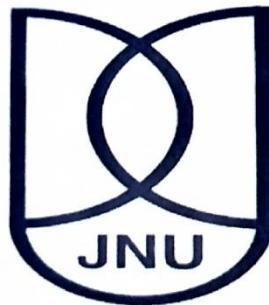


**EVOLUTION OF DALIT CAPITALISM AND  
THE QUESTION OF MOBILITY**

*Dissertation submitted to Jawaharlal Nehru University  
in partial fulfilment of the requirements  
for the award of the degree of*

**MASTER OF PHILOSOPHY**

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### DECLARATION

This is to certify that the dissertation titled "Evolution of Dalit Capitalism and the Question of Mobility" submitted by me under the supervision of Dr. Kaustav Banerjee in partial fulfilment for the award of the Degree of Master of Philosophy is my original work and has not been previously submitted for any other degree of this University or any other University.

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### CERTIFICATE

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## INTRODUCTION

The growing of social consciousness and the assertion of identity among the Dalit's is a result of certain historical development and the process of the social change and attempts made by Dalit themselves to overcome their deprived and the marginalized status in society instead of acquire a contemporary Dalit identity. Towards this transformation there are various factors that contributed where it include the factors of religious movements during the Bhakti period, social reform movements during the nineteenth and twentieth century, the anti-caste movement led by the Periyar and Jyotiba Phule. Moreover the movement led by B.R. Ambedkar and in the post-independence period where various significant Dalit movement started for the assertion of the Dalit identity and ideology.

Dalit's have got limited and minimal opportunities within their reach and they tried to rise from the marginalization, subjugation and other social exclusions imposed on them. Modern awakening started with the utilization of representative provision during the British rule and the constitutional safeguard made available to them in post-independence period.

Structural inequalities in India are determined to the large extent due to the historical caste system and it has been the predominant marker of the deprivation and the privileges in India. Through the occupational segregation and the rules of purity and pollution, social stratification along the caste lines solidified in India. As a social organisation the system of caste in Indian society is based on the unequal entitlements to the social and the economic rights. This social and economic inequality involves the historical discrimination and the exclusion in terms of the denial of the rights of the certain castes and the groups, particularly the Dalit, who have traditionally been placed at the bottom of the caste system.

The disadvantages faced by the Dalit in India due to the caste system and various options for social mobility were available to them have led to the generation of many ideologies against the inequalities based on the social and economic entitlement.

In post-independence period the Constitution of India abolishes the untouchability and provided the constitutional mandate reservations in education and in public sector employment. Reservation was provided to ensure the proportional representation and

participation of the Dalit to enable their entry into the political institutions and in the democratic bodies. Without the provision of constitutional safeguard and reservation the proportional representation of Dalit might have not been realised due to the prevalence of social exclusion and the discrimination based on the caste identity. The provision of affirmative action is the most powerful instrument to ensure the social justice to the historically marginalized section of society particularly the Dalit and other disadvantaged group.

Due to the absence of an affirmative action policies in the private sector where more than ninety percent Dalit workers are engaged and in response the state has implemented the socio-economic policies for lower caste for their upliftment and to improve their ownership as like in agricultural sector, capital assets, education and skills and the basic services like health, housing, electricity etc. as a part of the anti-poverty programme and fixing the quotas for Dalit in the case of the divisible schemes.

Access of inadequate land and the human capability resources in farm and non-farm led to the very high proportion of the wage labours household among the Dalit community in both the rural and the urban areas.

The role of Ambedkar for the emancipation of Dalit was historically crucial and in his view the problem of untouchability was rooted in the denial of basic human rights to them which are crucial and very essential for the human development therefore Ambedkar grounded the justifications for the fundamental remedies due to the denial of human rights and the structural graded inequality in Indian society. Ambedkar suggested the use of multiple remedies for the emancipation of historically marginalized and exploited society of Dalit community.

He suggested to ensure the equal opportunity and the fair access, there is need of the participation and representation of the Dalit in the political, social and the economic processes in the society. Some measures were suggested by Ambedkar included the equal rights to all the citizens, legal safeguards against the violation of human rights and the measures to ensure the equal access and the participation through the affirmative action policies in the social, economic and the political spheres along with these measures he also suggested a strategy for the state to ensure the development and empowerment of lower sections of society to compensate due to the denial of equal opportunities in the past.

In post-independence period it was widely expected that the process of development and to dissolve the out-dated form of social organizations either through the system of planning or the market economy for the competence rather than the cronyism and it was also expected to replace the custom through the contract of state and the market. During the 1990s India's incorporation in global capitalist economy opened the market and abolish the license raj quota system.

Despite the fact that public education system and the legal provisions to protect and compensate for the centuries of disrespectful and inhuman treatment and despite the affirmative action policies in higher education and the public sector employment and Dalit have reached the highest positions in the state, despite the emergence of the Dalit billionaires and the Dalit Indian Chamber of Commerce and Industry, market economy has not treated them well. They face systematically oppression, subjugation and the disadvantaged terms and conditions in their business about the capital, labour, land and production and services than the upper castes.

They are not able to bank's demands for the collateral and the discrimination by the bank employees they are rarely given the loan for land and so they toil disproportionately as the labourers and tenants. As Ambedkar says that caste system is not merely a division of labour, it is also a division of labourers. There is no doubt that globalization, liberalisation and the free market have opened up opportunities for Dalit. Dalit entry in the market happens through the savings from the labour or as a partner with the other partner who is useful for bank credit rather than from the agricultural profits or the mercantile accumulation. Dalit entrepreneurs faces financial obstruction to promote the business and the obstacles in the way of supplies and the sale of products.

In 2002 the political movement of Dalit asserted in the 'Bhopal Declaration' that the state must support the Dalit with the credit and the infrastructure development in order to grab the opportunities of liberalisation.

The state protectionism and the Nehruvian model retained the caste base society and it also restricted the mobility and the labour saving advances which could have reduced the demand for drudgerous manual Dalit labour. According to the M. K. Panini that the private ancillary industries and to accompanying the economic opportunities which came under the state protectionism and these were cornered by the high castes (Panini, 1996).



The process of globalisation has opened a sea of opportunities for the lower and weaker sections and hence they promote the free market economy. Chandra Bhan Prasad argues that due to the impact of wealth creation endeavours of the markets the blood and the occupational purity is dissolving.

Scholars supporting the free market as a means of emancipation and eliminating the discrimination and it is argued that disjunction between the political equality and economic inequality between the different upper and lower castes can be bridged by means of free market economic policies in era of economic liberalisation and the logic behind it that potential is embedded in market to dismantle the caste based discrimination and the biases because it represents the free individual's interaction by maximising their utilities.

The support for the free market economy and policies demands to accompany the state action in order to help the Dalit to enter into the entrepreneurship and the markets. Dalit scholars who support the market economy also demands that state's role with the objective to ensure the Dalit are sufficiently empowered and equipped to enter the arena of market with the equal footing of high castes.

According to the Neera Chandoke who pointed out that the link between the redistribution and the recognition the development of feelings of self-respect has proved to be more tenuous than the originally conceived by the egalitarians especially since recognition is not so easily commanded by the politics.

The form of the economic activity is also the sphere of caste related practice and the factor of caste has always been associated with the occupation. But the coming of market reforms in era of liberalisation where the license raj or quota system has abolished and it enable to the marginalised and weaker sections of society to enter into the non-caste traditional occupations. Related to this there is a migration of Dalit into the urban and industrial centres leading to the circular flows of the members of the Dalit households between the rural and urban areas. Now there is a shift of occupation in Dalit community and as earlier they do work fields of the landowners but with advancement in technology and the mechanisation of agriculture they are becoming a sharecroppers, cultivate the high castes land etc.

This is not to say that there is no discrimination but studies also shown that in private sector there is also discrimination faced by the lower caste but due to the transformation of economy and opportunity in era of market that allowed to shifts in the economic occupations of Dalit. Unemployment in India since the 1990s due to the combination of new elements and the

traditional elements and the advancement of technology and the mechanisation which is now displacing the public sector employment opportunities.

Public sector is the largest platform where Dalit got the opportunity to enter into the government jobs and also for their survival due to the reservation system although the reservation in job opportunities to fill the lower echelons in public sector than the jobs in higher levels of institutions so that it has nevertheless played an important role to produce the powerful role model for future generation of Dalit in particular and without the affirmative action policies there would be a huge reduction of employees belongs to the historically lower section of society in the public sector employment and hence the political view of Dalit at the highest level would have considerably weaken. In era of globalisation and liberalisation the reforms in economic sector led to the shrinkage of jobs in the public sector and the industries and enterprises that are under the control of state.

Due to the emergence of private sector economy and entrepreneurship and the rationalisation of economy the employment in the privatised public sector units has fallen down and those sectors and industries that cannot be privatised are opened to the green field private sector enterprises. Due to the growing of private sector economy and the opportunities in public sector has fallen down so private sector is not more governed by the reservation policy that has enabled the blacks and the minorities in America to play a very significant and prominent role in the corporate and the private sector. As a result the perception about the discrimination against the black and minorities in private sector is very low and in addition to the general perception of public in India that is hostile to the system of affirmative action policies.

Self-employment is a one alternative to the Dalit but due to the lack of social awareness and the network, grants, access to the credits, and other opportunities they face the challenges to open their new enterprises and ventures. Much of the access is still determined by the public policy, given that the private sector in India remains highly regulated. So the reservation and quota system in these areas is considerable. Due to these arguments evolve, now Dalit are mobilising as a lobby group to pressure the politicians in order to recognise them that the reservation policy are still not being properly implemented. Now they are demanding to implement the affirmative action policies in the private sector.

In southern India which has been free relatively from activism of Dalit and now Dalit are organising themselves and for example in Kerala the Dalit Yuvajana Federation has demanded the jobs in private as well as in corporate sector. In some state the governments are

now keen to show that they do not discriminate against the identity of Dalit entrepreneurs. For example, in Madhya Pradesh government declared in 2002 that a third of contracts for the ashram schools and the hostels would now go to Dalit entrepreneurs. The Bhopal declaration led to the emergence of Dalit capitalism under the policy of supplier diversity.

Evolution of Dalit capitalism and its outcomes in terms of mobility of Dalit entrepreneurs started with the emergence of Dalit middle class. This middle class is a product of policy of protective discrimination that has provided the education and the employment. Since 1990s this Dalit new class reached at the critical mass when Indian economy was moving towards the market oriented economy. Dalit movement have mobilised on the issues of socio-economic empowerment and later on Dalit intellectuals have emphasised the need of economic empowerment and through the professional jobs, share in private sector business led to the demand to create the entrepreneurs in Dalit. After the demand for share in private sector the Bhopal conference was organised in 2002 by the Dalit activists and intellectuals and this conference resulted in the adoption of the historic Supplier Diversity policy in order to create the Dalit entrepreneurs.

After the liberalisation of economy and it has led not only the shrinking of jobs in public sector and it opened the door for the private sector. The educated Dalit demanded to extend the reservation policy in private sector and the advocates of supplier diversity demanded that the policy of supplier diversity is practiced by both the state and the private sector along with the democratisation of capital. They argues that the policy making use of technology, market and skill development rather than the reservation policy based on the caste quotas can play a significant role to remove the stigma of caste and end the marginalisation of Dalit from private sector. It is particularly true with the coming of globalisation and liberalisation of economy and led to the emergence of private sector. Advocates of policy of supplier diversity reflect about the business sector rather than reservation in private sector.

The Supplier Diversity policy is a market based voluntary policy whose success depends upon the ability and entrepreneurial skill of Dalit entrepreneurs to supply the goods and services in a very time bound manner in keeping with laid down the competition, and even face the monopoly from traditional suppliers to the public sector belongs to the upper caste. Supplier Diversity policy was draw on the American experience of protective policy for minorities i.e. African Americans and the Asians. Due to this they wanted to bring the agenda of Dalit suited to a market economy and open competition different from the affirmative

action policy of the past. Indian state has helped the entrepreneurs with the ongoing process of globalisation through the incentives like providing the land at minimum rate, lowering the taxes etc. Chandra Bhan Prasad argues that government provide the help in the form of loan and shares in public sector supplies that helps and provides the opportunities to Dalit to grow as a entrepreneurs and assured the market for their products. In Bhopal Conference it was demanded that if the supply of goods and share could be reserved then it would motivate the Dalit entrepreneurs to move in private sector and over the time such an entrepreneurs would graduate to becoming a manufacturers. Chandra Bhan Prasad argues that private sector could start by keeping aside the outsourced services for Dalit entrepreneurs in order to integrate them in supplier chain and private sector of economy.

Following the Bhopal Document, Madhya Pradesh government decided to adopt the policy of Supplier Diversity to bring Dalit and Tribal in mainstream of private sector and government implemented two schemes, one was Thirty Percent scheme where the 30% of all the government supplies and orders were reserved for the Dalit entrepreneurs and second scheme was Rani Durgawati scheme under which the provision of credit to the entrepreneurs in order to set up the manufacturing enterprises.

To bring Dalit entrepreneurs in mainstream business partnership in era of globalising economy, the policy of Supplier Diversity was implemented and it has great potential to help the Dalit and tribal in order to develop the entrepreneurship. It provides the latent possibilities for the upliftment and economic advancement of educated section with in the Dalit community. Marginalisation is central to the existence of Dalit and it has not only affect their social life but also their economic aspirations. Entrepreneurs engage in business after getting aspirations from family, kinship, government policies, little bit from financial institutions etc. and enter into market.

DICCI was founded to promote the young Dalit leadership in private sector and to break the barrier of caste based identity in society and bring the upward economic, social and political mobility. Bring the economic prosperity is not only the reason behind the Dalit capitalism but bring the social mobility along with economic mobility is the main agenda. Social mobility defines as the transition from one social position to another position. Social mobility of Dalit entrepreneurs is not only subjected to the individual itself, but any change of position experienced by an individual or group has its impact on the society at large. How Dalit capitalism is transforming the life of Dalit entrepreneurs in social, economic and political

sphere and how much they participate in outcomes of market and what are the limitations do they face in the process of entrepreneurship. Is economic mobility of Dalit entrepreneurs tends to cause upward social mobility. The policy of supplier diversity has a prospect to make the entrepreneurial Dalit as a part of the supply chain in order to promote themselves in private sector and in enterprises. Dalit entrepreneurship has grown because entrepreneurship has grown in India because the intellectual climate has changed towards the market.

The economic dimension of India we can see through the agricultural land and the related issues and in Indian context most of the population of Dalit are without having land so the land reform is the key solution for the development of Dalit but with the coming of globalisation it has not only eclipsed the agenda of land reforms, it has substituted the land reforms with the corporatisation of forming reforms for the agricultural market at the global level. Ambedkar was aware that the remedy for the problem of agriculture is to accommodate the surplus agricultural labour in industries in order to solve the problem of poverty and unemployment. He had equated the development of industries with the development of modern economy and maintained that industrialization facilitates the consolidation and the industrial development is an absolute necessity in India.

### ***DICCI View***

Dalit Indian Chamber of Commerce and Industry was founded in 2005 with the objective to promote the Dalit enterprises as a solution to the historical socio-economic problems faced by the Dalit and the Dalit capitalism is a new vision to promote the economic enterprises by Dalit to move up the social ladder. The proponents of Dalit entrepreneurship argues that engagement with the capital will provide the space for economic development and make Dalit less dependent on the upper caste for the employments.

It will emancipate the Dalit from the problem of poverty and as a wage labourers of landlords belongs to the upper caste and to prepare them the potential capitalists who in turn to employ other Dalit in the business industries. Milind Kamble told that to bring the economic equality in society for Dalit and to mobilise them into business in order to get the economic and social status

### ***Research Problem***

The opening of the Indian economy has enabled a small number of Dalit entrepreneurs to make it to the top, but the majority continue to encounter institutional and social

discrimination that translate into a share of business ownership that is not proportionate to their population.

Dalit Capitalism cannot evolve as a formidable economic system because of existing social hierarchies.

### ***Significance of Study***

This research is important because it will try to explore the phenomenon of Dalit capitalism and the main aim of this research is to explore the outcomes of Dalit capitalism, whether Dalit capitalism is able to dismantle the traditional caste structures and has provided the sphere to the Dalit to uplift them economically. This research will also try to understand the impact of Dalit capitalism on the Dalit community and will raise some important question like whether the economic upliftment of Dalit through Dalit capitalism can remove the stigma which is attached to their identities, and to ensure their social development along with the economic development. In era of globalisation the public sector is shrinking where Dalit got the opportunity in education and public sector jobs through the affirmative action policies so in the light of this the main argument of proponents of Dalit entrepreneurs is that they became a job givers not the job seekers. The fundamental argument is that in era of liberalisation and market economy with the abolition of license system the time for Dalit is to change their image of perpetual victims to that of being in charge of their own destiny and become a capitalist with the ongoing process of globalisation and the economic reforms. Milind Kamble, the founder of DICCI says that now capitalism versus caste, there is a battle going on and Dalit should look at capitalism as a crusader against caste. The significance of this study is also to explore the battle of capitalism and caste is actually breaking the caste identity and to move the Dalit up in the social ladder. The objective of this research is to understand the relationship between the social identity of entrepreneurs and the outcomes in the market with the help of Dalit entrepreneurs in different sectors.

### ***Methodology***

The research is based on the primary as well as secondary sources. Primary sources included the field work, government survey and the discussion on Dalit capitalism. During the field visit in Rohtak where I met the Dalit entrepreneurs who came from different states to attend the DICCI conference. I interviewed the entrepreneurs by ask them questions regarding the business and enterprises along with the semi-structured questions. Entrepreneurs were from

different business sectors where they came from business of petrol pump, gas agency, food dhawa and tiles factory. Apart from the field work interviews of entrepreneurs, this research also includes the views and the vision of Dalit capitalism replied by the DICCI mentor Chandra Bhan Prasad through the e-mail conversation with them. This research includes the case study of DICCI. On the other hand secondary resources are used included the books, journals, magazines and the available literature along with the interviews of DICCI founder Milind Kamble and mentor Chandra Bhan Prasad by the TV channels.

*First chapter* of this research deals with the capitalism and inequality where the views of Ambedkar, Marx and Thomas Piketty are contextualised. Capitalism is based on the private ownership of goods and their production where they are characterized by the free competitive market to earn the profit. According to Marx Capitalist system provides the process to break the feudal relations and it gives rise to the capitalist class where the capitalist enjoy the ownership of private property and the surplus value and the means of production and on the other hand the working class owns nothing except their labour power.

In the private means of ownership an unavoidable consequence is the alienation of the workers from their own product where the working class instead of finding the self-fulfilment, rather they sees his existence. According to the Marx inequality is inherent in the system of capitalism and it is because that it creates the conflict between the capitalist and the working class. Marx argued that the inequality is due to the creation of classes and it results in the conflict between the two class i.e. bourgeoisie and the proletariat.

Marx supports the socialism and the communism where it advocates the equal distribution of profit and by removing the private property and the means of the production and the ownership of property is equally distributed among all the members of the society. Marx argues that in society the ruling class are mostly aware about their common interest and they have organizational support to lead in society while the ruled class seeks towards the consciousness of class and the organizational cohesion. In post-industrial society inequality is increasing in society and increasing equality of opportunity will effectively increase it because in communities those who are in a better position will make the most opportunities for their economic advancement and development that capitalism offers.

To expand the notion of capitalism Joseph Schumpeter argues capitalism as a creative destruction where new products and distribution form are displaced the older form. Marx saw this dynamism is to increase the capital at the expense of proletariat class whereas

Schumpeter talks about the role of entrepreneurs, and the discovery of new markets, new ideas and the new commodities in market structure.

Thomas Piketty argues that the capitalist system is an unstable system and the without external factors such as the battle, it increases to the inequality in income and the wealth. Piketty focuses on the rise of the wealth and the inequality in wealth, where the income inequality from the capital which is a major component of the higher income inequality so there is a trend of inequality increasing in the industrialized countries since the 1980s. Piketty argues that the role of education and the technology in a long run would be decisive for the wage levels and to reduce the level of inequality with respect to the labour along with the growth of economy.

The rise of the income inequality has not been associated with the high rate of economic growth and in effect it has been the justification by the advocates of the rising inequality in the name of the incentives and the increasing inequality since the period of 1980 has been associated with the slower growth.

As Marx argues that who are in a better position in society in terms of resources will get the benefit for their development and it tends to rise inequality within the society. Piketty also argues in terms of patrimonial capitalism those who have ancestral property and wealth are in a better position and will maximise their wealth in society where wealth is more unequally distributed than the labour income it implies that the top incomes will come from the wealth instead of the professional and the managerial labour led to the unequal society.

Ambedkar believed that the thrust of system for India's financial improvement ought to be on annihilation of poverty, end of inequities and on end misuse of the majority. He acknowledged that Marxian see that there is abuse on the planet; that the poor are misused by the rich; and that the oppression of the majority by the special couple of prompts propagation of poverty and its orderly enduring.

Guaranteeing the equal opportunities and the possession of equal rights are not enough unless and until to ensure the constitutional and legal safeguards for the protection of human rights against the caste system. Ambedkar emphasised that equality of opportunity is impossible in Indian societal relations where it does not recognise the equality and the attempts by the Dalit to secure the equal rights are opposed by the high castes.

Ambedkar suggested the guarantee of provision of equality before the law and the equal rights for all irrespective of caste, religion, race etc. in the public sphere was an initial pre-



condition. Foremost this required the rule out the customary laws that was governing the institution of untouchability and the caste system. He promoted the state socialism with the limited role of private sector. Globalisation and liberalisation brings the prosperity for some sections of society and it is bane for historically marginalised sections of society. Those who have resources and merit required in era of information and technology, got the benefit and those who have not a required merit lost their traditional occupations. It creates the inequality in society in terms of resources, opportunities etc. within this inequality the phenomenon of Dalit capitalism was emerged to promote the young Dalit entrepreneurs through the policy of supplier diversity

*Second chapter* deals with the globalisation, neoliberalism and the evolution of Dalit capitalism where in ongoing process of globalisation and the wealth inequality, the traditional occupation of Dalit are directly affected and their production of specialized equipment are replaced by the global capitalist production. Due to the lack of capital and education majority of Dalit population depended on the traditional occupation and due to the liberalisation policy the coming of new technology and skill based corporations, their traditional occupation are on the verge of ruin. Now it is the responsibility of government to take steps to preserve and to promote the role of these traditional and cultural artisan to realize their full potential. Agrarian crisis due to the globalisation had troubled the rural sector and the economy. Most of the Dalit lives in rural areas and they depended on the upper caste landlords and they try to uphold their dominance over the agricultural system.

Ambedkar suggested the legal safeguards against the practice of caste discrimination and social exclusion both for the public and the private sector where as he wrote that the discrimination against the citizens in both the public offices and in private sector employments on the grounds of race, creed or the social status should be treated as the offence. In economic sphere he put the responsibility on the state to provide the agricultural land and the capital to the lower section and suggested a remedy in the form of state socialism to ensure the protection against the economic exploitation. The deprivation of Dalit to hold the ownership of land has been very severe and even today; their holdings comprise a very small percentage of agricultural land.

Ambedkar had clearly recognized the role of private and public sectors where he emphasised that the limited capacity of private and corporate sector in the newly underdeveloped nation to invests for the economic growth and therefore he promoted the role of state as well as the

private sector in order to facilitate the industrial development. The obligation of state to provide the capital assets that is necessary to promote the agriculture and industry as well.

In era of liberalisation the role of private sector is increasing in professional and technical education similarly it contract the space given to the marginalised section in India's higher education system. In response to the growth of restiveness among the Dalit intellectuals about the negative effect of liberalization policy that, upon coming to power at the centre level the UPA government in 2004 proposed an extension of quota system for the SCs and STs to the private sector.

Dalit started to demand the reservation in the private sector in era of globalisation. In Madhya Pradesh the Bhopal Declaration pointed out that there is not a single Dalit billionaire, businessmen and industrialist so it demanded the principle of equal opportunity for all in Indian industry. The policy of Supplier Diversity was implemented to create the Dalit entrepreneurs. Supplier Diversity is a voluntary market based policy where its success depends on the ability and skill of entrepreneurs to provide the goods and services within the time frame.

Caste based inequality in private business and enterprises have been a significant feature of social ownership of private capital in India. In the past the customary restrictions to acquire or entitlement of private property on lower castes were imposed and it led to the inadequate ownership of private capital by them.

There are two main models behind the foundation of DICCI, Milind Kamble and Chandra Bhan Prasad advocates the Foreign Direct Investment in retail and argues that FDI is caste neutral so it will have a positive effect on new Dalit entrepreneurs.

Their main argument is that the traditional and the caste bound retail sector do not provide the opportunities for the entrepreneurs belong to Dalit community. FDI in modern time is favourable to Dalit entrepreneurs.

Bhopal Declaration called for the creation of Dalit entrepreneurs. It declares that Indian state should encourage the economic activity of Dalit as a same line as it did for the caste Hindu capital between the phase of 1950s and 1980s. Dalit entrepreneurial class now which will own and invest the capital assets in the growing economy and inspired from the Black Economic Empowerment Programme of South Africa and the Black Capitalism and Diversity from the United States. The on-going political assertion of Dalit is buttressed by the

economic empowerment that means they are assisted and encourage by the state to sustain their ventures in the free market. With the growth of Dalit capitalism, a group of Dalit entrepreneurs confirmed that economic reforms gave an impetus to promote the Dalit's business. Evolution of Dalit capitalism brings the Dalit entrepreneurs in process of market and they also got the opportunities to manufacture the goods and supply it in market but the question is, are they got social mobility along with economic mobility within the environment of ideology of caste.

*Third chapter* deals with the mobility of Dalit entrepreneurs and their challenges and this chapter includes the narratives and experience of Dalit entrepreneurs in market processes. Mobility is an experience of shifting from the one social class to another class and from the dominated group to the dominant group. Proponent of Dalit capitalism argues that capitalist system will break the caste and Dalit move up a social ladder through the economic development. Social mobility related to the intergenerational occupational mobility which involves the movement of individuals or groups in the society in a particular direction.

Modernization process were not accessible to all the caste in India and the mobility is depended on the position in the caste hierarchy and those who have privileged in both social and economic status are moved up very easily than the lower caste who have no more resources. Caste plays a role in one's access to the education with regard to one's consciousness and participation in social relations.

Abolition of license raj or quota system provides the opportunity to the Dalit entrepreneurs for the economic upliftment and to make them available the occupations apart from the traditional occupation and now Dalit have entered to the new occupations to which they did not have opportunity to access earlier, occupations and the new areas such as the business, contracts, law, medicine etc. Social change in India enabled the socio-economic mobility among the sections of the society includes Dalit.

The emergence of secular occupations helped the some Dalit to gain the socio-economic status. In era liberalization and market reforms it has given rise to the new middle class and simultaneously raise the Dalit's economic mobility. Along with the economic mobility the identity of caste still intervenes in the Dalit entrepreneurs and to create the obstacle in their business. Capitalism has shifted the traditional occupation of Dalit to the modern occupations. They are now came out of the traditional occupations after getting the opportunities to establish their own ventures and to invest the capital in growing economy

and for the better opportunity in job they migrate from the village to cities to improve their economy.

The story of economic mobility cannot be separated from the story of the social mobility where Dalit are still under-represented not in only private sector but also in the professional sector due to the lack of skill and hence they are debarred from the social networking that is necessary to flourish the business. Apart from the mobility of Dalit entrepreneurs the chapter also deals with the challenges faced by the Dalit entrepreneurs before and after the opening of venture related to the finance, skill, caste and the social networking along with the institutions etc.

