

**SOCIAL IMPLICATIONS OF NEW ECONOMIC
POLICY ON DALITS IN INDIA**

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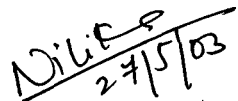
CERTIFICATE

Certified that the dissertation entitled, "SOCIAL IMPLICATIONS OF NEW ECONOMIC POLICY ON DALITS IN INDIA" submitted by Mr. RAJNISH THUL, in partial fulfillment of the requirements for the awards of degree of Master of Philosophy has not been previously submitted for any other Degree of this or any other university. To the best of our knowledge this is an original work.

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CHAPTER - I

INTRODUCTION

“-----We must make our political democracy as a social democracy as well. Political democracy cannot last unless there lies at the base of it social democracy. What does social democracy means? It means a way a life which recognizes liberty, equality and fraternity as the principles of life. These principles of liberty equality and fraternity are not to be treated as separate item in trinity. They form a union of trinity in the sense that to divorce one from the other is to defeat the very purpose of democracy. Liberty cannot be divorced from equality; equality cannot be divorced from liberty. Nor can liberty and equality be divorced from fraternity. Without equality, liberty would produce the supremacy of the few over the many. Equality without liberty would kill individual initiative. Without fraternity, liberty and equality could not become a natural course of things. It would require a constable to enforce them. We must begin by acknowledging the fact that there is complete absence of two things in Indian society. One of these is equality. On the social plane, we have in India a society based on the principle of graded inequality, which means elevation for some and degradation for others. On the economic plane, we have society in which there are some who have immense wealth as against many who live in abject poverty. On the 26th January 1950, we are going to enter into a

life of contradictions. In politics we will have equality and in social and economic life we will have inequality. In politics we will be recognizing the principles of one man one vote and one vote one value. In social and economic life, we shall by reason of our social and economic structure, continue to deny the principles of one man one value. How long shall we continue to live this life of contradictions".

-Dr. B.R. Ambedkar¹

Social and economic position of the ' Scheduled Castes has been the concern of Indian political and social movements even before the independence. Independent India adopted its constitution which came into force on the January 26th, 1950. The preamble to the constitution of India placed justice social, economic and political as the first among the objectives of constituting India into a sovereign democratic republic. Thus founding fathers of Indian constitution envisioned a 'social democracy' and 'economic democracy' and not merely a 'political democracy'. The 'scheduled castes have been subjected to various kinds of social disabilities and economic deprivations through the ages. The framers of the constitution considered it necessary to make special provisions in the constitution for enabling them to join the mainstream by providing for their equitable share in the governance through the policy of reservations, protection against exploitation and enhanced and specific financial allocation for

¹Dr. Ambedkar, in his final address to constituent assembly on 26th November 1949, cited in SC/ST commission report 1998-99 Vol - II.

their socio-economic development. As a result of these measures there has been some improvement in their socio-economic condition, but they continue to lag far behind the other communities in respect of opportunities for education, health, other social services and economic development. Practice of untouchability continues to be widespread though its severity appears to have reduced.

INDIA AFTER INDEPENDENCE

After 50 years of independence situation is no different. India has entered into the 21st century and more than 30% people are below the poverty line. These are the people who do not have food for both ends. India ranks among the poorest countries in the world which can be seen from its 128th rank according to World Human Development Index 2001. Most of the illiterates of the world are concentrated in this country. Many of our countrymen live without any safe source of drinking water. And regions like Gujarat and Rajasthan even do not have this kind of water. 50% people of this country live without proper sanitation facilities. Thousand of children die everyday by diseases that are quite curable. There is growing unemployment, job opportunities are becoming less and less. Prices of essentials are rising which means proper nutrition is beyond the reach of the poor. In villages minimal health care is not available, what to talk about educational facilities.

But most significantly this is a caste and class specific question. More than 50% people who are below the poverty line are from

Scheduled Caste and Scheduled Tribe. When India is being integrated into the "Global Village", the concerns of the poor and deprived of this country are still not addressed correctly. In fact there seems a danger of deeper marginalisation in this era of globalization; it is their low status in traditional caste hierarchy and lack of resources which hinders their integration into global market. These communities do not have the resources to compete and survive in a global world market which runs on the logic of supply and demand. Market produces goods for those who have enough purchasing power and since the rich have more purchasing power, we are likely to produce better cars rather than better ploughs, more soft drinks and not safe drinking water. The poor and the deprived that do not have the purchasing power for their basic minimum needs cannot be expected to enter into the market.

21st century is an era of political slogans and economic jargons, celebrating the victory of 'globalization' 'privatization' and 'liberalization'. The dramatic change in thinking can be attributed in part to ideology and in part to reality. The world of competing ideologies, capitalism versus communism, has given way to world with single dominant political ideology. Communism has collapsed and capitalism has emerged triumphant. Are there any lessons for us from the history? Yes indeed. French Revolution degenerated into reigns of terror. Atrocities of Hitler are unparalleled and campaign let loose by Stalin is

also well documented². That's why political ideas and political ideologies must be think and analyze the complex set of economic, social and political issues associated with liberalization in a systematic manner rather than guided by popular beliefs for and against them. Mostly the common man is deluged by slogans of politicians and jargons of economists. Ordinary people do not know the statistical details about poverty, malnutrition, illiteracy or unemployment that plague this country. Nor do they need to know. They feel it in their bones everyday. The daily life of citizens of affected by economic policies which are not quite understandable to them. Divergence of perception of common person and economists lead to various problem. Problem goes deeper when we see that economic priorities differ between persons belonging to different socio-economic classes.

GLOBALIZATION : DEFINITION AND PROCESS

The process of globalization can not be seen in a strictly definitional way. Arjun Appadurai argues, "we can do our best to see globalization as just new phase of capitalism or imperialism or neo-capitalism or modernization or developmentalism"³. Globalization is referred to the increased worldwide movement of information, commodities, capital and people. It has a natural tendency of establishing a global village where there will be a commonality speeded

² . Amit Bhaduri & Deepak Nayyar, (1996) in 'The intelligent persons guide to liberalization' see NEP as an ideology rather than just an economic issue

³ Arjun Appadurai "New logics of violence", 'Seminar', July 2001

by mass communication, transport and travel. Thus globalization comprises all the processes by which the people of the world are incorporated in a single world society. According to Tomlinson "Globalization refers to the rapidly developing process of complex interconnections between societies, cultures, institutions and individual worldwide. It is a social process which involves a compression of time and space, shrinking distances through a dramatic reduction in the time taken either physically or representationally to cross them, so marking the world seen smaller and in a certain sense bringing human beings closer to one another⁴.

Globalization is a source of debate almost everywhere. It is a new industrial revolution driven by powerful new information and communication technologies, which has barely begun. In underdeveloped countries even within that among the minorities and the marginalized communities there is a double anxiety on account of globalization. Amongst these communities there is a fear of inclusion on draconian terms and there is also a fear of exclusion from the process of development and upliftment. For these communities exclusion from development process is almost close to exclusion from history itself. Thus it can be rightly said, "attitudes towards globalization are clearly

⁴ Tomlinson (1996) sees globalization as a social process towards homogenization of human beings in "Cultural Globalization placing and displaces the west".

defined by structural position and distributive consequences; globalization ideology and its universal appeals are grounded in mystifying its profound class roots and class inequalities. Globalization's continuing powerful ties the nation state and the ruling classes within those states contradict its appeal to the universalism and abstract internationalism"⁵.

Thus marginalized minorities attract attention in all parts of the world, the question of deeper marginalization accentuates the worries of minorities in the world. In USA, for migrants, people of colors and other marginal, it is a source a worry about inclusion, job and deeper marginalization, similar is the case for dalits in India who are deprived and oppressed people in India. Minorities and majorities emerge explicitly in the process of developing ideas number, representation and electoral franchise in places affected by democratic revolutions of 18th century including colonial world. Thus minorities are mostly recent social and demographic category and today they activate new worries about rights citizenship, belonging and entitlements from the state.

DALITS AND LIBERALISATION

Dalits, the marginalized people in India, constitute 16.48%

⁵ James Petras and Henry Veltmeyer (2001) in their book, 'Globalization unmasked' explain how attitude towards globalization necessarily emanate from structural position of the people.

of total population (1991 census). Here the term dalit has been used only for ex-untouchables of Indian society. Though in the history they were addressed with different nomenclatures like Chandals, Avarnas, Achhuts, Namasudras, Pariahs, Adi-dravida, Ad-Dharmis, Depressed classes, Oppressed Hindus, Harijans, etc. But they themselves preferred to be called 'Dalits' especially after the emergence of Dalit panthers in Maharashtra. Now 'Dalits' is a term used in a new way in place of the old word 'untouchables' ⁶. Dalits are deprived in social, economic and political area. As T.K. Oommen has rightly pointed out "If proletarian consciousness is essentially rooted in material deprivations. Dalit consciousness is a complex and compound consciousness which encapsulates deprivations stemming from inhuman conditions of material existence, powerlessness and ideological hegemony"⁷. The point here is that social degradation remains alive even when dalits come out of their economic deprivation and political powerlessness. Thus Dalits referred here are those who face the aforesaid economic, political and social deprivations and not those who only face economic and political deprivations only. Thus Dalits in this study refers to scheduled castes. All the data related to this will be of scheduled castes.

⁶ Zelliot Eleanor (1992), 'Untouchable to Dalit'.

⁷ T.K. Oommen, (1990) included not only economic and political but also social criteria to explain dalit consciousness in his book 'Protest and Change: Studies in social movement'.

There are two trends of opinion about the impact of liberalization policies on Dalits. One group of scholars argue that, in the Indian Democratic polity, globalization will not liberate people from the oppression and exploitation of the dominant power structure; rather the forces of subjugation will continue more vigorously. They fear that the economic deprivation of the poor will aggravate their political alienation at a time when such groups are trying to establish themselves in the power structure. They argue that the Dalits who are mostly landless laborers and small peasants will suffer under liberalization due to "Jobless economic Growth". This will deteriorate further the condition of Dalits. Only a miniscule section of the Dalit population may be able to get the benefits of globalization, but the vast majority of Dalits will be in drastically marginalized conditions. Most of the Dalit scholars upheld this view.

Another view is that globalization will lead to bigger development which will result in the growth of the service sectors, generating employment opportunities for the lower rungs of the society who are mostly jobless. Globalization will also succeed it is argued in generating the income to provide greater social security measures like employment and income generation sponsored by the public sector in the spheres of rural development, poverty alleviation and protection and promotion of interests of Dalits and other deprived sections of the population. Gail Omvedt is one such scholar to uphold this kind of view.

Thus there are arguments for and against the liberalization as far as its impact on Dalits is concerned.

As is well known now 'Government of India' initiated a series of economic reforms from July 1991. The new policy is a very significant departure from the past. The new policy relied more on liberalization of Indian Economy. The much cherished principles of growth with justice, social responsibility and accountability, equity, and self-reliance seemed to be obsolete concepts with new slogans of liberalization', 'privatization' and 'globalization. Since feature of Indian society is its stratified social structure it needs to be seen how this transformation is going to affect the different socio-economic classes in different way.

Various studies have shown that the poor bear the main burden of structural reforms. The adverse social consequence of economic reforms package has forced the policy makers and the International Organizations supporting the program to provide adequate safety nets to so as to give the structural reforms a human face⁸. The reservation policy has been instrumental in creating a small middle class in these sections. Studies have shown that the reservation policy has helped Dalits in getting access to jobs in government services and public undertaking⁹. Due to privatization the state is likely to withdraw more from its welfare obligations by reducing its share in the social investments such as health, education and so on. Curtailment of public

⁸ UNDP, 'Human development report 1999.

⁹ Report of "National Commission for SC/ST" first Report 1992-93.

expenditure and withdraw of subsidies may have important repercussion on the employment situation and welfare level of the vulnerable sections¹⁰.

