



## DALITS, CAPITALISM AND NEO-LIBERALISM IN THE ERA OF GLOBALISATION IN INDIA

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### **Abstract**

*Structural inequalities in India are determined to a large extent due to the historical caste system, and it has been the predominant marker of the deprivation and the privileges in India. Dalits have limited opportunities within their reach, and they tried to rise from the marginalisation, subjugation and other social exclusions imposed on them. During the 1990s, India's incorporation into the global capitalist economy opened the market and abolished the license raj quota system. The modernity of Dalits has increased due to globalisation; now, they are trying to create their ideology to establish their own collective identity. The broader argument of this article is that Globalisation and Capitalism have worked for Dalits like a 'two-edge sword'; on the one hand, globalisation has opened the opportunities for the Dalit communities to become dalit capitalists and entrepreneurs and created organisations like DICCI is, one of the products of this process. On the other hand, with the emergence of the Dalit billionaires and organisations like the Dalit Indian Chamber of Commerce and Industry (DICCI)<sup>1</sup>, new Dalit entrepreneurs have been created; however, the market economy has not been treated them well. Dalit Capitalism still lacks to uplift the marginalised and poor Dalit because it is not organised on the issues of land, issue of mass pauperisation, issue of landless Dalit and their force-displacement due to the mega projects of the government, and rapidly broadening the economic and social inequalities due to the globalisation and the capitalist system.*

**Keywords:** *Dalits, Capitalism, Neoliberalism, Globalisation, Dalit Entrepreneur, and Dalit Capitalist.*

### **Introduction**

Structural inequalities in India are determined to a large extent due to the historical caste system, and it has been the predominant marker of the deprivation and the privileges in India. Through occupational segregation and the rules of purity and pollution, social stratification along the caste lines solidified in India. Dalits have limited opportunities within their reach, and they tried to rise from the marginalisation, subjugation and other social exclusions imposed on them. The disadvantages faced by the Dalit in India due to the caste system and various options for social mobility have led to the generation of many ideologies against the inequalities based on social and economic entitlement. The role of Ambedkar in the emancipation of Dalits was historically crucial, and, in his view, the problem of untouchability was rooted in the denial of fundamental human rights, which are essential for human development.

In the post-independence period, the development process was widely expected to dissolve the outdated form of social organisations either through the system of planning or the market economy for competence rather than cronyism. It was also expected to replace the custom through the state and

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<sup>1</sup> The Dalit Indian Chamber of Commerce and Industry (DICCI) is an Indian association that promotes business enterprises for [Dalits](#). It was founded in 2005 by [Milind Kamble](#).



market contract. During the 1990s, India's incorporation into the global capitalist economy opened the market and abolished the license raj quota system. However, the public education system and the legal provisions protect and compensate for the centuries of disrespectful and inhuman treatment. Despite the affirmative action policies in higher education and the public sector employment, many Dalits have reached the highest positions in the state. The broader argument of this article is that Globalisation and Capitalism have worked for Dalits like a 'two-edge sword'; on the one hand, globalisation has opened the opportunities for the Dalit communities to become dalit capitalists and entrepreneurs and created organisations like DICCI is, one of the products of this process. On the other hand, with the emergence of the Dalit billionaires and the Dalit Indian Chamber of Commerce and Industry (DICCI)<sup>2</sup>, new Dalit Entrepreneurs have been created; however, the market economy has not treated them well. Dalit Capitalism still lacks to uplift the marginalised and poor Dalit because it is not organised on the issues of land, issue of mass pauperisation, issue of landless Dalit and their force-displacement due to the mega projects of the government, and rapidly broadening the economic and social inequalities due to the globalisation and the capitalist system. They face oppression, subjugation, and the disadvantaged terms and conditions in their business regarding capital, labour, land, production, and services than the upper castes.

In 2002 the political movement of Dalits asserted in the 'Bhopal Declaration'. In conference stated that the state must support the Dalits with credit and infrastructure development to grab liberalisation opportunities. The process of globalisation has opened a sea of opportunities for the lower and weaker sections, promoting the free market economy. Chandra Bhan Prasad argues that blood and occupational purity are dissolving due to the impact of wealth creation endeavours of the markets. The support for the free-market economy and policies demands to accompany the state action to help the Dalit enter into the entrepreneurship and the markets. Dalit scholars who support the market economy also demand that the state's role must ensure the Dalits are sufficiently empowered and equipped to enter the market arena with the equal footing of high castes.