The study of Dalit capitalism put emphasis to break the caste stigma and to move up the status of Dalit in terms of economic development as well as social identity. Proponents of Dalit capitalism argues that engage with the capital it will emancipate the Dalit from poverty as well as unemployment. They saw capitalism as a crusader against the caste. Gopal argues that Dalit have not acquired the enormous cultural and material power to sign all over the globe. Dalit share the ideological space with the hegemonic spectacle but their influence of ideology is confined to the small vicinity of Dalit. He argues that Dalit capitalism seeks to dismantle the hierarchical order of caste and the social discrimination and is hardly bothered about the new oppressions carry out by the capitalism.

The rise of millionaires in Dalit community, driven in part by the new economic freedoms that does not appear representative of the broader swathes of the Dalit population, at least until the 2005. Such under-representation appears to persist even in states with very progressive policies and towards SCs and STs, in states where Other Backward Caste have made considerable progress in ownership of enterprise, and in urban sectors where outright discrimination is lower as compare to the rural India. Social embeddedness school argues that economic rationality cannot be seen in terms of the pure market exchange and it therefore emphasises the existence of a socially structured capitalist economy.

Due to the presence of caste system in market it affects the outcomes of market. It determines the shape, duties and responsibilities in market. Due to the digitalization and technology, Dalit lost their traditional occupations and those who engage in business they earn the profit but they also face the hurdles in terms of socially structured caste system. In an economic terms they are mobilising with some capital assets but question rises over their social

mobility. During the interview of Dalit entrepreneurs, most of them cited that they face discrimination in market due to the prevailing caste system.

Dalit Capitalism emancipate the Dalit entrepreneurship economically and it brings some opportunities to enter into arena of private enterprises and entrepreneurship but due to the lack of social capital and access to sufficient resources to open the venture they are lag behind the other sections of society.

## **CHAPTER-1**

### **Capitalism & Inequality: Contextualising Ambedkar, Marx and Piketty**

#### ***1.1. Introduction***

Capitalism is a social system where it follows the individual rights over the ownership of private property. From political point of view it is the system pertaining to laissez-faire (freedom). From legal point of view capitalism is a system of objective laws where the rule of law prevails over the rule of man and in the financial term when the individual freedom is applied in the realm of production then the outcome is free-market.

The concept of capitalism was first used by William Thackeray in his 'The Newcomes' in 1854 where Thackeray explains capitalism as a system of ownership of capital rather than the system of production. Numerous theorists in 19<sup>th</sup> century described capitalism as an economic system where it is characterized by the private ownership of capital, by the investment that are determined by the private or individual decisions rather than the decisions of state authority and the production, distribution and the prices of goods are determined by the free market.

Capitalism is generally explained as a system where the private individual or entrepreneurs are permitted to own as well as control the private property according to his specific and the personal interest and where the pricing mechanism under an invisible hands coordinates the demand and supply in market in such a way that is in the best interest of the civilization. In the system of capitalism the role of government is to protect the individual rights in accordance with the supreme law of country and to maintain the peace, justice and to levy tolerable and reasonable taxes.

Basically the Capitalist system is based on the private ownership of goods and their production and distribution where they are characterized by the free competitive market and to earn the incentives and profit so we can say that it is the system where it is based on the “Survival of the fittest”, the phrase by Darwin originated from his evolutionary theory.

### ***1.2. Historical review of Capitalism:***

Theoretically review, Capitalist system has been described in three periods by the theorists such as the early period, middle period and the late periods but on the other hand some academicians view is different in the sense that capitalism is confined to be a social characteristics and it cannot be confined by the historical period, but rather it is by the recognition of the interminable elements of the human condition. The origin of Capitalism traced back to the fourteenth century, when a conflict was developed between the land owning aristocrats and the agricultural workers. Feudal system subdued the capitalist system in many ways as like that time the serfs were required to produce the food in sufficient quantity for the lords that resulted in the landlords had no interest in innovation and development of technology rather they continuously tried to expand their wealth and the power through the means of military activities. During the feudal time, there was no competitive pressure over the landlords because they were not producing to sell it in the market. So meanwhile the transition from the feudal system to the capitalist system was result of the war and not of the politics of production methods and prosperity.

“According to the Marx, the beginning of capitalist production where it provides the analysis of process to break the relations during the feudal system and it gave rise to a capitalist system where bourgeoisie class enjoyed the rights and ownership of private property along with the means of the production and on the other hand the working or proletariat class possess nothing except they own their labour power. The transition from feudal system to capitalist system as explained by Marx where he defines as the intervening period, neither a feudal nor the capitalist, characterized by the predominance of independent cultivators and peasants. (Katz, Jun., 1993).

Dobb’s theory says that the very essential cause of the breakdown of feudal relations was the excess exploitation of the working, labour forces and serfs who abandoned the lords' estates

all together, and those individuals who remained were excessively few and excessively overworked to enable the system in order to maintain itself based on the old. It was these advancements and developments, rather the rise of trade, where the new developments forced the ruling class during a feudal system to adopt the expedients-commutation of working class services, leasing the lands to tenant farmers etc. where it finally led to the transformation of productive relations in the country side. (Sweezy, 1950)

Modern Capitalist system in the current period ascended in the middle ages between the 16<sup>th</sup> and 18<sup>th</sup> century, when there was establishment of system of mercantilism. Mercantilism is a system where distribution of goods are bought at a price and they sold at a higher price in order to create the profits. It provides the basic tenet of capitalism in the sense that at the larger scale the realization of a profit by attaining goods for the purpose of lower price than to sell them.

During 18<sup>th</sup> century the system of mercantilism weakened when the group of the noted theorists led by the noted economist Adam Smith challenged the principles of mercantilist trade and economy. Adam Smith supposed that the state functions in order to accelerate its wealth and resources at an expense of wealth of other different states while the world's overall wealth remained a constant.

Industrial capitalism emerged after the decline of mercantilist system during the mid of 18<sup>th</sup> century due to the accretion of huge amount of capital under the age of merchant capitalism and also its investment in machinery. Industrial capitalism during the time marked the expansion of manufacturing factory and it led to the global hegemony of the capitalist mode of production. During the 19<sup>th</sup> century there was a great increase in efficiency in the process of development of capitalism and it also generated the social changes, which were remained in place in twentieth century where it was established globally as the most predominant and major financial model after the collapse of the USSR. In the twenty-first century, the capitalist mode of production turn at global stage into an extensively universal economic system.

It is envisaged that capitalism generally corresponds to that developed by the economists like classical economists and by the most proponent philosopher Karl Marx. Capitalism is an economic system where the control over production of goods and the allocation of financial resources thoroughly based on the private ownership of resources and means of the production. The theory of capitalism expounded through the economic system that was

prevailing in late eighteenth and early nineteenth century in Great Britain. Capitalism is based on the indirect system of governance where the continuous evolving of political bargain where the individual owners are endowed by political power to control the private property under the definite rule of law and regulations. The workforces are free to choose the work and also free to exit from the business whatever they choose.

Capitalist market depend upon such a mechanism to ensure the demand and supply in the market. It relies fully on the profit motivation where it assigns the opportunities and the available resources among the suppliers along with relies on the political institutions and to establish the rules and regulations in order to meet the needs of the society and ensures the maximum possible benefits. Representatives of the government and the people ensure the physical security for the individual property and human itself.

The foundation of capitalist market is built from the investment in market where the advanced technology enable to increase the production, where various initiatives are taken in the name of Darwinian process that favours capitalist production with the use of resources and modernization of legal rules and framework as it is specified by the market conditions along with social determinations. To develop the capitalism, the role of government has to perform an administrative role where it provides the institutions that support the market conditions the umbrella of capitalism.

Capitalist system contrasts with the earlier system of economic relations where it is characterised by the self-sufficiency, forced labour, barter system and the reciprocal relationship that is based on the locally known relationship, tribe, family etc. It is also different from the modern systems where the government took control of resources with the central planning and on the other hand government approach in the capitalist market is acted indirectly. It creates the market, legitimates them and intermittently informs several market rules and the framework which explicate the conditions where economic actors may attain and employ the labour and capital to produce, allocate the goods and render services. Consequently, the players in the capitalist mode of production have attain the right to use their authority during competition with the other actors with reference to the predominant laws, rules and regulations.

The market structure may have dissimilar priorities regarding the policies from protecting the existing market conditions to the advanced growth and development, from protecting the consumers in order to protect the producers and labour to capital. In these transactions where



the role of government is to identify the responsibilities of the participants to ensure the safety and better services of the goods and conditions under which goods and services are produced and distributed. Capitalism grants the power to the private enterprises to enter into the market, compete with the other actors and also can exit from the market forces while granting power to the private enterprises it also depends on the government to confine the market actors in the in order to maintain the market structure and also they do not abuses the market power which they have acquire through their enterprises and ownership of property.

The system of the capitalist market usually rely on the state authority to bring the certain provisions for the public goods such as the schools, highways and the enforcement of law in order to abstain from the temptation to operate, own and control the actors. In this way the state became a direct economic player where it becomes a referee along with other economic player in market and it results to put the state agents in roles that conflicts because they need not to be subjected to the discipline and restrictions of the markets based on rules and the framework.

***Under the system of capitalism:***

1. In the capitalist mode of production goods are produced and owned by the private enterprises for the sake of making amount of profit.
2. The working class under the system of capitalism do not own the resources and private property but they work to earn the wages where they face the exploitation by the bourgeois class regarding the surplus value.
3. The individual owner of private property and the wealth which we called capitalist do not keep it and consume it but it uses as an investment in market to earn the profit
4. Goods are produced by the hard work of working class for sale in the market with the purpose to maximum profit but workers did not get the sufficient share in the profit.
5. Capitalism contrasts with the feudalism because in feudal society where goods were produced with the purpose of local use and the investment of capital and wealth were not supposes to making profit.

**1.3. Karl Marx and Capitalism**

“Marx famously asserted that the inner nature of things is not readily apparent: “If appearance and reality coincided, all sciences would be superfluous.” The disjuncture between appearance and reality, however, is not an eternal, existential fact of life.” (Laibman, 2010)

Capitalism defined as the class-antagonistic mode of production for which mystification of its own social relations is an inherent and necessary component of those relations themselves.

Marx’s capitalist analysis starts with the view what he regards that as essential social relations of the capitalist system. “According to the Karl Marx Capitalism is an economic system where the production of goods takes place in the capitalist firms and most of the products are exchanged in the capitalist market forces where the working class labour generally appears as a wage labour. Essentially the relation of both the capital and the wage labour defines the whole character of the capitalist mode of production in the market forces.” (Hodgson, 1995)

An unavoidable consequence of the private means of ownership is the alienation where the workers are alienated from the product of their own labour in such a way that product’s designed is determined by what the actor wants not the workers. “The worker instead of finding self-fulfilment in own work, they sees it as only a means to his existence. In the system of mode of production as a result of the division of labour, worker views that his labour is a requirement in capitalist firm and it is not as a free exercise of workers talent and the energies what they have and his work in firm is not voluntary but it is imposed in capitalist market.” (Thomas, 1979)

The exploitation in capitalist market is associated with the ownership of private property and the means of production where it creates the conflict and it sets the class against the class, the competition in the market turns the capitalist against the other capitalist and the working class against another working class. In the social relations and in the state they afforded a spurious community. Labour and means of the labour are separated and they devolve on different classes.

“Yet the material production, it is the basis of life in the society and it requires their union. The capitalist mode of production locks the classes that is social classes which they represent the basic tenets of the production process in an antagonistic interdependence, an interdependent antagonism. Capitalism creates a society where the man is just subordinated to the mode of production rather than the production to the man. Production is with the

intense of making profits not by the satisfaction of the needs of man in society.” (Husami, 1978)

The worker in the capitalist firms is used as a means with the purpose of too generates the wealth in terms of material wealth implies the wealth which is wielded against the worker. Bourgeois society through capitalist activity expands their wealth and income along with it contracts the possibilities of human and to promote the outer wealth resources and inward poverty.

“Capitalism is the system of contradictions between the social process of production and the individual mode of appropriation, between the planning of individual production units and the anarchy of social production at large, between the unrestricted development of capital and the wealth in the form of commodities and the restricted power of society to consume; between professed ideals and actuality.” (Husami, 1978)

Marx’s theory deals mainly with the production process, relations of production and its forces in a capitalist society. Both Marx and Engels since a century has passed predicted that the system of capitalism will be overthrow by the revolution. The society that Karl Marx presupposed adapted to the nation state. Both the capitalist and the working class would become classes at the nationwide where the dynamics of capitalist mode of economy would remove the barriers of the social division that is an obstacle in between the development process. The study in England on the emergence of working class suggested that the force of large and growing numbers. Through the deprivations and the conflicts of interest based on the class, workers in society would emerge as the agent of historical changes.

“Karl Marx saw that the class conflict under the system of capitalism as a prime opportunity to correct the historical predictions. And Marx believed that the revolution led by the working class would end the exploitation in society of man by man. Thus, analysis, or science, and the strength of numbers were on the side of equity and justice and would bring about the reorganization of society.” (Bendix, 1974)

According to the Marx that the ruling classes in society are mostly aware about their common interest and also they have organizational means to lead them while on the other hand the working and oppressed classes seeks towards the consciousness of class and organizational cohesion. Classes such as the landlords in feudal system and the entrepreneur in capitalist system who owns the resources, production assets, control the workers and peasants who are

depended on their owners for the employment. But the influence of bourgeoisie class is not narrowed to such an individual exercise of economic domination.

“Marx differentiate between the class as a condition of social life and class as a cause of collective action, where classes in the society are unequal in relation to the ownership of production process where the meaning this in equality has for a class as spur to organization and the individuals do not form group for the collective action because they have some common attributes like an income, occupation etc.” (Bendix, 1974) But groups form as the individuals with some common attributes due to which it will acquire a collective consciousness and became capable for the organized action. Theory of Marx propounds the prediction of a revolution by the proletariat class where it rested on the argument that capitalist system would keep all the interests aside and the social bonds that could create the hurdles and hinders the formation of two main classes.

Marx believed that the upper class of society which is wealthy, the bourgeoisie class would suppress everything and human values in an “icy waters of the egotistical calculation”. For working class a parallel impact would be accomplished by imperatives of the industrial production where it diminished to the deadened consistency.

Abject degradation would demolish their beliefs that are religious in nature and the national qualities. It would be on the grounds that the labourers had lost everything that they would ascend to regain their mankind.

According to Marx's; the polarization of classes prompt to a revolution and usher in an incipient and more rational convivial order. Class struggle promotes "reason in history" to the extent where the political class-intrigues to override the "illimitable fragmentation of interest and rank into which the division of labour splits labourers as well as capitalists”. For evidence the men's fundamental interests are divided along class lines. “Marx flick through the constrained experience of English social history. He was convinced that the widening gap between achievements and possibilities of social organization would push the working class to accept his principles and doctrines. Marx looked forward a society born out of revolution where "the process of material creation" would be "consciously regulated by freely associated men.” (Bendix, 1974)

The class struggles and social classes are exist inherently in a society of capitalist system. In their 1848 “The Communist Manifesto” of Marx and Engels explained that how the capitalist society creates two classes where one is proletariats consists of the working class and second

is the bourgeoisie class consists of the wealthy section of the society who owns the resources and means of the production

A battle exists among the proletariat class and the bourgeois class because of the contending interests. Obviously, individuals from the class of workers would normally aspire and try to get the higher and sufficient wages for better life. It is feasible in a perfect world where insatiability and the self-intrigue are inexistent. However the capitalist system is about to generate maximum profit and the competition against the other actors with the same trade and business. Capitalist or Bourgeois class would naturally aspire to earn and generate maximum profit because the achievement of entrepreneurs depends on the level of profitability. Their one method is to create the maximum profit by keep wages cost as low as possible.

Capitalism is primarily based on the individual or private ownership of means of production. It permits the people to own the private capital and their personal commercial enterprises or even trade as additionally selling through an open competition in a free market. Even as it complements the rights of individual and idea of participatory democracy, critics have contended that the system of private ownership of resources creates the environment or surroundings that are vulnerable to the conflicts.

According to the Karl Marx there is an inherent contradiction in the capitalist system along with the inequality. Inequality breaks the harmony between the dominant forces of the market and the proletariat classes. Inequality is an outcome due to the formation of social classes under the capitalist system, then the resulting struggle or conflict between the working and bourgeoisie class due to the contending interests and not distribution of the surplus money fairly and the profit as it is sustained by the property rights.

Inequality due to an individual ownership of resources is increasing nearly everywhere in post-industrial society. It is an inescapable outcome of capitalist system, and increasing the equality of opportunity most effective will increase it—because in every society some sections and communities are sincerely better in a position than other sections to make the most opportunities and chances for development and progress that the capitalist system offers.

Throughout the recent couple of hundreds of years, the expansion of free enterprise has created a remarkable progress in human advancement, prompting both the cultivation of human potential and the increase in material living standards that is unimaginable.

“Capitalism’s intrinsic dynamism, however, produces insecurity together with benefits, and so its advance has continually met resistance. Much of the institutional and political history of capitalist societies, in fact, has been the record of attempts to ease or cushion that insecurity, and it was only the creation of the modern welfare state in the middle of the twentieth century that finally enabled capitalism and democracy to coexist in relative harmony.” (Muller, 2013)

In the recent decades of twenty first century due to the development in technology, innovation, finance and the trade at global level it has generated the insecure waves for prompt capitalist economy where it makes life increasingly unequal and minimum chances for the working class as well as for the middle classes. The right has generally ignore this problem while the initiatives of left has to solve the problem through the governmental action but regardless of the costs. Neither of them are viable to solve it in a long run.

Recent capitalist system need to accept the waves of insecurity and inequality created from this economic system where it will be an unavoidable outcome of market forces and to find the new ways to protect the citizens from the inevitable outcomes of this system and somehow still to protect the system and dynamism that created the vast cultural and economic advantages in the primary place.

“The development of households as a market oriented that we called “commercial society” had insightful consequences for almost in every sphere of human activity. Before the capitalist system, the traditional institutions governed the life and it subordinated the destinies and the choices of the individuals to religious, political and communal structures and these institutions blocking the people in order to make much progress on the other hand they also protect them for many of life’s vicissitudes.” (Muller, 2013). Due to the capitalism where it gave the individual an opportunity to control over the ownership of resources along the private property and the responsibility for own lives and security than ever before which substantiated both terrifying and liberating, allowing for regression and progression.

The capitalist system has opened the vast opportunities and prospects for development of human potential and society but not opened for everyone. The lack of education and resources not everyone able to take the advantages of the opportunities created by the capitalist system in era of globalization. The social class and the obstacles before the equality opportunity for example there are different sections of the population are historically marginalized they are unable to get the advantage of this economic system. But with passage

of time in the era of advanced technology and developed capitalist system those barriers are gradually removed in order to meet the equal opportunities available to all the sections of the society. “Inequality that exists today derives less from the unequal availability of opportunity than it does from the unequal skill and ability to take the advantage of the available opportunities. The unequal abilities to take the advantage stems from differences in the inherent human potential that individual begin with and in the ways that families and communities enable and encourage that human potential to flourish.” (Muller, 2013)

#### ***1.4. Dynamism and Insecurity***

According to Marx that economic system was leaning towards the stagnancy and stability. The societies in capitalist system have oriented towards the dynamism and the innovation, new methods of production and distribution, new knowledge etc. It has shifted the waves of insecurity especially to the economy from nature and in 1820 Hegel observed that in a commercial society where individuals self -recognition was linked and tied to a job by the others.

The division of labour in society generated by forces in market where highly specialized workers with skill and knowledge suited for only low grade job. The markets demand shifted and it demands new products resulted in decrease in demand of older one. Workers who were devoted their role in production of old goods left the job without a new opportunity of job because in technological era without the skill and training it is difficult for working class to find the new work. Due to the progress in mechanization and advanced technology, led to the very loss of jobs because with the advent of role of technology and science who were not aware of technology lost their job. From the beginning the innovative method and creativity of capitalist system were followed by the insecurity for the workers in the market forces.

Both Engels and Karl Marx outlined the capitalism’s dynamism, refinements of needs, sense of insecurity, and extension of the cultural aspects in *The Communist Manifesto*:

“Capitalist class established exploitation of the markets, given a global character to the production and the consumption in each and every country. To the disappointment of the reactionaries, it has drawn from beneath the feet of industry the national ground on which it stood. All the established old national industries have been ruined or are they are daily being destroyed. They are displaced by the new industries, whose introduction in this era poses a

life and death question for all the civilized nations, by industries that no longer work up local raw material, but raw material are drawn from the outmost zones; industries where whose products are consumed in every quarter of the globe not only at the home.

We find the new wants in era of capitalism for own satisfaction that are products of distant land and climate in place of the old want that satisfied by the products that are made in Country. In the place of old, local and national privacy and self-sufficiency now have look in every direction, global interdependence of nations.” (Marx, 1848)

In 20<sup>th</sup> century, Joseph Schumpeter a noted economists, expands the notion of capitalism as a “creative destruction” in a sense that new products and their form of distribution are displaced the older forms. Marx who saw this dynamism and the quest to increase the capital assets and resources at the cost of working class and on other hand Schumpeter talks about the visionary entrepreneur who introduce the new commodities and discovered new markets and new ideas in the market structure.

The dynamism and the jeopardy created in 19<sup>th</sup> century where the industrial and open economy led to the emergence of new institutions to reduce the sense of insecurity and jeopardy includes a liability in limitations, to minimise the Investors risk, risks of labour unions, to protect the interest of the working class, aids and commercial insurance. In the mid of twentieth century in response to the deprivation and huge amount of mass unemployment as a result of Great Depression and political success of communism convinced the democrats the sense of insecurity is threat to the capitalist system. In the western world the democracies oriented towards the welfare state.

Different combinations of the specific program are created by the different nations but newly welfare state have some common problems and better deal where it includes the old age problems, unemployment rate at mass level and different measures in order to support the families. The expansion of newly welfare state take place after the second world war when the economy of western countries were developed rapidly and the success due to the industrialization and economic development made it possible to siphon off profits and the wages to government purposes through taxation.

In the late 20<sup>th</sup> and the period of early decade of 21<sup>st</sup> century has been an age of notable growth and progress, not due in minor part to the expansion of capitalist market around the world. The phase of globalization and the liberalization of economy in countries like China, Indonesia, Brazil, India and other developing countries have allowed millions of persons to



move across the borders for trade and finance and to make them to eradicate the poverty and move into upper class or middle class.

But the progress in phase of globalization and liberalization has been shadowed by the perennial features of the capitalism that is inequality and insecurity.

During the 1973 a noted sociologist Daniel Bell notes that the advancement in Capitalist society, science and technology were a leading forces of transformation that he termed a “post-industrial society”. “Daniel Bell argued that now the service sectors displaced the manufacturing sectors. In the post-industrial society and the economy based on knowledge where the production of goods mainly depended on the technology rather than on the skilled workers who actually assembled the products along with their construction.” (Muller, 2013)

In understanding Marx notion of capitalism as his disposition towards the capitalism cannot be specified as a non-normatively. Marx takes his analysis of capitalism purely descriptive in nature. Marx and the social norms inherit from the Hegel view of anti-foundationalism philosophical system. Hegel argues that his task is not based on foundations of philosophy but to see the inherent development of thing itself.

Marx takes his task like observational instead of argumentative in nature and explains that the main aim of capitalism is to make known the economic law and its motion in the contemporary society. Marx does not take himself to the capitalism’s moral critique and the defence of communism, he takes himself that how the internal contradictions in capitalism forces the progress and movement of the societies beyond the capitalist society towards the idea of communism.

Although Marx describes that the in capitalist system worker work for wage and the exchange of monetary in a form of wages of working class as not it violates the exchange law. Marx explains that exchange for the equivalent. But when the issue came of surplus value that is extract from the labour power in the capitalist firm then this exchange is referred to by Marx in the book Grundrisse and it is based on the theft.

G. A. Cohen argues that the capitalist law of exchange where he understood that the capitalist system to be just according to the view of non-relativist concept of justice. Marx condemned the capitalist system is based on the wage slavery and theft where working class are take away from the surplus value.

“Moishe Postone observes that the Karl Marx considers capitalism as an abstract form of social domination where it is based on the alienation and the exploitation of working classes. Postone interprets in the sense that Marx considers the capitalism not as the domination of one class by another class per se rather as the domination of individual by the categories that appear to be trans-historical but in fact it is particular to the capitalist society.” (Smetona, 2015)

Marx talks about the incipient form of capitalism and the norms where the rules by which we live in the capitalist society, they are authoritative as they are recognized socially but they cannot be unrecognized without transforming the society into material form. Norms are like just norms but in any sense they are not natural but are corrigible. Marx explains that one side owners of the resources and commodities are not produced by the nature while men only possess their labour power and nothing else.

This type of relation has not based on nature and not it is social basis but the thing is common to all that is history. Marx account to demonstrate that there is a distinction between the capitalist and the working class in the form of historical period because of it is social. The distinction is of social norms, because there is a social norm and it has an origin in history and it can be abolished historically.

### ***1.5. Capitalism as a Unique Mode of Production***

Marx's criticizes the political economy that is concerned with the mode of production in capitalist society. To understand the capitalism and its nature, it would differentiate with the pre capitalist mode of production. Pre capitalist society was based on the slavery and the feudal system. In capitalist society establishes on the basis of classes. The main difference between the capitalist and pre capitalist society is that the method of exploitation in feudal societies or pre capitalist societies based on the direct domination by the owner of private property and the exploitation in feudal was quite visible. Take an example of relationship of master and slave during the pre-capitalist society where slaves were treated as a property of their master and master directly exploited the slaves. The production in slave society were based on the master's ownership of capital and the means of production. Slaves were considered only an instrument of production. “As Marx argued that the slave in pre capitalist society did not sell his power of labour to the master any more than ox its service to the peasant.” (Singh, 2017)

As far as capitalism is concerned, the method of exploitation is complex as well as flexible. Under the capitalist system wage labourers are free and can sell their labour to the capitalist such type of freedom was absent under the feudal system. Another difference between pre-capitalist and capitalist society is consumption dominant societies. The exploitation of the working class served primarily the consumption of the capitalist or dominant class. Capitalist society is production dominated society where preferences gave to the production of goods and services. The large proportion of the production is used for the sale in market to enhance the production base in the forthcoming time.

### ***1.6. Surplus Value and Exploitation of Working Class under Capitalism***

Capitalist class exploit the working class in a way to denying them to share the profits and through the rights of property this kind of exploitation becomes morally and legally accepted. In his book in 1867 “Das Capital” or “Capital: A Critique of Political Economy”, Marx explains that how the oppression of labour becomes setup under the capitalist system.

Capitalist system setup starts off when the capitalist initially investment the money that is borrowed or personal to put up a business. Later on, the investment by them then it is resulted in the production of goods. Over the time it would generate the probable income where it does not only get the initial expenses of capital but also achieve the profits. So the generated profit does not fairly share by the capitalist to the real owner of the product that is working class so in this way exploitation of labour occurs.

The capitalist does not share reasonable profits of production with the working class due to self-interest. Under the system of capitalism through the ownership of property rights, the bourgeoisie class has exclusive rights to get the maximum profit after investment and where it generates the surplus value by the working class. The surplus value that generated in capitalist system goes to the investor rather than equitable share to the workers in this way capitalist becomes richer on the other hand the social and economic condition of workers remain unchanged.