LIBERALISATION AND DALIT WOMEN

The persistence of sharp gender inequalities in many different forms is one of the most striking aspects of India economy, and it yields disparities in well being as well as difference in power and decision- making authority. It is plausible that the partnership aspect of gender relations is stronger in poorer households, where survival depends on effective cooperation, than among privileged household where women tend to have a more dependant and symbolic position. This feature of gender relations within the households may in turn affect the general status of women in different classes. If there is a causal association of this kind between poverty and gender inequality then economic growth and poverty reduction may in some respects of least be a source of intensified female disadvantage. The sharp decline of female – male ratios among scheduled castes may be a manifestation of this economic process, rather than being related to caste as such¹¹. The structure of employment and characteristic of female labour force of scheduled castes reveal that they work preponderantly in the primary

¹⁰ Deepak Nayar, (1998) 'Economic Development Political Democracy' EPW Dec.5.

¹¹ Sen Amartya (1995) "India: Economic Development and social opportunity

sector and predominantly as agricultural labourers. Therefore the new policies are likely to affect them indirectly both through market on the one hand and in agricultural production and prices especially of food.

But talking about New Economic policy and its implications for Dalits cannot be studied in totality unless we make our background clear. This is a sociological study and, unless it is explicitly clear as where sociology stands in this study it would be futile. Basically we are dealing with a sociological issue which has economic linkages. So it is necessary to explain the correlation between sociology and economics first, later it is necessary to understand what is NEP. If it is an advancement of capitalism it is necessary to analyse the sociological analysis of capitalism in all its manifestations to understand the debate. So furthermore it is a sociological analysis of the topic in a broader framework to understand the debate.

SOCIOLOGY AND ECONOMICS

“Sociology is a disciplined and specialized activity in which the role of originality should not be exaggerated. There are two fundamental pre-occupations of Sociology, its rigorous search for interconnections among the different domain of Society and its systematic use of comparisons”¹².

¹² Andre Beteille (1996) in his article “Sociology and common sense” makes it explicitly clear that sociology dwells upon the interconnection between different disciplines.

According to Andre Beteille the relationship between economics and Sociology as he experienced it in fifties, sixties and seventies, was by no means an easy one. Despite important differences in aims and methods economics and Sociology have a great deal to contribute to each other. The most important contribution of economics to the development of all social sciences was the introduction of a new perspectives based on simple recognition that human action is constrained by material and Social factors. Marx has been very influential in the development of both economics and sociology. Marx's idea that individual action is constrained by a material and social framework that has a definite and determinate structure was carried over into the works of next generation of writers such as Weber and Durkheim. Durkheim viewed the significance of the division of labor from a completely new angle. He assigned great significance to the relationship between resources and population in his explanation of the change from one type of society to another. Marx believed that those constraints were rooted in the contradiction between the material forces of production and social relations of production and once that contradiction was resolved as it would be with the disintegration of capitalism, the constraints themselves would cease to operate. For Durkheim constraints were inherent in the nature of society, although no doubt they changed their character from one type of society, to another and from one phase in the life of a society to the next.

But Marx and his followers assigned primacy to the economic structure of society, which Marx called the 'base' which for him stood for the totality of relations of production. According to Marx men's ideas and men's consciousness shape the social and material world, (i) men act on those ideas and (ii) they realize that the material period must set limits on the extent to which even when backed by social action can significantly reshape the nature of society. In Marx's writings, stages of social history are differentiated not by 'what human beings produce' but by what means they produce the material goods for subsistence. Thus historical periods are founded and differentiated on the basis of the modes of material production. The productive forces of society reflect the degree to which human beings control nature. Thus mode of production is way in which the surplus is produced and it's use controlled. Because production of surplus enables societies to grow and change, this factor is taken to be the most important in defining mode of production.

KARL MARX : THE CAPITALIST MODE OF PRODUCTION

Inequality, class and stratification have been subjects of common interests to sociologists and economists for more than a hundred years. The analysis of class occupies a central place in the Marxian approach to the study of economy and society. According to Marxist theory much of what takes place in capitalist society is constrained by its class structure. As the same time, the class structure

is historical and not a universal feature of human societies. According to that theory there have been societies in the past and there will be societies in future free from burdens of class. Again definition of class is centered around a particular institution, i.e. private property. Marx believed that the class struggle which would transform capitalist society and would involve a minority versus majority process, private property would be replaced by communally owned property. Marx believed that basic contradiction contained in capitalist economic system would lead to its eventual destruction. The proletariat would overthrow the bourgeoisie and seize the forces of production. Property would be communally owned and a classless society would emerge. According to Marx, capitalist society was by its very nature unstable. It is based on the contradictions, which can be resolved only through its transformation. According to Marx this contradiction would be highlighted by social production and individual ownership. The workforce gets concentrated in large factories where production is a social enterprise. Social production juxtaposed with individual ownership illuminates the exploitation of the proletariat. Social production also makes it easier for workers to get organized against capitalist. It facilitates communication and encourages a recognition of common circumstances and interests. Increasing use of machinery will result in homogenous working class. Again the difference in wealth between the bourgeoisie and proletariat will increase, even though real

wages increase, proletariats will become relatively poorer.

Apart from this competitiveness will depress the intermediate strata into the proletariat. The petty bourgeoisie, the owners of small business will sink into proletariat and surviving companies will grow larger and capital will be concentrated into fewer hands. This will lead to polarization and eventually to proletarian revolution leading to a communist society'. Marxist theory has been criticized more severely after the collapse of former USSR and China's return to capitalism. It has also been criticized for its economic determinism. Apart from this it has been criticized for its prophetic vision. Marx never fully renounced the prophetic vision and that vision is not easy to accommodate in the social sciences.¹³

But still seen from the global development for the past decades we are at the historical moment. Marketization of societies and the globalization of markets are transforming the social, political, economic, cultural and environmental structures both at the national and global levels and this makes Marx relevant to understand the mechanism and nature of capitalism. Marx noticed that capitalism has the tendency to expand in two ways. Firstly the geographic expansion and secondly expansion of the mode a production. The systematic

¹³ Andre Beteille (2000) in 'Economics and Sociology an Essay On Approach And Method' clearly explain how Marx's prophetic vision is problematic for the study of social science.

expansion of capitalism is maintained not only through competition but also through the constant reproduction of new commodities and through innovations and revolutions in modern technology. It is the reproduction of new commodities and technologies which makes the geographic expression of capitalism possible. The logic of globalization of capitalism according to Marx, is that “the need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the Globe. It must nestle everywhere, settle everywhere, establish connections everywhere.”¹⁴ Marx envisioned that capitalism would eventually develop into a world system. Today his prediction and analysis have been precisely confirmed by events.

MAX WEBER : CAPITALISM AND RELIGION

Max Weber’s famous book “Protestant Ethic and Spirit of Capitalism” (1904-05) is a counter to the Marxist thesis of economic determinism, i.e. the primacy of base over superstructure Weber argues that capitalism in fact developed historically as a result of a religious movement Protestantism specifically Calvinism. Weber’s basic position is that many factors must come together to produce a social change his basic hypothesis is that a major course of western capitalism was

¹⁴ Marx in ‘Manifesto of the communist party’ (1948) explains the logic of globalization of capitalism, anyone who reads the manifesto again can sense the remarkable accuracy with which Marx anticipated the situation 150 years ago.

particular religious ideas which developed in the west, but not elsewhere in the world. Calvinism was based on the doctrine of predestination. It means one's Salvation or damnation. Thus predestination made salvation a hopeless matter. Calvinist avoided this anxiety by believing that whom god had elected would live a pure and austere life. And Calvinist has a sense of their jobs as callings to be done well out of religious duty even for small earthly rewards, hence the Protestant ethic – the famous work ethic the drive for economic success, the will to work-hard, the habit of not spending on frivolous self – indulgence all this originating in theology provided a sprit for capitalism. The set of motivations and attitudes that led to rational investment of profits continually ploughed back and to the modern world. Firstly Weber suggests that a major social change such as rise of capitalism requires a number of people who are strong enough to reject existing way of thinking and behaviour. Calvinist, with fanatical attitude towards work were such people. Secondly Weber supports his Hypothesis by exploring the relationship of religious ideas and economic life not only in the west but in a number of historical cultures, India, china and Israel. In these cultures these were many ingredients for the development of capitalism but nowhere there was this religious ethic which stressed that way to individual salvation was through ceaseless work in everyday life. Thus Weber attempts to show how religions ideas the superstructure for Marx can affect economic behaviour, Marx's economic base. The General

Economic History is Weber's last work. According to Weber capitalism is rational in the sense that it bases decisions on calculations of likely return and capitalism also presupposes that these are free markets for product and for labour and other factor of production. Among the social preconditions of the original development of capitalism are a predictable legal system, and behind that a state bureaucracy. So the chain of causation is traced backward to many factors. Thus Weber's constant theme is that the pattern of relations among various factors is crucial in determining their effect upon economic rationalization. If one factor is itself or very much stronger than the others, capitalism will not develop, for example if the state is too strong by itself it tends to stifle capitalism. Again Weber's view regarding the future of capitalism are also very different from Marx. According to Weber once capitalism has come into being and is well established the factors which led to its establishment need not be the ones that keep it in existence and there may be others that tend to destroy it. Thus according to Weberian analysis Indian society lacked the spirit of capitalism

JOSEPH SCHUMPETER : "CREATIVE DESTRUCTION"

Joseph Schumpeter's 'Capitalism, socialism and democracy' was first published, in 1942. In part 2, 'Can Capitalism survive?' goes on to argue that Marx is in a way, right after all: Capitalism will be transformed into Socialism. But the transformation will not take place the way Marx envisaged. It will not be due to economic crisis. Instead

there will be a growing crisis of legitimacy due to the progress of rationalization. Capitalist societies will become socialistic because intellectuals will persistently advocate change in a socialistic direction. Writing about Capitalism more than 50 years ago Joseph Schumpeter coined the term "Creative Destruction" to describe the process by which a free market economy is constantly evolving, as new and better ways of doing business are introduced and the old outmoded fall by the way side. "Creative Destruction revolutionizes the economic structure from within", said Schumpeter, "Destroying the old one creating a new one". In his book 'History of Economic Analysis' Schumpeter argued that this dynamic process was central to Capitalist system's ability to maximize output and total wealth creation over time. "Creative Destruction" is not a steady process. While the forces of creative destruction are always present in the capitalist system, the process often occurs in intense burst, "discrete rushes" as Schumpeter termed them, "which are separated from each other by spans of comparative quite". Today the ongoing revolution in technology and communications is creating new industries and transforming or eliminating the old ones. New economies are emerging that provide new markets as well as new sources of competition. At the root of the creative destruction process are individual companies. They are the agents of change that develop new products, new technology, new production or distribution methods, new markets and new types of organization that will revolutionize the

economy. If we look at Indian society, Joseph Schumpeter still seem right. Rapid growth of information technology is indeed 'creative destruction' of economy. Indian economy is poised to enter service economy phase after completing its industrial phase.

FERNAND BRAUDEL : CIVILIZATION AND CAPITALISM

One cannot write an economic history of the world without taking into account Fernand Braudel's 'Civilization and Capitalism' published in 3 volumes in 1981-84. Braudel's emphasises that capitalism is something different from the market economy. Braudel's says, "despite what is usually said Capitalism does not outlay the entire economy and all of the working society: it never encompasses both of them within one perfect system all its own. The trinity he has described – material life, the market economy and the capitalist economy is still an amazingly valid explanation, even though capitalism today has expanded its scope".