### **Understanding Globalisation**

As we know today, globalisation is not only a result of the continued market forces but also a result of diplomatic compromises and political decisions. It produced a liberal market structure that enabled both national and global markets. "The emergence of the globalisation happened slowly at first, and it was enabled by the hard and soft power of the US, and after the war period, globalisation accelerated smoothly with the trade and the capital market with the liberal structure during the 1960s and 1970s and it greatly expanded due to the collapse of the Soviet Union. The neoliberal economic reforms and the emergence of India and China as new emerging global powers during the 1990s; and due to the expansion of globalisation resulted in growth and the robust innovation in the field of science technology and the transfer of power and wealth from one country to another and political integration at the global level." (F. Oppenheimer, 2007/2008). In a literal sense, globalisation integrates the national economy into a single unified world economy. It denotes the global interdependence and a single harmonious society with slogans like the 'death of distance' and 'end of the geographical borders.'

"During the 1990s, a well-known sociologist Anthony Giddens presented a new and a classic description of globalisation. The expansion of social networking and connections between the distant and local people create a high and intensified the worldwide scale. and the borders of the nation-state where Giddens and other scholars argue that these territorial borders are now relativised due to the

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political and economic interactions at the global level and its terms as Supraterritoriality.” (Lang, 2006).

“In an era of globalisation, polities, societies and culture come closer. Due to the advancement in technology and information, the phenomenon of globalisation describes the experiences of time and space, i.e., time-space compression<sup>3</sup>. Globalisation increases the worldwide interdependency across the territorial borders and increases the speed with the purpose to establish the relations between the different regions of the world.” (Jwala, 2009).

### **Globalisation and its relations with the Developing Countries**

Many countries of the third world have been incapable of acquiring the remunerations of globalisation due to the unequal process and development. Globalisation primarily profits the developed world rather than third world countries. It benefits merely limited developing countries; nevertheless, the prearranged growth and the policy of spreading out leading or contributing countries are endeavouring to fit into the liberalisation and globalisation context, so many developing countries face the marginalisation. “According to the Human Development Report issued by the United Nations in 1999, global inequality in living standards and income have reached ‘grotesque proportions’. The polarisation of income is due to the uneven process of economic globalisation and, in the words of the report, moving in fast forward, leaving behind the considerations of equitable distribution of resources.” (Dallmayr, 2002).

In terms of Marx’s exploration, it is a historical process, and the history of the world was not always there; instead, it came together with the system of Capitalism. The recorded activities of humankind were never insulated; some relations had existed. “In the pre-capitalist stage, the man’s social life and production activities were regional. However, after the emergence of the new capitalist system, the market economy and commodity production became the worldwide pattern of social material exchange. After that, man’s economic and social relations developed and evolved into global networks and consistently kept connections. The reason behind it was the innate cosmopolitan nature of the relation between commodity and currency, especially the factor of surplus-value and the pressure of competition.” (Shirong, 2016). In 1980 India commenced its liberalisation policy in the market field, and the economic crisis precipitated the outline of the “New Economic Policy” in 1991. This new economic policy was formulated based on the International Monetary Fund’s and World Bank’s macroeconomic stabilisation and the structural adjustment programmes.

### **Inequality of Wealth in the Era of Globalisation**

“The probability of movement of capital from the developed to the underdeveloped countries broke the segmentation and existed in the global economy during the colonial time that implies the wage rate of workforces in the developed and advanced countries now they get influenced by the developing world labour reserves. If the wages do not compete with the third world wages, they certainly do not increase.” (Patnaik, 2015). The increase in wealth inequalities happens when the worker’s income and wages increase gradually more than the capitalists. Even though workers also have some form of wealth, workers’ funds will also escalate more gently than that of capitalists. On the other side, when a savings difference of wealth occurs between the workers and capitalists, the total wealth of capitalists will increase faster than workers.

