ROUNDTABLE: Inequality in Everyday Life

Place: New Delhi

Date: 8 November 2016
PRIA and Institute of Development Studies (IDS) organized a Roundtable on Inequality in Everyday Life on November 8, 2016. The occasion marked IDS completing 50 years (in 2016) and kicked off celebrations of PRIA completing 35 years (in 2017).

Welcoming guests and the panelists, Dr Rajesh Tandon, Founder-President, PRIA introduced *The World Social Science Report 2016: Challenging Inequalities: Pathways to a Just World*, co-published by International Social Science Council & UNESCO, and its relevance to policy, research and organizing efforts in India, where inequality is rising. Dr Mathieu Denis, Executive Director, International Social Science Council (ISSC) gave a short introduction to ISSC and earlier Social Science Reports. Dr John Gaventa, Research Director, IDS, followed with a detailed presentation of the findings of the 2016 Report.

Inequality looms large in the minds of government, business and civil society. There is a huge amount of interest in inequality, but this is primarily through the lens of economics, dominated by research from the North. “The goal was to be more diverse in research about inequality, and to include the consequences of inequality,” Dr Gaventa said. “It is the most diverse volume publicly available, with diversity in the topics it covers, the subjects and writers.” Dr Gaventa particularly drew our attention to SDG 10, which relates to inequality and pledged that “no one will be left behind”. We cannot deal with any of the other SDGs if we do not heed the critical nature and consequences of inequality.

While global economic inequality is declining, inequality within countries is rising. Globally, those at the bottom of the inequality ladder are concentrated in sub Saharan Africa. Concentration of economic and political power in the hands of a small number of people threatens growth, social cohesion and health of democracies.

Inequalities should not be understood and addressed only in relation to income and wealth. They interact across seven key dimensions: economic, political, social, cultural, environmental, spatial and knowledge.

Reducing inequalities is a requirement for human rights and justice, and is essential for success in other global priority areas, such as environmental sustainability, conflict resolution and migrations. Some countries have been able to counter the trend of rising inequality through their policies, and the Report records these successes. Some key messages highlighted by Dr Gaventa include:

- Successful pathways to address inequality combine policy and action in context-specific ways. Labour, trade, taxes and land reform policies together address inequalities.
- Collective action by citizens is opening spaces for additional solutions to inequality that can inspire inclusive policy innovation. These include grassroots mobilization and building alliances between grassroots groups, efforts to build alternative economies and increasing participation.
- Global knowledge production on inequality is unequal. Over 80% of formal published articles in social science literature is from Northern countries. Of this, 50% is produced from the UK and US. In order to deal with global inequality, it is important to address this critical knowledge inequality.
A new social science agenda is needed to accompany and inform pathways towards addressing inequality. It is necessary to study how people perceive inequality in everyday life.

We need a more multidisciplinary, globally inclusive and transformative agenda to address inequality, Dr Gaventa reminded us.

Watch the video of the presentation:  https://youtu.be/P47d9yA5WDs

Inequality (not only economic inequality) is rising in India, which is not recognized enough in public policy. Four panellists – Dr Nitin Desai, Prof. Jayati Ghosh, Mr Gautam Mody and Dr Lucky Singh – spoke on the policy and action pathways that are needed to address inequality in India. Policies need to improve fiscal systems, focus on labour reforms for the informal sector, and investments in education and health services. We also need strategies to address asset redistribution, control over natural resources, universal health care to address health inequalities, and decent, dignified work. This requires a change in growth strategy, public investment, the tax system, enhanced social spending and true financial inclusion.

Watch the video of the panel discussion:  https://youtu.be/JomzwctQvEU

Increase in wealth at the top and squeezing of wealth at the bottom is a post-2009 phenomenon. “Part of the sudden interest in inequality is no doubt because of the numbers, but there is also a fear that it is going to get worse,” stated Mr Nitin Desai, Chairman, Institute of Economic Growth. The fear is of the growing difference between returns from intellectual property and those from other forms of property (such as land and labour).

Mr Desai outlined four changes that India needs to make in order to address inequality.

1. **Fiscal system reform:** There has been a steady loss of progressivity in income tax. Exemption limits and maximum slabs have increased more than inflation. Dividend income is not taxed. India has no inheritance tax. “We need a tax system in which progressivity is not eroded,” he said.

2. **Labour reforms:** “Not in the private sector,” Mr Desai said. “Where is the evidence that labour laws are preventing companies from downsizing?” With 85% of the labour force in the informal sector, labour reforms are needed for them.

3. **Investment in education and health:** Education and health services have been developed for the top end of the population. Health services and health investments for the poor is not a priority. “Why has the treatment for TB not got better?” asked Mr Desai. Patronage politics is embedded in the education system, particularly at the local level. “Quality will improve if you have principals who can control their schools.”

4. **Collective action:** Labour movement and trade union activity with political parties needs to be addressed. India’s dominant religion tells us that we are not born equal. This leads to a deeply embedded tolerance for inequality. “We need collective action that will address gender and caste inequalities,” Mr Desai concluded.