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Thus Braudel viewed the Capitalist economy as in the above paragraph as something above everyday material life and the operation of markets. Capitalism takes advantage of high profit opportunities generated by linking markets into world economy. For Braudel a world economy features a core capitalist city whose commercial and financial spread may be well beyond national political boundaries. However for Braudel there may be several world economies operating at the same time and for each there will be dominant core city. For Braudel the

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slowly shifting boundaries of world economies have two important implications. First, some areas never become involved with a world economy and their economic level remains low. And second, some areas that were in a world economy and were perhaps a core city lose their place, as boundaries of world economies change over time. In first volume the focus on everyday life in “capitalism and material life” represents a movement from the study of elite’s to those of ordinary people. In 2nd volume “Wheels of Commerce” moves from markets to capitalism and society. Capitalism for Braudel involves not only the use of capital but also its position at the apex of material life. In treating the development of markets Braudel gives emphasis to the geography of markets. He also notes that France and particularly China had administration that constrained the expansion in market and hence the amount of capitalistic development. Civilization, standing for ancient tradition was by definition hostile to innovation. So it said, no to the market, no to profit making, no to capital. As the years passed the demands and pressures of everyday life become more urgent. It allowed change to open the economy. In his last volume Brudel takes an idiosyncratic view of capitalism. He writes, “throughout this book I have argued that capitalism has been potentially visible since the dawn of history and that it has developed and perpetuated itself down the ages”. He also has his own view of capitalism, he writes “the worst error of all is to suppose that capitalism is simply an ‘economic system’ where as in

fact it lives off the social order, standing almost on a footing with the State, whether an adversary or accomplice: it is and always has been a massive force, filling the horizon". Thus Brudel holds a view that everyday material life and operation of market proceed at one level while capitalism carries on at a higher level above the others. Brudel's distinction between markets and capitalism is probably insignificant in mainstream economic history, but it has a great contemporary value as we are moving towards one world economy.

MANUAL CASTELLS : THE INFORMATION MODE OF DEVELOPMENT

Manual Castells, book 'The Information city: Information Technology, Economic Restructuring, and the Urban Regional Process' published in 1989 examines the impact of information technology upon the means of production, the economic structure and the spatial structure of society. He believes that the growing use of information technology has coincided with a restructuring of capital and that together these two macro processes have led to a new technological paradigm. In chapter "The Information Mode of Development and the Restructuring of Capitalism", he puts forth three concepts that form a basis of his argument: 'Mode of Production', 'Mode of Development' and 'Restructuring'. As his study is based on USA, in the first concept he basically emphasizes on capitalist mode of production. He defines his second concept mode of development as, the technological arrangement through which labor acts upon matter to generate the product ultimately

determining the level of surplus. Under the current mode of development 'the informational mode of development' as defined by Castells, gains in productivity depend upon an ever increasing quality of knowledge, thus placing a value on information. Castell looks at the concept of Restructuring as a transformation of the organizational means used to achieve the goals, as they are defined by the means of production. This transformation can be social, technological, cultural, political in nature but it does not redefine the goal of capitalism.

Castells counters the prevailing argument that the use of information technology will eliminate the need for the city as the primary locus of interaction for business. According to Castells as imports rose due to gains made in production efficiency in other nations, USA's business became less competitive in domestic and foreign markets. In reaction business tried to lower operating cost through spatial decentralization. Information technology facilitates the move of offices to advantageous location. But in moving, business seek cheaper labor markets. It is primarily the need for high quality labor that Castells sees as the reason for decentralization. But what is more important for Castells is the connection between decentralised offices and services and the centralized corporate offices. What now exists are webs of linkages or network of flows that connect suburban offices with corporate headquarters, Urban regions with each other, and U.S. cities with the world. Castells believes that with these connections comes a

diminishment is the importance of the place. So while business may not necessarily become placeless its dependence on any specific place has decreased dramatically.

As such information technology is not the primary cause of the economic disparity between urban populations. Rather cities have lost valuable industrial employment because capitalists are trying to maintain the access to specific labor market while minimizing its costs. Castells sees the shift from an industrial economy to a service economy as a strategy used to maximize lower cost labor. While some have suggested that the rise of high technology has caused a devaluation of labor, Castells argues that such a conclusion has no merit. However he acknowledge that high technology may be in part responsible for changes in the occupational structure creating demand for labor in sectors that needs to be less highly paid. Anyway Castells analysis of information technology and its impact on the economic restructuring are very useful. Though India is far behind in terms of use of information technology in the society still, it helps us understand the nature of capitalist system to maximize profit using the technology. In fact technology has widened the disparities in the global world.

IMMANUEL WALLERSTEIN : DEMOCRACY AND CAPITALISM

Immanuel Wallerstein (2001) in "Democracy Capitalism and Transformation". Exposes the linkages between the democracy and the capitalism. According to Wallerstein, in theory capitalism operates via the

market and wish governments to stay out of market operations. In practice as every capitalist knows, the government are crucial to their market success in multiple ways-by making possible or impossible relative monopolies in being large scale purchases of expensive items, as manipulators of macro economic decisions. No serious capitalist can afford to ignore government, his own and those of any other country in which he operates. But given that politicians must give priority to getting into power, remaining in power, and have great financial needs, capitalist cannot afford to ignore this pressure on government or he will lose out to competitors, or to hostile interests. Consequently corruption is absolutely normal and inescapable from the on going political life of the capitalist world economy. Wallerstein is also critical of redistribution, since it increases effective demand. Wallerstein also reflect on the fundamental difference between a pre capitalist and capitalist system in terms of social stratification. In a pre- capitalist structure, the upper stratum holds power because it controls the means of violence. It thereby lays claim to a disproportionate share of wealth. Those who acquire wealth otherwise than by military appropriation, say via the market are not defined as part of the upper stratum and therefore live in the eternal fear of confiscation. In the capitalist world economy upper stratum holds its rank not because of its past military prowess but because of its past economic prowess. Those who are not at the top but have skills, the middle strata: are not living in fear of

confiscation. In fact they are appeased by upper strata who need their assistance to maintain the political equilibrium of the overall world system that is to hold in check the dangerous classes. According to Wallerstein the fact that a few countries are civilized is not the cause but the consequence of the deep inequalities in the world system as a whole.

If we look at Marx and see the developments of the past decades, i.e. the globalization of the markets which are transforming the socio- political and economic structures, we see Marx relevant to understand the mechanism and nature of capitalism. Marx's vision that capitalism would eventually develop into a world system has been precisely confirmed by events. Webers hypothesis of religiosity playing a role in economic life i.e. Protestantism playing a role in capitalist development in USA and west Europe has been proved as compared to India and China. Thus according to Weberian analysis Indian Society needs to come out of its lack of spirit of capitalism. Joseph Schumpeter that capitalism can be transformed into socialism but it can be done through "creative destruction" term created by schumpeter which is a process by which see market economy is being constantly evolving as new and better ways of business are introduced and old outmoded fall by the way side. So it helps us understand how Indian economy is throwing its old outmoded way of doing business and adopting new technology which is indeed creative destruction" but is it of any help in the age of globalization is a question to be asked. According to Braudel

economic life works at three levels in material life market economy and the capitalist economy. Thus according to Braudel viewed capitalist economy above every day material life and the operation of the markets. For Braudel a world economy Features a core capitalist city whose commercial and financial spread may be well beyond national political boundaries. Thus Braudel sees several world economies having a dominant core city. For Braudel the slowly shifting boundaries have two implications first some areas never become involved with world economy and second some area of core city loose their place. Braudel's analysis helps to understand that even if globalization comes we may not be to integrate the whole of India and give its benefits to the toiling rural masses of India.

Manuel Castells insight into the use of information technology to seek cheap labor helps to understand the nature of capitalist system to maximize profit using the technology. It seem technology widens the disparities in the global world. Thus one needs to be cautious about globalizations. Immanuel Waller stein helps us to understand the linkages between democracy and capitalism. According to him corruption is absolutely normal and inescapable from on going political life of capitalist world economy because politician must give priority to getting into power and they have financial needs. Capitalist can not ignore this demand otherwise he will lose to competitors.

That's why objectives of the study are kept consistent with

the analysis. After first chapter of Introduction they are as follows. Further chapterization of study is as further. IInd chapter deals with liberalization: Indian Experience, where it talks about what is liberalization its background and how it is affecting India. IIIrd chapter deals with Social –Economic profile of Dalits in India. It conveys who are Dalits and where they stand in today's modern world. It signifies their progress upto 1991 i.e. period before liberalization. IVth chapter NEP and Dalits essentially shows the impact of NEP on Dalits in India. It tries to explain its implication for Dalits in India and way out for them.

OBJECTIVES OF STUDY

The objectives of this study are

1. To understand and analyze the process of 'liberalization' in India with reference to causes, problem, priorities and objectives in a broader perspective.
2. To analyze the socio- economic profile of 'Dalits' in India in the context of transformation from untouchable to Dalit status and in particular their economic development after independence.
3. To ascertain the real socio- economic impact of new economic policy up to 2000.
4. An assessment of alternatives for their development in a global context.

CHAPTER - II

LIBERALISATION : INDIAN EXPERIENCE

“Long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge. The achievements we celebrate today is but a step, an opening of opportunity, to the great triumphs and achievements that awaits us. The task ahead includes the ending of poverty and ignorance and disease and inequality of opportunity”

Jawaharlal Nehru¹⁵

On the eve of independence, Jawaharlal Nehru, the first Prime Minister of India and architect of Indian Planning and development made it explicitly clear that when India was celebrating its independence it had the task of ending poverty and inequality. But before we go into the details of India's economic progress, we need to start from colonial legacy which had a profound impact, then we need to understand the experience of planning and development, Debate on liberalization can not be fully understood without understanding these features of Indian economy.

COLONIAL LEGACY

First basic feature of colonialism was that it led to the

¹⁵ Jawaharlal Nehru's speech at the Constituent Assembly New Delhi on 14 August 1947. Quoted in "India Economic Development and social opportunity" by Amartya Sen, Jean Dreze (1995)

complete but complex integration of India's economy with the world capitalist system but in a subservient position¹⁶. Secondly, to suit British Industry, a peculiar structure of production and international division of labour was forced upon India. It produced and exported raw materials and imported manufactured products of British industry. Thirdly a large part of India's social surplus in savings was appropriated by the colonial state and misspent. Another large part was appropriated by the indigenous landlords and money lenders, only a very small part of this large surplus was invested in the development of agriculture and industry, most of it was spent on conspicuous consumption or used for further intensifying landlordism. Then there was the economic drain which means unilateral transfer to Britain of social surplus and potential investable capital by the British Empire through excess of exports over imports. India did not get back any equivalent economic returns. Thus it was not possible for any country to develop which was undergoing such large drain of its financial resources and potential capital. The fourth feature of colonialism was the crucial role played by the state in constructing a colonial structure. India's policies were made in Britain to fulfill the interests of British economy and British capitalist class. The colonial state imposed free trade in India and refused to give tariff protection to Indian industries as Britain, Western, Europe and the

¹⁶ Bipin Chandra, (1999) 'India after independence'

United States has done.

The major difference between British colonists in India and earlier invaders was that none of the earlier invaders made any structural changes in India economy. It were the British who tried to integrate Indian economy in the world Capitalist system, though it's feature was a colonial economy, i.e., the structure and operation of Indian economy were determined by the interests of the British economy. Colonialism became a fetter on India's agricultural and industrial development. Agriculture stagnated in most part of the country.

Another important aspect of India's economic backwardness was the state of its industry. Nineteenth century was the era of collapse of Indian handicraft and artisanal industries. It happened because of the competition from cheaper imported manufactures from Britain and the policy of free trade imposed on India. The ruined artisans were forced into agriculture as tenants, sharecroppers and agricultural laborers.

But there were some positive features also. There was growth of the means of transport and communication. Another important feature was the development of this small but Indian owned industrial base. There was also after 1914 the rise of, strong indigenous Capitalist class with and independent economic and financial base. Indian Capital grew considerably faster than British and other foreign investment. The end result of colonial underdevelopment was the

pauperization of the people, especially the peasantry and the artisans. Extreme poverty, disease hunger and starvation were the lot of commoners in India. This was culminated in series of major famines which ravaged all parts of India. Epidemics of all kinds carried away millions every years. Thus an extremely low per capita income, poor standards of living, insignificant industrial development and feudal agriculture marked the economic legacy of colonialism, at the time of India's Independence.