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<sup>3</sup> David Harvey developed the concept Time-space compression.



### **India's Shift in the economic policy since the 1980s**

Over thirty years, the Economy of India went through powerful developments. During the late seventies, India was reflected as a controlled economy with the viewpoint of socialist planning. “From the 1980s, the liberalisation policy and the deregulation reforms were implemented. During the Prime Minister Jawaharlal Nehru, India had a centrally directed and regulated economy. At that time, central government-administered and regulated the agriculture, construction, transport sectors, and commodity prices, and India had a trade barrier.” (Chancel, 2017). From the 1980s onwards, the liberalisation policy and the open trade became the recurrent and important themes among the Indian policymakers.

From 1985 to 1990, the seventh plan promoted the relaxation of market rules and regulations, increasing external borrowing and rising imports. During the late 1980s, India faced a big disaster, i.e., in terms of the balance of payment crisis, and due to this, it called for the International Monetary Fund's assistance. For the structural reforms, financial support was conditioned to push forward the agenda of liberalisation and market reforms and deregulation. So, it originated to be recognised as the significant economic reform from 1991 to 2000 where it located to promote the private sectors at the centre of economic policies through the deregulation, denationalisation and the disinvestment of the general public sector, and it also included the delicensing of the industries and the public companies.

“A myth propagated by the staunch supporters of the unchecked liberalisation, privatisation and the globalisation in India is that globalisation will bring the economic growth and this growth-driven economy would decrease the inequalities, poverty and increase the incomes and the employment rate.” (Vishwanatha & Mallaiah, 2009). But after a decade, several indicators exposed the fallacy of the link between economic growth, poverty eradication and employment opportunities. The Dalits are widely known as the untouchables in India, and they suffer from socio-economic discrimination due to the rigid caste system and work-based discrimination. Historically Dalits in India have been discriminated against based on their caste identity and excluded from the social, political and economic rights, including the right to education and employment other than day-to-day forced work. The traditional undignified labour-imposed restrictions on them under the caste system, and they suffered from social exclusion. “In the last two hundred years, they availed minimal opportunities within their reach. They continuously tried to rise from the rigid caste system's subjugation, exclusion, and marginalisation. A modern awakening began with the utilisation of the representative provisions under colonial rule, and after the independence, they provided constitutional safeguards. Since then, Dalit has come together as a distinctive group with the collective identity.” (Srinivas, 2016).

“The Dalits social disabilities and disadvantages position were of the serious concern in the Indian Constitution. The Constitution of India provided safeguards for the Dalits such as the safeguards in social, cultural and educational matters, and safeguards in economics, politics and public service.” (Upadhyay & Dubey, 2017). Affirmative measures provided the benefits to the Dalit earlier, and later, India arrived at the neo-liberal policies and with the platform of the free-market economy.

With globalisation, a new economic order is obligatory globally with the potential for development, opportunities for employment, and prosperity with progress. Two types of arguments come on the impact of globalisation on the Dalit communities; first, the evidence shows that globalisation has negatively affected all aspects of life, especially the Dalit community. Second, the modernity of Dalits has increased due to globalisation; now, they are trying to create their ideology to establish their own



collective identity. It is found that globalisation has influenced the Dalit community, and still in different sectors like education, occupation, and economic extra., need more improvement.

“After implementing new economic policy over the last decade, the ratio of poverty and unemployment has increased. Dalits constitute the bulk of the unemployed and the poor, and they have suffered the most. The number of Dalits declines in the government sector job. Though the World Development Report said attacking poverty has a positive impact. The affirmative policy to eradicate social exclusion, discrimination and push the empowerment, the government has not taken any positive step to restore this policy.” (Kumar, 2001). According to the report, a significant role of reservation policy has played in creating the models that can change the deep-rooted notion about the different abilities and the worth of humans who are segregated from society and bring some members of a discriminated groups into the mainstream society has a significant demonstration effect on the economy.

“Inter-caste-based disparity in private business and enterprises has been a significant feature of India’s social ownership of private capital. The customary restrictions on acquiring or entitlement of private property on lower castes were imposed in the past, leading to their inadequate ownership of private capital. The restrictions on the possession of property rights in the past had resulted in a large proportion of marginalised caste persons remaining without capital assets.” (Thorat, 2009).

