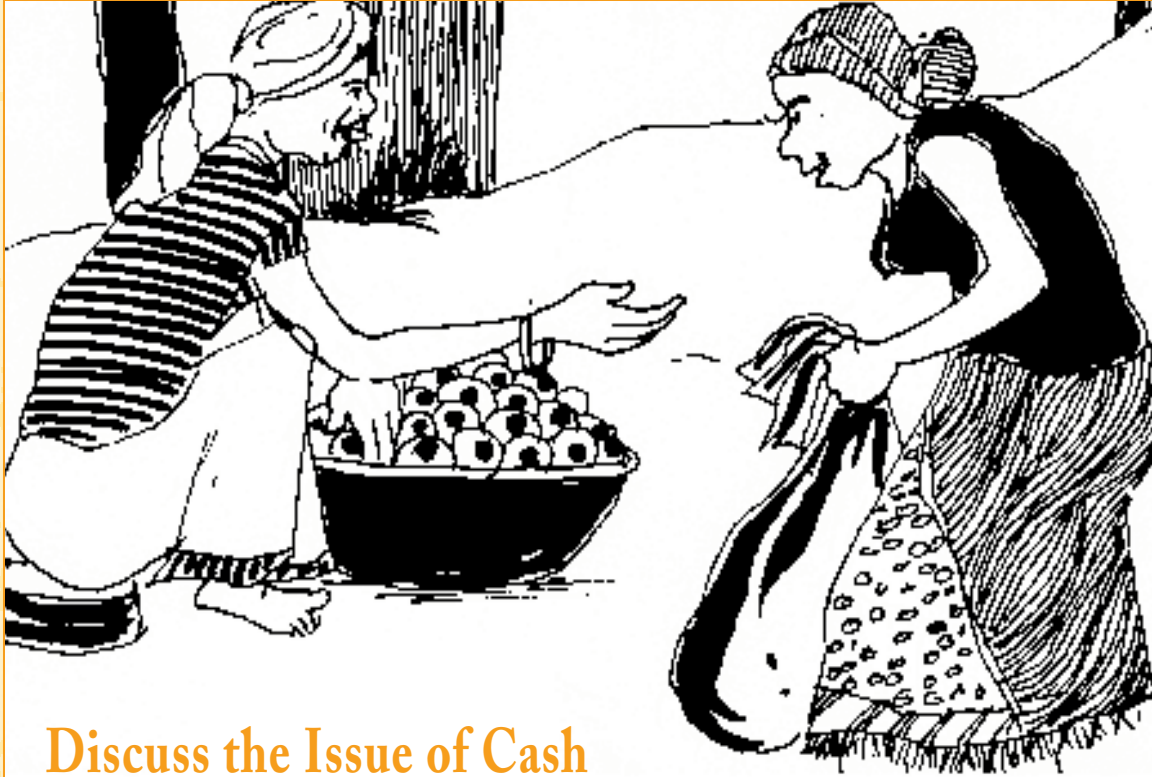
Helping the group to understand how cash comes in and goes out of the household



What You Need to Do

- ❑ Give participants enough time to think and react.
- ❑ If group members seem inclined to close the process, then refocus your efforts and help them to come out of the blocks that they may have.
- ❑ If they are interested in continuing the process, suggest them to try to understand economic linkages by monitoring trends in their incomes and expenditures for about four to six months.

The idea of this exercise is to give participants the time and space to articulate their views on previous exercises.



Discuss the Issue of Cash

Ask the participants to take stock of the ways in which cash comes into the household.

Where does cash come from?

From selling some product

or

From selling some service

Or

From selling labour

or

From taking a loan

Or

From a combination of all these.

If a product is sold

- ❑ How much is produced and how much of the produce is sold?
- ❑ How much time/labour does it takes to produce it?
- ❑ What price is it sold at?
- ❑ Who decides the price?

If labour is sold (i.e., if money comes from wages)

- ❑ For how many days in a year work is available?
- ❑ How many hours in a day does one has to work?
- ❑ Is any kind of break and/or refreshment provided during work?
- ❑ Who decides the wages and on what basis?
- ❑ Is the wage paid on the basis of working time or on the basis of output?
- ❑ Is the wage paid in cash or in kind?
- ❑ Is the payment made all in cash or all in kind or a mixture of both?
- ❑ Is the payment made daily, weekly, monthly or seasonally?

If services are sold

- ❑ What is the nature of demand for the service?
(is it regular; seasonal or occasional?)
- ❑ Who owns the essential tools and equipments?
- ❑ Who decides the price of the service and on what basis?
(is it on the basis of time or on the basis of produce?)
- ❑ How is the payment made?
(daily, weekly, monthly, seasonally?)
- ❑ Is the payment made all in cash or all in kind or a mixture of both?

If loans are taken

- ❑ What are the terms and conditions on which the loan is given?
- ❑ What is the source of the loan?
- ❑ For what purposes is the loan taken?
- ❑ What has to be done to pay back the loan and interest on it?