INDIA AT INDEPENDANCE

It was this legacy of colonial structuring which independent India had to undo so that conditions could be created for rapid industrial development. While undertaking this difficult and complex task India, unlike many other post-colonial societies had certain advantages. Firstly, India had a small but independent industrial base, this was achieved by Indian Capitalist class seizing the opportunities created during 1914-1947, by the weakening of imperialist stranglehold during the two world wars and great depression of thirties. A mature indigenous entrepreneurial class which could be instrumental in carrying out the major role of development was an asset to India. Apart from this, a high degree of concentration and consolidation had been done during the colonial period itself for the emergence of large business houses. Secondly, India was fortunate to have a broad societal consensus on the nature and path of development to be followed after

independence. Gandhians, Socialists, Capitalist and Communists were more or less agreed on the following agenda: a multi - pronged strategy of economic development based on self - reliance, rapid industrialization based on import substitution including capital goods industries, prevention of imperialist or foreign capital domination, land reforms involving abolition of zamindari, tenancy reforms, introduction of cooperatives, especially service cooperatives for marketing, credit etc, growth to be attempted along with equity i.e., the growth model was to be reformist with a welfare a pro-poor orientation, positive discrimination or reservation for a period, in favor of the most oppressed in the society, the scheduled castes and tribes, the state to play a central role in promoting economic development, including through direct state participation in the production process i.e. through the public sector and so on.¹⁷

Most importantly there was complete agreement that India's unique attempt at planned rapid industrialization was to be done within a democratic framework. It was this consensus which was the product of the national movement in India enabled it among all the postcolonial developing nations to build, retain, nurture a functioning democracy.

INDIAN ECONOMY : 1947-1965

'Planning' or 'democratic socialism' were not a new concept in Indian society. Even in the early nineteenth century, in the economic

¹⁷ Bipin Chandra (1999) Explains in India, after Independence; that consensus of India as a welfare state was the feature of Indian economy.

thinking of early nationalists the state was assigned a critical role in economic development of India. In 1938, under the leadership of Jawaharlal Nehru, the greatest champion of planned economic development for India the National planning committee (NPC) was set up which through its deliberation over the next decade drew up comprehensive plan of development, its various sub-committees producing twenty-nine volumes of recommendation. Apart from recognition of the need for state planning there was consensus on the notion that state will also have to include a certain amount of direct participation in the production process through the public sector. The critical reason for this approach can be found in 'Bombay plan' authored by business leaders in 1945. According to 'Bombay plan' it was felt that in the development of capital goods industries and other basic and heavy industries which required huge finances and had a long time lag for returns, the public sector would have to play a critical role. While Nehru and left nationalists and capitalists both agreed, but for different reasons. Nehru saw it as a step towards Socialism, whereas capitalist saw it as an instrument of promoting independent capitalism.

Thus planning and public sector, a step towards socialism had to be introduced in a democratic manner. For Nehru, planning had to be consensual and not a command performance, even if it meant scaling down from many of his objectives. This was the perspective with which planning commission was established on 15th March 1950 with

Nehru himself as its chairperson. In fact the model projected was of a 'mixed economy' where the public and private sectors not only co-exist but were to be complementary to each other and the private sector was to be encouraged to grow with as much freedom as possible within the broad objectives of national plan. The first plan (1951-56) essentially tried to complete projects at hand and to meet the arises situation following the end of war. It also addressed the massive problem of refugees due to partition. It is with the second plan 'Mahalanobis model' came into existence. Prof. P.C. Mahalanobis was the architect of second plan. This strategy was continued in the third plan (1961-66) also. A basic element of this strategy was the rapid development of heavy and capital goods industries in India, mainly in the public sector. This was also an imperative for import substitution, because self reliance in capital goods industries could only lead to export - growth. This model also saw some foreign aid and investment as essential in the initial phase to finance the massive step-up in investment. The shift in favor of heavy industry was to be combined with promoting labor intensive small and cottage industries for the production of consumer goods. Another critical element of the Mahalanobis strategy was the emphasis on growth. State supervision of development along planned lines, dividing activity between public and the private sector, preventing rise of concentration and monopoly, protecting small industry, ensuring regional balance, canalizing resources according to planned priorities

and targets etc. All this involved a setting up of an elaborate and complicated system of controls and industrial licensing. Further the balance of payments crisis and acute shortage of foreign exchange in 1956-57 led to the imposition of stringent import and foreign exchange control. This led to a web of 'license - quota raj' which created a vicious stranglehold of rules and regulations over the Indian economy. The bureaucracy-politician nexus and certain beneficiary sections of business resisted any change in such a system.

But considerable progress on several fronts was made during this phase which lasted up to 1965. On the Agrarian front, the comprehensive land reform measures, setting up of network for agricultural extension and community development work at the village level, the large infrastructural investment in irrigation, power, agriculture research and so on created the conditions for considerable agricultural growth in this period. But this agricultural growth was not sufficient to meet the growing demand of agricultural produce necessitating increasing imports of food grains throughout the first three plans. Industry grew even more rapidly during this period than agriculture. This growth pattern went a long way in reducing India's dependence on advanced countries for capital goods. At the same time dependence on external resources, foreign aid on foreign private investment was kept quite low. The public sector in the overall economy increased rapidly and it captured the commanding height of the

economy. Apart from industry and agriculture, government gave utmost priority to the development of infrastructures including education and health. Jawaharlal Nehru was acutely aware of India's backwardness in science and technology and thus made special efforts to overcome this shortcoming. Nehru's 'Temples of Modern India' consisted not only of steel plants but also dams, universities and laboratories. In 1948, the Atomic Energy commission was set up and thus was laid the stone of foundations of India's advancement in the nuclear sciences, not just for the purpose of energy but also for its security. All this indeed a great achievement as increasingly today knowledge is becoming the key factor of production and there is a global awareness of the necessity to focus on education and human resource development. Bipin Chandra rightly says. "That India can even think of participating in the globalization process in today's world of high technology with any degree of competitiveness and equality is largely due to the spadework done since independence, particularly the great emphasis laid on human resource development in the sphere of science and technology"¹⁸.

INDIAN ECONOMY : 1965-1991

Indian economy during 1965-1991 can be considered as the next phase of Indian economy. The Balance of Payments situation,

¹⁸ Bipin Chandra (1999) 'India after Independence' rightly analyze that if at all India has some chance of share in globalization it because of Nehru's vision about science and technology 50 years ago.

fragile since 1956-57 deteriorated further, enough to cover less than two months of imports. It was the most vulnerable time for the Indian economy with high inflation a very low foreign exchange balance, food stocks so low as to threaten famine conditions in some areas, the imports having to be met through foreign aid. The US, the world bank and IMF wanted India to (a) liberalize its trade and industrial control, (b) devalue the rupee and (c) adopt a new agricultural strategy¹⁹. While there was considerable indigenous support for new initiative in agriculture but there was suspicion over liberalization and particularly devaluation. But these polices got associated with the continuing recession in industry, inflation and the failure of exports to pick up. The failure of these polices combined with the resentment at the arm-twisting by external agencies in favour of these polices using India's economic vulnerability, led to an 'economic nationalist' response based on a revival of the earlier policies of controls and state intervention. This helped India improve its balance of payment situation, creation of sufficient foreign exchange reserves and the removal of dependence on food imports by improving agricultural production and creating food reserves. In December 1970, Indira Gandhi called for a general election giving the slogan of "Garibi Hatao" and promising socialist policies she

¹⁹ Bipin Chanda (1999) in 'India after Independence' show how the pressure on India to liberalize its economy started in 1965. Thus debate on liberalization can be traced to the crisis of 1965 in Indian economy.

won a landslide victory in March 1971, Radical economic policies of these years had long term effect. The private commercial banks were nationalized in 1969. Same year “Monopoly and Restrictive Trade Practices” (MRTP) act was passed which severely restricted the activities of large business houses. Insurance was nationalized in 1972 and coal industry was nationalized in 1973. “Foreign Exchanges Regulation Act” (FERA) was passed on 1973, putting numerous restrictions on foreign investment and the functioning of foreign companies in India. The government also decided to take over and run sick companies.

Concerted efforts were made after the mid-sixties to improve the balance of payments situation, create food security, introduce anti-poverty measures and reduce dependence on imports for critical inputs like oil. These enabled India to weather the impact of the droughts, war and the oil shocks without getting into a debt crisis and a recessionary spin. The adoption of green revolution strategy of introducing package of high yield variety (HYR) seeds, fertilizers and others inputs in a concentrated manner to some suitable select areas paid immediate dividends in creating food security and poverty reduction. Apart from this fiscal deficit was brought down, balance of payments situation improved, foreign- exchange reserves was on the peak. While the volume of foreign private investment remained marginal and foreign aid declined and the ratio of foreign savings to total investment fell and remained low throughout the seventies, the rates of

domestic savings and investment increased rapidly. The eighties and nineties saw further increases in the rates of domestic savings and capital formation, making them comparable to several high growth economies. A new feature of the eighties was the phenomenal increase in new stock market issues, the stock market thus emerging as an important source of funds for industry. Again it was in the eighties that the barrier of low, so called 'Hindu rate of Growth' was broken and the economy grew at over 5.5 percent.

1991 ECONOMIC CRISIS

Though economy was doing well in the eighties there were certain structural weaknesses building up which led to the crisis of 1991. According to Bipin Chandra (1999), three set of problems gathered strength in the Indian economic over time and needed urgent reform. The first set of problems related to emergence of structural features that led to inefficiency. The policy of protection to indigenous industries was effective in deepening India's industrial base and relieving from foreign dependence but this led to inefficiency and technological backwardness in Indian industry. License - quota raj stifled entrepreneurship and innovation, MRTP in fact punished efficiency, if a company is efficient it will not be allowed to increase its capacity once it crossed a prescribed limit. Reservation for small scale industries excluded them from the advantages of scale and R&D activity. Policy forced entrepreneurs in reserved areas to remain small. This inhibited efficiency and innovation

in this sector. In case of large public sector, over time the political and bureaucratic pressure gradually led most of them running at a loss. Overstaffing, political interference, and trade unionism stifled efficiency. Rampant corruption, lack of accountability and populist pressure lead to prices which did not even cover the actual cost. Even banks started running at loss and insurance sector remained inefficient. There was no exit policy for loss making companies and they could not close down or retrench without government permission. The government ended up taking over many sick companies which otherwise needed to be closed down. The controls, restrictions paradoxically resorted to in the name of introducing 'socialist' principles but ended up building a distorted, backward capitalism as they went against the basic laws of capitalism such as the need for continuous expansion on the basis of innovation and efficient investment. The socialist industrial policies proved to be counter productive in yet another sense. Massive industrial investments made by the governments expended job opportunities as well as profit earning opportunities for those enjoying the privileges of caste and class thus the managerial jobs created in both the public and private sector enterprises were taken up by members of upper castes residing in urban areas who had access to higher education²⁰. Second set of weakness was that India continued it's inward oriented developmental path. India failed to recognize that the nature of foreign capital & MNCs was

²⁰ Panini, M.N, (1995) social. Logic of liberalization.

changing. It was different from colonialism. There was a massive increase in industrial exports but India could not come out of its export pessimism. India was thus unable to use the opportunities provided by the changed world situation to rapidly industrialize and transform its economy, increase income levels and drastically reduce poverty levels as did many of east Asian countries. Even China changed track in 1978 and entered the process of globalization. The third set of problems was primarily the result of certain political imperatives which were the result of democratic framework. Various sections made strong articulate demands on state resources. Growing political instability led to competitive populism with each party trying to outdo the other in distributing largesse. The gradual erosion of fiscal prudence was reflected in government expenditure rising consistently, mainly because of the proliferation of subsidies and grants,

salary increase with no relationship to efficiency or output, overstaffing and other populist measures such as massive loan waivers. The deteriorating fiscal and balance of payments situation had led to mounting debt problem reaching crisis proportion by the end of eighties. India's foreign exchange reserves fall drastically, enough only for one months import cover. Iraqi invasion of Kuwait led to an increase in oil prices and fall in exports to middle east worsened foreign exchange situation. India's international credit rating was downgraded and it was difficult to raise credit abroad. In addition NRI deposits in foreign

exchange begun to be withdrawn rapidly. Government was forced to sell 20 tonnes of gold to the Union Bank of Switzerland in March 1991 to cover immediate transactions. This is the situation which led to the economic reforms of 1991 under Manmohan Singh. In the enthusiasm to support economic reforms, some people tend to run down the economic achievements of Nehruvian era which created the basic physical and human infrastructure which was a precondition for independent modern development. Up to now we have seen how Indian economy was plunged into the crisis due to various causes which accumulated over a decade of eighties.