“Dalit did not have own land and have historically been workers in the fields of landed castes. Dalits are more likely to participate in the labour force than the other non-SC/STs, and these effects are stronger among the rural women than among the other groups. Poverty pushes the Dalits into force labour involvement, and they have the seldom luxury of staying out of the labour force.” (Bank, 2011)

### **Dalit, Capitalism and Dalit Entrepreneurs: A development**

In the present era of privatisation, Dalits started to demand reservations in the private sector. On 13<sup>th</sup> January 2002, in Madhya Pradesh, Dalits declared the “Bhopal declaration”, and it reflected that there is no single Dalit billionaire, businessman or industrialist. They wanted the standard of “equal opportunity for all” in Indian Industry like United States style so that the marginalised communities like Dalits may come out from the past problem of executing the economy in few hands of other castes. The pronouncement in Bhopal expressed a cry for the Dalit community to dispense the ghetto of government amenity and to arise as private actors in the enterprises and different businesses. In addition to the Bhopal Declaration, the Dalit Sahitya Academics or the Dalit Literary Academy and the Dalit Shiksha Andolan or Dalit Education Revolution are the indications of the lunge for the knowledgeable capital that wish to produce a new private sector to generate intellectual vigour. The ‘Bhopal Declaration’ charted a plan for the socio-economic transformation. Dalits were facing social untouchability and were kept out of the capital assets.

The conference in Bhopal observed Madhya Pradesh’s model of empowering Dalit and tribals in the distribution of grazing lands through decentralisation by transferring the powers to the local government institutions. It examined the process of making the tribal a direct seller of forest produce and the buyer of necessary goods without the interference of intermediaries. However, no model has created a capitalist class from the section of society that constitutes a quarter of a billion SCs and STs. No class of the business person has evolved from the SC and ST. It does not mean that they do not possess managerial and administrative skills. Their skill talent does not have the capital required to match the labour capital they possess.



**a. Emergence of Neo-liberalism, Dalit Capitalism, and Business ownership**

“Through the growth of Dalit Capitalism, a group of Dalit entrepreneurs confirmed that economic reforms impeded the promotion of the Dalit business. Two north Indian cities, Saharanpur and Panipat, listed a tenfold increase in Dalit enterprises over the cumulative figures for the first four decades of independence.” (Jodhka, 2010). The DICCI’s President recognises that the Doctors are running 50 hospitals in the state of Uttar Pradesh belonging to the Dalit community; despite a few of them worked as manual labourers during their school days, they succeeded in being eligible as the doctor due to the affirmative action.

On the other hand, the Dalit intellectual and the mentor of DICCI, Chandra Bhan Prasad,<sup>4</sup> agreed that the affirmative action policies had provided a platform for Dalits. Both the Leaders Milind Kamble<sup>5</sup> and Chandra Bhan Prasad named the “New Dalit assertion”, are openly compassionate of the view that globalisation and liberalism walk together for the development of the economy that has developed a positive attitude toward the supporters of their community. Other Dalit intellectuals argued that all Dalit interests do not get united between the Dalit masses and Dalit entrepreneurs. The opportunities flowing in the era of globalisation may benefit the few Dalit entrepreneurs while doing nothing for the rest of the Dalits.

Thorat and Sadana, in “Caste and Ownership of Private Enterprises”, combine the data from both the sources “Economic Census and the National Sample Survey” to portray the validation of the enduring inter-caste inequality in the private enterprise’s proprietorship. “The marginalised sections like SCs<sup>6</sup> and the STs<sup>7</sup> operate the smaller business with the help of household labour, having a lower capital base and using traditional techniques. The low capital and technology produce low income and high poverty amongst these households.” (Thorat, 2009).

MSME<sup>8</sup> in India has been studied comprehensively from the point of view of effectiveness and the feasibility, and the result can be summarised as a clear caste and gender disparities in the ownership of registered manufacturing MSMEs. The scheduled caste and scheduled tribes are underrepresented as per the proportion of their population compared to the OBCs are equal to their population share. The upper castes are overrepresented in their population share. Over the period from 2001-02 and 2006-07, the caste disparities have marginally increased, and the gender disparity has decreased marginally. The proportion of females and the SC, ST, and OBC is higher in the rural sector. Based on the precise growth regressions and the descriptive evidence, it is found that SC and ST enterprises are more survivalists than entrepreneurial.” (Deshpande, 2013).