Help the participants to share with each other how the availability of cash changes with time and season.

Ask participants to talk about how these things have changed in the last ten years.

Ask for their opinion: why have these changes occurred?

How does cash go out of the household?

- ❑ Ask participants to list the items on which they spend cash.
- ❑ Ask them to share their experience of how this list changes with time and season.
- ❑ Encourage the participants to talk about the changes that have taken place in their pattern of spending in the last 10 years.

Which of the following have increased?

- ❑ Expenditure related to occupation & trade.
- ❑ Expenditure related to sustenance and well-being of the family.
- ❑ Expenditure related to civic obligations.
- ❑ Expenditure related to socio-cultural obligations.
- ❑ Expenditure related to new items of consumption.

Divide the participants in small groups to discuss the possible reasons for changes in the pattern of spending and consumption. The responses to these questions may be tentative and generic to start with. Responses may also be influenced by the process and inputs of previous exercises. You may feel that these answers are not good enough. Have patience and exercise restraint. You can take the opportunity to add on more points after the presentations.

This process still has a long way to go!

What You Need to Do

- ❑ Help group members to design a method to monitor income and expenditure that is suitable to their context.
- ❑ Maintain regular contact with the group to ensure that they are able to fill the schedule/format they have decided upon.

Remember

- ❑ The process of keeping record of income and expenditure could be boring, painful or revelatory for the group. Handle the emotions, reactions, experiences of participants with tact and sensitivity.
- ❑ If participants are not literate, you would need to help them in finding symbols for various heads of income/expenditure.

Do not force the group, let them decide on their own what they want to do and how they will do it.

Ask the Participants

- ❑ To list out the sources of their income. Do they earn in cash, or in kind, or both.
- ❑ To list out the broad heads on which they spend each month.
- ❑ To design a method by which they feel it would be possible to monitor their income and expenditure.
- ❑ To keep track of their income and expenditure for about six months.

Ask the Participants to Share

- ❑ Their reactions to the process so far.
- ❑ Whether they have been able to gain some insight into the economics of their own lives.
- ❑ Whether they are interested in continuing with the process and deepening the analysis.

Some Experiences of Formulation of Income and Expenditure Monitoring Format

Formulation of income and expenditure monitoring format was quite an interesting process. While doing this exercise with a group based in Ghazipur and working among dalits it was observed that though they had employed various methods to keep accounts their accounts sheets were not rigorous enough to provide clarity. For example there was no mention of sources of income. Only those expenditure were recorded which involved direct spending of money. The home based food grains eaten daily were not included as expenditure. In fact the methodology they had devised could not enable illiterates to participate in the process. Then everybody sat and extensively debated about the possible ways of monitoring income and expenditure. The list of needs that was made earlier was very helpful in knowing about the various items of expenditure. Similarly, detailed discussion on the different ways of income generation helped in understanding the income part. Together they provided the basis on which a final format was prepared. The following questions were raised during the formulation of the format.

- ❑ With regard expenditure, some spending is done by men and some by women, but who of the two will fill up this format?
- ❑ Some expenditure are personal which are not added on to the household accounts. How can we record them?
- ❑ Everyone has his/her own idea of expenditure. According to some, the "Shagun" given to the married girl when she leaves her parent's home should be put under the head of expenditure on guests whereas others preferred to put it under traditions and ceremonies. How can we resolve this ?
- ❑ The grain that we have is our own produce. That is why we don't include it in our expenditure list. On the other hand, things like salt or oil that we buy is included in our expenditure list. Should we include grain in expenditure list as well ?
- ❑ How can we explain the traditional exchanges amongst the families.
- ❑ How to keep account of miscellaneous day to day expenditure? At times our children buy things in exchange of some foodgrain.
- ❑ If there are more than one earning member in a family, it becomes difficult to keep track of the joint income.
- ❑ Some income is hard to comprehend. How should we note them down ?



What You Need to Do

- ❑ Help the group to arrive at the root causes of change.
- ❑ Help in clarifying the links between their own livelihood and changes at the macro level.
- ❑ Facilitate the process in a way that keeps the participants interest alive.

Ask the Group to Analyse the Trends in Income

Three types of trends may emerge.

- Income may increase
- Income may remain the same
- Income may decrease

In case of increase in income, ask participants to look for the causes.

- Does it come from the sale of some items?
- Is it because of gifts from guests or relatives?
- Is it because of getting a better price for the same quantity of produce?
- Is it because of higher wages for the same amount of work?
- Have the number of earning members in the family increased?
- Has agriculture production increased as a result of adoption of new techniques or new seeds?
- Has there been an increase in skills or earning capacity (new job) of some members?

It is important to identify the reasons !

If income remains unchanged

- ❑ Is it because the prices at which produce is sold have not changed?
- ❑ Have wage rates remained constant?
- ❑ Whether one or more people in the family having a government job or a job with a fixed income?