LIBERALIZATION IN INDIA : ' THE STATE AND THE MARKET'

In response to the crisis situation the government set in motion a process of macro economic stabilization combined with fiscal adjustment and structural reforms to put economy on the right path. It needs to be said that this strategy is nothing new. It broadly replicates the response of several developing countries in Latin America and sub-Saharan Africa to the debt crisis in the 1980's which was also guided by IMF programs of stabilization and world bank program of structural adjustment²¹. Thus, India too had to open the gates of its economy for the capitalist so that it could be integrated into the world economy. Thus

²¹ Deepak Nayyar (1998) in "Economic liberalisation in India" explains that it was applied in Latin America and Africa but India failed to take lessons from them.

India entered the phase of globalization. Globalization means different things to different people. It can be defined simply as expansion of economic activities across political boundaries of nation states. More importantly perhaps it refers to a process of increasing economic integration and growing economic interdependence between countries in the world economy. It is associated not only with an increasing cross border movement of goods services, capital, technology, information and people but also with an organization of economic activities which straddles national boundaries. This process is driven by the lure of profit and the threat of competition in the market²². But more importantly the process of globalization generated a debate in India about 'The state and the market'. A market may be thought to be an institution where agents get together to buy and sell goods and services and more generally to negotiate courses of actions. Markets are atomistic agents who as consumers maximize their utilities, while producers acting as price takers are engaged in maximizing profit. A perfect competitive market system ensures efficiency. Market also answers the questions as what ought to be produced in how much quantity and in what manner and for whom. Thus market system paradigm is anchored in private ownership economy. In such an economy the initial distribution of resources is treated as given and virtually regarded as sacrosanct. Indeed in a system with unequal bargaining power amongst agents the operation of

²² Deepak Nayyar (1998) in "Economic liberalisation in India"

market forces may bring about an accentuation of inequality²³.

Even though market is favoured due to its efficiency, there is a danger of 'market failure' due to monopolistic elements, incomplete information externalities and public goods. In the presence of public goods or externalities it is clear that it would be necessary to have governmental intervention in order to ensure efficiency of resource use. Thus 'Laissez Faire' market system must need be controlled and regulated by government intervention to avoid the insensitivity of the market to income distribution. But what if the means of production being socially owned. But the socialist system as it was founded in USSR and Eastern Europe failed because it does not provide the necessary incentive to producers. If the reward system in economic organization is unresponsive to economic effort then system is bound to have internal contradiction leading to its destruction. Thus one ought to draw a distinction between social ownership of means of production and the role of the state. In fact Marx had envisaged that in the final stage of socialist transition the state would wither away. In Marx's schemata social ownership of the means of production was consistent with decentralized cooperative collective action rather than a monopolistic state²⁴. This may appear paradoxical that the role of the state in both

23 Pulin Nayak, (1998) "The state and the market" in Indian Economy ed., Debendra Kumar Das.

24 Pulin Nayak, (1998) 'the state and the market.

the right wing libertarian writings as well as Marxian socialist formulation is small. Indeed excessive government regulation can lead to government failure. An important question pertains to the nature of the state in the context of developing country like India. One of the approaches is to regard state as neutral, technocratic, developmentalist state. Second approach regards state as an instrument of class rule. Third approach regards state as an intermediate regime. Fourth approach seeks to explore the maintenance of class domination through a variable combination of consent and coercion. Even if we accept any of the above approaches, it still continues to be the repository of hope for the oppressed classes. This is facilitated by spread of political democracy in the form of adult franchisee in developing countries. Thus for the poor and the exploited the state represents the forces of modernization and progress and offers possibilities for improving the living standards of population at large. The world is at present witnessing a decline of the nation- state when the new phase of global capitalism is supported every where. An important feature of this trend is the relegation to the background issues like poverty and income inequality even as great importance being attached to the expansion of globalization of market. The collapse of Soviet Union has especially contributed to the growing erosion and marginalization of state. Even though there is skepticism and doubts about the efficacy of the state, there is still a substantial

confidence amongst the common masses and especially the poor about the indispensability of the state apparatus which can deliver the goods.

It has to be kept in mind that the market forces are not tender hearted to their victims and that the invisible hand in the words of Joan Robinson can work by strangulation. But consideration of equity and maximization of social welfare necessitates state intervention to make the market people friendly. Thus under present circumstances for India free market economy may not be an unmixed blessing. The market has to be regulated carefully to provide a safety net for the poor and underprivileged who constitute a vast majority. The reality is that the wave of liberalization and market forces has started engulfing the world, but it has to be directed towards maximization of benefits of one's own economy. The state has to retain its command over the organization of production and distribution. The command has to be exercised to create a congenial condition for working of both the weak and the strong and encouraging private sectors in a way that it will operate as people friendly as possible. Thus it is not the question of minimization of the role of the state. But there is a need to reorient the state's role and change the area of direct operation. States role in building up infrastructure and development of social services has to be strengthened. State has to be market friendly.

If there is any lesson to be drawn from collapse of USSR as well as India's planning and development process and crisis of East

Asian fast growth economies is that there can be both 'government failure' and 'market failure'. The critical issue is not so much the presence or absence of state intervention but the extent and quality of that intervention. The liberalization policy launched in 1991, also started the great debate on the issue pertaining to the role of the state vis-à-vis the market in economic transformation of the country. In a country like India where vast segment of population lives below the poverty line, where the inequality of income between the rich and the poor has widened considerably even after the planned development. In view of growing necessity of elimination of poverty, increasing employment opportunities to the people and containing of inflation, the state must take a positive and dynamic role. The state will have to act both as catalyst and as an investor in the area of infrastructure development, physical and social. It is the state and not market which needs to address socio-economic issues like poverty, mass destitution, mass unemployment, inequalities of income among people, region and sectors. Therefore, the blending of two approaches i.e., state intervention and market mechanism could be the right step towards the desired change in economy.

INDIA IN A COMPARATIVE PERSPECTIVE

The crisis in 1991, enabled the Narshimha Rao Government to break through traditional mindset and defy ideological opposition. The reform involved an immediate fiscal correction, linking exchange

rate to market, liberalization of trade and industrial controls, dismantling of licence quota raj, abolition of MRTP, privatization of public sector, reforms of capital market and financial sector, permission to foreign direct investment. Thus it was an attempt to free the economy from stifling internal controls as well as equip it to participate in the worldwide globalization process to its advantage. First few years of reforms were creditable because India performed one of the fastest recoveries from a deep macroeconomic crisis. Structural adjustment was achieved with minimal pain compared to other countries. As discussed in the first chapter of introduction, social analysis can be enriched by the comparative perspective. Instead of boasting about the achievement of Indian economy in the liberalization period it would be more enlightening to see what other countries have done and where India stands in their comparison. India's progress over the decades while far from the worst has been substantially and systematically outclassed by many other developing countries. Point to note here is that there are more successful countries, which have left India behind, have pursued very diverse economic policies from market oriented capitalism (south Korea, Taiwan, Thailand) to communist party led socialism (Cuba, Vietnam, pre-reform China) and also various mixed systems (Costa Rica, Jamaica, Sri Lanka)²⁵. So the common division of the world between 'North' and 'South' is quite misleading now. An important aspect of this

²⁵ India : Economic development and social opportunity, Amartya Sen (1995).

diverse picture is that most elementary deprivation is now heavily concentrated in two particular regions: South Asia and Sub-Saharan Africa. Considering the figures for India and sub-Saharan Africa as a whole, we find that the two regions are not very different in terms of either adult literacy or infant mortality. It is indeed striking unlike sub-Saharan Africa, India has been free from political instability, military rule, divisive wars and recurring famine but it failed to take advantage of this situation to achieve a breakthrough in the field of basic education. This failure of India stands in sharp contrast with the good record of higher education. It is the most deplorable aspect of India's development experience. However, in learning from the experiences of others we have to be careful of not taking an over-simple view of what they have done. Firstly, it would be a great mistake to assume that those successful experiences, say four so-called Tigers (South Korea, Hong Kong, Singapore, Taiwan) teach us the importance of free markets. But we must recognize that much else happened in these countries, such as educational expansion, health care, land reforms, determined governmental leadership. These countries and post-reform China were better equipped in terms of social capital to make use of the economic opportunities created out of market expansion. Secondly, lessons are not only from successful countries having high economic growth but also from those countries that have raised the quality of life through other means such as public support for general health care and

education. Sri Lanka, Jamaica & Costa Rica are such examples. Thirdly, we must remember that not all countries with growth rates have succeeded in transformation of living conditions of vast population. In some countries high rates of growth have combined with the persistence of widespread poverty, illiteracy, ill health, child labor, and social failures. Brazil is one such example²⁶

The crucial role of human capital makes it all the more essential to pay attention for the close relation between sensible public action and economic progress since public policy has much to contribute to the expansion of education and the promotion of skill formation. If we look at east Asia and growth mediated progress, development of basis education was very much more advanced in these countries at the time of their economic breakthrough as compared to India. State played a major role in the educational expansion of high performing Asian economies. By contrast in India there has been an apathy towards expanding elementary education and it has been the failure of Indian planning in this field. An essential goal of public policy has been to ensure that the bulk of the young population had the capability to read, write, communicate and interact. India have done extremely well in higher education and these people can help develop skill centered industries. But the huge inequalities in Indian education system is a barrier against sharing fruits of economic progress. South

²⁶ Amartya Sen, (1995) India : Economic development and social opportunity,.

countries including Japan, South Korea, Taiwan and China. In India except for West Bengal and Kerala achievements in most states is very dismal. Most recently Madhya Pradesh has started an effort. But in understanding economic miracle of East Asia, this public action must be seen along with the part played by government in directly promoting industrial expansion and export orientation and in guiding the pattern of industrialization. So without state activism East Asian success stories would not have been able to harness the liberalization and free markets.

BEYOND LIBERALIZATION

This is the time we need to go beyond liberalization. The reforms indeed concentrated on removing the license raj and ever proliferating bureaucracy. While the reforms have not moved as fast as was anticipated but it has definitely led to a considerable expansion of exports and improvement in the foreign exchange balance. Yet the development performance of the Indian economy remains of quite moderate. Even in terms of just the growth of GNP, GDP and industrial production the annual rates of expansion during 1991-94 are all significantly lower than those achieved in the previous decade. But the central issue is not the moderate growth but country's preparedness for a large scale participatory growth. The growth of GNP and GDP may move rapidly, but the country remains handicapped economically and socially by its illiteracy, backwardness in health care and other major deprivations. Thus we need to go beyond the logic of growth of GDP and

take broader view of economic development which need to be equated in terms of expanding social opportunities. While market creates such opportunities, but practical use of opportunities requires the enhancement of basic capabilities like education, health care, social security, land rights, local democracy etc. The rapid expansion of these capabilities depends on public action which has been severely neglected in India before and after the reforms. For this we need to take lesson from Brazil. In the sixties and seventies, the Brazilian economy grew very fast but achieved very little reduction of poverty, particularly in terms of social backwardness. The lack of participatory nature of growth was extremely important in that outcome. Thus India stand in some danger of going Brazils way rather than South Korea's. But it is also a mistake to see the development of education, health care, and other basic achievements only or primarily as expansion of human capital as if people were just the means of production not its ultimate end. But we have every reason to pay full attention to the importance of human capabilities, also as instruments of economic and social performance. Thus basic capabilities not only promote participatory economic growth, it also further advances quality of life that people can enjoy. Apart from neglect of social opportunities, India has also neglected the appropriate incentives for economic efficiency and expansion. In the name of equity, India justified government interventions. It not only hampered the efficiency of economic operations but also failed to promote any kind of

equity in distributional matters. Many countries have made excellent use of international trade opportunities. India too can reap the benefits of economies of scale and efficient division of labour. Again the fears that it would compromise country's economic independence and sovereignty is ill founded. Here we can learn from China which seized the opportunities without compromising on sovereignty. Political parties and public activists have an important role in the emergence and survival of particular policies and economic strategies. The democratic framework of the Indian policy permits this exercise. But public activism has a role to play apart from this also, particularly in elimination of social inequalities based on gender, caste etc. Social movements and collective action have a crucial role to play here.