The developments around neoliberalism and its capacity for the inclusive growth and development of marginalised sections of the society attracted an overwhelming debate in India. The initiation of DICCI, i.e., Dalit India Chamber of Commerce and Industry, in 2005 led to the arguments of capitalist schools modified according to the needs of the Dalit movement in India. The system of Capitalism and its

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<sup>4</sup> Chandra Bhan Prasad is an Indian journalist, writer, activist and political commentator and acts as an advisor to the Dalit Indian Chamber of Commerce and Industry (DICCI).

<sup>5</sup> Milind Kamble is an Indian entrepreneur notable for establishing the Dalit Indian Chamber of Commerce and Industry (DICCI) and working for Dalit entrepreneurs and Dalit Entrepreneurs.

<sup>6</sup> Indian Constitution term Scheduled Caste.

<sup>7</sup> Indian Constitution term Scheduled Tribe.

<sup>8</sup> Micro, Small & Medium Enterprise.



related concepts like neoliberalism and globalisation in developing the marginalised section created doubt and the arguments in the Dalit movement and enhanced the discussion; the DICCI fell back on the theory and the thought of B. R. Ambedkar, who raised the voice and fought against the exploitation of marginalised section of society. The new agenda backed by the neoliberal policies is an invitation to the multinational corporations to promote the initiative of Make in India. Many argues that non-market-friendly or non-consumers people with fewer capital will be the sufferers like their fathers and forefathers. However, on the other hand, no one can deny that the development of Dalit Capitalists, entrepreneurs and businesspersons was not possible without globalisation and the neo-liberal policies. Therefore, globalisation and neoliberalism are a ‘two-edge sword’ for Dalits.

### ***b. Dalit millionaire is a low-intensity spectacle<sup>9</sup>***

Dalit millionaires have some structural limitations that prevent the millionaire’s from becoming a high-intensity spectacle. They have not acquired cultural and enormous material power to brand their signature worldwide. Although they share a more ideological space with the hegemonic spectacle, their influence on ideology remains confined to the small sphere of Dalits.

### **Conclusion**

A significant development during the 1990s occurred with the emergence of the small section of the Dalit middle class. After the 1990s, the new ‘Dalit Middle Class’ upraised and is the product of state policy of affirmative action or reservation provided in education and employment. Consequently, the 1990s witnessed the emergence of a Dalit middle-class youth and political consciousness among the Dalits. This new Dalit Middle class reached towards the market-oriented economy. According to the DICCI mentor, Chandra Bhan Prasad, the recent economic reforms and the end of quota or license raj provided a chance to open the industry and gave the Dalit community a new opportunity to open the industries and their enterprises. He praises the inbuilt capacities of the system of Capitalism, and he says that it is the unique feature of social and economic mobility through hard work and not by birth. He says that the capitalist system does not recognise the caste system, and it breaks the path of the caste system, and everyone, upper and lower caste, works under the same roof. Capitalism replaces the markers of birth and caste with material characteristics. He asserts that economic development and private enterprises can evade caste's identity and help uplift the Dalit community.

Dalit Capitalism engages with the capital and controls the production unit by their own business. Still, the fundamental flaw in Dalit capitalism is that it needs to find equal space for Dalits within the system of Capitalism that is inherently exploitative. Dalit Capitalism still lacks to uplift the marginalised and poor Dalits because it is not organised on the issues of land, issue of mass pauperisation, issue of landless Dalits and their force-displacement due to the mega projects of the government, and rapidly broadening of the economic and social inequalities due to the globalisation and the capitalist system. Therefore, Gopal Guru rightly referred to Dalit Capitalists as ‘A low-intensity spectacle.’

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<sup>9</sup> Low intensity spectacle term used by Gopal Guru to refer Dalit Capitalists, for more details see the article Rise of the 'Dalit Millionaire': A Low Intensity Spectacle, 2012



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