### ***1.7. Inequality and Capitalism: Karl Marx View***

The capitalist system is based on the ownership of private property and the means of production. It permits individual to invest in the market to establish their own business or trade while capitalism also promotes the free market and open competition. While it complements the concept of democracy and the individual rights, critics argued the capitalist system creates an environment where it is prone to the conflict.

However, there is an inherent inequality in capitalist system according to the Karl Marx. This is because that it creates a conflict between the proletariats and the bourgeoisie class. Karl Marx argued that due to the inherent creation of classes and it led to the result in terms of inequality. That social classes under the capitalist system and economic arrangement it results in the conflict between the antagonistic classes because of their contending interests and does not share of profit fairly and the surplus value supported by the private property rights.

Based on “The Communist Manifesto” and “Capital: A Critique of Political Economy,” it is worth to point out the view of Marx against the capitalist system where it is coincides with the view to support the socialism and the communism. Marx alternative of socialism and communism where the socio-economic system is mainly centred on an equal distribution of surplus value and the profit by removing the private property rights and means of production. Ownership of property and resources is equally distributed to all the members of society.

Marx proposes an idea of communism and places the central thrust over the emancipation of human beings from the nexus of social processes, which brings forth with itself an anonymous compulsion upon the individuals. He further voices his concerns with the use of capital relations as a means of exploitation through the insecure and bad working-living conditions that the majority of population be subjected to and therefore, he advocates an urgency to reckon with this exploitation. However, Marx emphasizes that such forces that challenge the hegemonic forces and advocates social equality can only exist when the fetishes that are attached with the labour products are abolished.

Social relations that harbinger the social equality can only emerge when all forms of fetishism are disavowed. To propose this, as Marx further clarifies, is not to deny the role of the government, here Marx finds governments are social formations of humans that regulates the social life, organize production in individual workplaces, coordinate between workplaces, play a facilitator in harmonizing the interactions between producers and consumers, examine ways to empower minorities, and rigorously works towards different forms of gender and

racial discrimination. Marx propounds that such discrimination would last as long as capitalist exploitation disfigures the face of humanity.

### **1.8. Thomas Piketty: *Capitalism and Inequality***

Thomas Piketty's *Capital in the Twenty-First Century* explains that the capitalist system is primarily an unstable system of economy and without the external factors like battles; it produces and to increases the inequalities constantly in ownership of income and wealth.

“Thomas Piketty focused on the income inequality that has occurred post war and came to an end in the early 1970. Piketty contends that the rising inequality is an inherent feature of the general functioning of capitalist system whereas the post war period in which both capital and the labour shared the benefits of the productivity growth and it was an exception and it is unlikely to be again frequent in the future.” (Mongiovi, 2015)

Piketty through the detailed research for more than a decade sketch out the inequality evolves with the coming of industrial revolution. During the eighteenth and nineteenth century it was highly unequal society in Western Europe. Individual wealth dwarfed the national income where it goes to the few rich families who reached at top in a class structure relatively rigid in nature. The capitalist system continued as the process of industrialisation relatively contributed slowly to the rising wages for the working class. The pattern was disrupted by the both world war and the economic depression. It ushered in a period when wealth and income were distributed in terms of egalitarian way and after the early twentieth century wealth started to reassert itself. On several measurements Piketty estimates the significance of wealth in the contemporary economies is at the upcoming levels where it last seen before the World War I.

Thomas Piketty's Book *Capital in the twenty first century* is appropriate to understand the increasing inequality and how the inequality is increasing in capitalist society. “Piketty concludes that capitalist system is biased in the favour of the capitalist who owns the means of production and in the long run the economic inequality that matters isn't the gap between people who earn high income and those who earn the low income but rather than it is the gap between the people who have great wealth and those who don't have the wealth.”

### *1.9. Inequality Trends and Arguments*

Thomas Piketty provides the detail of wealth and income distribution for many different industrialized countries. Kuznets Curve where Piketty shows and postulate, the inequality has increased in the early phase of industrialization and inequality has decreased in the later stages of the industrialization process and it yields an inverted U-shaped relationship between the increasing or decreasing an inequality along with the per capita GDP.

Over the past two to three decades, income inequality in an industrialized countries indicate that Kuznet's curve with inverted U-shaped relationship has broken down clearly.

In past three to four decades where the inequality has risen and it requires the explanations: Piketty tells the reason as of the role of the capital income and the increasing income inequality, the interactions of the technology and the education which have now relatively negligible importance and the rising of share dramatically of the management like the sports and the entertainment.

Piketty dismiss the argument that the rise in income inequality, particularly the rise in share of top 1% and it can be attributed to their output and productivity, even if such could be measured.

Piketty's focus is on rise of the wealth and of increasing inequality in wealth, where the income inequality from the capital is a major component of the higher income inequality. It is like a trend of increasing the inequality in industrialized countries from 1980s onwards in contrasts with the trends before the 1970. An example of UK there inequality on various measures is higher in 2014 as compare in the late 1970s and inequality had risen in the latter phase of 1970 and it did so substantially in the period of 1980s. Since early periods of 1990s with regard to inequality in income it is challenging to provide the overall value judgements due to ups and downs in the level of inequality.

“Thomas Piketty focuses on the elements of technology and education in order to seeking to investigate the prevailing differences in the inequality of labour income through the time and space. Piketty focuses on the roles of education and technology in seeking to investigate differences in the inequality of labour income across time and space. Piketty argues that ‘the most accepted theory is a race between the education and technology’ in which the education sets the supply of trained labour agenda and the technology seeks the demand agenda.” (Piketty, 2014) But ‘the theory does not describe everything. In general, it does not provide a

reasonable explanation of the rise of wage inequality in the US after the 1980s' and one could add the sharply rise of sports where it entertain the celebrities, and it does not limited to the United States.

However the theory of race between education and the technology is seen as to interesting clues to explain the historical evolutions. However "Piketty argues that the role of technology and the education over the long run are decisive for the wage levels and the best way in the long run to reduce the level of inequality with respect to the labour as well as to increase the productivity on average basis of the labour force and the growth of economy to invest in the sector of education." (Piketty, 2014)

### ***1.10. Inequality and Economic and Social Performance***

The key changes in the political rhetoric on the issue of inequality during the phase of 1970-80s, reinforced by power of Thatcher in the United Kingdom and the Reagan in the USA and on other hand the rise of neo-liberalism. A major change was the favourable link between economic performance and inequality. The visions of high financial rewards that will lead to do the hard work, investments and to take the risk and then there will be more financial success and prosperity. Trickle down effects came into play where rest of us will gain and get advantage through the creation of jobs and the investment by the wealthy and richer section of society. The period of 1980 has been marked for the industrialised countries one of the low growth rate and high mass unemployment on an average in the earlier decades of development of the capitalist system.

The rise of the income inequality has not been linked with the high rate of economic growth and in effect it has been the explanation by the advocates of rising inequality in the name of the incentives and the increasing inequality since the period of 1980 has been associated with the slow rate of growth. There are several changes between the period prior to 1980 and after the 1980 mostly the process of the globalization and the financialisation where it have effects on inequality and on the growth rate and it could be invoked as having some effect. According to the Cingano in his econometric analysis where he suggests that inequality in income has some negative and it put the significant effect on the successive growth. "The argument of the trickle down rest on the idea where the maximum incentives central to the hard work, decision making will more effective and more risk taking and generally from the latter resulted in the inequality along with the growth and higher output. Higher inequalities reflect the development towards the society through the advancement in technology

development and the market structures. This is perhaps that the rewards rather than the distinctions in the skill or effort between the competitors sets the notion of the inequality of outcomes.” (Sawyer, 2015)

Both the world wars and the great depression constituted the circumstances that are unusual and also have effect to destroy the capital. Piketty also argue that the individual holder of capital transfers their capital and wealth into the hands of their descendants and it emphasised that upper classes are beneficiaries due to the inheritance of capital and cannot credit their wealth to the individual merit and the human capital. “His prediction is that without the interference the inequality of the wealth which exceeds income inequality and it will become more extreme where the top 1% will get greater and greater wealth and the top 0.01% will do the best. Piketty’s policy recommendation is there should be a global tax on the wealth rather than on the income and it is the most effective means to reduce the inequality in society.” (Goldhammer, 2014)

### ***1.11. The Return of Patrimonial Society***

One important merit of capital is to remind that top incomes come from wealth and capital. In 2007 in US more than 50% of the top 0.1% of household have income from the wealth alone and the income that earns from wealth is increases as an individual raise further their earn rankings. The rest top incomes are from managerial salaries and most of the wealth and capital is inherited and the distribution of workers income inequality has increases due to the top manager income whereas the wealth is more unequally distributed than the income. “In 2010 in USA, the top 10% of the holders of wealth have ownership of 75% of the total wealth while the top 10% of the labour incomes earned just 35% of the wages bill. Not only the distribution of wealth is unequal than the income of the labour but Piketty argues that there are forces at the work bringing the re-emergence of the patrimonial society along with the inequality.” (Stirati, 2017)

“One such force is that the wealth to income proportion increased over the time and increasing an income from the wealth as a share of the total income in a year. Wealth is more unequally distributed than the labour income it implies that the top incomes will come from the wealth instead of the professional and the managerial labour. Not only the wealth increases as compare to the income and it has more concentrated as result of the rate of return



on the acquired wealth and it tend to be the larger the stock of an individual. Large financial and wealthy accrue significantly rate of returns higher than the smaller ones.” (Piketty, 2014)

According to the Piketty that the trends are disrupted by the two world wars and the economic depression where large part of capital was destroyed and to ensuing it by some factors that includes remarkably the high income growth, historically the low rate of interest and the returns on capital arrangements high taxation of inherited wealth and top incomes.

“The central theme of the Capital is the wealth tends to increases at the faster rate than the income. Increasing the rate of the wealth as compare to the labour income not in the sense that income and wealth acquires a great role in individual’s life and in their financial status but also the wealth becomes ever more influential politically and socially. Piketty argues that this is the result due to the rate of return on the wealth is higher than the rate of the growth of income.” (Stirati, 2017)

### ***1.12. Critique of Piketty- Inequality in the distribution of wealth doesn’t matter***

Both Deirdre McCloske and N. Gregory Mankiw has described ‘inequality due to wealth is not a problem in itself’, particularly if investment choices of rich classes are favour in the higher values of living for all, in fact if they includes the marginalised section of society. The principle of Pareto in the mainstream of welfare economics where it has given the simple application: “if the welfare of every individual has increased, then social welfare has also increased whatever the distribution of the gains”.

Mankiw also argued that the legality of ‘unlimited untaxed’ and inheritance, which is defensible by ‘the parents freedom to use their available resources in order to help their children. Many other contentions came, from the libertarian right, writer such as the Cato Journal. They have taken the conservative stand in the favour of pro-free market position which implies that rights of property are morally unproblematic. However, Hopkin contends that Piketty’s work does lack in the political theory framework, and he ‘essentially dismisses ideas as epiphenomenal. On the other hand Steven Pressman also criticises Piketty has not explained ‘why inequality is bad’, and dedicates complete chapter to the economic, political and social arguments.

“Kopczuk has also criticised Piketty on the grounds that he has failed to differentiate between market wealth and wealth, the wealth includes human capital and public transfer wealth.

Similar kind of criticism has made by Paul de Bee and Peter Lindert, and also by Milanovic, they argued that there is an overlap between being rich and owning capital, it was existed in the 19th century, and however it is less prominent in the 21<sup>st</sup> century.” (King, 2017)

Piketty understand that the gap of inequality between labour and capital in relative terms. He comprehend the history of capitalism has been the history of the capitalists who try to expand their benefits at the cost of labour. While the Marx’s described the general law of capitalist accumulation mentioned that all the capital accumulation deprives workers of surplus and gains and from this process the inequality of ownership integrally developed into capitalism.

“As Marx explained that there is no just kind of capitalism and in order to break the inequality, it is required to break the capitalism. For Marx, breakdown of capitalism is the question of social action means it is a question of class struggles and revolution.” (Thomas Piketty’s Book “Capital in the Twenty-First Century”, Karl Marx and the Political Economy of the internet, 2014)

The issue of inequalities of capitalism brings the Piketty and Marx together, however at the same their approaches also contour, since the Marx adopted the theoretical approach and on the other hand Piketty adopted the empirical approach to understand the inequalities of capitalism. Therefore Piketty concluded that in capitalism inequalities cannot be overcome but can only be restraint and justified. Whereas the Marx gave the adverse argument against the capitalist resentment, he mentioned that again and again upsurge can overthrow the capitalism this can be the goal of political left.

Marx and Piketty both raised objection against economic disparities, but on the other side they moved in contrary instructions. Piketty progresses in a sphere of salaries, income and wealth; thus he wants to temper these excesses and give us to modify the motto of the doomed Prague Spring of 1968 capitalism with a human face. Marx progresses into the field of surplus value, work and alienation, commodities; he desires to unfasten these relations and give us a transformed society.

### ***1.13. Ambedkar: Capitalism and State Socialism***

Economic aspects of Caste System and Untouchability, Traditionally Hindu society depends on the purported 'Chaturvarnya', i.e., a division into four classes, i.e., Brahmin, Kshatriya, Vaishya and Shudra. Ambedkar trusted that the large number of ranks in India was made

because of blended relationships between the four 'varnas'. The sacred writings had respected the division into four 'varnas' as the perfect type of social association. Recharged legitimization and justification was given in the time of Ambedkar. One basic contention in the favour of 'Chaturvarnya' and the standing framework was that it was in accordance with the financial rule of division of work. Indeed, even individuals like Mahatma Gandhi were thoughtful to this perspective. Ambedkar in his Annihilation of Castes turned out with a hard-hitting scrutiny of these legitimizations and exhibited consistent flaws in that. He accentuated that what was certain in the position framework was not only the division of work but rather likewise a division of workers. In addition, this division of workers did not depend on regular aptitudes or gained abilities but rather on the authoritative opinion of predestination. While there is nothing incorrectly in the idea of the division of work, no socialized society on the planet has a division of work alongside such unnatural division of workers. Ambedkar contended that sanction is the characteristic result of certain religious convictions which have the endorsed by the 'Shastras'. All things considered, it isn't occupation which is in charge of ranks yet it is the position framework which was the premise of relegating occupations. Ambedkar trusted that the sanction framework in India was a noteworthy impediment to economic development and advancement.

The position framework by and large did not enable individuals to instruct their expert aptitudes to some other than their own particular rank individuals. Regardless of whether an individual possesses the abilities which are important for a vocation, that person would not get work and profession according his ability but get profession according his birth. In a sanction based society there is no approved of ability there is no respect of ability for work where they might be most appropriate. This unavoidably lessens versatility of work. The rank framework additionally diminishes portability of capital since occupation is acquired from birth in a given caste. The stability of capital, thus, ruins ideal usage of investible assets.

As specified by Ambedkar, the caste framework decreases portability of work and in addition capital prompting wasteful aspects underway, along these lines obstructing financial development. In a more extensive sense, change is the substance of the procedure of economic improvement; it calls for persistent changes in financial examples. The rank based framework, then again, advocates propagation of the conventional financial example and all these things considered is negative to economic advancement.

As a champion of human rights, Ambedkar additionally reprimanded untouchability. As per him, untouchability was a religious framework as well as a financial framework which was more regrettable than subjection. In subjection, the ace in any event had the duty to encourage, dress and house and slave and keep him in great condition or else the market estimation of the slave may descend.

Conversely, under the arrangement of untouched capacity, the upper caste sanction assumes no liability for the upkeep of the untouchables. Ambedkar sees in his *What Congress and Gandhi Have Done to the Untouchables* that "as a financial framework, it give licenses to misuse without commitment. Untouchability isn't just an arrangement of unmitigated financial exploitation but on the other hand is an arrangement of uncontrolled drove monetary misuse". In another book, *The Untouchables*, Ambedkar contended that the rank framework was a "detestable contraption to stifle and subjugate mankind".

#### ***1.14.Strategy for Economic Development***

Ambedkar believed that the thrust of system for India's financial improvement ought to be on annihilation of poverty, end of inequities and on end misuse of the majority. He acknowledged that Marxian see that there is abuse on the planet; that the poor are misused by the rich; and that the oppression of the majority by the special couple of prompts propagation of poverty and its orderly enduring. However Ambedkar did not identify with the Marxist worldview of improvement. "Ambedkar's perspectives on socialism are exhibited in his exposition 'Buddhism and Communism'. Not at all like Marx, Ambedkar did not acknowledge monetary connections as the most important thing in the world of human life and rejected the financial intention as the driving force behind all human movement. He underlined that exploitation has numerous measurements, monetary and social, religious or political. To be sure, in the Indian setting, social or religious misuse is no less abusive than economic misuse." (Jadhav, 1991)

As indicated by Ambedkar, communism remains for revolution and not for transformation. Socialism, he contended, advocates progressive strategies for defeating the restriction of the business people for foundation of the autocracy of the low class. Any activity that is in light of a legitimate concern for the lowly upheaval is moral and there is no thought for human life. Ambedkar as a champion of popular government and human rights was against fascism in any frame or shape. He disdained fierce strategies for change and trusted that sacred

professional dreams and majority rule means ought to be depended upon for the coveted renewal.

The totalitarian approach of Marx rejected by Ambedkar and he didn't acknowledge the Marxian position that the annulment of private responsibility for would convey a conclusion to the destitution and enduring of the less wealthy. He likewise did not acknowledge the Marxian forecast that the state is an impermanent establishment that will 'wilt away' in course of time. He keep up that the state would keep on existing as long as human culture survived.

“In reality in his writing States and Minorities, he has endowed "State have responsibility to plan the economic life of every people on those line which would lead to highest point of productivity in life without closing every avenue to private enterprise, and also provide for egalitarian society in terms of distribution of wealth". (Jadhav, 1991) As it were, Ambedkar looked for dynamic association of the legislature in financial improvement without the Marxian totalitarianism and state imposing business model. In his previously mentioned book, Ambedkar has upheld state-responsibility for arrive with law which is based on collectivized strategy for development and constrained control of businesses. Ambedkar's idea of State Socialism depends on three essential fundamentals:'

1-State responsibility for land and key businesses to meet the requests of lower strata of society;

2- Support of gainful assets by the state; and

3- Only dispersion of the normal creates among the diverse individuals with no refinement of positions or ideology.

Ambedkar saw a dynamic yet very much characterized part for the state in the financial undertakings of the nation. He didn't support the position of self-assertive restriction on the monetary procedures. He was not set up to neglect singular motivator for the monetary welfare. Given the current improvements in Soviet Union, China and the East-European nations, particularly their turn towards more noteworthy complement on singular motivators, Ambedkar's fears with respect to the wrongs of totalitarianism have undoubtedly ended up being relatively prophetic

While attesting that 'peacefulness "was the focal procedure of Ambedkar's battle for the duration of his life" and reluctantly conceding that he didn't differ from Marxism at the theoretical level on the subject of savagery, Guru slips into this mixed up thought that

progressive convention basically implies a methodology of viciousness, Ambedkar's progressive substance lies in his insistent dismissal of Hinduism and every single other religion which don't acknowledge equality of people in principle and practice. In the guideline of 'one man one value' Ambedkar's position approximates the Marxian theory of surplus.

On the subject of Marx and Ambedkar, Ambedkar's distinction with Marxism was essentially on the topic of tyranny of the expert proletariat and not viciousness. Truth be told, he was a staunch faultfinder of Gandhi's peacefulness. Indeed, even his feedback of lowly tyranny depended on the training in Soviet Union and not on a hypothetical plane. Then again, he was extremely disparaging of western parliamentary frameworks which were in impact controlled by industry and business. "In any case, his contrasting option to free enterprise was a type of state communism which he planned to build up through protected provisions. Truth be told, he favoured communism without savagery and fascism. Be that as it may, the fundamental defect was in the devout expectation that the decision classes would receive communism in the Constitution." (Mathew, 1992)

Dr. Ambedkar composed three insightful on financial matters - 'Organization and Finance of the East India Company', 'The Evolution of Provincial Finance in British India' and 'The Problem of the Rupee: Its Origin and Its Solution'. The hugest book among his financial works is 'States and Minorities'. This book remains as one of his thoughtful culminations, wherein he advocates Nationalization of all the real enterprises. He was of the feeling that private businesses were an explanation behind the unequal circulation of riches. On the off chance that the real ventures are given to private associations, at that point there would be supreme misuse of riches and work. Nationalization of ventures would offer security to the specialists and help in break even with conveyance of riches. He additionally supported Nationalization of protection, which would give more noteworthy security to the general population.

He was not unaware of the way that financial problem was a central point in social bad form. Keeping in mind the end goal to secure the enthusiasm of the weaker segment of society he underscored the part of the state. "In the 'States and Minorities' he expressed that businesses which were key enterprises ought to be claimed and keep running by the state, ventures which were fundamental enterprises ought to be possessed by the state and ought to be

controlled by the state or by partnerships built up by the state, Insurance ought to be an imposing business model of the state and farming ought to be state industry” (Tiwari, 2009).

He felt that with a specific end goal to accommodate the fair circulation of riches it was important to put a commitment on the state to design the financial existence of the general population. Such a commitment should not left on the will of the assembly yet ought to be endorsed by the law of the constitution. He trusted that there is close connection between freedom and the shape and type of the economic structure of society. On the off chance that the arrangement of economy depended on private venture and the quest for individual pick up, it will undoubtedly undermine the working of political vote based system. On the off chance that disparity proceeded in social and financial structure, political majority rules system couldn't be protected in India.

In his last discourse in the Constituent Assembly he expressed: In legislative matters we will have balance and in social and financial life we will have disparity. In legislative issues we will perceive the standard of small time one vote and one value. In our social and economic life, we might by reason of our social and financial structure, keep on denying the standard of exclusive one esteem - If we keep on denying it for long, we might do as such just by putting our political majority rule government in peril. Thus with a specific end goal to set up a general public on the guideline of social equity he underlined that the financial structure ought to be founded on the standards of vote based communism and the state should assume the liability to redesign the financial structure of society.

### ***1.15. Concept of State Socialism***

Dr Ambedkar had recommended in the year of 1947 that, the Constitution of India must integrate the principle of State Socialism. State socialism can be understood that the state would instrument a socialist program by governing the methods of industrial agriculture, economic, and political sectors. It comprise invention in agricultural techniques and methods of farming, methods for attaining economies of scale in production, genetic technology, the application of patent protection to genetic information, the formation of new markets for ingesting and global trade. Ambedkar has suggested state socialism in the two ways:

(a) ‘Key industries and basic industries will be owned by the state.’ He suggested that there will be no private ownership of such industries. He further advances that this kind of process

will help in speedy industrialization and simultaneously, it will benefit of industrialization and can be dispersed among all the segments of the society by the state. He also propagated that Insurance will also be certainly under state control; and

(b) Ambedkar advocated that agriculture will be preserved as a state industry. Therefore at last state will recruit collective farming. Farmers will be permissible to enjoy produce of agriculture and the state will get some part in the procedure of levy.

In other words, Ambedkar propagated the state will keenly govern both the agriculture and Industry. By following this process, will ensure equitable distribution of wealth and guard the poor and needy. "He mentioned that Rapid industrial growth and welfare of different sections of the society will be the obligation of the state. Hence, Ambedkar recommended that the program of State Socialism should be made an unchangeable part of the constitution', therefore whichever party comes to power will have to appliance that program. The idea of State Socialism of Ambedkar clearly shows that he was fully conscious of the difficulties of poverty and economic inequality." (Sharma, 2015). Ambedkar advocated one explanation to release the pressure on land, it was the industrialization. According to Ambedkar, industrialization was a remedy to agricultural problems in India. He was the first one who identifies the problem of concealed unemployment in India and encouraged for rapid industrialization for fluid concealed unemployed labour from the agriculture to manufacturing sector. He assumed that industrialization would free the oppressed community from the labour of jobless methods of production. Ambedkar in his Article "States and Minorities" wanted that the key industries should be possessed and regulate by the State. He highlighted on state socialism for the motive that private sector had showed features of creating inequalities of wealth.

Marx view of capitalism is where they engage in a critique of capitalist system not for the sake of improve the capitalist system but they critique for the sake of overthrow the system of capitalism because it divides society into social classes i.e., bourgeois and the proletariat and it generates two negative outcomes these are alienation and the exploitation of working class and they also keep away from surplus value where it creates the inequality and exploits the labour. Marx says that there are inherent contradictions in the capitalist system where it divides the society into classes. Inequality is embedded in capitalism and it can be overthrow only by the revolution by the working class to establish the socialist society. Piketty is also engaged in the critique of capitalism not to abolish it but he argues for the structural reforms



and to restore it to the conditions under which the benefits of capitalist system are widely and fairly disbursed.

Piketty argues that inequality increases on wealth rather than the income so he recommends the policy of global tax rather than the income tax to distribute the wealth fairly in society. Ambedkar does not believe in a stateless society but they believe in a classless society and he also maintains that state would continue to play the role and to plan the economic life of the citizens and advocate the equitable distribution of wealth. Social and economic inequality in a Indian society because caste system is a major obstacle for the economic development and the caste system did not allow the individual to teach their skill other than their caste system so along with social inequality there is economic inequality also prevails in society.

## **Chapter-2**

### **Globalisation, Neoliberalism and Evolution of Dalit Capitalism**

#### ***2.1. Introduction***

As we know today that the globalization is not only a result of the continue market forces but it is also a result of diplomatic compromises and the political decisions where it produced a liberal market structure that enabled the both national and the global markets. To provide the better and efficient functioning of the markets, policymakers after the World War II provide a view of national governance as an essential and effective mean to get the benefits of liberalisation and flexible market structure and also to mitigate the disruptions of trade policy in era of liberalization.

“The emergence of the globalization happened slowly at the first and it was enabled by the hard and soft power of US and after the war period, globalization 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 neo-liberal economic reforms and the emergence of India and the China as new emerging global powers during the 1990s and due to the expansion of globalization it 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).

Globalization in a literal sense, an integration of national economy into single unified world economy and it denotes the global interdependence and single unified society with the slogan like the “death of distance and “end of the geographical borders”.

“During the phase of 1990s a well-known sociologist Anthony Giddens presented the new and a classis description of the globalization as the expansion of the social networking and connections between the distant and the local people in order to create a highly and intensified the world wide scale and the borders of the nation state where Giddens and other scholars argue that these territorial borders are now relativized due to the political and economic interactions at the global level and it terms as Supraterritoriality” (Lang, 2006).

“In era of globalization polities, societies and culture come closer and due to the advancement in field of technology and information the phenomenon of globalization describes the experiences of time and space i.e., time-space compression. Globalization increases the world wide 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).

Globalization was derived from the genesis of neo-liberalism that signified the economic liberalism that is propounded by Adam Smith in his book “Wealth of Nations” in 1776. “Economic liberalism considered the importance of free trade and abolition of government interference in economic activities. With the advent of economic liberalism, promotion of free enterprises and individualism in market economy establish for the capitalist to exploit the labour in order to make the huge profits. These ideas became prominent to rule the global market through the 1800s and the early 1900s up-to the great depression during the period of 1930 and it eclipsed them with the theory of John Maynard Keynes”. (Vishwanatha & Mallaiiah, 2009)

The theory of Maynard Keynes propounded that for the growth of capitalism, full employment is necessary and it can be achieved by the intervention of government. The idea worked well after the World War II during the period of reconstruction and till the mid-sixties. Post World War II the institutions like International Monetary Fund (IMF) and the World Bank was established to promote the capitalist order and to make them strengthen.