If there has been a decrease in income

- ❑ Is it because of decline in production?
- ❑ Is it because of decrease in employment opportunities?
- ❑ Are there fewer earning members in the family?
- ❑ Have wage rates decreased?
- ❑ Has there been a decrease in the prices at which produce is sold

Help participants to go deeper and keep asking “why” until they arrive at the root causes.

"In a meeting with a women's group active in Ghazipur district, one of posed question during the discussion on how they keep record of their household expenditure. Group members collectively replied that all is kept in the mind. They said that their sources of income and expenditure were too complex to be noted down. In a year only 2-4 months are such when there is some earning in the shape of money or grain. In the rest they either borrow or sell the home produce in order to survive. They were then asked if in a particular house some money came in as wages or salary and how did they treat grains produced in their own fields. One woman replied that in their native language both the things were termed as 'earnings'. In their villages there are only two types of earnings, one in the shape of money and other in kind e.g. grains or flour etc. at the time of sowing and harvesting. During wheat harvesting, they get 1 Bojha (1 Bojha = 8-10 kg. of grain) and 3 Rupees as wages for harvesting each Surahiya (1 Surahiya = 16 Bojhas). On other days agricultural labourers get 2.5 kg. of Sidha (flour) or 2 kg. of rice and 3-5 rupees.

The group added that most of the transaction in their villages is done with the help of grain, that is according to their need they take the required quantity of grain to the market. In the market they take money from the shopkeeper in exchange of their grain, and from that very shop or from some other shop they buy the things that they need. These shopkeepers pay very less amount for grains.

Further they were asked how they kept the record of all these exchanges. A woman member said that no account was maintained of all these exchanges. The exchange is done keeping in mind the number of family members. According to village practice, in a family consisting of 5-6 members, out of the 5 maunds (1 mound=40Kg) grain produced in the fields, 2 maunds grain is exchanged for money which is used for buying other things. The absurd part of this situation is that these shopkeepers buy this grain at the rate of 4 rupees per kg. and sell the same to them in their times of need at double the price.

When asked as to where they kept account of their production which is both in kind and in cash, one woman told that they usually kept their grains as well as some part of their money in a storage bin. This bin is an indicator of prosperity of a particular household. She then proposed that this store could be considered as an index for both income and expenditure. All earnings whether it is in the shape of money or grain should be considered as an income and whatever goes out of this bin be considered as expenditure. One woman made a sketch of the storage bin. Everyone liked the method of showing income through a sketch. Another point, which came up, was that the earnings going into the bin each month vary, and the earnings being collected in the store depends on the sources of income of the family. For example, a labourer family does not have any permanent source of income, so there is a need to keep the income account daily. Whereas the income of the families possessing land and working as labourers is slightly stable. At the end it was decided that these women would suggest a method of keeping an organised account of their income and expenditure and to continue the discussion, some activists from the organisation will pay a visit to their village. After this, the discussion came to an end.

Now Ask the Group to Analyse Trends in Expenditure

Three types of trends may emerge.

- Expenditure may increase
- Expenditure may remain the same
- Expenditure may decrease

If expenditures have gone up

- Is it because of increased purchases or purchase of new items?
- Is it because of unforeseen expenses on social occasions or family obligations?
- Have prices remained the same?
- Has the level of consumption in the family increased?
- Have the number of people in the family increased?
- Have prices of some or all item(s) increased?

Help people to explore the reasons behind each small change in expenditure.

Let Us Look at a Real-Life Situation

Suppose we find 'rise in price' being identified as a reason for increase in expenditure, linkages with the larger system could be explored using the following steps.

- ❑ Divide the group into sub-groups.
- ❑ Ask each sub-group to talk about how prices of essential items are decided and by whom.
- ❑ Depending upon the type of responses you get, ask each sub-group to verify their theories by a visit to the market.
- ❑ One group could go to the local market and discuss the causes for increase in prices with shopkeepers.
- ❑ Another group could go to the nearest wholesalemart and discuss the issue with traders.
- ❑ If the group is dissatisfied with the responses received from different traders and shopkeepers, some of them could go to the district or state-level market to explore further.

The idea is to help people learn from their own experiences.

If expenditures have remained the same

- ❑ Have prices remained stable?
- ❑ Have prices increased and levels of consumption decreased?

If expenditure has gone down

- ❑ Is it because of reduced consumption of some items?
- ❑ Have some members of the family been away for some time?
- ❑ Has the family become smaller because some members have died or migrated?
- ❑ Have the prices of some items gone down?

Help people to perceive and analyse the linkages between patterns of income and expenditure.

Experiences of various people after they started keeping track of their Income & Expenditure

- We got a clear understanding of our family's income and expenditures.
- This process helped us identify the items of heavy expenditure.
- Galvanised us to ponder over the role of the government in determining the prices of commodities; for whenever we bargained for cheaper prices with the traders, they pointed their finger at the government instead. But do not know how to make the government listen to their woes.
- By observing our monthly household budget, we came to know that there had been increase in the expenditure side without corresponding increase on the income front. This caused endless worries.
- The use of advanced agricultural equipment has rendered many of us jobless in the villages. We noticed during the harvest season that the wages of the labour registered a perceptible decline.
- Budget keeping exercise made us realise the penetrating power of the market.
- Market today has entered in our houses.
- Some of us had stopped budget keeping as it kept us in a state of perpetual tension. We felt insecure regarding the future because we found that our expenditure always exceeded our income.