LIBERALIZATION AND WOMEN'S EMPOWERMENT

Importance of women's empowerment for social progress needs to be distinguished from women's well being. The persistence of sharp gender inequalities is the most striking aspect of Indian economy, which leads to disparities in well being as well as differences in power and decision making authority. Most visible gender inequality can be seen in low male-female ratio which can be attributed to differential care and medical attention. Unequal sharing of rewards of family life is one of the prominent feature of gender relations in India. In remedying these inequalities the activities of women's organization and other forms of agency can be of crucial importance. The need for women's own agency

in securing gender justice arises from the fact that gender inequality does not decline automatically with the process of economic growth. Secondly, women's empowerment can positively influence the lives not only of women themselves but also of men and those of children. Thirdly women's emancipation in the form of basic education and economic independence tends to have a strong impact on fertility rates. Fourthly women's decisions and actions can have a profound impact on the policies of government. The effectiveness of public action and the expansion of social opportunities depend a great deal on the effective freedom of women to exercise their reasoned agency²⁷.

In short we can say that debate on New economic policy should go well beyond economic reforms in its present form because attacking or defending economic reforms as central issue distracts our attention from a broader view of social opportunities for the elimination of endemic deprivation in India.

²⁷ India : Economic development and social opportunity, Amartya Sen (1995)

CHAPTER –III

SOCIO- ECONOMIC PROFILE OF DALITS IN INDIA

“ Without knowledge wisdom is lost,
Without wisdom development is lost,
Without development wealth is lost,
Without wealth the Shudras are ruined”

-Mahatma Jotiba Phule²⁸

Mahatma Phule, the social reformer of 19th century Maharashtra aptly described the situation of the shudra: and the atishudra in his various books. He traces the downfall of the shudras to their lack of access to knowledge, which ultimately became the root cause of their economic deprivation apart from social deprivation. Today prominent aspects of world economic political and social relations revolve around issues of inequality those based on the class, caste, race and gender. In the context of India, sociological attention to the study of the Untouchables, now known as Dalits represents a major trend in Indian sociology. One of the profound changes in contemporary Indian society has been the Dalit Transformation of our times. The dalits have acquired a new sense of identity. It is necessary to explore the social, economic and cultural content of this transformation.

²⁸ Quoted in 'Globalization and Dalit Culture' by Raj Kumar in Jogdand. 'NEP and Dalits (2000)'.

THE UNTOUCHABLES

In India there is a common perception to equate dalits with shudras. dalits though part of Indian society were excluded from the hierarchical social order. Their position had been the lowest in the society. They had been excluded on account of their extreme collective impurity. In more ancient times they have been called by the name 'Mlechha', 'Chandala' (used by manu), Panchama (the fifth class), Avarna (i.e. outside the four varnas), Nishada, Paulkasa, Antyaja, Atishudra etc. In more recent past they have been called as 'dalits' 'Harijan' (Mahatma Gandhi), exterior caste (used by J.H.Hutton), 'Depressed Classes' (by British officials) 'Outcastes' 'Pariahs' etc. were used²⁹. The origins of caste and dalits can be traced in India's ancient past.

It can be said that untouchable as separate class started to emerge just after the Aryan invasion. Some scholars hold that the caste system, which has been a characteristic feature of Indian life dates back to Rg-Veda. They argue that the word varna (colour) occurs in Rg-Veda. The word varna is used in the Rg-Veda with reference only to Aryan and Dasa having respectively a fair and dark complexion. So in the Rg-Veda, there was a clear distinction between the Aryans and the aborigines,

²⁹ S.M. Michael (1999) in 'Dalits in Modern India' pp.12

while there was no difference between the three classes among Aryans with regard to heredity or exclusiveness³⁰.

In the later vedic civilization, the necessity of a trained class of persons who could perform accurately Yajnas, led to the growth of distinct body of learned men who came to be known as Brahmana and became highly respected on account of their association with religious duties. The expansion of the Aryans further to the east and south led to the emergence of a group of persons who had to devote their time who they or mainly to fighting with the original inhabitants and administering the territories conquered from them. Thus arose another class known as kshatriyas who had the supremacy in temporal affairs as the Brahman had in the spiritual matters. Rest of the Aryans formed a separate class known as the vaisyas. The non- Aryans from the fourth class in society came to be known as Shudras. These divisions were not rigid at first for one could change the occupation and thus secure admission into another class. But gradually the classes became hereditary and the vaisyas were sub divided into numerous occupational classes which also tended to be hereditary, birth became the sole criterion of one's class and it became converted into caste. It is difficult to say when this caste system reached the final form as we find it in the later Hindu society. Change of caste though very unusual was not as yet impossible. The higher castes could intermarry with the lower ones, but

³⁰ Romila Thapar, (1966) 'A History of India' pp 29.

marriage with shudhras was not approved. The idea of pollution by touch finds expression³¹.

Manual labour was relegated to four social classes. The free artisans, peasants who owned their tools and land (originally of Vaisya Caste), they were split into numerous sub castes, Below them were the slave labour and free unskilled labour. Slavery originated from the laws of tribal war. The vanquished anaryas became the slaves (Dasa) of the victorious Aryas. Below the slaves and hirelings were the out castes known variously as Mleccha, Apasada, Hinajati, and Hinnasippa. They were assigned low professions like sweeping, corpse-burying and executing criminals. In this category were the Chandalas, Pulakas Nisads, and the like originally the indigenous tribes who refused to submit to Aryan domination belonged to this class. Dispossessed of land they moved off to hills and forests and lived by hunting and plundering.

A system of 'division of labour' which was ordained by the religious scriptures made their position was lowest in the vertical system of caste groups. Their condition was worst than slave. Gazetter of India, vol. II notes "Below the sudras were degraded races called the Mlechha. They were outside the pale of Aryan society". (pp 185)

³¹ 'The Gazetter of India' (1973) vol.2 pp 60.

THE SCHEDULED CASTE

Only after the advent of British in India there were some description and enumeration of untouchables in India, mainly due to the efforts of British civil servant many of them were also good anthropologists. Census tried to depict Indian social reality as it found. Untouchables were listed in the chapters of the census devoted to castes and tribes. The 1881 census simply described and enumerated castes in the various provinces and states. The untouchables appeared at the end of such lists. The 1891 census adopted a standard classification of castes according to the occupation assigned to each by tradition. Untouchables were thus included within such occupational categories as field labourers, leatherworkers, scavengers, watchmen and village menials. The 1911 census provided a separate enumeration of those castes and tribes of which either did not conform to or excluded from certain aspects of what was considered to be generic Hindu religion. In 1931 census, Government of India, which wanted more information about them devoted an entire appendix of 30 pages to what J.H. Hutton, the Census Commissioner chose to call the exterior castes. The 1931 Census treated the exterior castes as Hindu castes occupying a degraded position' in the Hindu social scheme. The term 'Scheduled castes' appeared for the first time in April 1935, when the British Government issued the Government of India (schedule caste) order 1936, specifying certain castes, such and tribes as schedule castes.

Prior to that these population groups were generally known as 'Depressed Classes'. After independence President's constitution (schedule caste) 1950 recognized the same people as schedule caste in the constitution of independent India. So British Government though the provisions of censuses shaped the category of 'Schedule Caste' and Government of India continues to use the old categories in areas of 'social policy'.

DALIT IDENTITY

The word 'Dalit' is an old Marathi word found in Molesworth's Marathi- English Dictionary of 1975 (a reprint of 1831 edition) meaning 'broken' or 'reduced to pieces'³². It is originally a Sanskrit word meaning crushed and understood in all the Indian languages that are derived from Sanskrit. It has been said that the word Dalit has been borrowed into Sanskrit from Hebrew. 'Dal' in Hebrew may be used in two senses: 'it may refer either to physical weakness or to a lowly insignificant position in society' when 'Dal' is used in combination with another Hebrew root-word 'anti' it describes an economic relationship³³.

Thus Dalits are people who are broken, crushed and torn apart due to the inhuman practices of the caste system. Now Dalit is a term that is used in a new way in place of the old word 'dalits'. Over the year

³² Eleanor Zeliot, (1992) 'Untouchables to Dalit'.

³³ Raj Kumar ' (1999) 'Globalization and Dalit Culture'.

there have been several terms used to describe the dalits such as atishudra, Antyaja, panchama, depressed classes, scheduled castes. The dalits feel that these terms were coined by high caste people and tend to be abusive in nature and synonymous with derogation, domination and paternalism. Though the new word 'Dalit' is an improvement because it is coined by the dalits themselves, it is not free from all these associations. But it indicates rebellion against these. According Eleanor Zelliot dalits describes those who have been broken, ground down by those above them in deliberate and active way. There is in the word itself an inherent denial of pollution, karma, and justified caste hierarchy.

In 1930 there was a depressed classes newspaper published in Pune called Dalit Bandhu (friend of Dalits). The word was also used by Dr. Ambedkar in his marathi speeches³⁴. The Dalit Panthers revived the term and in their 1973 manifesto expanded its referents to include the scheduled castes, scheduled tribes, neo-buddhists, the working people, the landless and the poor peasants, women and all those who are being exploited politically, economically and in the name of religion. Though it was a class definition and a broader one to encompass all those who are considered to be natural allies. Since the early 1970s the word has come into increasingly wider usage in the press and in common parlance where it is normally used in the original narrower caste based sense that is only for scheduled castes. But the most

³⁴ John C. Webster (1999) 'Who is Dalit'

clearest definition of dalit in its contemporary usage comes from Gangadhar pantawane, a leading dalit author, "To me, dalit is not a caste. He is a man exploited by the social and economic tradition of this country. He does not believe in God, Rebirth, Soul, Holy books teaching seperatism, fate and heaven, because they have made him slave, he does believe in humanism. Dalit is a symbol of change and revolution"³⁵.

During the nationalist struggle Gandhi gave a new name to untouchables i.e. Harijan. Though he took a moral standpoint that untouchability is injustice but his view regarding caste system remained orthodox. Gandhi had a strong belief in Varnasharmdharma. Gandhi wrote "An Untouchable should be regarded as shudra because there is no warrant for belief in fifth Caste. (Young India Aplil 23, 1925). In 1920 Gandhi even voiced moderate opposition to social intercourse between caste based practices. "Inter-drinking, Interdining, intermarrying are not essential for the promotion of the spirit of democracy" (Young India Dec. 8, 1920).

In opposition to this Ambedkar's programs were intended to integrate the untouchable into Indian society in modern not traditional ways and on as as high level as possible. Ambedkar's ideal for the untouchable was to raise their educational standard so that they may know their condition, have aspirations to rise to the highest level and be

³⁵ Eleanor Zelliot, 1992:26 Untouchables to Dalit.

in a position to use political power as a means to that end. Ambedkar had a vision of equality meant not equal status of varnas but equal political and social opportunity for all. Ambedkar planned his programmes to bring untouchables from the state of dehumanization and slavery into one of equality through the use of modern method based on education and the exercise of legal and political rights. But in Gandhi's concept of service to the suffering untouchable, there was little room for educated, politically conscious untouchables pressing for civil rights.

This was the reason of the bitterness of Dr. Ambedkar for Gandhi was so much that he went on to write a book 'What Congress and Gandhi have done for the untouchables?' In 1932 Gandhi thwarted Ambedkar's attempts to gain political concession from the British by going on an indefinite fast, ultimately leading to 'Poona pact' according to which Ambedkar had to compromise on 'General Reserved Constituencies' rather than 'Separate Electorate' which he won for untouchable from the British.

DALIT IN TRADITIONAL RURAL SOCIETY

Poverty is the basic feature of dalit economic life. Their material destitution is the first thing that strikes the reader. The many social consequences of poverty are also found among dalits. Malnutrition, infant mortality, illiteracy, alcoholism, all are rife. Modern society has perpetuated this system of dependence to which has been added the

indebtedness. Even the free labourers who no longer depend on the upper castes for survival can still be bound to them by debts they have contracted. Poverty and dependence are maintained and reinforced by the chronic deficit that characterizes the dalit economy. This chronic deficit has come down to modern times where agricultural labourers are more than ever in need of cash. As they are insolvent, the only thing dalits can do is to sell their labour and that is why in exchange for an advance they are willing to tie themselves for an unspecified period of time to their creditors. The system of bonded labour is another consequence of this economic deficit.