In early 1970s the economy faced the crisis due to the policy of the Nixon government and in 1980s due to capital crisis and the shrinking profit rates it inspired the corporate elites section to revive the economic liberalism into a new phase of neo-liberalism. The ideology of

capitalism has joined the phase of neo-liberalism based on the belief in the worldwide supremacy of the market. Changes in era of neo-liberalism include the US hegemony after collapse of Soviet Union and it brings the stagnation in the western developed countries and crisis in the developing countries.

“The Human Development Report of United Nations Development Programme in 1997 has defined the globalization in both ways that of a description and the prescription. Accordingly the description is about the deepening and the widening of international market, trade and finance into a single integrated market. On the other hand the prescription is about the liberalization of the national and the international markets with the belief and vision that free trade and flow of finance and information will produce the best outputs to ensure the growth and the welfare of society” (Gul, 2003). It reflects truly the phenomenon of the capitalism and it became a necessity due to a political and economic factors during the 1970s and 1980s.

Followed by the collapse of Soviet Union, the drastic changes have severely affected the credibility and reliability of other economic systems except the system of Capitalism. US became the powerful leader of the world with the advanced development in the field of science and technology. These factors made it imperative for US and the other developed states to create the set of norms and international law in order to force the other countries of the world to follow the phase of neo-liberal paradigm. It is understood that the globalization has carried the affluence in some states in regard to economic; however there are various states which have been immersed in poverty, economic disparity and debt.

Economic globalisation can be understood as unequal process on the other hand with the improved trade and finance concentrated even in limited countries and on the other hand it affects almost all the countries of the world. For example that a low income country and with minimum resources may be a part of the global market and the finance but the changes in the prices and the demand of the commodities or the policy of minimise its duties can have social and economic effects on that country. The growing economic resource concentration and their monopolization with power by the global financial firms and by the transnational corporations (TNCs) is a major factor for the underdevelopment of the developing economies.

“Globalization has provided the unlimited and ample opportunities in prevailing circumstances. It believes in the cultural and economic integration and globalization increases the production abilities and the profits but along with the increasing the economic abilities

this process is still far away from the objectives of alleviation of poverty, bring equality and the human security” (Tripathi, 2008). The process of globalization has enhanced the social, political, economic and cultural disintegration also. Countries involved in capitalist system and circumstances of globalization are not concerned with the social justice.

## ***2.2. Globalisation and Developing Countries***

Many countries of the third world have been incapable to acquire the remunerations of the globalization due to the unequal process and development. Globalization 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 course of liberalization and globalization context so the marginalization is facing by many developing countries. “According to the Human Development Report issued by the United Nations in 1999 global inequality in living standards and in income has reached ‘grotesque proportions’. The polarization of income is due to the uneven process of economic globalization and in the words of report is moving in fast forward leaving behind the considerations of equitable distribution of resources” (Dallmayr, 2002)

“The critics of the globalization argued that it emphasises inequality both within the and between the countries. Although the phenomenon of globalization may improve both the absolute and the relative incomes of the individuals around the globe and some measure findings show that there are clear winners and the losers. Others argued that globalization benefits and it has disintegrated the territorial borders and integrate the economy, lifting millions of people out of the marginalised and poor condition along with closing the inequality gap” (Mills, 2009).

Globalization denies equal opportunities, benefits and the equal access to the markets for all the states. It has created a difference between the developed and the developing countries where the developing countries find themselves on the lowest level in terms of capital and economic resources. Globalization has proved to be a two edged sword for the developing countries so they neither get benefits by keeping themselves away from globalization nor they get by opting the process of globalization.

In 1980 India commenced its liberalization policy in the field of market and the outline of “New Economic Policy” in 1991 precipitated by the economic crisis. This new economic policy was formulated and it was based on the International Monetary Fund’s and World Bank’s macroeconomic stabilization and the structural adjustment programmes.

### ***2.3. The Principle of Marx’s: On the issue of Economic Globalization***

Due to the development of the world history, economic globalization is an inescapable result. The economic globalization and the human history have not frequently gone with each other and rather it is a creation of the “capitalist mode of production”. In terms of Marx exploration it is historical process and the history of the world was not always there rather it came together with the system of capitalism. The historic activities of mankind were never insulated, some relation had existed. “In pre capitalist stage where the man’s social life and production activities were regional in nature but it was only after the emergence of new capitalist system where the market economy and the commodity production became the worldwide pattern of social material exchange and then the economic and social relations of man were able to consistently develop and evolve into global network and 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)

Moreover the “economic globalization” is not occurring at the similar time when the capitalism occurred rather it was the consequence of the specified phase of the development of the capitalism. The system of capitalism is slightly international in character since its commencement and “the accumulation of the capital” was intimate from the excessive territorial findings and the outcome of the new world and like Marx mentioned long ago while analysing the “primitive accumulation of the capital”.

***The Phases of the capitalism can be compartmentalized into the three distinct stages at the macro level.***

1-The decisive phase of the capitalism is the phase of the “primitive accumulation” of capital. This phase of history does not only pull apart the feudal system and “feudal mode of production” but it permitted to establishment of the capitalist mode of production.

2- Second phase of the capitalist system was the domestic development of the capitalism where this system established the “productive forces” and combining the rules and on the other hand the distinctive paradoxes of capitalism were also completely revealed. To unravel the problem of domestic development crisis, capitalism unavoidably extended towards the outside and consequently it arrived into the phase of economic globalization. Capitalism powered away from the development through means of war and colonization.

3-The third phase of capitalism consisted with the transformation of capitalism from the domestic arena to the international scenario and this stage attempted for the global colonization.

Deepening of the contradictions of capitalist system throughout the international scenario resulted in the economic globalization. The outcome of the international customs, law and the values in the worldwide market forces unescapably is in conflict with the interests of the developed and developing countries that are the reliance of the developing countries upon the developed countries and the regulation of developed countries over the developing countries.

The divergence and the capital accumulation globally advanced to unavoidably eruption of crises in the domestic and international markets. The catastrophe is both the real absorption and the compulsory adjustment of all the inconsistencies of the capitalist system. They also suggest the transition globally from the “capitalist mode of production towards a new form of mode.”

From the historical perspective, Marx asserted that the expansion and the progress of human civilization owing provided an in-depth condemnation of the undesirable features of the capitalist transformation and pointy out the approach to obstacle the capitalist system and transformation process at the same time i.e., the communist as well as socialist path.

Modernization can be understood as the specific content of the globalization though the system of globalization suggests the enlargement of modernization globally. The significant assertion of the worth of modernity by the Karl Marx is still supportive and enlightening today. The historical viewpoint is imperative to investigate the glitches of modernization in Marxism. As a “historical materialist” Marx process the modernization on the basis of enlargement of human culture and the civilization and they adequately asserted that the modernization as a positive indicator and the effective realization of the advancement of the human development and civilization.

“According to the Marx’s view the modernization created an emancipating power and played a major role in history and the theory of modernity by Marx serves as the basis for the underdeveloped nations in the era of globalization to join the historical progression on their own initiation and to push forward the process of modernization in order to enter the developmental course of human civilization” (Ouyang, 2006)

The criticism of capitalist modernity by Marx remains instructive to understand the negative outcomes of the globalization. He explored the modernization process from different ways like ethics, political science and criticizes the system of capitalism for its absurdity in politics, viciousness, lack of ethics and morals in justice. Marx developed the criticism of the capitalism and its inherent nature of inequality primarily from the subsequent ways:

**1-Driving force for the social progress:** According to the Marx view the major difficulty in the capitalist modernization is that the expansion of the income helps as the only reason force of the social development, revolving the driving system that should be compound into a distorted, the misshapen-one and simple.

**2-Advancement of Human World and growing oppression on humans:** Karl Marx argues that the perpetual and the maximum value retains by the human world only. The material world will crack immoral once when it converts a power to vanquish the world of humanity. Society builds on capitalist system that contrary the noteworthy orientations of the two worlds consequently sustaining the social problems.

**3-Alienation and human freedom:** The material world troubled the human world which is uttered through the human’s alienation of labour and it is nothing but deprivation of those conditions which is necessary and responsible for free and the advanced human development.

**4- Illogical building of the capitalist social system:** The Capitalist social system is constructed on the basis of private means of ownership. The social establishments in modern time developed a persuasive force to subjugate and to coerce the people, which exacerbate social divided and sharpens the ambiguity class based and trashes the accomplishments of modernization, thus unavoidably giving a seed to establish the new society.

#### ***2.4. Globalization and Inequality of Wealth***

“The probability of movement of capital from the developed to the underdeveloped countries, that breaks 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 reason behind the increase in the wealth inequalities is that when the worker’s income and wages increase gradually than that of the capitalists even however workers also have some form of wealth then the funds of workers will also be escalate gently than that of capitalists. And when the savings difference occurred in that time and addition to the wealth of both the workers and the capitalists then the total wealth of capitalists will increase more and at faster rate than that of the workers.

Pasinetti in 1962 titled “Rate of Profit and Income Distribution in Relation to the Rate of Economic Growth” where he draw a picture where the workers share of wealth and those of capitalists continued over the time and here get the different depiction of accumulative the wealth disparity. The whole scenario of increasing the wealth inequality by the way will be visible not just at the global level but it will be visible within every country as well, since then the growth in portion of the “surplus value” will be obvious everywhere. Once we enhance to the disparity of wealth increasing from this basis, then the added inequality ascends due to the scarcity of traditional petty producers and the peasants through what Marx had named the phase of “primitive accumulation of capital” where it is very much proceeding in global economy in age of the globalization and the inequality stand up due to the centralization of the capital and the potential increase in the wealth variation in forthcoming years to come seems enormous indeed. The analysis of concentration of capital by Karl Marx in the term of the fact where the small capital drives out by the big capital due to its superior and more capacity to introduce a new technology.

### ***2.5. Shifts in the economic policy since 1980s in India***

Over the historical period of time about thirty years, Economy of India went through the powerful developments. During the late in seventies India was reflected as a controlled economy with the viewpoint of socialist planning. “From the 1980s the liberalization policy and the deregulation reforms were implemented. During the Prime Minister Jawaharlal Nehru, India had a centrally directed and the regulated economy. Agriculture, construction



sectors and transport sectors were owned by the centrally administered government, commodity prices were regulated and India had a trade barriers” (Chancel, 2017). From the middle of the 1980s onwards the liberalization policy and the open trade became the recurrent and important themes among the Indian policymakers.

The seventh plan in 1985 to 1990 promoted the relaxation in market rules and regulations with increased the outside borrowing and the increased the imports. During the period of late 1980s India faced a big disasters i.e., in terms of balance of payment crisis, and due to this it called for the International Monetary Fund assistance. For the structural reforms, financial support was conditioned in order to push forward the agenda of liberalization and the market reforms and deregulation. So it originated to be recognized as the paramount economic reform from 1991-2000 where it located to promote the private sectors at the centre of economic policies through the deregulation, denationalizations and the disinvestment of the general public sector alongside with de-reservation and the it also includes the de-licencing of the industries and the public companies.

“A myth propagated by the staunch supporters of the unchecked liberalization, privatization and the globalization in India is that the phenomenon of globalization 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 the economic growth, poverty eradication and the employment opportunities. The Dalits widely known as the untouchables in India and they suffered from the socio-economic discrimination due to the rigid caste system and also work based discrimination. Historically Dalits in India have been discriminated based on the caste identity and excluded from the social, political and economic rights including the right to education and the employment other than forced customary and the traditional undignified labour due to the restrictions imposed on them under the system of caste and the untouchability. They also suffered from the social exclusion.

“In the last two hundred years they availed very limited opportunities within their reach and they continuously tried to rise from the subjugation, exclusion and marginalization imposed by the rigid caste system. Modern awakening began with the utilization of the representative provisions under the Colonial rule and after the independence they provided constitutional

safeguards. Since then Dalit have come together as a distinctive group with the collective identity” (Srinivas, 2016).

In the rigid caste system Dalit are distinct social groups and economically are marginalized and most of Dalit are so poor. Due to certain favourable measures they get the opportunities in education, government jobs etc. and they made a significant progress but they are not enough and well empowered to face the challenges of the competing inequality. Dalit are backward and the evident is their illiteracy, unemployment, poverty, most of Dalit are landless and their condition is precarious in terms of housing, health etc. So the deprivation of Dalit’s is actually related with the historical issues and these have been intensified by the process of globalization over the period of time.

“The social disabilities and the disadvantages suffered by the Dalit were of the serious concern in Indian Constitution and the Constitution provided some safeguards for the Dalit such as the safeguards in the social arena, safeguard in cultural and the educational matters, safeguards in economics and politics and also in the public service” (Upadhyay). Affirmative measures provided the benefits to the Dalit earlier India arrived into the neo liberal policies and with the plat form of free market economy.

With the globalization a new economic order obligatory on the world with the potential of development, opportunities and employment, prosperity and the progress but the evidences shows that the globalization has negatively affected all aspects of life specially the Dalit community but the modernity of Dalit has increased due to the process of globalization now they tried to create their own ideology to establish their own collective identity. It is found that the process of globalization has influenced the Dalit community and still most of the Dalit status lower than the Varna system in different sectors like education, occupational, economic, educational etc. and they have become poorer due to lost their traditional means of livelihood.

“After the implementation of new economic policy over the last decade, the ratio of both the poverty and the rate of unemployment increased and Dalit constitute the bulk of the unemployed and the poor and they have suffered most. The number of Dalit’s decline in the government sector job. Though the World Development Report the attacking poverty has emphasized the positive impact of the affirmative policy in order to eradicate the social exclusion and discrimination and empowerment, the government has not taken any positive step to restore this policy” (Kumar, 2001). According to the report an important and

significant role of reservation policy is to create the models who can change the deep rooted notion about the different abilities and the worth that segregate the society and to bring some members of discriminated against the group into the mainstream society and the economy and it has an significant demonstration effect.

The Multinational Corporations (MNC) has not followed the policy of reservation and on the other hand neither the government has brought out any policy to force the Multinational Corporations to take the reservation policy for the marginalized section of the society. Dalit's were getting the benefits in terms of the affirmative policy but in era of globalization and the capitalist system, the benefits are also being snatched due to the privatization and the rolling back of the Indian State.

“The policy of reservation has come under the strain due to the process of liberalization started by the government over the two decade ago and now the role of state has diminishing and retreat from the commanding heights of the economy and the hard won battle for the reservations for backward castes will become meaningless if the role of state will reduce leads to the reduce in number of government jobs and shed of its many functions” (GHOSE, 2003).

Dalit Community were at the receiving end since the starting process of modernization in society of India because they were permanently losing their hereditary and traditional occupations but they had respite in policy of reservation in different jobs in public sector. But on the other hand the process of globalization and the policy of the reservation is rendered defunct as the opportunities of job is shrinking and the question is whether Dalit is ready to face the challenges of process of globalization and the policy of liberalization.

Due to the entry of Multinational Corporations at the outset of globalization and MNCs will need the trained personnel having technical knowledge, system analysts and the management experts and it is beyond the imagination that how Dalit's can supply this trained manpower. They are technically not equipped with the required skills not because they are not capable but due to the lack of opportunities they have got. Other reasons are that they are late comers in the education sector and the literacy and skilled knowledge is not sufficient to face the challenges of globalization.

The condition of literate section of Dalit community is not conducive to the demands of market system dominated by the Multinational Corporations in era of globalization because half of the Dalit graduate come from less prestigious institution with the courses like

Sociology, History, Geography etc. and on the other hand their representation of Dalit's in science and other technical courses having too much costly are not able to do the courses due to the financial problems. The miserable situation of Dalit's becomes more pathetic because more than 80 percent of them having landless labourers and they are living in rural areas.

Dalit's have additionally been losing their inherited occupations, as expressed above, making them devastated, as there were no choices left for them. The heritable occupations like Leather Industry, Fishery, Dry Cleaners, poultry and in the present day lavatory framework were modernized and Dalit's were reduced to minor works in the occupations, which they once possessed. It does not argue to reverse the process of globalization and if these processes are sine qua non for the development of country then it is necessary to ensure the development of Dalit and they cannot be left in lurch.

“Due to the privatization of economy and diminishing the role of state and declining the opportunities of employment in public sector also mean that the job under the reservation policy is also shrinking. The role of private sector is expanding in professional and technical education similarly contracts the space given to the marginalised section in India's higher education system. In response to the growth of restiveness among the Dalit intellectuals about the negative effect of liberalization policy that, upon coming to power at the centre level the UPA government in 2004 proposed an extension of quota system for the SCs and STs to the private sector” (JODHKA, 2010).

The role of state here is to build some confidence measures for the marginalised sections of the society and if the absence of any measure caused the anxiety among the historically marginalised section of society. In this regard the Sen pointed out that the during the framing of economic policies in era of globalisation it is important to take the underprivileged into the account and the world economic interactions brings the advantages for many but along with benefits they can create problems as well due to the inadequacies of international arrangements as well as the limitation of the suitable domestic policies.

The 1990s economic reforms were implemented in response to the emerging challenges of post-cold war period and the role of state instigated to remove from its direct participation with the economy. “The role of private business and the enterprises was promoted to expand the area of economic activities that were hitherto not open to it. Some scholars pointed out that in India the growth of private enterprises and the capital began to accelerate during the early 1970s and during the post 1991 period the private capital experienced the expansion at

an exceptional rate. The expansion was not basically in terms of the growth and profits; India experiences an ideological swing during the phase of 1991” (JODHKA, 2010).

Due to the liberalisation the socialist rhetoric of Jawaharlal Nehru for the planning based development lost its way and also its charm. Market forces and the middle class occupy and dominate the centre stage of Cultural landscape, relocating the villages as well as poor peasants. The Nehruvian government functioned out with its own methods for the historically marginalised section of society and the reservations and quotas in public sector jobs and educational institution funded by the state was the central of state policy to safeguard the development of SCs and the STs.

Apart from the demand of reservation and quotas to the private sector, there have also been strategies to sustenance and inspire for direct involvement by the downgraded section in the entrepreneurs and private economy. However the state played an vigorous character by the course of economic provision through the loans and rules and procedures of markets where the highlighting put on to develop the entrepreneurial culture that can permit the historically marginalised community i.e., Dalits to contribute in the private segment and in an informal economy on equivalent footings. Dalit are very economically poor, so along with poverty they also face the social discrimination in the labour.

“Inter-caste based disparity in private business and enterprises has been a significant feature of social ownership of private capital in India. In the past the customary restrictions to acquire or entitlement of private property on lower castes were imposed and it led to the inadequate ownership of private capital by them. 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).

Report which was published by “National Sample Survey data” in rural areas in 2004-05, in the self-employed enterprises, the proportion of the houses engaged was 34.3% among the SCs compared to the 45.7% for the STs, 56.2% for the OBCs and 61.4% for the others. And in urban India the proportion of engagement of SCs in private enterprises is low as compared to the others. To enhance the ownership of private enterprises, government initiated important measures for the SCs and the STs in order to recognize their social ownership of private capital. These measures include the preferences of sites for business, market development and entrepreneurship skill. In order to meet these measures, Central government of India sets up a “National Scheduled Caste and the Scheduled Tribe Finance and Development Corporation”,

which provided the support to set up the private enterprises and the business for the groups of SCs and the STs.

## ***2.6. Impact on Traditional Occupations***

The traditional occupations of Dalit are directly hit by the process of globalization and it is well-known that the community of Dalit is traditionally dedicated in the production of the equipment and the artistic tools for the production of agricultural and household. Nevertheless globalization critically impacted on traditional occupations now. In today's time the specialized occupation and livelihood of Dalit being substituted by the other form of globalized occupation.

Simple accessibility of large scale manufacture products from most recent innovation and technology available at the cheap prices and it is a big challenge for the traditional occupation of Dalit and neither they do not have an extra ordinary capacity to compete with the market forces due to the lack of opportunities nor they have other alternative choices to make their living. Earlier the epoch of globalization Dalit would make essential equipment like pots, clothes, leather products and also the products of dance and the music. Due to the inaccessibility of education and lack of employment opportunity majority of Dalit are reliable on their traditional occupation for their survival. So under the liberalization policy the condition is changing where their traditional occupations are on the verge of ruin due to the coming of latest technology and skill based manufacturing corporations. Now government need to take suitable strides to preserve and indorse the role of traditional artisan for comprehending their full prospective. For sustaining their traditional occupation priority should be given to the local artisan and the local produce.

“Regarding the impacts of economic reforms and new economic policy on the caste system, the protagonists and the optimists rely upon on the rhetoric of contradiction between the feudalism and the system of capitalism. The problem of the annihilation of castes incorporate the changes in the economic structure of the society in favour of the Dalits and to have a massive cultural movement to cleanse the mind of the people regarding the notion of caste and displace the notion of caste with the scientific values and the virtue of equality, liberty and the fraternity” (Teltumbde)

## ***2.7. Dalit and Access to Land***

“The disastrous effect of globalization resulted in the agrarian crisis that had troubled the rural sector. Majority of Dalit lives in the rural areas and mostly they live in villages. More than 50 percent of Dalit are landless labour and minimal are marginal farmers. Only few are cultivators with marginal holdings. Due to the landless labour, Dalit are depended on the upper segment of society and land owning communities. The social and the political dominance of the land holding classes have tried to uphold their traditional hold over the agricultural system and the social structure. Majority of Dalit in agrarian India are landless and they are depended on the land owning communities for their sustenance” (Mandal, 2014).

The government at the centre and at the state level have unsuccessful to contrivance the land reforms almost near about 60 years. Except for the Kerala, Tripura and the West Bengal, the other states completely neglect the land related reforms. The governments are promoting the de-peasantisation of agriculture in India rather than the land reforms. Instead of giving land to the landless labour and marginal farmers is being assumed away to the industries in the title of development schemes or in the label of Special Economic Zones (SEZ).

As a vital portion of the globalization the procedures under the liberalization, poor farmers most of them have lost their land only for the sake of development. Statistics and Data reveal that among the Dalit, landless labour is increasing day by day. The attainment of the land creates the discontents and also creates conflict and violence which has seen in many provinces because projects in the rural areas of India reduced the employment and it affects directly to women, Dalit, and tribal. The modernization of the agriculture system made the situation complex for rural employment. It is well recognized point that development of globalization generates the capitalist mode of production that needs an exceedingly skilled workers and have informative to accomplish the mechanical production process. Therefore, large number of unskilled labours migrates from one to other sectors including the agricultural sector and cannot get the appropriate wages for their livelihood.

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

During the colonial time the products of western countries entered into the local markets then the lower caste community having profession of artisan and labourers became the workless. Likewise due to introduction of new and advanced methods in agriculture it is pointing to unemployment and poverty for lower caste marginal farmers. The number of labours in agriculture is acceding everyday due to unemployment. Day by day number of rural labour belongs to Dalit is increasing who do not have land. So the dispossession and the commercialization of the agricultural land are the two main factors behind this change. Real wages of the labours from the Dalit community have fallen in many states. The rate of unemployment is increasing and the loss of jobs based on traditional work in the wake of economic liberalization and the private enterprises and deteriorating the economic conditions over the last two decades have also added the misery to the existing poverty.

Due to the economic reforms, continue prices are increases along with unemployment and the reduction of subsidies and the expenditures in social sectors has worsened the economic condition of Dalit. Due to the high cost of agricultural tools, fertilizers, seeds and pesticides the marginal farmers are unable to pay. The net income of rural household labours has decreases and it leads to lower purchasing power capacity. End result of low income, hunger related deaths are reported from 1990s onwards in a big way and also farmers are described to committed suicides in various provinces of India. In regard to Dalit community the correlation is very clear between the agricultural land and the economic and social status.

For improving the social and economic condition of Dalit, the implementation of policy of land reforms necessity is specified priority and in the favour of most of Dalit lives in rural areas. So the strict land reforms implementation whose objective is distributing land to the landless and it would have significantly improved the economic situations of Dalit who establish a noteworthy quantity of the agricultural labour. However excluding the States like Kerala, Tripura and West Bengal, the other state governments deserted the land reforms entirely.

### ***2.8. Dr B R Ambedkar and Industrialisation***

“Ambedkar had rightly approached the industrialisation with the modern economic development. According to him industrialization maintains the consolidation and it is a barrier against the subdivision and consolidation of land holdings. Ambedkar opined that industrialization is necessary in India. His views on the industrialization for an emerging country have constituted the core of the norms for the famous Industrialization Resolution



Policy of 1954 of free India” (Vishwanatha & Mallaiah, 2009). To maximize the efficiency, output and the productivity, Ambedkar proposed the strategy of industrialization.

***Industrial strategy of Ambedkar:***

1-Ambedkar clearly recognized the role of public and private sectors.

2-He recognized the role of private sector in a limited capacity for the underdeveloped nations to generate the economic growth. In this way he promoted the role of both state and private sectors for the development of industrialization.

3-In industry he believed that the interests of labour can be protected and promoted through the progressive legislations for labour welfare and the state intervention.

4-Private industry should be regulated in order to avoid the exploitation of worker’s and the community at the large.

5-All the key and basic industries should be managed and owned by the autonomous corporations of the state or by the state itself.

Ambedkar recognized the role of industrialisation and held the view that industries are necessary for the prosperity of the country and he also held that ills are not due to the modern civilization and development of machinery but they are due to the wrong economic and social organization which made the private property and the pursuit of individual gain of absolute sanctity. In 1948, a memorandum “State and Minority” was prepared by Ambedkar presented to the constituent assembly on the behalf of “All India Scheduled Caste Federation”. He propagates strategy of economic development. He was the proponent of State Socialism.

“For the rapid industrialization, state socialism is indispensable and the private enterprises cannot do it and if private enterprises did it then it would produce the wealth inequalities like the private capitalism has produced in Europe and it is nothing but warning to Indians. Nationalized insurance was planned with two objectives: greater security is priority rather than private insurance firm because the reason is it could pledge the resources of state as a security for the crucial payment for his insurance money and to enable the state resources for financing and supporting the economic arrangement in the absence of which have to resort to borrowing from the money market at a high rate of interest” (Ray, 2012).

***Features of State Socialism of Ambedkar are:***

**1-**Key and basic industries shall be owned and must be regulated by State or state established corporations.

**2-**Agricultural industry shall be owned by the state.

**3-**The sector of insurance will have the control of state and state mean to induce every citizen of country to take out protection policy.

Ambedkar had proposed that the State have obligation to design the economic life of every citizens, which proceed to the maximum point of output and production without terminating the way for private capital and enterprises and also afford for the unbiased dispersal of Wealth and along with to encourage the state possession of agriculture with a collective method of cultivation and farming and state socialism must include in the arena of industry.

Due to the policies in era of globalization, privatization and liberalisation, the wind of change in the name of economic reforms have shaken the community of Dalit because due to these policies they slowly on the verge of ruin their traditional occupation and skill based artisanship. When the economic reforms were carried out and implemented first thing was the denationalization of the public sector and the policy of privatization has been introduced. The scheme of reservation has also come under strain and the number of jobs in government or public sector fast declined due to the initiation of privatization and liberalization.

“Before the new economic policy, under the old economic policies of government where Dalit were provide minimum protection and the support in the field of capital, education and employment. Till the 1980s there was a visible development and growth among the Dalit in the above said fields and decrease in the unemployment, fall in poverty and the increase in wages was possible due to high amount of expenditure by the government on the welfare sector and especially in the rural sectors. Now in the era of privatization the indirect withdrawal of state role from the service or welfare sector for people particularly Dalit became vulnerable” (Sarkar, 2006).

## ***2.9. Evolution of Dalit Capitalism and Dalit Entrepreneurs:***

Dalit started to demand the reservation in private sector in the present era of privatization. On 13<sup>th</sup> January, 2002 In Madhya Pradesh “Bhopal declaration”, reflects the version that there is not only a single Dalit billionaire, businessman and industrialist. It wanted the standard of “equal opportunity for all” in Indian Industry as like United States Style so that the marginalized community, Dalit may come out from the past problem of executing the

economy's contaminated tasks. The pronouncement in Bhopal expressed a cry for 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 indication of the lunge for the knowledgeable capital and the wish to produce a fresh private sector to generate intellectual vigour. The Bhopal declaration charted an agenda for the socio-economic transformation. Dalit were not only face the social untouchability they also kept out of the capital assets.

The conference in Bhopal observed that Madhya Pradesh model of empowering Dalit and tribal, distribution of grazing lands through the process of decentralization 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 middlemen. It however went afar this model. This model for that matter any model in India had not worked out a plan for the complete blooded involvement of Dalit in capitalist entrepreneurship and the markets. No model has so far created a class of capitalist from the section of society that constitute 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 the managerial and administrative skill. Their skill talent does not have capital required to match the labour capital they possess.

### ***2.10. Bhopal Declaration***

The Bhopal Declaration that sketches a charter of 21 demands based on the concept of diversity where it draws the inspiration from the experiences of affirmative measures for the blacks in America, Hispanics and the Hispanics. This kind of experience was based on the principle of recognition where it talks that all the minority communities find something like a proportional representation in all the institutions of private or public sector. "The Bhopal document takes its inspiration from the movement by blacks in the US and the measures adopted by them in the rise of civil rights movement during the 1960s where it goes beyond the reservations in job in the corporate sectors and it provides for the intervention of state in encouraging the development of the business of minority sections of society where it especially guarantees the certain percentage purchased by the government from the minority business community" (Nigam, 2002).

It talks about the affirmative action policy in the corporate private sector at both the levels of employment and the ownership of the productive resources. In fact, what it demands now can be cast in a completely different language that it takes out of the framework and plan of affirmative action. If it pursue the demands for the intervention of state role then it is not at the level of doling out professions and jobs as an employer but as a play-actor in the market and to enable the decasteisation of the Indian economy. It does not try to hold back of the state to its older role rather it puts the demand to play the role by the state in a fair manner.

It looks to state to the capitalist class of India in its own way rather than the accustomed language It looks to state that the capitalist class of India also, in its own rather accustomed language, but by completely turning the discourse by demanding the entrepreneurs in Dalit community be ensured the circumstances of level playing field. But it can be an argument against the thrust of declaration that it entirely missed out the inherent dangers in the new global capital and the ways in which it is swiftly accelerating the deprivation and the disempowerment of the poor and marginalised section of society and the basic object of the declaration is completely different. It does not state to address the class exploitation in direct sense but try to de-casteisation of Indian economy and society.

From the view of poor Dalit, the entire problem of exploitation by the capitalist will surely remain where he or she will no more or less exploited by the Dalit capitalist or bourgeoisie as he or she will be exploited by the upper capitalist class. It is problematic in a sense that, as a common denominator, we can withdraw out at the very beginning. It is a struggle that will have to be led at another level, whether or not there is any Dalit bourgeoisie. Thus it can be said that within the Dalit community as in all other social groups, the question of gender and the class will persist and keep reappearing for they can only be tardy but not eliminated. The problematic of caste can never be exhausting all the dimensions of Dalit existence, or for that matter, upper caste existence” (Nigam, 2002).

***Agenda for Point Action in the 21<sup>st</sup> Century: Some important points are following:***

1-To ensure that for the social and economic development each family of Dalit will own enough cultivable land and government should follow the measures for sharing of the additional land, Revenue lands and the temple lands within a certain time limit. If there is need then government will acquisition the land and allocate it among the Dalit community.

2-The capital should democratise as to ensure the proportional share for the Scheduled caste and scheduled tribe. Ensure the budgetary distributions for the SCs and STs to empower them

in the market economy with adequate capital assets and to cultivate their skills and capacities for the private ventures.

3-To amend the Article 21 of Indian Constitution where Fundamental Rights contain the two rights for every citizen with distinctive stress for SCs and STs on ground of two criteria:

It includes the right to standard living it should be adequate one without any discrimination on any grounds, equal availability to both the men and women, it also includes the safe drinking water, social security, public health, water, food, clothing house and productive employment.

4-To apply the mandatory free education with high quality for all SC/ST candidates and distribute the proper funds, better infrastructure facilities must be provide to the marginalized section. It must embrace the vocational and technical training to the marginalized section according to the market oriented need.

5- Provision should include and must apply for the positive affirmative action in both public and private education institutions it includes from primary to technical and it shall be raised up to the professional levels. These facilities ought to be provided to the low income students come from the marginalised sections.

6-Every public and private organization must implement the Supplier Diversity those who belong to socially disadvantaged businesses and Dealership Diversity in all goods and services.

7- To Make the reservation policy mandatory in private and corporate sectors in the same proportion as reservation in government institutions and the public sector and to develop the skills and capacity of Dalit to help them manage the demands of these different sectors. (The Task Force Report on Bhopal Declaration, 2002)

For the social and economic development of Dalit the Bhopal Conference started a new chapter and it was held in Madhya Pradesh but it has trapped the imaginings of Dalit community universally.

***Two significant announcements in Bhopal Conference by Chief Minister of Madhya Pradesh Shri Digvijay Singh are:***

1-Madhya Pradesh government would announce Supplier Diversity and it includes 30% purchases government would do from the SC/ST businessmen.

2-A Task Force on the Bhopal Conference would be set up to make the recommendations to the government to implement the 21 point agenda declared in Bhopal conference.

### ***2.11. The Neo-liberal turn and Dalit Capitalism and Dalit Entrepreneurs***

(--The protagonists of Dalit Capitalism argues that the engagement with the capital or what they called Dalit Capitalism that will make the economic condition of Dalit's better off and make them less dependent on the upper caste for the employment. Its vision and objective is to come out of shackles of poverty and emancipate them as a wage labourer of the upper castes and intends to prepare them as a prospective and potential capitalist who will in turn employ the other Dalit.

(--The proponents of Dalit Capitalism wants to correct the disparities of the society because they believe that capitalist system is the best way to break the shackles of a caste in the modern economic system. Dalit Capitalism refers to the control of the production units by Dalit entrepreneurs. It means that in neoliberal era Dalit carry out their own enterprises and welcoming the globalisation and new economic policy and engage themselves along the capitalist market forces and capitalist class.

The acknowledgment of the different neo-liberal agenda and its concerns for the Dalit community was deliberated firstly in Bhopal Conference organized by Government of Madhya Pradesh in 2002 and it was attended by the number of Dalit activists and the intellectuals. The conference offered a program to for the Dalit Capitalism that necessitated the reservations and quotas even in private and the corporate sectors, it includes the policy of Supplier Diversity and dealership diversity to make allow Dalit to contribute efficiently in new market economy. "The increasing opportunities for economic and the social mobility are made possible by the economic reforms and it has made the Dalit youth to eagerly participate in new market economy as a way of improving their condition of deprivation and valuing the anonymity of the city which offers prospects of escaping discrimination" (Jayal, 2014).

"Though the growth of Dalit capitalism is only a group of Dalit entrepreneurs confirmed that economic reforms gave an impetus to promote 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 50 hospitals in the state of UP are being run by the Doctors belongs to the Dalit community, despite few of them worked as a manual labourers during their school days but they succeeded to be eligible as the doctor due to the affirmative action.

On the other hand the Dalit intellectual and the mentor of DICCI, Chandra Bhan Prasad agreed that the affirmative action policies have provided the platform. Both the Leaders Milind Kamble and Chandra Bhan Prasad named the “New Dalit assertion” are openly compassionate of the view that the globalization and liberalism walk together for the development of the economy that have developed positive attitude for the supporters of their community. They argue that in the present time of globalization, the capitalist system is to be governed by the outsourcing of trade, manufacturing and the apparatuses and the industry of Dalit has developed a receiver of this trend. Capitalism consequently obtains the ability and an instrument to eradicate the caste through the market forces. “Bigger than the caste, bigger than the Marx, and bigger than everybody because in the new market place, where only the ability is respected”.

Other Dalit intellectuals argued that it is not necessary all Dalit interest are united between the Dalit masses and Dalit entrepreneurs and the opportunities that is flowing in era of globalization may well beneficial for the few Dalit entrepreneurs while doing nothing for the Dalit masses of the latter. And for the latter that is Dalit masses the policy of Affirmative action remains significant by encompassing the system of quota to the government contracts, acquisitions and the dealership. “The Bhopal Conference resulted in the adoption of the policy of Supplier Diversity in order to create the Entrepreneurs belongs to Dalit community and enable them to enter into the arena of new market economy.

The proponents of Supplier Diversity policy argues that under the policy of positive discrimination and the state welfare Dalit are remained a mere recipient of the welfare policy, asset-less and landless, below the poverty line and have no share in capital economy and they are unable to protect their socio-economic interest and their status” (Still, 2014). But due to the affirmative action policies some elite creamy layer emerged and get a high paid job in the public sector, professions and increasingly the corporate and private sector, where the marginalised of marginalised have been unable to get the education and to avail the benefits of the reservation policies. Some educated sections having 12 years of school and the graduate degree have been able to enter into low paid job and nor have many educated enter into field of media, art, academia and business industry etc.

Some Dalit activists and intellectual criticised the demand for the extension of reservation in jobs to the private sector, their argument is reservation in private sector would help only a small number of Dalit. Rather many argues that there should be the democratisation over the

capital in order to get the equal benefits for all the communities and the need to establish the strong Dalit business and the industrial class which would participate equally in national economy. So the policies such as Supplier Diversity are needed with the help of industrial sector and the role of state based on the affirmative actions which are in tune with the emerging market economy.

They hold that such a policy would be able to empower the Dalit economically and doing away with the need for reservations in the long run. Until the late 1980s, the policies of positive discrimination had a scholarly attention especially of reservation but after that it encountered much more criticism from the various quarters after the independence era due to its poor implementation, only better-off urban based groups benefitting and encouragement to sub caste divisions etc. Many scholars still argues that the reservation is most effective and the workable method to remove the long standing social exclusion and the discrimination.

### ***2.12. FDI and Dalit Entrepreneurs***

Both Chandra Bhan Prasad and Milind Kamble try to establish the Foreign Direct Investment (FDI) in retail will impact on the life of the new emerging Dalit entrepreneurs in all over India. They raised the question and argued that the traditional occupation consists with rigidity of caste which does not provide the opportunities and open space for development to Dalit entrepreneurs. FDI is caste neutral and is modern so it is favourable to the Dalit entrepreneurs. “There are two studies in support of the argument; one is that most of the Dalit entrepreneurs surveyed and it was found that most of them were the first timers who had started to establish their ventures and business during the start of liberalisation process. It is understood that the neoliberal reforms have been greatly benefits the Dalit in general and the entrepreneurs in particular. Centre for the Advanced Study of India (CASI) research found that the Dalit entrepreneurs of different shades engaged in the building bridges and machines, manufacturing heavy duty cranes, constructing tunnels. The second is concerned for to search a Dalit adhatiyas that is middlemen in Delhi’s Azadpur mandi by the members of DICCI, obviously they finding none” (Teltumbde, FDI in Retail and Dalit Entrepreneurs, 2013).

Prasad and Kamble endorsed the occurrence after 1991 the Dalit business and enterprises motivation to ancillaries and outsourcing industries by the universal antagonism. In the recent times entrepreneurial activities has increased by the Dalit. The argument is where tool of modernity will help India faster and the tool of FDI will benefits the Dalit. Therefore on



these premises it assumed that the interest of Dalit masses and on the other side Dalit entrepreneurs is same.

FDI push forward to organise the retail and would provide the opportunities of job to the thousands of the food technologists and other business professionals. “The dictum that capitalist modernisation spontaneously undermine the importance of the social identities like race, creed and caste and their role in affecting the economic outcomes is not new. One could intuitively agree that the social identities restricts the competition in market, obstruct the institutional changes, make markets non-competitive and that the market driven economies would undermine the ascription based social identities” (Teltumbde, FDI in Retail and Dalit Entrepreneurs, 2013).

The process of globalization benefits the people, including the Dalit but only a small section of society. Since thirty years that globalization itself manufactured crises of inequality, a problem for poor due to lack of skill and resources, upsurge of primitive identities and the demolition of democracy. Due to the inequality it leads to accumulation of wealth in few hands cannot celebrate because it further pushes to marginalisation of masses. In era of globalization the portion of the possession of enterprises by Dalit remained the same, it also disproving the assertion that globalisation has enhanced Dalit entrepreneurship.

The Harvard Business School study has observed that the millionaires in Dalit community claimed by the DICCI do not indicate and signify the extensive strip of the SC/ST entrepreneurship. Even small scale industries have pushed by the process of globalisation. It is a conjecture that Dalit entrepreneurs one day will challenge and beat the rate/ prices in the competitive markets. Assumed the intrinsic social handicap they suffered from, they can only do so by the additional exploitation of their workers and powerfully feed up in them the caste identities. Prasad and Kamble argued that Dalit entrepreneurs prosper in the segments like building the bridges, tools, machines etc. The Dalit community essentially fall in the traditional rigid occupations like brick and mortar segments and they have functioned for ages.

The contemporary segments of business and enterprises where the skill based knowledge is required and that still do not exist. In the brick and mortar industry the claimed success of Dalit may perhaps point out non-Dalit where to move up in the chain of values, and leaving the lowest finish for the Dalit. The phase of modernisation undermines and eroded the caste system. It signifies the cultural hybridisation and it cohabits with the tradition. Capitalist

modernity coincides with the caste system but with the globalisation the caste realisation has excavated. The hybridisation can be seen in the advertisement related to the matrimonial by the well-educated Indian Americans and employed in the frontier industries and they seek the brides from their own sub-castes.

Ambedkar raises the voice against the social and economic discrimination of downtrodden section of society and played a significant and key role to provide the mandatory reservation and quotas through the constitutional measures in educational institutions, government jobs. “On the other hand DICCI as a group discards the reservation in job as a means to liberation of Dalit. They argue that the reservation and the quota system further generate stereotype to the Dalit. In its place of depend on the state to deliver the Dalit with the government job with the help of reservation the group of DICCI has adopted the objective as “be job givers, not job seekers” they are pushing the members of Dalit community in India to developed a businessman and the entrepreneur” (Deshpande, 2013).

DICCI belief’s that the marginalised group can improve their conditions through the business and the entrepreneurship. Indeed the individuals facing the discrimination in the labour market have a better motivation to move in the self-employment, since they assume the lower wages or the adverse employment in the market system. “Thus the entrepreneurship or the self-employment is seen as a path to come out of poverty and as an alternative to the unemployment and labour discrimination in the market” (Fairlie, 2001).

“It is assumes that the discriminating tendencies to characterises the labour markets are in some way absent from the other markets like the land or credit, they are critical to the success of the business and the entrepreneurial activities. The research demonstrates that the discrimination in the labour market can spill over into the markets relevant for the self-employment, creating seemingly discriminatory outcomes in these markets too” (Coate, 1992). It is assume that Self-employment is to confer the independence in the sense that what, when, how and where to produce and confers economic self-sufficiency.

It is accepts that self-employed are really the entrepreneurs. In a certainty an enormous part of the self-employment in the developing countries reproduces the low-productivity; low end, subsistence activity and the individual who be unsuccessful to get the steady paid job culminate up with the low reimbursing self-employment in an informal sector as the last possibility than as a resolution to transfer away from the wage employment to entrepreneurship.

The DICCI emphasizes on the entrepreneurship and have faith in that the “Dalit capitalism” will elevate the position of Dalit to the top of the social hierarchy, moreover it will concrete the approach for finish of the caste system and discrimination. They supposed that in order to comprehend the blow-out of Dalit capitalism it is not adequate to concentration on the top-end of Dalit businesses i.e. the Dalit billionaires but to examine the and spread the Dalit contribution in the small scale industries in order to promote the Dalit entrepreneurs which likely reflect the substantial condition of many of Dalit not in the wage employment. As per the reports of National Sample Survey in 2004-05 in rural India, “there were 34% of scheduled caste and 46% of scheduled tribe self-employed compare to urban proportion where 29% of SCs and 26% of STs were self-employed.”

### ***2.13. Entrepreneurship and Business Ownership***

A relevant fact is in the group divided societies in business ownerships for example Malaysia, US and India where is inter group disparity in the business ownership and this disparity reflects the market discrimination in different spheres like in pre labour market discernment that establishes itself in the low grade education and the ability level of historically marginalised and downtrodden groups called the “less direct discrimination” (Moore, 1983), or the “discrimination in credit” and the asset market, which precludes the reach and admittance to the capitals required and desirable to commence a business. “Also the other fact that in every society there are rag to riches stories and are more an exception rather than the rule and the success in entrepreneurship seems to be positively correlated with the family background in the private and the corporate sector” (Dunn, 2000), socio-economic status of family and the better financial and human capital. A disparity in the ownership in business is one such component of the overall disparities in wealth between the different social groups.

Thorat and Sadana in “Caste and Ownership of Private Enterprises” where they combines 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 enterprises proprietorship. “The marginalised sections SCs and the STs both operate the smaller business with the help of household labour, having lower capital base and the traditional technology. The low capital and technology produces low income and results in high poverty amongst these households” (Thorat, 2009)

MSME division in India has been studied comprehensively from the effectiveness and the feasibility point of view and the result can be summarised as that there is a clear caste and the gender disparities in the ownership of registered manufacturing MSMEs, Where scheduled caste and scheduled tribes are underrepresented as proportional to their population as compared to the OBCs are equal to their population share and the upper caste are overrepresented as to their population share. Over 2001-02 and 2006-07 the caste disparities have marginally increased and the gender disparity have decreased marginally. The proportion of female and the SC, ST, OBC are higher in rural sector and based on the precise growth regressions and the descriptive evidence, it is find that enterprises of SC and ST are more survivalist rather than the entrepreneurial” (Deshpande, 2013).

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

The system of Capitalism and its related concepts like neoliberalism and globalisation in developing the marginalised section created a doubt and the arguments in Dalit movement and to enhance the argument, the DICCI fell back on the theory and the thought of B. R. Ambedkar who raises the voice and fight against the exploitation of marginalised section of society and fight for Dalit emancipation. The new agenda backed by the neoliberal policies is an invitation to the multinational corporations to promote the initiative of Make in India. There would be many concealed agendas behind the programme of neoliberal policy and it is quite clear that non market friendly or non-consumers and capital less are going to be the sufferers like their fathers and forefathers.

“Chief mentor of DICCI, Chandra Bhan Prasad has tried to understand the Ambedkar’s thought in relation to the contemporary social and economic development in India. He believes that the economic liberation and freedom of Dalit can lead them towards the Socio-political emancipation in order to completing the Ambedkar’s vision of casteless India and thus strongly calls for a more liberalised market where the social problems and traditional trade kept the Dalit away from money and capital making business for so many years are overcome” (Kalva, 2016)

The Government of India responded to allocating some funds to encourage the Dalit entrepreneurs and according to the new procurement policy of union government that it is mandatory for all the public sector undertakings (PSUs) and the ministries to ensure that 4% of their total purchases are from the scheduled caste and scheduled tribe entrepreneurs.

Liberating the capital from the constraints of caste and making it available and touchable for the downtrodden caste and Dalit entrepreneurs and it would be considered a success for the chairman and mentor of the DICCI. The proponents of Dalit capitalism are promising to deliver the much anticipated socio-political, cultural and economic development and emancipation of lower castes. “Gopal Guru used the Guy Debord’s theory of spectacle to outline the Dalit millionaire’s emergence as a low intense spectacle. He examines that the business of money minting was never the part of Ambedkar’s movement and that Dalit’s must stay aloof from celebrating the individual’s monetary success” (Guru, 2012).

### ***Why is the emergence of the Dalit millionaire a low intensity spectacle?***

1-First, Dalit millionaires has 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 all over the world. Although with the hegemonic spectacle, they share a more ideological space but their influence of ideology remains confined to the small sphere of Dalit.

2-Dalit Millionaire’s have limited cultural power of dispersal of native images of such millionaires. They are yet to entirely walk out of their “constraining collectively and become the individuals. The tag of ‘Dalit’ attached to their status of millionaire denies them individuality and which is necessary and important in order to explode them into a high spectacle. The caste of the Millionaire’s sets the limit to their status and to become a high intense spectacle.

3-The poor Dalit are now the rational condition for the existence of the status of low intensity spectacle. The relationship between the common Dalit mass and Dalit millionaire is similar to the relationship between the lotus and the huge mass of mud on which the lotus grows. Just like the lotus requires mud for their growth, the Dalit millionaire’s require the Dalit poor in a huge number in order to become a spectacle. So the poor Dalit provide this way to the millionaire to acquire the status of a spectacle even at a low intensity.

### ***2.14. Government steps to promote Dalit Capitalism***

1-National Scheduled Caste Finance and Development Corporation offers the loan to the Dalit for entrepreneurship development and the other activities.

2-The Industrial Finance Corporation of India (IFCI) provides venture capital fund and loans with an aim to promote the entrepreneurship among the scheduled caste and to provide them concessional finance.

3-The Start-Up India programme will provide the support to the Dalit entrepreneurs including the credit guarantee programme for the scheduled caste.

4-To extend the credit facilities MUDRA bank will lead priority to the scheduled caste and the scheduled tribes.

5-DICCI SME, fund it was launched in the year 2013 plans to pay the loans worth of rupees five hundred crore in the next 10 years.

6-The Scheme named, Green Business planned the monetary assistance to Dalit to combat the climate change.

A significant development during the phase of 1990s there has been emergence of Dalit middle class. This class is the product of state policy of affirmative action or reservation provided in the education and employment. As a consequence of these developments the phase of 1990s witnessed the emergence of a Dalit middle class, youth and political conscious class. This class reached towards the market oriented economy. According to the DICCI mentor, Chandra Bhan Prasad, that due to the new economic reforms and the end of quota or license raj to open the industry it gave the new opportunity to Dalit community to open the industries and their own 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 the hard work and not by the birth. He says that the capitalist system does not recognize the caste system and it breaks the path of caste system where everyone upper as well as lower caste work under the same roof. Capitalism replaces the markers of the birth and caste with the material markers. He asserts that the economic development and the private enterprises can evade the identity of caste links with the Dalit community.

Dalit capitalism where engage with the capital and control the production unit by their own business but the fundamental flaw in the Dalit capitalism is that it sees to find the equal space

for Dalit within the system of capitalism that is inherently a exploitative system. Dalit capitalism still lacks to uplift the marginalised and poor Dalit because it is not organize on the issues of land, issue of mass pauperization, 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 globalization and the capitalist system.

In India, some communities and castes have historically been entrepreneurs and commercial communities, these communities had commenced the business with the explicit vision and in advance advantages, where they have initial knowledge and traditional business community have powerful business settings and it transferred from one to another generations. This clearly explain, an essential medium of social mobility would be spread to which the traditionally deprived groups, whose customary occupations have not been based on the business and enterprises, and they have been capable to breakdown into the traditional networks and settle themselves as entrepreneurs.

Milind Kamble and Chandra Bhan Prasad argues that the “Capital is the surest way to fight with the caste and in the hands of Dalit’s capital becomes an anti-caste weapon and Dalit capitalism is the answer to that regime of the discrimination” and he assures that paramount place to exam the proposal is private enterprises and the industrial sectors. Alterations in the manufacturing sector in times of globalised development and the market forces find that cast remains to outline almost all facets of the production and so far the capital has not Dalit countered the inequalities shaped by the system of caste. Evidences suggests that the business entrepreneurship as an important vehicle for the social mobility among the marginalised section i.e. Dalit is yet to become a reality in India.

## CHAPTER-3

### Mobility of Dalit Entrepreneurs and their Challenges

#### *3.1. Introduction*

The social exclusion of Dalit's in India originates due to the spatial demarcation and the cultural differentiation. The whole structure of cultural differentiation is embedded in the unjust social system of the caste based hierarchy. Further they are fortified with the continuous social boundaries of segregated the Dalit neighbourhoods and if the caste based graded hierarchy reduced the status of Dalit to the bottom of the social status, their segregated and isolated neighbourhoods ghettoized them within the social and the spatial boundaries of repressive territorial separations. The social exclusion remains in Indian society where it is a process in which the groups and their subsequent individual units are deliberately excluded wholly or partially from exercising their equal or full participation in the society they inhabit. Dalit in India faced social exclusion in the different dimensions like social, economic, political and cultural.

“Dalit experiences the systematic exclusion to accruing the benefits of growth and development and discrimination and institutional inequality that have been prevailed in society. On the other hand it hampers the social integration, democracy and development. The social system of caste denies the provision of equality before law and equal opportunity of law” (Ghatak, 2011). In rural India the social system is centred-around the structure of caste, its organizations and the caste based identities.

Division of Indian society is based on the caste which is the basis of discrimination, social inequality and the levels of equality among the members of different endogamous groups of rural India. Even the caste system in India persists today after the revolutionary changes that taken place with the urbanization, modernization and industrialization in the era of globalization. The discrimination between the high and low caste and the persisting social inequalities in society is due to the institution of caste. The Dalit are victimized and worst



affected with the caste system and they experience various forms of deprivation, exclusion and the marginalization. One most significant, rather most prominent figure in articulating the Dalit rights is Ambedkar.

Ambedkar is credited to instil or stimulate a paradigm shift in Dalit identity, ideology and social vision as well as political action. Ambedkar advocates of social revolution as a solution and way forward towards the emancipation of Dalit. And to further create and construct a new society based on the idea and principles of social, economic and political equality. He led the movement among depressed and historically marginalized community for social reform and political education. Against the caste atrocities he fights relentlessly to recreate the fundamental spirit of political liberalism.

In his view no country, let alone India cannot aspire to become a liberal country until we have a mechanism to shield the Dalit against all untoward social discrimination and the exploitation subjected against them by their fellow human beings. This exploitation, humiliation and subjectivity is being given impetus by the ideological framework, precipitated in the society through channels of socio-religious texts which draws unequal prejudices against the lower and marginalised sections of the society. On his empirical observations, Ambedkar advocates the liberal ideology, that he experienced in the United States of America, says, Ambedkar, he was never been threatened or subjugated of his Dalit identity while studying in the USA. Ambedkar opines that it is possible to come over or avoid social discrimination in the USA much because of their liberal values enshrined and practiced in their governance.

Unlike the Classical liberals, who defend and advocate the form of interventionist state as an empowering agent or tool to induce, promote and harbour the true liberalism. Here Ambedkar scathingly criticises Gandhi for his eulogies of the villages of India. Gandhi finds the villages of India, as unique individual units of social and political as well as economic equilibrium. Ambedkar on the other hand rigorously argues that “Villages of India represent a kind of colonialism of the Hindus designed to exploit the Dalit. They have no rights because they are outside of the village republic; they are outside the village republic so they are outside the Hindu fold” (Chakrabarty, 2016).

Ambedkar conceptualised the Indian villages as a model of oppression and the microcosm to demean the circumstance where Dalit resided so he wanted that villagers specially the oppressed and exploited caste to move to the cities for the work as well as the anonymity. He

views the villages as a cruel place because in villages the identity of a person never left them not only the identity of religion and caste but also of the family history. The villages of India typically was a thread of many ghettos based on the religion and the caste with the historically depressed Dalit community confined to the fringes with their own places of worship, wells etc. The structure of Indian villages oppressed the lower caste for centuries and it was the root cause for the social stratification in Indian society. So he preferred the philosophy of socialism over Gandhism because socialism favours the urbanization and the industrialization on the lines of the western way of development. He visualised that industrialization was the way forward for the liberation of the oppressed classes. Dalit have availed very limited prospect within their reach and they tried to rise from their marginalization and subjugation. The modern awakening of Dalit community began with the constitutional rights and safeguards that are available to them in post-independence period.

Dalit today are not only the passive participant, now they have a systematic programme. In the era of globalisation and liberalisation they are not only restricted to the government job, now they are also increasingly venturing into other forms of occupations, professions and as a result they accrue significant level of achievements in socio-economic and politico status but not as compared to the caste Hindus. Social Stratification in India based on the lines of caste solidified through the occupational segregation and the rule of ritual purity that restrict the development of depressed classes particularly the Dalit community. So the structural inequalities persisted in India due to the caste system which has been the marker of deprivation of Dalit in Indian society.

“According to Ambedkar the governing structure of villages were not close to the democracy where not only did the dominant castes make the Dalit live outside the village in the ghetto, the depressed class were also socially excluded from the village festivals” (Jodhka, 2002). He favoured the abolition of caste system and reorganisation of Indian society on the basis of justice and equality to achieve social justice.

To protect the interest of marginalised and weaker section of society he favours the role of state. In his book, ‘States and Minorities’ published in 1947, Ambedkar emphasised that key and basic industries in country should be owned and run by the state. Corporations should be established by the state. To provide the equitable distribution of wealth he proposes the obligation on the state to plan and secure the economic life of the people. “The internal social

structure factor led to the upward and downward mobility in Hindu society was the dispersion and the concentration of the property” (Silverberg, 1968).

### ***3.2. Social Stratification and Mobility in India***

Throughout the caste history of India, those groups who controls and owns the economic resources and the political power became the upper and privileged class while the others were treated as the outcastes. The Dalit became the most exploited peripheral groups in Indian society. Due to untouchability, they suffer several sanctions being imposed upon them, such as social, economic, cultural and the political. All these sanctions derive their sanctity from the rigid caste system, in Hindu traditions.

Traditionally the system of caste has been found to be non-competitive character, which is to say that each caste has its predefined occupation and none of them is allowed to voyager in others’ occupational territory. Though a little flexibility or some degree of social mobility was found to be allowed for non-Dalit but shockingly it was ardently impossible for Dalit to move upward in the hierarchy of caste (Pillai, 1976). Such systems and values of caste hierarchy and untouchability segregated the Dalit every sphere of life, be it social, political, cultural or economic, where they were made to forfeit all the opportunities of self-development. But with the passage of time there is a shift from ritual to the secularism in the ladder of social stratification at the farthest and unitary levels in Indian society.

In the contemporary times several caste groups aim to harness similar objectives and goals of education, employment and mobility in the socio-economic and occupational ladder. Consequently individual compete for same kinds of positions belonging to the different castes. “Occupational mobility is an indicator of both social and economic mobility. Sociologists take occupation, income and education as the determining variables of the class positions of the individuals and the families” (Judge, 2008). Occupations do not change in a makeshift way, as there is a certain relationship between economic change and the rise of new occupations that requires definite and certain skill. Industrialisation and capitalism is attributed with making occupational changes that broke the hereditary and traditional character. In India, caste and the occupations has close relationship to the extent even the names of caste reveals the nature of traditional and hereditary occupation.

In the existential world of village India the name of caste is often derived from the occupation. For example, Julaha meant weavers, Jat meant peasant, Saini meant vegetable grower etc. The arrival of capitalism with the opportunities of new occupations that required skill and education was destined to break the close knit system between the caste and occupation. There have been occupational diversifications among the Dalit community but everything has not change. Dalit have been at the bottom of social structure and were involved in the menial occupations now they got the opportunity to choose their new occupation due to the arrival of capitalism and industrialisation. There is a difference between the caste mobility and the class mobility whereas caste mobility deals primarily with enhancement of status on the other hand class mobility deals with the economic.

### ***3.3. Dalits and Social Stratification in India***

Social mobility can be described as a movement from one stipulated social position to another. Social mobility is considered within the framework of occupation, income and economy. Social mobility can be classified as Horizontal and vertical mobility. Horizontal mobility refers to the movement where the social recognition or status *inter alia* doesn't change with respect to the movement in the economic scale. The individual and the group undergoing the horizontal social movement doesn't finds any desired alteration in their social receptivity and they are still considered as their prior social recognition, irrespective of their economic shifts (if any). Vertical mobility refers to the movement or shift of a group or an individual between the positions of unequal status. Vertical mobility is also referred as the upward and the downward mobility.

The struggle against the caste system goes back to the Buddha's time and the bhakti movement voices for the egalitarian society and it rejected the practice of untouchability and the caste system. During the colonial rule, the emergence of social reform movement against the rigid caste system played a leading role to raise the consciousness of the dalits. While advocating the important role of education for scheduled castes to achieve the social mobility "Vishwanathan and Reddy argued that Dalit community have not monopolized the social valued skills and the economic profits and suggests that they utilize education as the means for the economic independence, through entry into the modern occupations in order to generate the profit for economic independence" (Vishwanathan, 1985).

The disadvantages faced by the Dalit as a result of regressive practice of social alienation became a root cause of the rise of ideologies refuting against the inequality carved by the caste system. The process of mobility in social structure has provided an opportunity for marginalised community particularly Dalit in order to reinterpret the past as well as visualise the future with dignity and the self-respect. “The caste system in India is not only a system of cultural values but also a definite pattern of unequal distribution of wealth and power of different kinds along the lines of hierarchy of caste” (Nagaraj, 1993).

“Within the caste system the inequalities are not merely religiously ordained but are a consequence of the unequal distribution of privileges and power in a society. Accordingly the higher castes have control over the scarce goods or have access to the privileges and the power” (Pimpley, 1990).

During the British rule in colonial India, Dalit were encouraged to actualise equal opportunities in the field of education and the employment but in post-independence their social and economic development was systematized and reservation were provided in the field of education and the employment under the Article 15 and 16 of Indian Constitution.

The era of globalisation and liberalisation opened the door of new opportunities of modern occupation. Now Dalit also entered into the private enterprises and occupations which were beyond their imaginations and access earlier. An occupation in newly emerging areas such as in the fields of contracts, business as well as entrepreneurs extra provides the platform for the people. However such mobility has not been without its problems where they faced many problems like the lack of social networking, Resistance from the upper caste, social conflict and caste discrimination in the workplace and so on.

The emergence of new secular occupation and access and the policies of affirmative actions did lend a helping hand to some marginalized Dalit in terms of social and economic opportunities and status, therefore this developmental endeavour also reflects a shift in Indian society from caste based social reform to the one based on the class. Now the new occupational structure lays greater emphasis upon the values of achievements and less on ascription. The calls to dismantle the developmental state proposed by Nehru gained strength during the phase of 1990s when India shifts towards the system of capitalism. The promise of the system of capitalism was to realize the economic potential of India and the freedom of markets now be the ultimate condition of liberty from the control of state and it was

prerequisite to achieve the vision of development and prosperity that the Nehruvian developmental state had failed at.

In the shift towards the capitalism the role of state be reduced to obsolete. “The market forces would control the project of creation of wealth while allowing the prosperity to trickle down to the citizens at the lowermost rung of the economic ladder. But despite the fact, that in the age of the markets the role of states has never been rendered obsolete” (Kaur, 2016). The intervention of state was even seen as necessary course correction to contain ‘out of control’ markets and as an instant to rethink the idea of unrestrained capitalism. It is a condition where we are witnessing the state although as a reluctant agent when it is effaced within the small state, big market in neoliberal discourse. In the age of market, this reluctant state becomes visible particularly in the influential discourse of what is known as the ‘Dalit Capitalism’ where the accumulation of capital appears as the mode of the Dalit resistance against the oppression by the upper caste.

The idea behind Dalit capitalism is to promote the social inclusion of Dalit through the path of free market that requires access to the financial credit and the opportunities of business enterprises and it eventually levels out the disadvantages. “The inspiring stories of Dalit millionaires who turn the harsh conditions into the opportunities are increasingly invoked to showcase the business entrepreneurship as the tool of social empowerment” (Kapur, 2014).

The entrepreneurs are presented as the agent of social mobility to overcome the traditional norms and the static pre-modern through the liberal infusion of free market and the financial credit among the historically marginalised and excluded from the society. The account of Dalit capitalism is that where the capitalism’s crucial triumph and to ensuring the affirmative action policies through the interventions of state have seemingly failed to enable them to enter into the modernity. Yet the uplifting message of Dalit discourse of entrepreneurship never fully addressed the social exclusion of Dalit and to keep them away from the ownership of means of production.

“The entrepreneurship and Dalit business is not just about the lack of credit flows but the main question is about that how the caste based prejudices and the discrimination based on the traditional sayings of ritual purity and the pollution shapes and outlines the exchanges of goods and the services in the contemporary market forces” (Prakash, 2015). In the age of markets, the caste based old prejudices are transformed into the questions of individual qualifications, skills and the capabilities of Dalit to be able to carry out the managerial tasks

or enter into any other profession that is not related to their caste. So in era of liberalisation, the translation of caste prejudices into the market responsive language signals the limitations of market itself as the liberating force. The argument here is not about to dismiss the phenomenon of Dalit Capitalism, but rather to draw the attention towards the social restrictions and the barriers that constitute the markets too.

To celebrate capital as a human emancipation now, it has become challenging to explain away the constraints and the inadequacies as the inequality grows in different parts of the world.

The significant contemporary critique of capital yet, it comes from within the pro-market arguments. “Thomas Piketty in his recent work try to shows that when return on wealth exceeds the income growth then it inevitably leads to the disproportionate or unequal rise in the capital stock” (Piketty, 2014). So it creates the greater inequality due to the continue concentration of wealth in the fewer hands through the inheritance and the unearned renter income on the private property through generations. Now what it hinders that widening the gap is taxation that is levied by the state that redistributes the wealth within the society. The capital stock does not trickle down the wealth on its own as has long been believed but the results from a state policy to tax its wealthy citizens. This critique also challenges that entrepreneurship and the grit alone is what is required to accomplish and achieve the social mobility.

In relation to the Dalit capitalism that much of the educational progress among the Dalit and the social and economic mobility was initiated by the reservation policy led by the state in public sector. The phenomenon of emergence of Dalit middle class is also an outcome due to the continuous state policies over the some decades (Jaffrelot, 2008). The work of Piketty calls to bring the state back as to play the role of social leveller at the moment when the gap of wealth stock increased even in middle of the ruins of financial crisis.

#### ***3.4. Dalit Entrepreneurs in Urban Markets:***

The Dalit India Chamber of Commerce and Industry was established in 2005 with the vision to encourage the spirit of entrepreneurship among the youth in Dalit community and to empower the Dalit youth to walk along with the rest. DICCI encourages the youth to start the business and entrepreneurship via support services. DICCI claims that the age of market is

the mantra for Dalit's economic mobility, especially in the context of weakening the jobs in the government sector.

Milind Kamble, the very significant voice of DICCI says that the provision of reservation is an outdated concept and earlier the biggest source of job opportunities for Dalit was the public sector but now the public sector is shrinking due to the privatization and the role of markets so the answer for the shortfall of jobs for Dalit cannot be the claim of reservations in private sector so he wants to turn towards the trade and enterprises should be the new mantra. Others view is that the affirmative action policies help the masses of Dalit into trade and the commerce.

In spite of the superficially conflicting views on the role of the state, there is no challenging the fact that in India the economic growth over the last two decades has not significantly benefitted historically depressed groups and the Dalit. "Kannan's viewpoint is that irrespective of levels of economic development and the political regime in the state or region, the poor are more likely from the historically deprived sections of society" (Kannan, 2009). Dalit suffered from the systematic marginalisation and poverty because the regimes of discrimination that are structurally embedded in the social and political structure of the country. The advent of the neoliberal economy with the professed goal to make the profit and the economic growth before the group identity has led the scholars that post-liberalization the capitalist economy in India as the ultimate weapon to eradicate the discrimination and social exclusion in a caste hierarchical society of India.

The liberalization of Indian economy has given rise to the New Middle Class and along with the expansion of new middle class there has also been a simultaneous rise in economic mobility of Dalit. Many scholars distinguish the Dalit middle class from the new middle class because of the incongruences between the class and social status (Srivastava, 2015). "The middle classes belongs to the Dalit community are not only relatively new contestants to the middle class, they are better understood as the subaltern middle class where they emerge from and also remain tied in various ways with the stigmatised lower caste" (Pandey, 2010). With the erosion of caste based economy, there may have changes in the relations of the production but the social divisions manage to visible in newer ways and the flow of capital flourishes on such manifestations.

Despite the economic upliftment and securing the secular occupation, the caste identity continues to hinder the lives of Dalit from the mainstream middle class. Regarding the



upwardly mobile of Dalit it is argued that the social environment of middle class Dalit is still different from the community of their origin and they are yet to fully integrate into the culture and social recognition/acceptance of mainstreamed middle class which is by and large dominated by the high caste. And also the middle class Dalit faced the specific problems such as recent or newly acquired economic statuses. Therefore, it can be inferred that in case of a Dalit, social mobility doesn't corresponds to the economic mobility. Dalit who struggle and eventually manage to find a way towards socially and economically motilities are not recognized and fully assimilated and accepted similarly into the cultural and social realms of others caste groups which otherwise are in the Hindu social system.

C J Richardson points out in his analysis of the mobility in England, that many of those who move upwardly find it difficult rather are found to incapable to wither away with the attachment of the working class instead of being identified as the primary members of the middle class and hence their upward mobility is mediated by a marginal status group. He further notes that it is quite more difficult to translate the economic mobility into the social mobility (Richardson, 1977). Traditionally Dalit do not belong to the middle class and they kept away from the capital resources, now they are entering into the new middle classes. Occupationally the Indian middle class belongs to the government servants, educated professionals, lawyers etc.

The Dalit also have opted for the mainstream middle class occupations. The policy of reservation helped the historically marginalised sections of society to raise their living standard and enter into the new arena of life and the occupations which is predominantly controlled by the Caste-Hindus. The representations of Dalit in the modern occupations have been miniscule in all population scales. Dalit middle class have also shown inclination towards the occupations of mainstream middle class. At the same time Dalit youth today are equally or more driven by the aspirations to become the entrepreneurs, businessman and the independent professionals.

Again, the upward mobile Dalit face the question of identity both at the social-collective level and at an individual level. Regarding the mobility their reference point- individual as well as the family aspirations intersect with their observations of Dalit identity and ideology the agenda of Dalit empowerment and hence make them identify with both.

“Dalit middle class is both the vehicle and the stabilizer of Dalit identity and ideology. Middle class of Dalit play a role in modernization among the Dalit because as a catalyts they

assist and inspires the Dalit in order to emerge as the self-asserting individual with the consciousness of community” (Sachidananda, 1974). Post-independence, Dalit seem to have slowly made an entry into the professions and occupations of the modern times, this happened out of the rigorous social and political interventions, which enabled the social and political mobility induced by the states’ policy of reservation in education and subsequent employment in particular.

Through reservations or protective discrimination, Indian state took and induced the idea of Social Justice as a goal, by which it has lent strength to the Dalit and enabled them to social and economic mobility. It is observed that now there is an upward mobility in terms of occupation among the Dalit middle class today in comparison to their proceeding generations. This mobility is enabled by the reservation policy which ushers the development of community through the mobility of individuals. It induces the mobile individuals with the economic responsibility of their family members on one hand and they are still struggling to achieve the social mobility on the other hand.

During the field visit, it is observed that the economic mobility is not leading the Dalit towards the social mobility. They are struggling due to the social system of India. Entrepreneurs faced the challenges of caste based discrimination. In the early modern age, the middle class Dalit fought against the caste but were equally concerned with personal survival to do much before addressing the question of mobility. A rise of new class among Dalit community as it is perceived to be in the complex situation of identity crisis and increased ambitions and aspirations. They can rather be concluded that they are moving but are yet to reach their destination.

### ***3.5. The Dalit Middle Class and the Experience of Social Mobility***

The engagement of Dalit in modern occupations are commonly associated with the middle class, it is seen through the approach that is conventional in nature to study the social mobility where it involves and comparing the father’s occupational status, education, social class with his own attainments in the similar terms (Krishna, 2013), where it suggests that an upward shift in occupational hierarchy and Dalit are move away from the occupations that traditional in nature where it only suggests that this change only in his class position but the shift of class has not been congruent with the socio-economic improvement for many of them.

The caste identity of Dalit mediates and intervenes their status and class position as the new entrants to the middle class. The caste identity of occupationally mobile Dalit still intervenes with their social status and interpersonal relations in their social life. These are workplace, neighbourhood and the community. In all these spheres the Dalit have traditionally been excluded from society to engage equally with the upper castes. Dalit who have attained the status of middle class identity, somehow it does not mean that their identity of caste no more interferes in their social relationship with their own class members. Rather it is the identity of caste as a Dalit which expresses their experience of mobility into the new class, now what becomes important is the way of Dalit response for such intervention of caste identity and the social exclusion.

The year 2016 has been observed as the Ambedkar's 125<sup>th</sup> birth anniversary across the country and the world. The following year that 2017 it has been marked as the centennial jubilee year of his entrepreneurial start up because he had launched his own start up in 1917 but despite putting his exceptional ingenuity and hard work in the business, he could not succeed in long run it was not successful due to the social bias and subsequent rejection against the downtrodden low caste.

Some associations of Dalit entrepreneurs such as the Bahujan Udyog Federation, New Mumbai, Bahujan Entrepreneurs Network (BEN), Buddhist Industrial Manufactures & Trade Associations (BIMTA), in Aurangabad, Buddha International Chamber of Commerce and Industry (BICCI), Mumbai, Dalit Indian Chamber of Commerce and Industry (DICCI), Pune have made their presence through the business expos, trade fairs and negotiations with the government as well as collaboration with the corporate.

The presence of Dalit Entrepreneurs heralds a new discussion on Dalit capitalism in the academia as well as the corporate. Capital is arguably considered as an effective weapon to fight against the social system of caste. The idea of capitalism to fight against the caste is a novel idea but it is quite challenging at the same time. Some of the challenges faces by the Dalit entrepreneurs are persisting with the system of caste hierarchy induced social structure along with the cultural practices correspondingly beliefs etc.

“Social scientists argue that the delinking of occupation and the caste has gained a momentum in secular spaces such as the offices, industries in India theorize that the tenacity of caste has become a myth” (Beteille, 2012). In fact Dalit were denied the equal opportunity in social life, no hereditary wealth, least opportunities in the corporate sector, caste identity

etc. so it is also difficult to become an entrepreneurs. “The experiences of the Dalit entrepreneurs and the available literature shows that the Dalit entrepreneurs have to face the caste identity hurdles in their entrepreneurship as the notion of caste still persist in Indian society” (Indurkar, 2015).

Dr B R Ambedkar is credited to have made rigorous attempts to remove the evils that is linked with the caste and the purity that acts as a barrier for the entrepreneurial development. He fought against the caste system and to promote the social justice and equity in society then the entrepreneurship can develop when the cultural norms of society that permits the choice of the path of life.

Ambedkar established the organization called Bahiskrut Hitkarni Sabha (BHS) in 1925 with the aim to empower the historically marginalised and depressed section to bring them into the mainstream for the inclusive development. BHS envisioned developing entrepreneurial ecology among the depressed classes. It aimed at providing appropriate welfare measures such as the opening of schools for the agricultural and entrepreneurial skill development programme along with to establish the cooperative societies. There exists a complex arrangement of the caste notion and a system of caste hierarchy based upon this caste notion, which was at its height that impeded the entrepreneurial activities and engagements in other areas except that of caste based works. Owing to the problem of untouchability, there were unequal livelihood opportunities forcing and pushing the depressed communities to menial caste based jobs and not have the freedom to opt any other entrepreneurial activity and occupation. Lower castes had no scope of entrepreneurial development in the religious sanctioned economy.

### ***3.6. Social Structure of Accumulation: Markets seen through the lens of Dalit Entrepreneurs***

The Markets as an institutions where the distribution and the production of good and services and involvement of buyers and the sellers, it is an arena of give and take. The buyer side enter into the transaction with the seller to acquire the goods and the services in order to satisfy the necessary wants. On the other hand sellers supply the goods to earn the surplus over the investment of the capital. Through the market the earning of the surplus can be described as the accumulation of the capital. Capital accumulation process is based not on the instrumental rationality of the individual but rather it is shaped by the institutions.

“The school of social embeddedness demonstrates that the economic actions are rooted in the social relations and the informal institutions are also crucial to understand the outcomes of the market processes” (Prakash, 2015). The existing social relationship between the members of different religions, castes, ethnicity etc. and the associated power structure like the rewards, privileges as well as the punishments and disadvantages mediate the market transactions and they influence the outcomes.

Levi Strauss has contended that the social relations are the basic building blocks or the raw material of a society, based upon which the social structures are built, but the social structure can, by no means, be reduced to an ensemble of social relationships to be described in a given society (Strauss, 2006). Hence the accumulation of capital is affected through the social relationship and it is constructed through the region, religion, caste, ethnicity etc. and it can be described as the social structure of accumulation. In Indian context the relationship shaped through the identity of caste and it provided the significant base for structuring the economic relationship between the social groups and the individuals.

The influence of the caste ideology on the outcomes of market can also be termed as the social structure of accumulation. The social and an ideological institution of caste can be set up in the institution of market in the interest of market based accumulation by the leading owners of wealth and capital belonging to the high caste.

***There are two aspects of Market Operations:***

***First***, apparently the inclusive and comprehensive nature of the market processes where neither the caste identity is questioned nor the sociological rules of the caste system are adhered to by the high caste economic owners. Due to the inclusive nature of market it includes the lower caste labour as a partner to indicate the accommodative nature of the market based structure of accumulation in the developing new economy where the sociological rules governing the economic effort seem to be changing.

***Second***, character of market is its rigidity. Players in the existing markets always try to maintain the status quo that is the character of market processes is inherently rigid. Low caste are not allowed to take the step into the shoes of his owner in the market. A model of rigidity implies that all the economic actors in the market are given a fixed place in a given structure with well-defined economic roles, duties and responsibilities which are determined by the capital and the logic of division of labour.

The rigid model of market process describes the case where caste overlaps with the class. On the other hand the accommodative nature of market based accumulation permits anyone to acquire the capital, earn surplus irrespective of the social status. The model of rigidity means extreme adverse inclusion whereas the model of accommodative nature means moderate adverse inclusion. Hence the Dalit capital owners experience adverse inclusion but the degree of adversity varies.

In other words that access to the market spaces for the Dalit capitalists as an owner is neither entirely blocked nor are the opportunities provided for full integration as the equal players. Players in the market turns towards the help and support during the operations in the market such the support to provide the market information for establishment of new business, arranging the supply of labour and fulfilling the credit needs etc. Networks in market finds their base in the caste, religion, family, regional identity etc. and are strengthened further by the class location.

Network resources mostly are not available to the historically marginalised and deprived social groups or the new entrants because of the ideology of social discrimination. Thus the Dalit entrepreneurs feel that social network is a key factor to determine the inclusive nature of market. Due to the increasing social and political assertion of entrepreneurs belongs to the lower caste, it is not always possible for the owners of the capital stock belongs to the upper caste to prohibit the Dalit from entering to the institution of market and to engage in the accumulation of capital. To the some extent Dalit are incorporated in the processes of market based accumulation but on the unfavourable terms and conditions. This unfavourable accommodation is structured for Dalit entrepreneurs usually maintained by the social networks. The weak network of Dalit entrepreneur is due to their caste identity.

### ***3.7. Marginalisation and Economic Mobility of Dalit***

From 1980 onwards the economic position of Dalit has shifted from traditional occupation to the modern occupations. There is improvement in pay, working conditions and working hours. They came out of the agricultural and bonded labour into the other kind of works and for better opportunities in job they migrate from the village and shifts in the part attributed to the changing and improving the economy. In neo-liberal age the economic growth allows the state government to invest more to ensure the full welfare of poor. Welfare measures for Dalit have introduced in different parts of the country and important measures are like the

provision of subsidised food through the Public Distribution System, basic household provisions and the employment guarantee scheme in 2005.

Despite the inadequate provisions, problems of caste discrimination, implementation of social policies and corruption within the system, in some measure, the social and economic welfare programmes have contributed to the rise in the living conditions of Dalit and the life chances in some parts of the country. “Although not linked to the age of liberalisation as such the affirmative action policy and the education have a considerable impact on the deprived section but even though Dalit are still lagging behind” (Chalam, 2007).

Now with advanced opportunities in era of globalisation, the greater section of Dalit population now able to read and write, many Dalit now have a chance to escape the traditional occupations and occupational destiny of their parents. Education armed the Dalit with the confidence to come out of the professions of exploitative nature like labour discrimination, bonded labour and to seek the better option of employment. Majority of educated Dalit youth did not find the job due to not matching their education, it is now regarded as a transformative potential and engendering the sense of claim altogether absent earlier.

Due to the reservation policy, Dalit access to the reserved places in the government sector job and get the state employment where it began to constitute a new class i.e. middle class Dalit. On the other hand and at the same time there were severe criticisms to the system of reservation because critiques argues that reservation provided the benefits to the already privileged and the self –perpetuating Dalit elite. The state sector was rapidly shrinking due to the liberalisation and privatization and thereby it largely reducing the number of public sector jobs available to the beneficiaries.

Due to the privatization, the role of government was shrinking so many were realising that it is the energy was being wasted on the struggle for a fair share in public sector resources when the state is rolling back. There was a serious concern about the Dalit when private sector grew and it leads to the Dalit would cut and drifted from the growing sectors of the economy and they become marooned in low waged work. The agriculture and wage labour.

Without the capital in the form of economic, social, political and educational to succeed in a free market economy and the most importantly without the affirmative action policies to ensure the historically marginalised section the equality of opportunity, Dalit would be marginalised all over again (Sukhadeo, 2007). Inequality has increased in the post reform

period where the growing economy was resulting in the wider gap between the rich and the poor.

Teltumbde anticipated the strategies of the corporatisation, flexibilisation and informalisation of labour and the depeasantisation of farming etc. it will release the huge numbers of individuals in the job market which will increase the competition and intensify the caste prejudice. The concern was that it would aggravate and deepen the Dalit already marginal position and without the affirmative action policies, then Dalit would have very little chance to enter or succeed in private enterprises, industries, business, or the professions in the private sector. “The risk to increase the poverty among the Dalit is actually grew in the era of liberalisation and the market reforms. Economic growth was not fruitful to improve the condition of Dalit indeed the government’s focus on the inclusive growth in twelfth plan can be the indicative of these concerns” (Das, 2010).

The elite of the old caste system had effectively reinvented themselves and turn their traditional resources into valuable modern assets. “The policy of affirmative action have produced the strong resentment due to the caste shaped middle and upper class and openly express the opinion that too much favouritism has been given away to the so called backward classes” (Still, 2013). So the new forms of favouritism among the middle class upper caste where they respond by turning inward to protect themselves and to advance their interest. After looking their own interest now they boycotted those Dalit who endeavoured to enter their arena of work (Froystad, 2010).

This made the vulnerable situation for Dalit where in neo liberal economy the role of state has rolled back and paying the less attention towards the provision of reserved employment in government sector, the mitigation of poverty, protection of rights and the advancement of development with the notion of social justice. These new forms of discrimination and the interlocking of the disadvantages of Dalit may accounts the Dalit exclusion from the neo liberal economy in Indian society.

The data of Planning Commission and the National Sample Survey (NSS) shows that during the phase of 1994-2010, where the rate of poverty has been declined in general, the rate of decline of poverty has lower for scheduled caste compare to the rest of the population in both the rural and urban areas” (Thorat, 2012). Even in the non-farm households and self-employed scheduled caste lagged behind everyone else. Dalit are refused site in the marketplace, avoided by the consumers as well as potential business allies and may lack



capital and the ability to secure the credits. They are often excluded from the network of business, trade, service sector and the hospitality. This leads Harriss White and Prakash to suggest that caste is functional as a 'civil social institution of capitalist accumulation' which constantly discredits the Dalit. They are denied of economic citizenship. There is a flexibility of caste in the economy and a denial of Dalit's economic citizenship in the era of liberalisation.

Sudha Pai provides an example of response by the proactive government and they are concerned with the Bhopal Conference in 2002 where its objective was to promote the entrepreneurship among the Dalit and facilitate the economic empowerment. She argues that one of the outcomes of policy of Supplier Diversity is to create the Dalit entrepreneurs who would be supported by the government to enter in private sector, business and industry. She suggests a move from the political empowerment of Dalit towards the economic empowerment. In era of liberalisation and the privatisation where in climate of competition and the hostility, historically marginalised Dalit are clearly determined and ascertain to ensure that they are not left out from the fruits of economic growth of India.

### ***3.8. Marginalisation and Social Mobility of Dalit***

The story of economic mobility cannot be separated from the story of social mobility. Dalit are continuously under-represented not only in the private sector and business enterprises but they are also under-represented in the prestigious professions due to the lack of social skills and attributes requisite in the high earning business and professions and they are debarred from the industrial networks. As the studies of 'enterprise culture' shows that it is not a matter of qualification, but it is also a matter of culture, exposure, attitude, confidence, manner and body language etc. these values are characteristics of privileged class due to taught in private schools and in personality development course so it means that forms of the distinction led to the success in economic growth and development that are out of Dalit reach all over again.

This brings us back to Pierre Bourdieu's view that shows that how the forms of cultural distinction are wielded and influenced by the educated and middle class in French acted as the main principle mechanisms for the class reproduction (Bourdieu, 1984).

It is no coincidence that the things are happening and enabling the elites to be successful in the new economic era and it continually eludes the Dalit. It is not only difficult for Dalit to obtain

the qualifications and well paid job they also face the pressure from the transition itself. Naudet argues that socially mobile Dalit are in a dilemma between the obligations and the attachments towards their determination for the original community and also in new group the desire for social legitimacy.

Unlike the upper caste students, the upward mobile Dalit cannot depend on the financial support from their families not only this they often bear the burden for the sustenance of their family while they are studying. Those who are succeed and moving in the class position often reports that feel the psychological shame that restricts them for full adaptation to the new site while they also feel the uncertainty towards the community they left behind. Naudet suggests that this tension presents a major challenge for the socially mobile Dalit. The experience of upward mobile Dalit may help account for the persistence of the caste endogamy even among the Dalit middle class who have the opportunity of marrying into those families that are unconcerned about the caste.

Neoliberal discourses dovetail with the idea of laissez-faire in surprising ways. One of the aspects of neoliberalism for Dalit pertains to the construction of poverty itself. Gooptu examines the discourses of neoliberalism where she shows how the poor are responsible for their own failure. She shows how the poor in urban areas including Dalit are both represented as and coached to be 'entrepreneurs', where it means self-maximising individuals where they make something themselves based on their own initiative, so in this context poverty is reduced to a problem of individual attitude rather than the inequalities produced by the liberalisation and privatization.

Gooptu argues further that in framing the poor in this way so the development agencies and the state de-politicise the problem of poverty and to step down from the responsibility for ameliorating the widening and deepening stratification. In 1966, Srinivas predicted that the as more and more Dalit become educated and seek for better enforcement of constitutional rights then the clashes at the local is likely to increase. Although there are laws to protect the Dalit from the ultimate form of the discrimination and on the one hand Casteism as the open abuse and it may be decreasing day by day and on the other hand it resurfaces the critique of those policies and the laws that helps the Dalit.

Since independence the progress made by the Dalit in different spheres of life perceived by them in terms of political, social and an economic terms. There was some progress made by them in different sectors of life but it was not uniform in all spheres in which they mobile

upwardly. To begin with the social status where Dalit achieved on par with the others in a legal sense due to the reservation and the level of education where the semi-layer was increasing among them with its presence in the organized sector. The emergence of the Dalit middle class is marks a distinctive trajectory altogether than the general middle class that constitutes the ruling classes or the upper castes or the propertied class traditionally.

For the upper caste they easily translate their resources to enter the status of middle class whereas on the other hand the discriminated social status and the lack of resources and the opportunities Dalit faced stiff reluctance and had to wage a long struggle path to enter the middle class, this could not have otherwise be possible without the governmental policy framework of the independent India that lead to the conducive social environment for the desired social mobility of the Dalit.

As far as political mobility and marginalisation is concerned, the ethnographic study of Tamil Nadu movements by Dalit shows a stringently challenge the base of Dalit subordination and the rise of lower caste in politics where some scholars has argue that India is facing now a democratic and silent Dalit revolution.

Beyond the national boundaries Dalit have gone to campaign against the caste discrimination on an international stage. Through the reservation policy, Dalit now got the reserved seats to contest the local election at the local level and to occupy the position in local governance. When the circumstances permit the Dalit they use their local power to mobilize the community. Dalit presence in local governance and the politics is important not only because of status of the individual and their community but also it provides the role model to the younger Dalit and proves to sceptics that Dalit are as capable of leadership as anyone else.

On the other hand the fragmentation of Dalit movement that is occurring in the several parts of the country and it is largely due to the under-representation of two group i.e. weaker Dalit sub caste and the Dalit women. Dalit women's triple disadvantage is widely recognized but women's interests are often divisive and as a secondary.

Due to the process of social change it has yielded results in social mobility among the lower caste especially the Dalit. Social mobility among the Dalit suffers some limitations and lack in uniformity. It is yet to effect the changes in all the sectors uniformly such as socio-cultural-politico-economy. Similarly it has not responded to the desired level of change among all the communities. In case of Dalit where the formation of small section of Dalit was mainly due to the immobility faced by them in employment and education opportunities. Therefore,

drawing inspiration Dalit movement of the Ambedkar where the beneficiaries of government initiated affirmative policies and after consequent coalescing with a middle class, they further engaged themselves in redefining and sustaining the Dalit identity and its ideology.

### ***3.9. A case study of DICCI and Entrepreneurs***

During the early 1990s India initiated the process of reforms in different sectors in its economic policy in order to respond the emerging challenges in post-Cold war period. In different ways these economic reforms proved to be a turning point for the country. After the period of 1990s, changes in economic policy led to the withdrawn of state from its direct involvement with the economy. Private enterprises were allowed and increase the horizon of economic activities that were not hitherto open to it.

Post 1990 the private capital experienced growth at an unprecedented rate and this growth not only in terms of the rates and the profits but it led to an important ideological shift in a post economic reforms. The socialist vision and the idea of planning and development lost their charm. Open competition and the middle classes came to occupy the central stage of the cultural landscape of India and it displacing the village and the poor peasants.

The Nehruvian socialist model had also worked out the own model of dealing with those who are historically been on the margins of the society. Due to the privatization of economy and declining the avenues of the employment sector in the market economy led to the shrinking of jobs available due to the affirmative policies.

Due to the private sector in technical and professional education it spaces out the given places to the historically marginalized in higher education system. After the shrinking of jobs due to the privatization, proposals came to extend the quota in private sector; there have also proposals for supporting the marginalized groups to become an entrepreneur and the capital holders. Through the market regulations and the provision of loan, state is called upon to play significant role in the process of the economic support with the emphasis on development of entrepreneurial culture that can enable the marginalized sections of society to participate in an informal economy and in the private sector on equal terms. Although Dalit are not only poor they also face the discrimination in the market.

The discrimination in urban labour market and the marginalised status of Dalit finds the recognition of the 11<sup>th</sup> Five Year Plan where it states that regarding the condition of Dalit in

urban areas they face the discrimination in labour market due to the caste and in employment that operates through the traditional mechanism and it is a flawed notion that preconceived in nature that they lack the merit and are not suitable for the formal economy.

To bring the Dalit in enterprises and private sector the Bhopal Conference was held in Madhya Pradesh with the objective to promote the Dalit entrepreneurship and the Declaration in Bhopal demands that government should ensure each family of Dalit will own the sufficient cultivable land for socio-economic well-being. It emphasizes the importance in era of liberalization and privatization for the representation of marginal groups not only in the public institutions but to ensure their representation in private sectors and corporations where it benefit from the facilities and funds provided by the government.

To empower the Dalit with the vision to walk along with the rest of the society and to instil the spirit and skill of entrepreneurship, Dalit Chamber of Commerce and Industry (DICCI) was established in 2005. It encourages the Dalit youth to start the enterprises through the support services and it claimed that market is the way to ensure the economic mobility of Dalit when the scope of public sector jobs are shrinking.

Theories on discrimination in labour market in both Indian and international literature are developed in the context of the market discrimination. Neo-classical school have attempted to capture the picture of discrimination that is inherent in the market operations. Although the bulk of economic theories are based on the assumptions that the social identities do not matter in the market operations and on the other hand there are some powerful exceptions where the social background and the identities of agents are directly relate to their economic outcomes (Deshpande, 2011).

During the field work and conversation with the Dalit entrepreneurs where it is found that caste factor is embedded in the market operations in a different ways. Dalit entrepreneurs narrate their journey of business in a sense that how they started their business and what were the problems that they face in business enterprises. They establish their ventures like petrol pump, gas agency, tiles factory, apparel shops, food dhaba, chemical fertilizers etc.

DICCI is promoting the entrepreneurs through the skill development programmes, conferences and help to provide the institutional supports to the entrepreneurs. They are not well trained to run their business due to literacy and the regimes of discrimination that is structurally embedded in the socio-political structure of the country and against this backdrop there is a perception among the marginalised community that the market is the new mantra

and have potential to remove and mitigate the discrimination in the market competition and the opportunity to engage in market enterprises is based on the profession, institutional support, goods offered and the necessary skill rather than social identity. During the interview the entrepreneur who establish their apparel shops after a hard struggle, he told that

दुकान अच्छी चल रही है और मुनाफा भी ठीक है हर कोई खरीदता है लेकिन एक समस्या है की बड़ी जाति के दुकानदार माल उधार नहीं देते है हमारी जाति की वजह से और इतना भी पैसा नहीं होता की एक बार में होलसेल खरीद ले तभी पहले पूरा माल बेचता हूँ फिर बड़े दुकानदार से खरीदने जाता हूँ।

*Business is going well and the profit is also good. Everyone buys from our shop irrespective of caste but there is a problem that the shopkeepers of the big caste do not lend the goods due to our caste and there is not enough money for wholesale purchase at a time, first Sells the whole products, and then go for the wholesale purchase from the big shopkeeper.*

Social embeddedness school argues that economic rationality cannot be seen in terms of the pure market exchange and it therefore emphasises the existence of a socially structured capitalist economy. This argument when analyses in Indian context then it put forth the reason that why the marginalised groups like Dalit are faced with the adverse inclusion in the market when social networks in the market are formed on the basis of caste location and it can lead to negative intent and purposeful creation of unfavourable conditions for businesspersons from the lower caste.

Entrepreneurs reported that they earn the profit but they also face the hurdles in terms of socially structured caste system. In an economic terms they are mobilising themselves with some capital assets but question rises over their social mobility. They are moving upwardly in economic terms but the stigma of caste is in the back of mind of people and due to this they are to the extent lagging behind to get the social equality and mobility. Social mobility of Dalit entrepreneurs means that their change in position and status in the society who establish themselves as a role model for Dalit youth to promote the Dalit capitalism but it is quite absent due to the lack of social networking and the mental construct in society especially for the small industrialist.

In Indian context Harriss-White (2003) reminds us that market exchange does not always lead to contracts replacing customs. Caste affects Dalit entrepreneurs powerfully in the

contemporary market economy and the market outcomes are embedded in the social structures. During the post 1990s due to the expansion of private capital where it marks the state's retreat from the economy and the private capital was allowed and it expands into the areas of economic activity that were hitherto unavailable.

The conversation with the Dalit intellectual Chandra Bhan Prasad on the caste and capitalism where he told that the most distinctive mechanism would be Dalit Capitalism, while capitalism is weakening the caste order for its own good and it will make the India as a caste neutral country. He also told that let the day come when the several hundred thousand Dalit turn the employer of non-Dalit and it is in the sense that Dalit capitalism is essentially a self-respect movement.

मेरा नाम लक्ष्मण है और मेरी इंटरलॉक टाइल की फैक्ट्री है और मुनाफा भी है मैंने कोई भी लोन नहीं लिया फैक्ट्री को खोलने के लिए और हर कोई खरीदने आता है टाइल्स, लोगो का व्यवहार भी ठीक रहता है शुरुआत में फैक्ट्री खोलने के लिए वित्तीय समस्या हुई लेकिन मैंने सोचा काम करते रहेंगे और धीरे धीरे काम बढ़ गया और समाज में सम्मान भी होता है और अब डिक्की के लोग सपोर्ट करते हैं कारोबार को आगे बढ़ाने के लिए।

*My name is Laxman and I have my interlock tiles factory. I also have profit from business and I did not borrowed loan from the bank and from any other source to open the factory and everyone comes to buy the tiles. Customer's behavior is also fine, initially there was a financial problem for opening a factory but I thought will do work continue and gradually work has increased and there is also respect in the society and now DICCI support my business to pursue ahead.*

Through the institutional support by the DICCI and the government policies entrepreneurs are getting the economic benefits but the most of the Dalit manufacturers have a small-scale industry, shops where it shows the survival-driven entrepreneurship. Due to the process of globalisation and liberalisation where it was expected to open the new opportunities for Dalit but during the conversation with entrepreneurs it was found that opportunities are still reach to the lower section and those who are in business are still fall in lower sectors of the market except some entrepreneurs.

Dalit are generally poor in those sectors of economy where it required the specialized education and the skills and their presence in these sectors are very minimal. They are stuck in the small scale businesses where the returns are very low and it is further reinforced by the lack of availability of capital from the market.

मेरा नाम सतपाल है और मेरी गैस की एजेंसी है आज जो भी मेरे पास है सब आंबेडकर की वजह से ही है उन्होंने इतना सब किया और मैंने ४ पार्टनर्स के साथ काम शुरू किया था लेकिन अब मुनाफा भी है इसीलिए अब सिर्फ २ पार्टनर्स हैं। आर्थिक मजबूती के लिए हमें सामाजिक जागरूकता की जरूरत है और मैंने २ काम करने वाले लड़कों को लगाया हुआ है वो भी आराम से रहते हैं पूरी दिहाड़ी देता हूँ बिना देरी के।

*My name is Satpal and I have a gas agency and whatever today I have it is because of Ambedkar, he did so and I started working with 4 Partners but now there is profit too, so now there are only 2 partners. For economic strength, we need the social awareness and I have employed two working boys who are also comfortable at the agency and gave them salary without any delay.*

DICCI is promoting the entrepreneurs in order to get the benefits of government policies and to bring the Dalit youth in business enterprises but the benefit is limited and some of the entrepreneurs told that they do not earn the profit as compare to their investment because of mainly two reasons i.e. for business enterprises it is necessary to build the social networking and the lack of capital access for further business in a condition when they are in loss. Nobody around them to help so building of business is based on the social networking and the easily access of capital.

Harriss-White argued that the ideology of caste still forms the basis of business projects and it also provides the basis for building the social networks in the market arena. Mobilises the resources, thwarts the competition and regulates the labour with the main objective of regulating the market. The ideology of caste is mainly a social structure of accumulation. The entrepreneurs enter the market through the multiple means as like formal and informal besides investing their funds raised from the sale of assets and the savings and if they succeed in entering the market they engage in the process of operating the market and carved out a space for their economic activities.

मेरा नाम सुधीर राय है और मेरी गैस की एजेंसी है मैंने इसको ऐडवरटाइज के जरिये देखा था और फिर एप्लीकेशन फॉर्म फिल कर दिया डिक्की ने मदद की लेकिन अभी डिक्की को लोग जानते नहीं हैं ज्यादा यहाँ तक की शिक्षित लोग भी इसके बारे में ज्यादा नहीं जानते हैं और बिज़नेस शुरू होने के बाद मैं बिजी रहने लगा और बिज़नेस सही चलता है एक समय जीवन कठिन था लेकिन अभी भी



समाज में लोगों को उठाना है और मैंने २ लोगों को लगाया हुआ है एजेंसी में साथ में उनके मैं भी काम करता हूँ समाज में अब धीरे धीरे जातिप्रथा कम हो रही है लेकिन अभी भी लोगों को जागरूक होने की जरूरत है।

*My name is Sudhir Rai and I have a gas agency. I got the information through advertisements and then filled the application form, DICCI helped, but people do not know about the DICCI even educated people do not know much about it. And after the start of business I started staying busy and business goes fine. Once a time life was difficult now change after engage in business but still people have to rise in the society and I have employed two people in agency. I also work with them. In society, caste system is gradually decreasing but still people are needed to aware about the social problems of India.*

The vision of DICCI is to bring the Dalit youth in business and entrepreneurship and it is expanding their horizon in different states of India but most of the people who are in rural areas are not aware about it. DICCI provided the information regarding the policies at the ground level and aware about the benefits of business. Entrepreneurs reported that the caste system is mainly prevalent in rural areas and still caste is the basis of market and most of the dalit get the credit from the informal sources at the higher interest rate and also mortgaging of their assets. So when their required capital came from outside of their community then they pay the high rate of interest and when they borrow the capital within the community then they did not pay interest or pay at very minimal rate of interest as average of around two percent.

Levi Strauss argues that social relations in a society are the raw materials out of which the social structures are built but the social structures can, by no means, be reduced to an ensemble of social relationships to be described in a given society. In Context of India, the relationship in society shaped through the caste identity and it provide the basis for structuring the economic relationships between the individuals and social groups.

डिक्की जहाँ भी काम कर रही है वहाँ लोगों को सरकार की नीतियों के बारे में बताती है ताकि लोगों को ज्यादा से ज्यादा लाभ हो सके और लोग उसका फायदा भी ले रहे हैं लेकिन अभी भी समाज में शिक्षा की कमी है जिसकी वजह से लोग जागरूक नहीं हैं और जातिगत एक्सप्लोइटेशन होता है लेकिन उदारीकरण ने हमारे लिए दरवाजे खोले हैं जिससे अब कोई भी बिज़नेस कर सकते हैं।

*Where DICCI is working, it aware the people about the policies of the government so that people can get maximum benefit and people are taking advantage of it but still there is a*

*lack of education in the society due to which the people are not aware. There is caste based exploitation, but liberalization has opened doors for us, so that anybody can do business now.*

With the on-going process of liberalisation and globalisation which opened the doors for entrepreneurs to invest in any modernized business rather than traditional business. After the abolition of license raj system liberalisation has provided the ample opportunities for Dalit youth to enter into the market and it mobilises the resources.

Liberalisation came with the promise of individual freedom in market exchange. But the relations in market are shaped through the mechanism of traditional caste system and Dalit entrepreneurs are engaged in those businesses where the manual labour is more required than the mental labour. Due to the lack of skill and technical knowledge they are not able to do the IT based work. They got benefit from liberal policy but most of Dalit who are in rural areas lost their traditional occupations and in era of privatization most of Dalit entrepreneurs engage in traditional occupations with the modified techniques.

Due to the low caste along with the low class the credibility of Dalit entrepreneurs who seeks to enter into the market as an owner of capital either held in doubt or in the contempt. The ideology of caste is a hurdle the Dalit entrepreneurs face to get the credit based loan from formal institutions. According to the new institutional economics the capital accumulation process is shaped by the range of institutions rather than instrumental rationality of an individual. Entrepreneurship and market outcomes is also based on the institutions which are not governed necessarily by the rules and regulations, impersonal norms, but are dependent on informal institutions organised around the ideological inclinations like beliefs, values and dominantly accepted norms of its leading players.

जितना उद्योगों में हमारा पार्टिसिपेशन होना चाहिए था उतना हो नहीं पाया हमारे लोग छुप कर रहे जाते थे और कोई प्लेटफार्म नहीं था और प्लेटफार्म देने का काम अब कांबले जी और चंद्रभान जी ने किया है डिक्की ने माहौल बनाया और जो ग्रास रुट लेवल पर गरीब तबके के लोग हैं उन्हें बिज़नेस में लाने का काम किया है

डिक्की के द्वारा जॉब्स भी दिलाई गयीं और इससे लोगों का स्टेटस भी बढ़ा है और समाज में स्टेटस अपने आप बढ़ेगा क्योंकि जब आर्थिक मजबूती होगी तब वो अपने परिवार की जरूरतों को पूरा कर पायेगा और अपने समाज को पढ़ा सकता है समुदाय का सम्बन्ध है डिक्की के आने के पीछे है और

यह है की अपने समुदाय के लोगों को बिज़नेस में ले आएँ और जातिप्रथा अभी भी लोगों के बैक ऑफ़ माइंड में है। अभी भी मानसिकता में है

*The extent to which our partnership was supposed to be done, our community could not participate as expected and there was no platform afterwards the work of giving the platform was done by Kambleji and Chandra Bhan ji, DICCI created the atmosphere and to bring the poor sections from grass root level in a business and now entrepreneurs done their job.*

*Jobs were also organized through the DICCI. Due to the Dalit entrepreneurship the status of individual has increases and the status in society will increase automatically because when economic strength comes to the entrepreneurs, they will be able to fulfill the needs of the family and can educate the society.*

*The particular community relationship is behind the arrival of DICCI and it is to bring the people of your community into business. Chandra Bhan Prasad argues that capitalism will break the caste and it will provide the equal status to Dalit entrepreneurs but entrepreneurs frankly told that caste system is still in the people's back of mind and still in mindset.*

The social embeddedness school argues that economic actions are rooted in the social structure of society and the informal institutions are crucial for the outcomes of the market processes. The social relationship between the different castes, language and ethnicity etc. and the power structure influences the market transactions and its outcomes. There are two aspects in market processes where at first its inclusive nature irrespective of the caste and the sociological norms adhere to by the economic masters belong to the upper caste. On the other hand the second aspect is its rigidity of market where if the lower caste tries to emulate the business of upper caste then his caste identity re-invoked which in turn would go against the capital accumulation strategy. The market players try to maintain the status quo where the social structure is embedded in market operations.

In the last two decades the political consciousness has grown as compare to their socially sanctioned marginalisation. They have attempted to challenge the status quo but they could not translate their socio-political assertions in socio-economic mobility. The ideology of caste in market processes was commonly narrated by the Dalit entrepreneurs whatever the type of their business from petrol pump to the small industries of apparels.

सामान्य इलाके में हमारी पेट्रोल पंप है जहाँ और भी लोगों की पेट्रोल पंप है तो बोलते हैं की नहीं नहीं जाट से लेंगे एस सी से नहीं लेंगे मैं इस चीज़ को फेस कर रहा हूँ और मार्किट में भी यह सब फेस करना पड़ता है क्योंकि अभी भी यह लोगों के बैक ऑफ़ माइंड में है और यह ठप्पा नहीं उतर रहा है

*I have petrol pump in the general area where other's petrol pump are also there, they speak do not take it from the SC, I will take from jaat. I'm facing this thing in the market and it has to face all because it is still in people's back of mind and this spot of caste identity is not sweeping.*

The respondents who were engaged in a petty business cited that the lack of social capital is the primary reason behind the entrepreneurs who were unable to expand their business. Social networking between the different caste groups is necessary to build the market outcome.

They also reported that they experiencing the discrimination in the starting of their business including the financial mobilization, finding the suitable location to set up the venture and the hostile competition. Few of those respondents told they had initial capital accrued from the government jobs or they had higher education, (two respondents were B tech and higher management courses) to set up the small scale industries.

Caste dominates the business in market and social embeddedness school rightly argues that economic actions are rooted in the social relationship. All the economic factors in the process of market are assigned the fixed places in a given structure with the defined the responsibilities, roles and duties which are determined by the division of labor and the structural principles of capital. Dalit entrepreneurs who are engage in petty businesses are benefitted economically but their social status is in status quo due to the structural differentiation in social system and because of the ideology of discrimination prevalent in the market.

बचपन में काम सीख लिया और जातिप्रथा के कारन हमारे लोग पीछे हैं यदि मार्किट में हमारी दो दुकाने भी हों तो बिज़नेस को पकड़ सकते हैं और जाति अब कम है पहले के मुताबिक़ और यदि गुणवत्ता अच्छी है चीज़ों की जिसका बिज़नेस करना है तब कोई समस्या नहीं है और हम सबके साथ खाते हैं हर कोई हमारे घर आता है और मैं भी सबके घर जाता हूँ

*Learned to work in childhood and because of our caste system, our people are behind us if we have two shops in the market, then we can hold business and the caste is now breaking*

*as compare to earlier and if the quality is good of a product then there is no problem and we all eat together, everybody comes to our house and I also go to everyone's house.*

Every entrepreneur has their own experience where few reported that they do not face discrimination based on caste identity but most of the entrepreneurs cited that there is a link of caste with the market. The vision of Dalit capitalism is to break the caste in order to establish the Dalit entrepreneurs in market and to run their business for socio-economic upliftment.

मेरा पेट्रोल पंप है और मेरा मानना है की यदि पूँजी होगी तो जो जाति की समस्या है वो धीरे धीरे टूटेगी और अपने ही लोगों को काम दें तथा जब पूँजी बढ़ेगी तभी हम ज्यादा से ज्यादा जॉब दे सकेंगे और बिज़नेस के नए अवसर लोगों तक पहुंचा सकेंगे और मैंने ५ लोगों को रोजगार अभी तक दिया है और जैसे बिज़नेस बढ़ेगा वैसे हम लोगों को रोजगार देंगे

*I have a petrol pump and it is my view that if there is a capital then the problem of caste will be broken gradually and let give the work of its own people and when the capital grows then will be able to give more jobs and new business opportunities will reach to people. And I have given employment to 5 people so far and as business will grow we will give employment to the people.*

Few respondents cited that capitalism is necessary to bring the Dalit in the mainstream of society. To provide them opportunities in private sector so as to raise their status and when there will be capital in the hands of Dalit they can expand their ventures and to fulfill the vision of job givers rather than job takers. However the social structure and hierarchy in Indian society creates the adverse inclusive nature of market where the job of Dalit entrepreneurs is quite challenging. They have changed their position in economic terms and move upwardly but did not get the social status and recognition with the rest of the society.

Capitalism has an inherent tendency of inequality and divides the society into dominant class and dominated class where it provides the opportunities and benefits that have social capital, assets. There are certain sectors like trade and services Dalit holds the relative advantage over the others. Some respondents told that they started their business with an alliance and are

better off today as compare to the earlier attempts to conduct the business with the government independently and the size of business was small and also delays in the payments that forces them to shut down the business.

Above all the testimony are conversation with Dalit entrepreneurs and they are participating in market economy and educationally the Dalit entrepreneurs do not appear as different compare to the larger community from where they come. Few entrepreneurs are educated and are able to maximise their productivity and profit due to the skill and technology based business.

They also started their business with a very amount of assets and capital. Mostly are in a non-skill based business and are quite unable to harness the full benefit in an age of technology. Although they are moving upwardly in economic terms but most entrepreneurs cited about the existence of caste in the process of market and due to caste they face discrimination and it led to the social mobility of Dalit entrepreneurs is invisible. Caste is in the back of mind and embedded in the social structure where market process also influenced by the ideology of caste.

Some entrepreneurs are able to transform their lives and they became job givers to the community but real success is far away in terms of social mobility. Business as a source of livelihood and of dignity is the motivation behind the Dalit entrepreneurs and it helped them to move out of the traditional societies and caste based occupation.

Caste matters in business in terms of a prejudice of a general kind and other is not acceptable to the larger business communities. There is no denying the fact that caste affects the business negatively but very minimal in number told that they felt positive values.

To facilitate the business of scheduled caste and scheduled tribe government of India launched the Stand-up India. This scheme facilitates bank loans between Rupees 10 lakh to One crore to at least one scheduled caste and scheduled tribe borrower to set up the enterprises and these enterprises may be in the trade, services or in the manufacturing sector.

The target was to help around two lakh fifty thousand but only 19000 people have benefitted from the scheme. Awareness about the programme is below as compare to the expectation so to promote the benefits of government schemes DICCI is sensitising the people through various programmes in association with National Bank for Agriculture and Rural Development, Small Industries Development Bank of India and National Small Industries Corporation etc.

Chandra Bhan Prasad responded that the government triggered the initiatives and have produced a Dalit Middle Class, and most those Rights were written by the Man with Hat.

Another initiative by Smt. Indira Gandhi is affirmative action in LPG/Petroleum Pumps that has created thousands of Dalit multi-millionaires whereas Gopal Guru argues that Dalit millionaires as a low intensity spectacle because of Dalit have not acquired capital and cultural power that would help Dalit to stamp their signature all over the globe and their ideological sphere is very confined to a small Dalit constituency. Government initiatives are not in the reach of local entrepreneurs due to lack of awareness and illiteracy if they are aware about the policies they face the problem to get whole information and don't know the technology to get benefits in era of digital India.

Super mobile Dalit are driven by the neoliberal ideology and through the open competition they participate in a limited sphere of market. Gopal Guru argues that liberal democracy has helped the Dalit to become an important public person along with transcending their stigmatized identity and in this sense they move from truth to truth but in its own eyes not in the eyes of upper caste. Liberalism in India has helped Dalit to acquire the self-esteem if not the self-respect. Liberal democracy exists in the shadow of the eternal truth of caste.

Chandra Bhan Prasad, the mentor of DICCI, argues that Dalit capitalism can't really succeed without breaking social structures. During the interview of Dalit entrepreneurs they cited that caste is an obstacle in their business. Lack of social capital, skill and education is also a challenge before them to promote the entrepreneurship. It will also create classes within the community, hence, widen inequalities within, but, with Dalit Capitalism in place, a class of Dalit will be there, first ever in our known history, to confront hegemonic systems decisively. Gopal Guru argues that Dalit capitalism seeks to find the equal space for historically marginalised Dalit within which system that is inherently have exploitative nature and now hitherto the exploited sections will play the role of exploiters. Summarily Dalit capitalism seeks to break the caste based discrimination and age old hierarchies but is hardly concerned about the new oppressions that are carried out by capitalism.

He argues that Dalit entrepreneurs have limited capital and cultural power to disperse the local images of moneybags whereas high intensity spectacle have many vibrant images and could be taken all over the globe. So Dalit millionaires have to come out of the constraining collectivity and to become individuals. The stigma of caste attached to the entrepreneurs sets the limitation to become a high intensity spectacle.

## CONCLUSION

When industrial revolution came in Britain and due to it, machines technology came into being and with the colonialism, similar technological change started making its appearance in the colony as well, i.e. in India. The historically marginalised sections of society Dalit were harnessed to the new technology of machines. But feudalism survived in the dominant section of society because upper caste owners could make a profit keeping to intact the social structure. In Indian feudal system the relations of production where the landlords did not only hold in bondage the peasants and workers who produce to the land controlled by lords rather they bind all of them to the defined responsibilities, duties and occupations according to their kinship group of their birth.

Peasants and the artisans in feudal system were considered by blood and birth, overlaying it the ideology of caste was centred on the perception of purity and pollution, the transmission of hereditary qualities etc. The ideology of caste sees the bottom level of workers and artisans as an untouchable due to their nature of work based on the perception of pollution. From the late 19<sup>th</sup> century they organise the various sections of society for Dalit liberation movement in order to launch the anti-caste movement and to propose the strong social reforms.

The anti-caste movement by organised Dalit and the social reforms was to facilitate the ambivalent role in relations to the marginalised society. In economic terms the anti-caste struggles and movements were centred on the refusal to perform the traditional role and duties. Ambedkar's long struggle against bondage life was crucial for the emancipation of Dalit. Related to the anti-caste movement by Ambedkar, they struggled for education and the employment in order to raise the living status of Dalit. Dalit saw the opportunity of education and employment as a positive instead of negative fight against the bondage system during feudal system. They move to the modern industries and in service employment from the traditional villages.

Due to the over exploitation of working class the feudal class relations broke up and giving rise to the capitalist system where producers became the merchant and enjoying the private ownership of means of production where working class was only owing their labour power . The main aspect was land issue and the economic relations in village for toiling peasants and



Dalit against the feudal system. Capitalism destroyed the feudal system of relations and brought the new entrepreneurial classes. Capitalism provides a mark to enable the Dalit where they were at the bottom of social structure, not just rise but they flourish in different sectors. Despite the fact, they progress but still face social discrimination and exclusion in society and in market operations. In liberalisation the economic reforms in 1991 has opened up opportunities for Dalit to enter in business entrepreneurship and new spaces for Dalit in private sector led to the rise of Dalit millionaires. The liberal constitution of India banned the caste discrimination and it reserved the seats for Dalit in education and government jobs to raise them in society. But the caste system remained in a savage form mostly in the rural areas. Although economic reforms spread the opportunities in private sector and the abolition of license raj system bring the new space for Dalit to enter in the market processes.

Competitive market broke the caste rigidities to some extent but not fully and it facilitated the Dalit to come out of traditional occupations and move to the new occupations. Reforms in economic sector dismantled the control by state led to the competition in market and accelerate the growth. Dalit entrepreneurs came forward to enter in market and establish themselves through the support of government policies and other institutions.

Urbanization and industrialization helped the Dalit to come out of traditional occupations but along it they also lost their income pattern. Modern occupations, corporate sectors eroded the caste sanctity but it is still in society. Dalit entrepreneurs also face caste based discrimination in markets where they restrict at one point in business when they access for credit and the social network. The neo-liberal economic reforms influences the provisions of affirmative action policy and now it encompassing more groups of beneficiaries whereas original beneficiaries are very small in number where they saw the neo-liberal policies as an opportunity for prosperity and the growth.

The hierarchy in caste system might have weakened for some individuals and in some areas but for those who are traditionally associated with the low and menial work face the hurdles to ensure the social and economic mobility. Caste system still in society and strongly persistent despite the equality based on the legal norms and rules. Dalit assertion have occurred in two forms where first is in the form of political mobilization includes they tied to the aspirations of state, politics and policy of affirmative action and the second is recent in origin and still nascent in the context of capitalist economy under the influence of neo-liberal economy where they got the opportunities in open industrial environment. Dalit are more

likely to participate in the labour market and they are remain in the casual jobs despite the opportunities in neo-liberal era, they are lagging behind due to the not easily available credit, lack of awareness, minimal support from family and lack of education. Lack of capital to start the business and discrimination in market are some reasons that hurdles the Dalit entrepreneurship. Dalit Capitalism led the vision to bring the Dalit youth in business leadership where they got the opportunities to enter in the process and outcomes of market. During the feudal system they were only producers now they also counts as a merchants and managers but there has been a slight shift of Dalit from traditional occupations into the non-farm employment and occupations. They are withdrawing from the labour force and have socio-economic mobility slightly shifts.

Globalisation and liberalisation are the suitable path for the emancipation of Dalit rather than a repression that have faced discrimination and exclusion for a century. Chandra Bhan Prasad, the mentor of DICCI claims that neo-liberal policies in India are implemented since the 1990s have played a significant role to erode caste discrimination. As in general the increased urbanization and better opportunities due to the economic changes have play a role in breaking the old caste norms and it allowing a new space for action. Dalit capitalism promotes those entrepreneurs who have easy support from the institutions, social network and have better knowledge of management and technology.

In the age of technology those who are in big business have a transformation in socio-economic aspects of life. Those who are successful in entrepreneurship are attracted towards the politics. More important for them the success in politics helps in their enterprises because the social and cultural aspects are seemed more challenging to penetrate. The entrepreneurs seem to be aware about the transformation from traditional to the new occupations due to the urbanisation and liberal policies for setting up the enterprises in the market. Due to the self-assertion of Dalit they are becoming empowered but only the upper layers of Dalit are getting the benefits.

Dalit entrepreneurs celebrate their success in business and argued that they got benefit because of neo-liberal policies and globalisation. India is a country of diversity and the system of federal government which accommodates the diversity of region, religion, caste and ethnicity etc. Dalit capitalism promotes in different states of India. The frequencies of assertion of Dalit identity in states are not similar. The ideology of caste according to the

social embeddedness school is rooted in market process where Dalit entrepreneurs face discrimination.

Most of the entrepreneurs are in petty business because of lack of capital assets, social capital due to illiteracy and prevalent caste system so Dalit capitalism will take time to mobilise the Dalit at the grassroots level. Foremost task of DICCI is to make Dalit aware of better business opportunities but the main problem behind the restricted mobility of entrepreneur's hierarchical structure of society and their assigned duties associated with the stigma of caste. The dominant theory in social science argues that, due to the capitalist development and the process of modernisation will weaken the impact of social identities and undermine their role in affecting the economic outcomes. The neo-classical school of economics argues that social identities impede the institutional change, restrict the competition in market and raise the cost of transactions etc. Another school of thought i.e. new institutional economics considers the role of informal institutions like customs, norms, traditions and religion etc. but the evidences provided by history suggest that the imperative of impersonal institutions to lower transaction costs and hence promote competition, which in turn can lead to growth.

In Indian context some of the scholars writing on the relationship of caste system and the market are in agreement with the new institutional and neo-classical school of economics that markets have capacity to diminish the significance of social identities in order to bring the market outcomes. More than fifty percent entrepreneurs responded they are in a general ventures like grocery shops, construction and real estate, handloom material etc. Highly and technically qualified, skilled and specialised business entrepreneurs were very minimal in number but the nature of occupation has substantially changed. Due to change in socio-political structure, the perception of purity and pollution defining the relationship of different castes has now changed substantially.

In market relationship context the relationship of upper caste and Dalit continue to be characterised by the prejudice against the Dalit where entrepreneurs face the discrimination as responded by the entrepreneurs. The nature of discrimination is varied in different sectors of market and in the different forms. Dalit traders of food and beverage are compelled to buy them at the lower prices and if they refuse then retailers belong to the upper caste invoked their identity and discard their products. Due to the caste identity they face discrimination and along with it they bear the lack of social network due to the caste system.

But some respondents during an interview told that they had no problem to enter into a business because of capital and skill but cited they experience the subtle form of caste prejudice. One thing was among the entrepreneurs that they have inter-generational mobility and economic mobility where inter-generational mobility implies that changes in social status of generation in contrast with the preceding generation and this type of mobility may be upward or downward.

During the field work most of the entrepreneurs reported that they earn profit and some of them are able to generate the employment for others in order to raise the slogan be job givers not job takers but they are limited in number. They have economic mobility but experiences the caste based prejudices and discrimination in different forms. In inter-generational mobility they are moving upwardly in economic terms but the social progress has been patchy and incomplete. With the improvement in economic status they change their life style after discarding the old age traditional practices but their new position is yet to recognize as an upward socially mobile.

Dalit entrepreneurs moderately choose the occupation according to their capacity and wealth but they did not substantially increase in skill based enterprises due to lack of all the initials to establish the business. Most of the entrepreneurs engage in general economic businesses that are meant for their survival. Throughout the history of caste it has changed in terms of content and its stability in terms of form.

Marx criticizes the political economy and the capitalism produced inequality and led to wider gap between the capitalist and working class. In feudal society the method of exploitation was based on the direct domination by the owner of private property and the exploitation in feudal society was quite visible. As Marx argued that the slave in pre capitalist society did not sell his power of labour to the master any more than ox its service to the peasant. On the other hand with the coming of liberalisation and globalisation the method of exploitation is both complex as well as flexible.

In capitalist system the working class are free to sell his labour and they are not bound like the relationship between master and slave. Now the workers are exploited in terms of the surplus value and did not get the share as compared to their hard struggle. Caste identity was prevailing during the feudal system in terms of duties assigned, occupations and now in turn of liberalisation according to the social embeddedness school there is socially structured

capitalist economy so in both the system the identity of caste matters where it shapes the outcomes of market.

The enterprises of Dalit tend to be financed as loan, help from friends, family etc. and they encounter discrimination when they seek finance for enterprises from banks for starting or expanding the business and when they approach the institutions for permissions and the licenses they experience subtle form of discrimination. Aseem Prakash who interviewed the business entrepreneurs in 6 Indian states show that when entrepreneurs deals with the administrative agencies and bureaucracy, they experience not only the prejudices but also they experienced the lack of social network and cultural capital and it comes from their groups, kin, caste and family networks in order to facilitate the access to the state officials at the lower cost.

Enterprises owned by the Dalit entrepreneurs tend to be smaller and they did not employ the worker from the outside of his family except few entrepreneurs and they belong more likely to the unorganized sector. Dalit are under-represented in business and private sector as in proportion to their population. According to the economic census of 2005 Dalit owned only 9.8% of all the enterprises as they accounting the 16.4% of India's population. Data shows that they are under-represented in business sector. There are alternative paths that are forged and explored by the small section of Dalit.

In neo-liberal India, opportunities have increased for economic and social mobility made possible by the policies of market reforms and it made Dalit youth choose alternative work in the market economy. They got the economic mobility and benefits in terms of monetary and capital assets but did not get social capital and privileges as compare to their economic development. The President of DICCI, Milind Kamble acknowledges the fact that in state of Uttar Pradesh 50 hospitals are run by the doctors belongs to the lower caste where some of them worked during their schooling as a manual labour so they manage to qualify for the profession of doctor on the account of affirmative action policies.

Dalit intellectual and the mentor of DICCI, Chandra Bhan Prasad has agreed that reservation policies has given a launch pad and it is the time to take off from the launch pad rather choose the alternative of own business in order to get the benefit of liberalisation and globalisation. In era of globalisation, capitalism depends on outsourcing and the manufacturing of components and the industry of Dalit has become a beneficiary of this trend.

Capitalist system benefits to those who are able to invest in market as per the requirement and in liberal space where every individual is free to choose any business irrespective of their merit but in era of information and technology it puts the limitations on illiterate businessmen due to lack of skill and innovative knowledge after being investment so capitalist system demands all the factors at a place includes capital assets, easy access to financial institutions both formal and informal, networking in market and most important skill with innovative knowledge etc. to expand the social capital.

In Dalit Capitalism all the requirements of capitalist system did not converge at the same time even if they have capital in terms of money to invest on the other hand they lack the initial networking and skill with innovative knowledge to extend the social capital in order to move up in the social ladder and lack of easy access to get the land to establish their ventures or shops.

As argued by the Dalit intellectual Anand Teltumbde there is no way to assume the unity among the Dalit masses and Dalit entrepreneurs along with an interest where the opportunities due to the globalisation may well provide the benefits to the few Dalit entrepreneurs but nothing for the vast Dalit masses and for Dalit masses the policy of affirmative action is relevant to extending the reservations in the government purchases, dealership and contracts etc. and new assertion of Dalit identity is different as compare to the old assertion where they chose the revolutionary path of liberation and now Dalit assertion is manifestly in economic ideology. Through the economic aspirations they are able to run their enterprises and raise their living status with new life style. But it is limited to the few who got the economic mobility and amount of wealth but the question of Dalit masses who are lagging behind in both social and economic ladder where they are struggling for survival not for new life style.

Dalit masses mostly reside in the rural areas where they have traditional knowledge to run their small occupations and have no skill development due to lack of education in villages; they are unaware about most of the government policies. So the reach of capitalist system in terms of entrepreneurship is quite challenging for Dalit masses and also they don't want to take the risk to establish the new business. The role of welfare state is important where it legitimises the governance structure and property rights, maintains the infrastructure and regulates the credit availability but the Dalit entrepreneurs have experience of adverse behaviour and reaction when they try to access the state resources.

According to them the resources of state can only be accessed through the social networks and to understand that social network as a critical source which could empower them to cultivate the relationship with the officials of state in order to get the opportunities and favourable treatment in order to enhance their business ventures. They denied the credit because they were considered incapable to run the modern business. They were told by the officials to stick to their traditional occupations rather than to move in new modern business because their business is destined to fail. Dalit entrepreneurs also elaborated that how the upper caste entrepreneurs get the credit easily to expand their business. What troubles the Dalit entrepreneurs in market is the peer belongs to the upper caste where they get credit by paying the low bribes.

Madhya Pradesh government implemented the Supplier Diversity policy to generate the income for Dalit entrepreneurs and it specified the fixed percentage of government's total procurement was to be sourced from the enterprises of Dalit. Government provided the exclusive space to open the enterprises and earn the profit but entrepreneurs find the difficulty to get their payment released. Entrepreneurs are informally involved with the person who belongs to the upper caste as a business partner where the partner's role was to ensure the timely release of payments and also they try to expand their business through the help of upper caste partner. Dalit owners of capital experiences what Amartya Sen describes as the unfavourable inclusion in the market through the degree of adversity varies with location and sectors of the markets. For Dalit Entrepreneurs access to the market is neither entirely blocked nor is avenues provided for them for complete integration in the market economy and play the role as equal players.

Dalit entrepreneurs experience an unfavourable inclusion in the process of market where its roots lie in the civil society. In civil society the ideology of caste relationship is invoked and sustained. Civil society is not only the site of democratisation but also a site of accumulation. In this context caste as a specific form because it influences the social network on one hand and on the other hand it influences the market outcomes through the organising labour, controlling credit and regulating the supplies and services.

Dalit entrepreneurs got the opportunities to enter into market and become a part of its outcomes due to the liberalisation and the foundation of DICCI is an important unit to aware the Dalit at grass root level in order to become entrepreneurs and enter into market operations. They got benefits from entrepreneurship but social progress and mobility is

invisible due to the hierarchical structure of caste shapes the outcomes of market. The economic incorporation of Dalit entrepreneurs is very uneven across the sectors as well as regions and there is limited impact of supplier diversity policy due to the absence of Dalit mobilised groups at the receiving end. Critics of the policy held that it will benefit only the upper educated section and urban based Dalit and it led to the further division within the Dalit community.

Both Milind Kamble and Chandra Bhan Prasad argue that capitalism is a best way to fight with the caste system and Dalit capitalism is an answer to the social discrimination. Private manufacturing sector are best to test this argument but it is found that in era of liberalisation and market based competition the factor of caste continue determines the market outcomes and shape all facets of the production and the capitalism is not countering the inequalities produced by the caste. We can say that entrepreneurship is an important vehicle for social mobility of Dalit but is yet to become a reality for India.

The research on the evolution of Dalit capitalism and mobility of entrepreneurs marks a certain break from existing literature and provides a detailed case study based analysis of Dalit entrepreneurs about their experiences in the market and to interpret the views of Ambedkar, Marx and Piketty on inequality produced by the capitalist system and within the mainstream capitalism in era of globalisation and liberalism the evolution of Dalit capitalism and related questions of social and economic mobility after they enter into the market and the interpretation of caste based discrimination in market.

Further there are some vital gaps that future research on Dalit capitalism must take up and these are as follows During the interview of Dalit entrepreneurs mostly entrepreneurs were male and I could not find the women entrepreneurs and there is a need to explore the dimensions of women in Dalit capitalism. Entrepreneurs reported about the caste based discrimination and how it determines their business but it is require for further research to comprehend the role of regional identity along with the caste in Dalit capitalism. Likewise Stand-up India policy was launched in 2016 to support the entrepreneurship among the women and SC/ST. Target was to help 2.5 lakh but 19000 people benefitted from this scheme. For further research it is important to situate the impact of Stand-up India Scheme in order to promote the Dalit entrepreneurship.



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## Appendix

Personal Interview of Dalit Intellectual and DICCI Mentor Chandra Bhan Prasad by Researcher

**1- Do you agree that there are social, regional, caste- class based and gender disparities in Indian society today?**

Ans: Yes, I do agree.

**2-Do you think it has been the distinctive malady that only ails our society?**

Ans: Only India Centric Malady.

**3-Has this always been a part of Indian society or a recent experience?**

Ans: It has been there for Millinioums, Transformation taking though.

**4-Is there any mechanism/ strategy to end the stigmatization based on caste and identity? Please explain in detail.**

Ans: The most distinctive Mechanism would be Dalit Capitalism; while Capitalism is weakening Caste Order for its own Good, Dalit Will make India Caste Neutral. Let that day come when several hundred thousand Dalits turn employers of non Dalits. It is in this sense that Dalit Capitalism is essentially a Self -respect Movement.

**5- How far do you agree/think that entrepreneurship can help social empowerment of Dalits' and marginalized? Please substantiate your answer with reasons.**

Ans: There can be nothing more forceful a narrative than Dalits turning Job Givers, there can be nothing more Revolutionary than Dalits turning employers of the sons, daughters of the Bharat Mattta types, however, let all Beauty Parlours belong to non Dalits, in particular, the Workforce.

**6-Are there other factors besides the entrepreneurship that can help elevation of the marginalized communities in the Indian society? Please substantiate your answer.**

Ans: Govt Jobs for sure, also Professions, and Private Sector Higher Side Jobs, but more importantly, Dalit need to Capture English, Mathematics, Physics, Data Scientists, Biotech, to name few.

**7-Are there any hierarchies in Dalit entrepreneurship? How does it function to strengthen or weaken the idea of social justice and equality?**

Ans: Didn't quite get. Dalit are more in Manufacturing than in Trade or Service sector, there is an exception though as Dalit are entering the Health Sector. In western Uttar Pradesh alone I have identified twenty Dalit owned Hospitals, in entire state, there may be over 125 Dalit owned Hospitals. Dalits are also entering Hospitality sector, in Agra alone, there 7 to 8 Dalit owned Hotels.

Social Justice is more a State driven notion, here we are dealing with a Social Revolution that Dalit Talent Driven.

**8-Do you agree/think that the government initiatives would suffice the social justice practices? Please identify and elaborate a few such initiatives carried by the governments.**

Ans- Most Certainly. Govt triggered initiatives have produced a Dalit Middle Class, and most those Rights were written by the Man with Hat. Another initiative by Smt. Indira Gandhi is Affirmative Action in LPG/Petroleum Pumps that has created thousands of Dalit Multi Millionaires. This must be hurting Caste most.

**9- Whether Dalit capitalism can help in bringing structural changes in the existing overlap between social inequality and economic backwardness?**

Ans- Capitalism will cause Income/Asset based Inequalities, but unleash Social Freedom, slowly, Classes will Replace Castes, Dalit Capitalism can't really succeed without breaking Social Structures. Dalit Capitalism will also create Classes within the community, hence, widen inequalities within, but, with Dalit Capitalism in place, a Class of Dalits will be there, first ever in our known history, to confront hegemonic systems decisively.

**10- What kind of caste hierarchical changes has been noted in Dalit capitalism in the social realms of Indian society?**

Ans: Weakened though, Caste is still a reality, Caste Society is envious of Dalit Victors, but, have seen Upper Caste Doctors saying "Sir" to Dalit CEOs, have seen Upper Castes standing before them with pleas for jobs, I find the Social Structures breaking down.

**11-What are the structural changes in the ladder of graded inequality after Dalit capitalism?**

Ans: Circa 1970, have seen Dalit Men, Women begging for work in non Harvesting, non Sowing Seasons, when I see Upper Castes requesting for jobs, I see it a Social Revolution happening. As far as I can see, Dalits with good education breaking graded inequalities, professionals doing even more, Dalit Entrepreneurs breaking all the inequalities one could think of.

**12- How can we locate the idea of state socialism of Ambedkar in Dalit Capitalism? Please explain with substantive examples.**

Ans: State Socialism is Post-1946- figure out Capitalism in Dr Ambedkar's Manifesto for 1951-'52 Lok Sabha Elections that is reproduced in Vol 17, Part 1, and see what kind of Order he was thinking of- Mechanisation of Farming, Agriculture on Large Scale Farms, Friendship with the US, even more, "Believe in no Ism"...

Need to accept things that challenge Caste, Free Dalits, need to read Dr Ambedkar as a River Water that is always on the move, not a Lake...

**13- Ambedkar sought to implement large-scale urbanization to overthrow the malice of exclusion practices in the villages of India? How far has globalization as an economic policy helped to achieve Ambedkar's dream?**

Ans: From entire North India, Bullocks become Butchers' Delight during 1990-2010: That means, India's Serfdom (Halvahi Pratha) has ended. Globalization is the greatest threat to Agrarianism, Village Society, also, an enemy of Manu Dharma, Globalization is also against big Capital, against big industries, thanks to the system of Outsourcing, Dalits got enter Manufacturing.

A dozen Dalits in Faridabad, Ghaziabad manufacture ancillaries for Bikes such as Honda, Hero, Bajaj Pulsar, some of them making parts for celebrated big foreign Cars. Remember, the System of Outsourcing Rode Globalization to enter India. Before, most products were made under one roof.

**14-Can there be any social reparations to make the Dalit and marginalized communities become an equal party to the idea of 21st century India? Please substantiate your answer in detail.**

Ans: This Mirage of Inequality is a trap that blinds many well mean people. Most fighters for Inequalities prefer most unequal societies- West Europe, North America, Australia for instance, when it comes to their own migration, visits or children's Education. Not many think of North Korea or East Europe.

With the Rise of a couple of Brahmin Billionaires- Nandan Nilkani, Narayan Murthy for instance, inequality of a large scale has been created amongst Brahmins, I see Brahmin intellectuals least interested in ending that inequality.

Dalits need to seek and secure the community's Freedom, access to English Education, English Medical facility, stake in modern sciences, and stake in the Dalal Street.

**15- Are there any significant shifts in the recent political trends towards the Dalit welfare in India? How would you define the balance of power and politics in the elevation of Dalits' and marginalized in India?**

Ans: Politicians/Parties are cool with ideas of Dalit Presidents, but wary of the idea of Dalit Billionaires. Terms such as Welfare, Empowerment sound patronising.

Let us assign some role to Markets as well that unleashes Material Markers to replace Social Markers. Social Markers are fixed by birth, not traded, negotiated bought or sold. Material Markers can be.