- In villages, except for water, nothing is available free. We are afraid if someday water too becomes a commodity like other things. Just imagine what will happen to the poor then ?
- During our budget keeping exercise, we found that we spent mostly on medicines. We can say on the basis of our experience that medicines were not so costlier in the past. There has been a sudden increase in the prices of medicines.
- I have a T.V. in my house. My daughters now demand from me what they see in T.V. advertisements. This is just the opposite of what I had thought at the time of buying it. It is not just a means of entertainment. Instead, it has started making a hole into our budgetary resources.
- Budget keeping made us understood that items of highest spending were on fashion, cosmetics and health.
- In earlier times, we procured vegetable leaves and many other things from the ponds of the village but now we have to pay for everything. It appears that we will have to pay even for fire wood very soon. We find it difficult to decode this process.
- While maintaining records of income and expenditure, we realised that a few new items had been added to the list of household requirements. When we tried to find out the reasons for it, it appeared that opening of a local market in the vicinity of our village was responsible for it.
- We are fast losing control over our lands; what should we do to check it?
- With regard to health care, we found to our dismay that the people had given up the use of customary herbal products and were using costly allopathic medicines. This has led to increased pressure on the income.

Reading Materials

Getting to
know
economics
and
globalisation
in detail



Barefoot Economics

When you get to the bottom of things

The predominant concern of normal human beings is to manage their lives and their households in a manner that is recognised and respected by the communities they belong to. This seems to be the prime motivation behind human progress in production and invention. The toil of millions to earn their livelihoods contributes to the requirements of the larger society.

Everyone contributes in some way to the creation of social assets and wealth. Economists measure the strength of an economy by summing up all economic activities in the financial, productive or the service sector. This sum is called the Gross Domestic Product, in the case of countries it is the Gross National Product.

In its original Greek form, the term 'economy' refers to the management of physical resources by a household to provide for the material needs of its members. In other words, an economy consists of the arrangements set up by a group (a household, a tribe, a village, a community or a nation state) to meet the material needs of its members.

Any economy has to address itself to three basic questions:

- ownership and/or control over resources
- amount and mode of production
- distribution of produce among the members

In economics we are dealing with both material things and with people. But in today's calculations of social wealth like the GDP, people and their contributions to the economy are not being accounted for. This does not make their contributions any less real - rather, it is a good reason to question the motivation behind such a method of calculation.

Most of us feel that economics involves a lot of statistical data, complicated calculations and has little to do with human beings. We have come to such a misconception primarily because, in the period after the Second World War and in the wake of decolonisation, there was an overemphasis on the nation state as a basic unit of the economy. In the obsession with "nation building", all the other units and sub-units exercising control over resources, over production and over distribution of produce - households, tribes, villages and communities - are subsumed in one obscure notion, the 'nation state'.

Undervaluing micro-units like households or villages and their economic contribution helps the powerful sections in society to keep and extend their control over the social product. Economics as a discipline of knowledge has been deliberately mystified and complicated. The so-called "experts" who are responsible for national and international planning, understand 'real economics' basically as aggregation of the products of common people.

For ordinary people, the experience of struggling and toiling for their livelihoods is the real economics. In order to understand economics from a people-centred standpoint, it is essential to recognise people's own experiences as a valid basis of learning. It is imperative, therefore, that we begin the pedagogical process from people's own experience of meeting their livelihood needs. The process can then continue through an examination of the relationship between this experience and the aggregated "macro-economic" reality of experts.

It is also important to look at livelihoods in a larger context of being, and not only in terms of meeting the material needs of the household. Apart from physical sustenance, the development and growth of individual members and the socio-cultural and community obligations of the household should also be recognised as components of livelihood. These are necessary elements for a household to become part of a larger whole - a village, a community or a nation state.

"Engendering" the Appeal Initiative

Our society is constructed in such a way that inequality between men and women is built into every aspect. Social and economic structures work together with deep-rooted patriarchal values to ensure women's subordination. This subordination is reflected in many dichotomies that have a direct relation to any discussion of livelihoods.

Women's work vs. men's work

Women work inside the house while men work outside. Men's work is considered specialised and is assumed to need more strength and brains, while women's work is considered to be unspecialised and unskilled. Men earn more, women earn less - even if they work for the same amount of time and do much the same work.

Women's needs vs. men's needs

Women are expected to sacrifice their own needs in favour of their families, by eating last, by not spending on themselves, by not demanding. Men's needs are given priority, because this is felt to be a just return for the responsibility they bear of running the family.

Women's resources vs. men's resources

Women have little control over family assets, whether cash or kind. If she works for someone, the employer usually pays her husband - if she is paid, she hands the money over to her husband. She cannot decide on her own to sell the family land or animals or even her own jewellery. On the other hand, if her husband wants, or if he feels that the family needs it, he can use the family earnings or sell the family assets (even his daughters!) without asking anyone. The resources women can access and use as they want are those which can be obtained freely from nature - water, grass, fuelwood, fruits - or which are of low value - small animals like chickens or vegetables grown on the homestead land.

Men's opportunities to earn money vs. women's opportunities to earn money

Since women's skills are not valued, they earn less and are given lower-paid jobs which are categorised as unskilled. Some kinds of high-paid work are completely taboo for women - like ploughing. Even though there is a reason for employers to hire women - they can save costs by paying them less - women are the first to be turned away when there is less work. Men are more mobile - if there is no work in the village, they go to the nearest city to look for other work. Women remain tied to the land and the responsibility of maintaining the family. Employers do not like to hire pregnant women, or women with small children, because it is thought that they will not be able to work as hard or as sincerely as men. Apart from all this, women always have to do their own housework and tasks needed for family survival, so they have less time and energy to look for and exploit opportunities to earn money.

The best evidence of women's subordinate status is that few people - including women - would consider it important to analyse the above points in the context of a discussion of livelihood or economics. Women's work is not listed when we list out our family workloads. Necessities provided by women's work are left out of listings of livelihood necessities. The value of women's unpaid work is not included in calculations of family income.

Yet, these few points should be enough to make it clear that women's status, roles and opportunities have a profound effect not only on her own livelihood, but on the livelihood of the family and the community. To fully understand the economics of our livelihood in all its dimensions, we have to ensure that the needs, earnings and contributions to the household and the economy of both women and men become visible and are included in all our discussions and calculations.

How can we ensure this? As we said earlier, women's subordination is reinforced by deeply rooted cultural and social norms. This means that women are expected to behave in a different way from men, particularly in public gatherings - they should remain unheard and unseen if possible, not argue and debate, not contradict what men are saying. The natural shyness and lack of confidence felt by women as a result of such conditioning ensures that they

do not even try to break these norms. Yet, women have a lot to say. They are no less involved than men in the survival of the household, and are as observant and analytical of their own reality. They have their own understanding and analysis of the domain of the economy with which they are most concerned - the household domain and the domain of the natural resource economy.

In order to enable women to share and analyse what they know in an atmosphere where they feel comfortable and at ease, it may be necessary to do the exercises separately with women's groups, focusing on issues which are related to their first hand experience of work and survival. It may help to have a woman facilitator as well. The dimensions and outcomes of exercises done by women in this way will be very different from the outputs of the same exercises done by men. Basically, while men tend to focus on the cash economy - which is their primary area of involvement, and about which they know more - discussions with women will throw light on the operation of the non-cash, or invisible economy.

The viewpoints and analysis of men and women are complete in themselves - they are like pictures of reality where some areas are brightly lit and some areas are full of shadows. A clear three-dimensional picture of reality emerges when both these viewpoints and analysis are taken into account. If the entire process of economic literacy is done separately for women and men, it will be only the facilitators - who interact with both men's and women's groups and who can have access to this complete picture.

“What is Neo-Liberalism”?

A brief definition for activists

"Neo-liberalism" is a set of economic policies that have become widespread during the last 25 years or so. Although the word is rarely heard in the United States, you can clearly see the effects of neo-liberalism here as the rich grow richer and the poor grow poorer.

"Liberalism" can refer to political, economic, or even religious ideas. In the U.S. political liberalism has been a strategy to prevent social conflict. It is presented to poor and working people as progressive compared to conservative or Rightwing. Economic liberalism is different. Conservative politicians who say they hate "liberals" - meaning the political type - have no real problem with economic liberalism, including neo-liberalism.

"Neo" means we are talking about a new kind of liberalism. So what was the old kind? The liberal school of economics became famous in Europe when Adam Smith, an English economist, published a book in 1776 called THE WEALTH OF NATIONS.

He and others advocated the abolition of government intervention in economic matters. No restrictions on manufacturing, no barriers to commerce, no tariffs, he said; free trade was the best way for a nation's economy to develop. Such ideas were "liberal" in the sense of no controls. This application of individualism encouraged "free" enterprise, "free" competition - which came to mean, free for the capitalists to make huge profits as they wished.

Economic liberalism prevailed in the United States through the 1800s and early 1900s. Then the Great Depression of the 1930s led an economist named John Maynard Keynes to a theory that challenged liberalism as the best policy for capitalists. He said, in essence, that full employment is necessary for capitalism to grow and it can be achieved only if governments and central banks intervene to increase employment.

These ideas had much influence on President Roosevelt's New Deal - which did improve life for many people. The belief that government should advance the common good became widely accepted. But the capitalist crisis over the last 25 years, with its shrinking profit rates, inspired the corporate elite to revive economic liberalism. That's what makes it "neo" or new. Now, with the rapid globalization of the capitalist economy, we are seeing neo-liberalism on a global scale.

A memorable definition of this process came from Sub comandante Marcos at the Zapatista-sponsored Encuentro Intercontinental por la Humanidad y contra el Neo-liberalismo (Inter-continental Encounter for Humanity and Against Neo-liberalism) of August 1996 in Chiapas when he said: "what the Right offers is to turn the world into one big mall where they can buy Indians here, women there" and he might have added, children, immigrants, workers or even a whole country like Mexico."

The main points of neo-liberalism include:

1 THE RULE OF THE MARKET

Liberating "free" enterprise or private enterprise from any bonds imposed by the government (the state) no matter how much social damage this causes. Greater openness to international trade and investment, as in NAFTA. Reduce wages by de-unionizing workers and eliminating workers' rights that had been won over many years of struggle. No more price controls. All in all, total freedom of movement for capital, goods and services. To convince us this is good for us, they say, "an unregulated market is the best way to increase economic growth, which will ultimately benefit everyone." It's like Reagan's "supply-side" and "trickle-down" economics - but somehow the wealth didn't trickle down very much.

2 CUTTING PUBLIC EXPENDITURE FOR SOCIAL SERVICES

Cutting public expenditure for social services like education and health care. REDUCING THE SAFETY-NET FOR THE POOR, and even maintenance of roads, bridges, water supply - again in the name of reducing government's role. Of course, they don't oppose government subsidies and tax benefits for business.

3 DEREGULATION

Reduce government regulation of everything that could diminish profits, including protecting the environment and safety on the job.

4 PRIVATIZATION

Sell state-owned enterprises, goods and services to private investors. This includes banks, key industries, railroads, toll highways, electricity, schools, hospitals and even fresh water. Although usually done in the name of greater efficiency, which is often needed, privatization has mainly had the effect of concentrating wealth even more in a few hands and making the public pay even more for its needs.

5 ELIMINATING THE CONCEPT OF "THE PUBLIC GOOD" or "COMMUNITY"

Eliminating the concept of "the public good" and replacing it with "individual responsibility." Pressuring the poorest people in a society to find solutions to their lack of health care, education and social security all by themselves - then blaming them, if they fail, as "lazy." Around the world, neo-liberalism has been imposed by powerful financial institutions like the International Monetary Fund (IMF), the World Bank and the Inter-American Development Bank. It is raging all over Latin America. The first clear example of neo-liberalism at work came in Chile (with thanks to University of Chicago economist Milton Friedman), after the CIA-supported coup against the popularly elected Allende regime in 1973. Other countries followed, with some of the worst effects in Mexico where wages declined 40 to 50% in the first year of NAFTA while the cost of living rose by 80%. Over 20,000 small and medium businesses have failed and more than 1,000 state-owned enterprises have been privatized in Mexico. As one scholar said: "Neoliberalism means the neo-colonization of Latin America." In the United States neo-liberalism is destroying welfare programs; attacking the rights of labor (including all immigrant workers); and cutbacking social programs. The Republican "Contract" on America is pure neo-liberalism. Its supporters are working hard to deny protection to children, youth, women, the planet itself - and trying to trick us into acceptance by saying this will "get government off my back." The beneficiaries of neo-liberalism are a minority of the world's people. For the vast majority it brings even more suffering than before: suffering without the small, hard-won gains of the last 60 years, suffering without end. *-by Elizabeth Martinez and Arnoldo Garcia*

Structural adjustment programs

Structural adjustment programs (SAPs) are "economic policy reforms" that profoundly alter the nature of a country's economy and the role of its government. Designed by the World Bank and International Monetary Fund (IMF), SAPs are implemented by debtor countries in order to qualify for debt relief and new loans, as well as to attract foreign investment. SAPs are performance requirements—referred to as conditionality—that have become a crucial component of loans made to struggling economies.

The adjustment policies that the Bank and Fund promote

The Bank and Fund promote economic policies based on a belief that a relatively unregulated free market and private sector are the engines for growth which will trickle down and benefit everyone. Reform programs usually have two stages. The first phase—called "stabilization"—attempts to halt the immediate drains on government funds from inflation, trade imbalances and budget deficits. The second stage—called "adjustment"—attempts to alter the nature of production and increase export earnings.

Structural adjustment programs and related economic reforms generally have produced the following policy measures :

- devaluing the national currency;
- raising interest rates and decreasing the availability of credit;
- reducing government spending and increasing taxes (especially indirect taxes) in order to balance the budget ;
- lowering tariffs and liberalizing, i.e. dismantling trade and investment regulations;
- privatizing public enterprises, which are sold to domestic and foreign investors, in an attempt to eliminate inefficiency and what is viewed as excessive public employment ;
- reducing real wages ;
- shifting agricultural and industrial production from food staples and basic goods for domestic use to commodities for export.

SAPs are negotiated only with finance ministry officials from the borrowing country. The whole process of these negotiations is totally non-transparent and clandestine. There is no formal process to solicit input from the ordinary people who must live under SAPs.

SAPs have sometimes succeeded in improving government balance sheets, by shrinking budget deficits, eliminating hyperinflation, and maintaining debt-payment schedules. However, the types of structural adjustment measures that the Bank and Fund require too often fail to promote

a sustainable economy. Instead they have frequently led to increased income inequality and poverty, social disruption, and environmental degradation.

SAP policies hit people living in poverty the hardest. Increased unemployment and decreased government services are the most direct hits on the poor. Unemployment grows for several reasons. Many people lose their jobs when government-owned enterprises are privatized.

Restrictions on credit put many small and medium-sized enterprises out of business and bankrupt small farmers. Lowering tariffs on imported products and permitting increased foreign investment sometimes drive local producers and businesses out of the market. The liberalization of trade does make imported items less expensive, but most people in low income countries consume little besides basic necessities. Changes in the tax system often emphasize easy-to-collect, regressive sales taxes that disproportionately affect people living in poverty.

With jobs disappearing and wages dropping, reductions in government spending called for by SAPs happen at the worst possible time. In spite of recent attempts in SAPs to safeguard some social spending, these cuts result in fewer social services, the elimination of consumer subsidies on basic food staples and public transportation, schools without teachers or textbooks, and health clinics without medicine.

The emphasis placed by SAPs on increased exports can hasten the destruction of ecosystems by accelerating extractive enterprises such as the timber, mining, and fishing industries. In agriculture, SAPs often have undermined peasant agriculture while reinforcing export-oriented agribusiness and its dependence on dangerous agrochemicals. The insistence of SAPs on deregulation of environmental laws and down sizing of enforcement agencies further obstructs government capacity to protect the environment.

Price of essential commodities increased between 93 and 170 per cent during 1991 and 1997 whereas the increase in prices of luxury items during the same period remained between 2 to 70%.

The Indian Rupee was first devaluated on Jult Ist, 1991 by 10%. After days ,that is on July 3rd, 1991 there was another 10% devaluation.

The share of private sector in the paid-up capital (PUC) of India's corporate sector more than dobuled from 27.16% at the end of 1990-91 to 56-79% in 1996-97.

Between December 1991 till March 1997 total 99 public enter-prises were dis-invested and total 10360.6 Crores of rupees were realised.

Private investment in agriculture has regis-tered an upswing that is, from 61.3% in 1980-81 to 83.8% in 1996-97 whereas the share of reserve bank credit declined from 17.4% in 1990 to 11.8% in 1996.

"Globalisation impacts everybody's life"

PEACE-Coordinator Anil Chaudhary explains how globalisation affects the life of millions of Indian villagers and refers to experiences about sensitizing them towards economics.

Question: You have started the APPEAL process around ten years ago. What is your objective?

A. Chaudhary: First of all we would like to demystify economics. Secondly we want to look at economics from below, from a grassroots perspective. We start with discussing household economics, later on link them with macro economics and then proceed towards understanding the whole economy. Our animateurs conduct meetings with the village community. Initially we ask villagers to list their household requirements, requirements for a life in dignity that is. After they have prepared a list of such items we request them to divide it into two categories: items available free of cost and those they would have to buy. We then follow these traits, for example: where do the non-cash items come from? This question leads to mapping of natural resources around the village. In the village meeting we discuss the status of these resources and the terms and conditions for their access.

Question: Please describe the learning process you are aiming at through this.

A. Chaudhary: After getting clear about the status of local resources for livelihood we ask the group what kind of changes have occurred within the last five to ten years. We try to follow up these issues by asking why and how these changes have come about. This takes us to the level of policy and global markets. A similar route we take to investigate into cash-items: how the money comes, how it goes. What are the terms of sale of your labour or your products? Have possibilities to earn cash increased or decreased over time and why?

Our job in this process is keep asking why? at every step. This helps people to explore the linkages between their daily life with the policy regime and the changes that globalisation has brought within it.

Question: What is the use of making villagers aware of economic issues? It would be futile if they are not empowered to take action to improve their situation.

A. Chaudhary: Taking action is an integral part of adult learning. Adults do not like to wait for taking action. We tell them first and for all that they are not dependent on people like us to work out their actions and implement them. While the learning process is still on they may take up protests against price rise or strike for higher wages. We also stress the importance of struggling to retrieve access to common property resources like grazing land, forest, river water and so on.

Question: Making uneducated people aware of economic issues is fine but where does it lead them to? Where is the solution to their problems?

A. Chaudhary: Of course we also have to stand by them in exploring alternatives. Our project is very much in this process now. We are thinking of ways and means by which a database can be created for working out alternatives at the micro level. We are presently trying to develop itineraries for what goods and services come into the village and what goes out of it. We hope that once such itineraries have been created for say 40 to 50 villages we can consolidate the data in such a way that a plan can be worked out for strengthening the local economy. We would like to develop a plan for products and services that can be exchanged within and between these

40 to 50 villages, thereby cutting short the influence of middlemen and merchants. The general framework for alternatives is to retrieve and strengthen local economies, in credit facilities, production, exchange of goods and services. We need to develop a mechanism of localization as an alternative to globalisation.

Question: From your experience of working with village communities in different parts of India, how does the process of globalisation affect the daily life of these people?

A. Chaudhary: Globalisation is hitting the rural people in two ways. Since industrial products are flooding village markets there is an increased need for cash to buy things that earlier were procured free or with little money from local sources. As a consequence the value of local produce declines leaving the people with less income.

Question: Please give examples.

A. Chaudhary: Our field workers report that even in remote areas the markets are flush with new items that have never been available there. For instance soft drinks like Coke and Pepsi have reached even the remotest village in India today. Villagers feel obliged to impress guests with the new fad and their children demand it too. In a similar manner cosmetics and plastic products have taken over the markets. The character of weekly village markets has changed completely. Since more and more locally made items are being displaced by factory-made plastic products - buckets, slippers etc. - it is the local artisans like potters and shoemakers who suffer.

Question: The proponents of globalisation maintain that it increases incomes, even those of the poor. Would you agree to that?

A. Chaudhary: Not at all. Apart from the above said also the terms of labour have undergone a dramatic change. In India agricultural wages traditionally consisted of three items: for one, labourers were provided lunch on those days they were working their employers' fields. Secondly after harvest they got part of the crop and thirdly some cash after the crop was sold by the employer. In this way payment was disbursed over time and agricultural labourers did not have to spend money while they were employed.

This system has almost disappeared during the last five years. We realized this during our work in eastern Uttar Pradesh and northern Bihar, considered as some of the most backward regions in India. Even there, agricultural wages have been monetarised. As a consequence people need to spend on

themselves even while working, women have to get up much earlier to prepare food before going to work. Labourers have to wait for getting paid wages and in the meantime they get indebted borrowing money for survival. This change has all come about because of the commercialisation of agricultural crops. Farmers have started to think of market and cash instead of the traditional production system.

Question: But many people indeed maintain that their income has risen in the last few years. Does this not mean that their standard of living has improved?

A. Chaudhary: This is a question of the value of money. Let me tell you a story:

When we discussed economic changes with a group of village women in Orissa they initially proudly confessed that their daily agricultural wages have gone up from 25 to 40 Rupies. When we went into the exercise of calculating income and expenditure everyone concluded that their

expenditure has increased even beyond the gain in their income. To our great surprise it were items of everyday and essential use that had become more costly, rice for instance. We were told that they have to buy fine rice now because the inferior qualities of rice they were used to is no longer available in the market. The reason we came to know is that farmers have shifted from rice cultivation to growing vegetables for food companies from the neighbouring state of Andhra Pradesh. In this way farmers get an assured income because the company's agents come to their farms to pick up their vegetables and pay cash for it immediately. Obviously many farmers find it very profitable and this is also the reason for the hike in agricultural wages in the region. But for the same reason the lesser qualities of rice have disappeared forcing women to spend more money on food. So in the end, these women have not gained anything, they are still hard pressed to earn some extra cash for survival. In this way villagers are being sucked into the monetary economy as a result of globalisation.

Question: We have so far focused on the effects of globalisation on the lives of rural people. How is the situation in urban areas?

A. Chaudhary: Not much different. For survival in cities the requirement for cash has also gone up while at the same time it is tougher to earn money. In India's capital city New Delhi many people now spend 40 Rupies just to commute to work. Five years ago the cost was only 10 Rupies. But that was before public transport was privatized.

On the other hand earning cash has become problematic. In the earlier years of economic reforms there were opportunities to start a telephone booth or an internet café but later on many of these services were taken over by branded companies. Once the market is settled big players enter the field and marginalize the small businesses. In India this has happened in cable television and other household services.

Question: Privatisation of public services is one feature of globalisation, a tool employed by companies to gain access to people's livelihood needs. Many governments have embarked on privatization in a big way. How does privatization effect people's life in India?

A. Chaudhary: Earlier there were many livelihood items for which people did not have to spend cash at all or just a nominal amount: fuelwood and fodder, education and health services, transport and others. It was the responsibility of the state to provide many of these facilities throughout the country. Subsidies were provided for transport and other things with a view to keep wages low. That was the accepted policy before the advent of globalisation. The idea behind it was to help the Indian capitalist system evolve and evade the pressure of high wages.

But the process of globalisation forces the government to withdraw from all these sectors. Due to political compulsions in a democracy the process is slow but it is on. The first effect is for most people to see: public utilities become costlier after privatization. In the near future Indians will have to pay even for drinking water.

Similarly education has become very costly. Our health services are in shambles because of lack of funds, forcing people to run to expensive private clinics.

To put it simply: globalisation means that big companies manipulate the system just to squeeze more money out of people. Whether in rural or in urban areas everyone is made running after cash.



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