Prof. Jayati Ghosh, from the Centre for Economic Studies and Planning, Jawaharlal Nehru University informed us that inequality in India is deeper and more widespread than we think. "We measure consumption inequality, not income inequality," she said. India's Gini Coefficient is
only slightly better than Brazil’s. And it is particularly high in the top and bottom deciles. This is not recognized enough in public policy.

Capital accumulation in India is heavily dependent on these inequalities. Caste permeates economic relations in ways we have not acknowledged. It allows segmentation of labour markets, reliance on unpaid and underpaid labour of women, systematic exploitation, and massive subsidies.

There are significant gender distinctions as well. With economic growth, India has witnessed a decline in women’s participation in the labour force. But the true economic contribution of women is not recognized. If we include social reproduction, home and care responsibilities then 86% of women are working.

The economic growth of the 2000s has been based on exploitation of natural resources (water, minerals, spectrum). Accumulation of wealth relied on inequalities. “When limits were placed on this, it became known as the era of scams, and this led to a period of stagnation,” Prof. Ghosh remarked. Breaking this is going to be more difficult.

When accumulation is dependent on inequalities, we need strategies that address asset redistribution, control over resources, universal health care and decent work. This requires a change in our growth strategy towards wage- and employment-led growth through public investment, enhanced social spending and true financial inclusion.

Mr Gautam Mody, General Secretary, New Trade Union Initiative (NTUI) was of the opinion that the “Trump doctrine” is the nub of inequality. He went on to speak of the issues that affect working people. In India, the relationship between productivity and wages has resulted in increasing inequality. Productivity has increased faster. The outcome of increased scale of productivity has been increased intensity on the worker. “The problem is not only with wages, but workers are also working longer hours in extreme conditions,” Mr Mody said. This affects not just what time you have at home, but the worker also has to deal with more uncertainty.

Mr Mody pointed out the relationship between technology advancement and labour. It was always feared that technology would displace labour, but world over technological change created more jobs. It is for the first time we are at the cusp of technological advancement (robotics, etc) which will result in loss of jobs and deskilling, which will impact inequality.

We need to pay more attention to the social impact of work intensity and look at wage contracts more closely. Long term wage contracts and contracts for regular work are important. Regular work comes with sick leave. Social security and universal access to health come after this. “Long term employment at lower wages is better than higher wages in uncertain times,” Mr Mody said. He also drew attention to the issue of self-employment. Most self-employed persons, given a chance, would prefer to work in regular jobs with health care and time-off. Regular wage contracts do come with a certain degree of trade union pressure. But there has been declining trade union membership.

Part of the inequality debate would also mean addressing dignity of work. “Is self-employment for capital accumulation self-exploitation?” Mr Mody questioned. “We need labour reforms, better wage contracts, and better rights to freedom of association and collective bargaining,” he concluded.
Dr Lucky Singh, Scientist, National Institute of Medical Statistics spoke of health inequalities in India, particularly for the aged population. With demographic transition there has been a significant reduction in life mortality. Correspondingly there has also been an increase in life expectancy.

We need to remember that India is an ageing population in the 21st century. Today, there are 103 million elderly people in India. By 2025, 13% of the population will be over the age of 60; this will increase to 15% by 2050. Older population faces challenges because elderly care is a social burden. The poor, illiterate and those living in rural areas face a higher degree of income and health insecurity. The single biggest cause of slipping into poverty is poor health. The most frequent reason for travel out of villages is for health care. “We need policies to address health inequalities and for elderly care,” Dr Singh stressed.

Following the panelists’ comments, the audience raised many points of interest, including inequality because of lack of access to technology and access to natural resources (biotic and abiotic); an Indian’s “tolerance of inequality”; lack of public disclosure of how the taxes collected from us are spent; inequality of laws (marriage, dowry, etc); and inequality in terms of urbanization (with the poor being pushed to the margins).

Participants offered varied solutions such as participation of all stakeholders in development programming; partnerships with those who have diverse skills and passion to find solutions; renewing our system of education; and changes in the choices we make and our lifestyles. It is equally important we continue to have conversations about inequality along with action to tackle inequality.

“As a participation advocate, why did I lead a research on inequality, a domain of economists?” said Dr. John Gaventa. “Because it seemed important to understand why, even though we have worked for four decades to increase participation, we have also seen a rise in inequality.”

As practitioners of participation, we need to understand that economic inequality produces power inequality. Inequality builds its own consensus. This affects who wins/who loses in policy making, whose voice reaches the table, whose voice becomes invisible, whose knowledge counts.

“Embedded beliefs and power systems perpetuate unequal social orders,” said Dr Rajesh Tandon in his closing remarks. “The world of research and the world of mobilization need to come together. Elements of resistance to forces of inequality need to be captured. And a knowledge democracy nurtured in partnership.”

There is a fear that inequality is going to get worse. While the future of inequality is unwritten, we know we can make a change. The World Social Science Report 2016 gives us many ideas and lessons that have worked in different parts of the world to reduce inequality.

It leaves us with hope.