Dalit although they are poor, dependant and indebted are nonetheless indispensable to both the ritual and the economic spheres of larger society. The usefulness of their labour stands in contrast to their exclusion from the same society. This economic aspect of the fundamental ambiguity of dalits stems to a large extent from their ritual functions. Dalits are those who are charge with ridding society of its organic wastes, with keeping the demons way from worship and with absorbing a good part of the pollution connected with death. The essential task made them permanently impure and require their exclusion from society from the ritual standpoint, the dalits impurity is clearly the basic corollary of the Brahmins purity. But their social importance does not end here. dalits are also agricultural workers. Working as night – soil removes, sweepers, dalits fulfill other similarly

vital functions. By contrast dalits are perfectly and absolutely a part of the economy. Their economic integration appears as an extension of their ritual role.

All over India dalits take an active part in life cycle rituals, by absorbing bad omen and pollution. But this role is not at equal footing. A whole series of occupations derives from, dalits inherent impurity. Thus we find castes of street sweepers, night-soil collectors, renderers, scavengers, tanners and drummers. But this ritual logic is not consistent, washerman along with barbers carry out important mortuary tasks, are not regarded as truly untouchables, nor are they excluded from society.

But apart from this dalits are those who do the physical work and throughout India, they are the ones who performs the menial tasks. On many farms they are the ones who work the soil with their hands. When they are not employed as farm labourers they can be seen on various construction sites carrying heavy loads on their head. We have now seen the main characteristics of the dalits economic position which have probably marked their life for many centuries. The questions that springs to our mind is whether this picture is still valid for modern India. If we are talking about general characteristic, the answer is yes. The vast majority of today's dalits are still poor, dependant manual labourers. The coolies, farm workers and sweepers often come from the scheduled castes. Nevertheless situation has become much worse

diversified and dalits too have begun to lead modern lives, the literacy rate although low is an indicator of their desire for upward mobility and economic advancement. An elite has emerged from dalits that has taken advantage of legislation to move up the social ladder becoming doctors, engineers, college professor and more frequently office workers and school teachers. Today we see a certain diversification of occupations among both dalits and the populations as a whole. It is inaccurate to depict dalits as passively enduring the sad fate.

Although dalits economic activities have begun diversifying rapidly towards the end of the nineteenth century, the majority still exercise in the same activities as they have from time immemorial. Of course landless peasant at the end of twentieth century is very different from the semislave of the late nineteenth century, but they are still at the bottom of the social ladder, their living conditions are still precarious. Until the nineteenth century most dalits were farm workers. Today many still work in agriculture.

Kathleen Gough identified three types of agriculture workers: bonded laborers, regular or contractual laborers and day laborers. It appears that in some part of India the scarcity of normal work made bonded labour more attractive. Gough gives description of *pannaiyal* who considered themselves as more fortunate people. The life of bonded laborers in Tamilnadu was probably not as hard as it was of bonded laborers of north India, but even though their condition was

precarious they considered themselves as privileged. Attachment to master ensured these workers a minimum level of subsistence which explains their logic of foregoing the freedom even at the cost of subsistence. In some cases the duration of the agreement tying them to their master was fixed, for example in Tamilnadu pannaiyal worked for one year for their master. But in other parts of India a man might be tied to another for the rest of his life for having borrowed a small sum. It is possible that this system may have replaced simple slavery and throughout India, emancipated dalits soon fell into this new form of dependence and servitude. It can still be found in India, even though each region has different name for it. In north India people speak of 'beggar', in Madhya Pradesh it is 'Mahidari', in Tamilnadu 'pannaiyal', in Orissa, 'Gothi', in Rajasthan 'sagari' and in Gujarat 'Hali'. This system can be seen as an attempt to maintain semi-feudal relationship in a society where individuals are theoretically free³⁶.

Farm workers in a way enjoy a relative degree of freedom. Nevertheless in rural areas, one continues to find many agriculture workers still bound by the traditional ties to local peasants. The position of dalits within traditional village economy has been the subject of many debates in the context of the discussion of what is known as the 'Jajmani system'. The question was whether the jajmani system was

36 Deliege, Robert, (1999) 'Untouchables of India'.

basically integrative or exploitative. Strictly speaking the term jajmani applies to the ritualized relationship of economic life and these are most fully expressed in the relations between landowners and craftsman. But according to Fuller, the traditional relations included under the term jajmani do not cover all the socio-economic relations found in a village.

If the very basis of jajmani relations indeed worked to integrate the different village castes into a system of reciprocity as Wisner showed, the fact remains that purely economic relations and relations of servitude existed side by side with the exchange system and resulted in a profound social inequality between the principal elements of society. This intertwining of basically different socio-economic relations in Indian economy, which was integrative while exploitative. For dalits there is ambiguity of their position, at once rejected and indispensable sometimes they were clients and at other times servants. dalits could not expect more than a precarious income insufficient to ensure their family a decent living, forced to go hungry and to live in filthy uncomfortable quarters and in ignorance.

The jajmani system operated in such a way that it provided the castes of craftsman such as carpenters or blacksmith with a much mere decent income than it did agricultural workers. Whatever reciprocity it may have ensured then the system also perpetuated social inequalities.

With the decline of traditional social relations, agriculture workers and dalits in particular lost some of their advantages, their income and job security. In effect while agricultural workers are still an underprivileged group their number has remained relatively stable and in last few decades there is a clear shift towards new occupations. A substantial portion of agriculture labour force has turned to other sectors of economic life, leaving agriculture altogether. This is particularly the case of dalits whose occupations are today far more diversified than in the past.

The twentieth century has seen the gradual erosion of the patron-client relationship and that little by little agriculture workers have become day laborers, paid primarily in cash and showing very little loyalty to any one master. They have no social obligations to their employers and constitute a veritable rural proletariat whose only possession is their labour. Demographic pressure and the introduction of new technologies like the electric irrigation pump have led to the problem of unemployment among agricultural workers who are no longer able to find work everyday and thus suffer a drop in the income. Thus it is true that agricultural workers lead to very precarious lives and agriculture is not able to absorb the local labour.

Not much work has been done in the field of social organization of Dalits. B.S. Cohn's (1954 - 1961) study of Chamar of senapur in eastern UP offers the comparative picture with the Thakurs

and presents many interrelated features of their social life and kinship organization. The word used by the chamars to refer to household is Ghar, the chamars refer to those who take their food from one chullach. The head of the household is usually the eldest competent male in the household. The household is recognized as the basic unit for the purpose of identity and recognition. Factor like demography, economy particularly the nature of land holding type of household in which chamars live in. Therefore, for the chamars the family type is not fixed given but a structural contingent. T.B. Singh (1969) study of the social structure of the untouchable Madigas (leather workers and drumbeaters) of telengana draws attention to an interactive aspect of kinship. Traditionally Madigas had to render certain services in the capacity of village menials and enjoyed to attendant right to some village land which would be hereditary of their possession as a gift. Devolution of these rights and duties and also generation and periodical distribution of hereditary affiliations with agricultural families have necessarily to be viewed through the process of growth and branching of lineage and at the same time appear to have an effective contribution to make to the continuity of lineage.

James Freeman (1974) studied the Bauri caste group, an untouchable caste group of KpilesIwar village in Orrissa. The uniqueness of work lies in presentation of life history of an untouchable from an untouchable's point of view; Freeman has noted that Bauri

family life style differs from that of high caste Hindu ideals and practices because most of the lower caste engage in menial low paying hereditary occupation associated with low status or ritual uncleanness which range from ploughing which is lowly regarded because it entails killing organisms in the soil, to scavenging and carrying night soil from the houses of high caste villages. According to freeman caste of Kapileshwar can be arranged are hierarchically and Bauri, the untouchable are at the bottom of this ranking.

The caste blocks in Kapileshwar correspond generally to the hierarchy of hereditary privileges and ritual services of caste in Kapileshwar temple. The Bauri live in segregated hamlets of the village and subject to same form of discrimination as sweepers in the village. The only exception is that Bauri's are allowed to enter the outer compound of Kapileshwar temple. Economically these landless labourers are even worse off than the impoverished sweepers. According to freeman the life and outlook of the Bauri is vastly different from their high caste employers are based primarily on uncertainty of employment and food. Unlike the higher castes their approach to religion is primarily pragmatic that is they turn to deities for help during times of crisis otherwise pay little attention to rituals or prayers. Among the high castes of Kapileshwar not a single widow is allowed to remarry and divorce is strongly disapproved of and infrequent. In contrast among the Bauri widow remarriage is similarly quite widespread for Bauri

women. The brittleness of Bauri families is a consequence of the economic and social independence of women, all most all of them are full time earners. If the Bauri women does not like the way she is being treated by her husband or his family, she simply leaves for her fathers house and the husband and his family is deprived of a substantial income. Another distinctive characteristic of the Bauris is their extensive intervillage caste network involving both hereditary ritual and secular leaders and including several hundred villages in Orissa. The ultimate authority for Bauri caste regulations rests with the head of monastery in the sacred pilgrim town of Puri. But still Bauri are exploited caste at the bottom of economic and social scale.

DALITS IN NEW OCCUPATIONS

When they cannot make living from agriculture work and they have neither a skill nor capital, untouchables try various jobs, originally to make up the shortfall but that today tend to become their main activity. Brick making, salt making are such areas where this reality can be found. For more than a century now, throughout India and with varying degrees of success, dalits have been striving to improve their lot and to find more dignified and above all better paying jobs. If they had more resources and capital these efforts would no doubt be more numerous and better rewarded.

Apart from providing agricultural laborer they are the ones who keep the village clean: sweeping, removal of dead animals etc.

Clearly it was the changes that came with colonization, that gave dalits access to modern professions and enabled them to escape the wretched conditions in which they had been maintained. Though it was not quite a 'social revolution' colonial rule did enable the lower castes to rise above their former conditions. Dalits were fast to take up new occupations and professions. Dalits saw this as a means to escape their frightful condition and they seized this opportunity. Traditionally, many dalits were village watchman which allowed them to find jobs as guards or policeman. Though these kinds of jobs did not make dalits wealthy but helped them sever their ties with the village.

Army was the best source of social promotion, because it offered dalits the possibility of well paid job and obligations to learn to read and write, ex. Mahars were used by Marathas and Peshawas in defending their forts, but it were the Britishers who recruited them systematically. Mazbhis Sikh dalits were also recruited in massive quantities.³⁷ Within the army dalits held the lowest jobs and there were almost no officers in their ranks. But still what matters more is that tens of thousands of dalits were, able, thanks to the armed forces to achieve an honorable rank in society to learn to read and write and to give their children some schooling³⁸.

The dalits traditional function namely evacuating wastes

37 Zelliott Eleanor, (1992) 'Untouchable to Dalit'.

38 Robert Deliege, (1999) 'The untouchables of India'.

Balmiki a sub caste of north Indian Bhangi untouchable caste of sweepers are substantially affected by the urban process. White men are increasingly involved in leaving this defiling occupation women by and large have for fewer changes of mobility. Karlekar studied a group of 80 urban sweeper women of Balmiki in sau quarters a west Delhi colony constructed originally by the Delhi municipal Corporation for its sweepers. Among the sample among poor women where employment has been the pattern of life for three generation, early employment is the general rule. Half the sample started working between the ages of ten and fifteen years while 60 percent of the sample had been between eleven and sixteen years at the time of marriage. The average number of children per woman was 5.3 percent. Though a majority of the families were nuclear in structure well over half had an additional person living with them. Over 10 percent of the joint families has distant Affines of other kin living with them. In a poverty situation it is not unusual for families to accommodate new migrants from the village but in all cases it was assured that it was only temporary arrangement.

The average size of the families was 7.1 persons and though 26 women said that they lived in joint families, in the five specified that their father-in-law fulfilled the role of the head of the household. Nine widows said that they took all major decisions in their family. Cases of permanent desertion by husbands were rare. While alcoholism was common among husbands it rarely threatened marital relationship. Five

women said that they were beaten up by their husbands. But none said that physical abuse would be a factor which would cause a woman to leave her home. There were substantial differences in the working conditions of those employed in the organised sector and women working in private homes.

The situation of Balmiki men was substantially different. Five husbands were unemployed and rest of the majority of the sweepers. Significant was the mobility of over a third of men (36.5 percent) into non scavenging occupations. A quarter of these men were drivers mechanics, firemen, peons and watchmen. It is interesting to note that though women often complained about whimsical and irresponsible behavior of their husband, they were nonetheless regarded as their maliks or masters.

Detailed investigation showed that a woman control over the family finances was no indication of financial independence men handed over the money mainly because it was convenient and it was not uncommon for them to ask for accounts every now and then. Women rarely kept back any part of their earnings for personal expenses, though it was accepted that men would withhold women for Bidis, liquor and clothes. Half of the women interviewed said that they managed the cooking cleaning washing of clothes and looking after young children without any help from others in the family. The involvement of husbands in basic household functions was minimal. Over three

quarters of the sample said that their families were in debt and complained that if husbands reduced their expenses on biddies, cigarettes, expensive clothes and outings, their indebtedness could be reduced.

CHANGE AND CONTINUITY

The position of dalits within the economic life of India is a combination of continuity and change. There is continuity in that their present day situation is the direct continuation of past conditions. They are still poor, oppressed and relegated to manual labours, menial tasks and agricultural work. The immense majority still lives in a pitiful condition and inadequate resources. With respect to the past, some have even lost the security that was associated with traditional economy. This is the case with the tens of millions of agricultural workers who are no longer sure of finding a bit of rice in their bowl everyday. Independent India has succeeded in preventing large scale famines, but it has done little for millions of men and women toiling away at the bottom of the social ladder. But in spite of this, dalits have fought to improve their lives and to attain more enviable positions. Although they are for the most part only exceptional cases, it must nevertheless be said that for historical reasons only certain castes have succeeded, for example Chamars, Jatavs, Mahars, Koris, Various castes of sweepers and Pallars. Others have not made similar progress and still they are extremely disadvantaged. The changes have taken place within a continuity,

without any veritable revolution, the most meaningful remain rooted in traditional caste functions this is the case of Mahar soldiers, the Mehtar sweeper of Benares or the Jatawa shoemaker of Agra. All these groups have substantially improved their lot due to their traditional skills but mostly because of the lack of competition.

More radical changes on the other hand occur only in individual cases. These are not uncommon but they do not give rise to any radical transformation in the caste. There is even some tendency among those who enjoy such a rise in the world to conceal their caste identity or to sever ties with the rest of their group. Nevertheless these relatively isolated cases prove to dalits in general that, under favorable circumstances they are exercising prestigious professions.

A study of Nilika Mehrotra (1997) about grassroots women activism in Jahangarpuri gives an idea of Social structure of Balmiki women as Jahangarpuri is Balmiki dominated area. The colony suffers from problems of congestion of space, few civic amenities, poor sanitation, unauthorized construction and rampant encroachment of land. Balmikis constitute 75% of the total population. The colony is inhabited by working class people engaged in unskilled and semiskilled occupations, also fourth class employees, artisans, sweepers cobblers, bus and scooter drivers, rikshaw pullers etc. Housewives too are often engaged in home based production of items like iron edges (used for parking boxes and goods at mandi) and other packing material. Literacy

rate is the colony remains quite for. Most people do not attach much importance to education. Drop out rate of children is very high as they start earning from early childhood.

Overpopulation poverty and illiteracy are the factors behaved high crime rate in the colony. Gambling and alcoholism are major vices which are ailing the resident. They take a heavy toll harmony of the family. Drug trafficking and illicit liquor brewing are thriving business were socially the people of Jahangirpuri are caught between their traditional moorings, modernizing and urbanizing forces. Extended and nuclear family households are common. Kin relationships assume much importance in people's lives. The average age at marriage of girls and boys is between seventeen and eighteen between twenty three and twenty four respectively. Husband is regarded as the head of the family. He expects to be obeyed served and well looked after.

Women are required to keep busy with completing domestic chores or engaging in home based production activities while men go out to earn, make purchasing, gossip, play cards, consume liquor or gamble. They are found to be splurging large amount of money on alcoholism and gambling. Money crunch is usual problem in most households. Domestic violence particularly in the form of abuse and wife beating is a regular occurrence in most families. Gender relations in this colony are clearly based on unequal division of labour. In the wake of exposure through mass media and also other channels women are beginning to

acquire awareness and large number of informants expressed strong disgust and anger regarding atrocities on women in their household and work place. Some of them said that socio – economic constraints forced them to make compromises in contingent situations in private and public spheres of life in justifying their stand by the statement “Aurat ka Bhag Hai” it’s Women’s Fate.

A dozen autobiographies of Marathi speaking male untouchable writers published in Maharashtra between 1978 and 1987 produced a profound stir in Marathi literature. In the 1980, four autobiographical memoirs were spontaneously written by women of Mahar community. The four books are ‘Explosion’ by Kumud Pawade (1981) ‘Closed Doors’ by Mukta, Servaganda (1983) ‘Images from my life’ by Shantabai Kamble and ‘Way We Lived’ by Baby Kamble. These accounts manifest the will to emancipation through the spoken and the written word that enlivens the movement of formerly untouchable communities. Their written records are not individual works of literacy creation in the aesthetic conventional or academic sense of terms. Like their male counterparts these women writers tend to make their marks in a liberation movements by wielding the word. The testimonies are thus essentially acts of socio-cultural revolt. They are not strictly speaking literary works yet they are the first historical attempts of untouchable women to use word to render the experience of untouchable Mahar in the middle of the twentieth century. These

memoirs reveal much more than stories of degradation and repression: they narrate hidden feelings of rebellion and symbolic ways of denunciation specific to women. They focus on the concrete steps that women in local communities took in order to challenge a repressive socio-cultural order.

These testimonies stand as witnesses to the resilience of these women. Kumud Pawade was not deprived of satisfactory educational facilities in the company of upper caste children in an urban setting. She was still deeply hurt by the discriminatory attitudes of the mothers of her own school girlfriends from Brahmin Community. Explosion presents a testimony where author expresses her indignation as a woman and an untouchable. This little volume is not an autobiography but a call to women to break inherited constraints such as the rituals in honor of Savitri and their symbolic import, the male domination within groups of social activists and in the meetings of Dalit writers and the Condition of Protected servitude meted out to and enjoyed by women which Pawade equates with the servitude of the lower caste.

Mukta Sarvagauda has an equally good education followed by her married to a high caste public servant. Her text is about opening the closed doors of bondage and misery behind which lie many women of her own community particularly in the modern slums. Shantabai Kamble and Baby Kamble's autobiographies were written by rural and

much less fortunate women who did not have the privilege of going to school and whose life is a story of survival against many odds. Their stories recount how downtrodden women try and succeed in making history for themselves and their families a history hitherto denied to them and their fellow women. Their narratives are full of concrete and lively details, personal as well as collective about the destiny of an untouchable who happens to be a woman. These testimonies reveal not only the secret cognitive processes of consciousness condemned to silence, the self-assertion that originates therefrom and the collective awakening of Mahar communities as perceived by Mahar women. This awakening took place in remote Maharashtrian villages and in particular in their Maharwadadas - Mahar residential quarters at the call of Ambedkar in the first half of the twentieth century.

PROTECTIVE DISCRIMINATION POLICIES AND DALITS

Protective discrimination designates the set of measures adopted by the Indian government in favor of certain disadvantaged social categories the purpose of which is to rectify the inequalities and discrimination that afflicts them. Other groups in the world enjoy similar privileges for example blacks in America. But in no other country the system became as widespread as it in India.

Article 15, of the Indian constitution prohibits any discrimination on the basis of creed, race or caste. The equality of all citizens is confided by Article 16, paragraph 3 which stipulates that the

state nevertheless has the right to adopt various measures in favor of backward classes. While it formally abolishes dalits (Article 17), the constitution nevertheless, provides that dalits shall benefit from various measure taken to promote their economic interests. The constitution recognizes the population category of dalits representing some 15 percent of the population are classified as scheduled castes. The advantages granted to the scheduled castes can also be grouped into three categories, first the constitution provides for reservations in the case of socially important jobs and resources for example reserved seats in various legislative bodies, civil service posts and places in universities. In other words dalits are entitled to certain number of representative in government, a certain number of civil servants, and a certain number of places in educational institutions. The second set of measures concerns state's expenditures reserved for dalits: scholarships, loans, land grants, medical care all come under this heading. Third, the state has taken a number of special measures for instance campaign against untouchability, special steps to free bonded laborers and so forth.

In the legislative assemblies the number of reserved seats is proportional to the percentage of untouchable in the overall population. Of course dalits may also run in general constituencies, but in reality very few are elected in this way, in 1977 only three members of Lok Sabha managed this feat. In the reserved constituencies only

candidates from schedule castes may seek election. Each political party therefore presents a candidates who satisfies this requirement and the candidates are elected by the population as a whole, that is by majority of non-dalits.

These reserved constituencies were designated on the basis of relatively higher population of dalits living there but dalits do not constitute the majority of the population and their vote does not determine the outcome of the elections. Under such conditions it is easy to understand why dalit political formation meet with failure. The electoral system thus presents a certain paradox, on the one hand untouchable candidates in reserved constituencies are elected by a majority of non- dalits. So the dalit representative are elected on the basis of non-dalit population votes. So they cannot go against the interest of non-dalit votes. In the area of education, variety of measures have also been adopted in favor of dalits, but the effort has been concentrated for the most part on higher education. Number of scholarships have increased over the years. In spite of these measures however dalit students are concentrated primarily in the least prestigious departments.

In government jobs and civil service they have done well. Dalits attach great significance to the state because state is an important source of their social mobility through change of occupation that is government jobs. As for as schedule castes are concerned,

reservations are motivated by a concern for justice in compensation for centuries of oppression. Reservations are thus a means of alleviating the poverty and oppressions that have plagued this country for centuries. The reservation system has also contributed to stigmatizing dalits by placing them in a category that is clearly separate from the rest of the society. Today dalits are clearly segregated from the rest of the society and system in a way reinforces their identity. In a way system helps to reinforce the category that had been specifically created to eliminate. But at the same time most positive aspect is that it also helps them organize at one level. Common identity leads to common platform. It can be easily seen that dalit from one state recognizes himself well with the dalits of other states rather than other category of his state. This happens when there is migration of dalits from one state to another. It is often found that the doubts are raised about the ability and efficiency of dalits when they acquire any position in society, attributing it to the reservation policy.

In reality it is often considered that these people occupy posts they do not deserve. As a consequence, their authority in administrative jobs is more fragile and they are regarded as second-class civil servants. But this is quite unfair criticism, because this is the conflict of competing values of 'social justice' versus 'merit' and choice has to be made.

Given a rational thought one can easily see merit is nothing but availability of opportunity both in education, training and positions. It is interesting to see how Microsoft the largest software company sees this, according to Microsoft 'Diversity policy' statement, "In the United States Whitemen are often presumed to be competent until proven otherwise, while women and people of colour are presumed to incompetent until proven otherwise. In others words there is presumption of competence for women and people of colour (and other groups) and this is clearly double standard". Similarly keeping prejudiced views about the efficiency and merit of dalits, particularly when most of them who joined the government jobs were mostly first or at the most second generation literate is unfair.

Similarly the system of scholarships has tended to focus on high level educational programs. Many dalits have been able to achieve social mobility, but millions of dalits remain illiterate. As has been the stated earlier one of the failure of Indian democracy and Indian state has been the disastrous neglect of basic education which it seems has been done at the cost of higher education. The result is that millions of children of only dalits will never have the opportunity to read and write and basically to come out of their deprivations.

Socio-Economic Condition after Independence

The table given below summarizes the occupational structure of scheduled caste population after independence

Table No.1

| