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## Toward a Caring Economy

### Contribution to GTI Forum Universal Basic Income: Has the Time Come?

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Guy Standing makes a strong [case](#) for an unconditional basic income as a response to the larger crises that our societies have already been going through in this century and that are about to reach an apocalyptic culmination now because of the pandemic. His caution that basic income is not a panacea and that we need to innovate a new model of caring for populations that are exposed to the vagaries of the emerging capitalist way of ordering our societies and economies, is welcome. A new care system based on an unconditional basic income as its foundation seems to be not just desirable but inevitable.

Let us consider two important facts. One, there is enough wealth in this world today to provide a decent life to every man, woman, and child in this world. I am not referring to philanthropy, but to genuine sharing by creating a robust institutional framework to operationalize it. Two, there is enough evidence from the projections and reviews done by global organizations such as the ILO, World Bank, World Economic Forum, etc., that current business models both in the manufacturing and service sectors are based on deploying flexible labor. Gone are the days when human beings were employed by enterprises for extended periods, and in some cases even for a lifetime. That model is now a receding distant past. The current norm is what we have come to call a gig economy. Every three people out of four are working without job contracts; when there are contracts, they are temporary in nature. The ILO's 2020 [report](#) on the global employment outlook says that a very large percentage of the global working population is underemployed, and the quality of working conditions of even those who are fully employed is very low.

Given these two glaring facts, I agree with Standing that we should stop eulogizing “laboring” as central to human life as either an ethical or material framework for life. It would be dishonest on our part to promise people social protection based on their participation in the labor market, simply because such a thing does not exist. Therefore, care for citizens must come from their status as citizens rather than their status as *workers*.

I am an industrial sociologist from India. My agreement with Standing comes from my experience of the Indian situation. More than 93% of the Indian workforce works in the informal sector. This sector comprises both wage workers and the so-called self-employed people. They are simply two convenient official categories, and the distinction between them is superficial. It does not refer to the quality of their life. The so-called self-employed people are as poor as wage workers. They are the street vendors, home-based workers who are part of a meta supply chain, and so on.

All the employers of workers in the informal sector are hidden from the regulatory eye of the state, free from legal or moral obligation to provide a decent wage and working conditions. This is not just because the employers want escape, which of course they do. The government knows that this is the only way the economy can function. The wages are inversely proportionate to how vulnerable and desperate they are. The more desperate and vulnerable they are, the lesser wage they get.

The neoliberal capitalist ethos that is all-pervasive during this century takes this a step further by introducing the so called “labor reforms” which basically intend to “liberate” the employers even in the formal and visible sector from their obligations towards the people they employ. The whole idea is to give the much-needed flexibility to the entrepreneurs who are the new sacred in the economy and are perceived as the primary engines of growth.

This situation is not just in India, but I think is much more widespread in the world, particularly in the Global South. The morbid competition for Foreign Direct Investment is forcing countries in the South to offer more and more “liberal” regimes that essentially compromise on labor and human rights. Even respectable economists from India currently located outside the country and occupying important positions in the multilateral institutions speak of “labor reforms” and why India needs to take that agenda further. They however do not spell out the sticky issue of labor rights.

The current global architects of economies would like to believe that the era of labor rights is now over. Is that so?

Given this problematic of the *precarious ground* on which current human beings are standing, and offering their labor in the market square for sale, how do we conceptualize their care and protection? It is one thing to disagree with Standing about what he is proposing. But, it is yet another matter that we have the moral responsibility to work on designing a framework for caring for people in the coming decades.

One of the things that Standing does not include in his paper, but that is extremely important, is that we should interrogate the current role money plays in our economy and in our lives. Should we not think of using technology that will empower communities to subvert the current role played by central banks and financial capital in our economies and societies? Using blockchain technology, is it possible for the communities to demystify fiat money and create their own local complementary currencies? After all, it is the communities that create value! There are several groups in the world today that are working on these opportunities. I do believe that technology opens up several opportunities for communities to become at least partially autonomous and reclaim what rightfully belongs to them.

A better world is certainly possible. It is not just desirable; it is necessary. We need to create a new narrative of *caring for global citizens*—every woman, man, and child. We need to think beyond the national boundaries. We should begin to feel responsible for human beings living in other continents that are no longer far away—thanks to technological advances in communication. The idea of unconditional basic income opens the conversation about this journey.

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## About the Author



Sarath Davala is a sociologist who has written extensively on labor issues. He has conducted research for the Self Employed Women's Association (SEWA), one of the largest women's unions in the world, and served as research director of SEWA's Madhya Pradesh Basic Income Pilot. He is co-founder of India Network for Basic Income, Chair of Basic Income Earth Network, and co-author of *Basic Income: A Transformative Policy for India*.

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## About the Publication

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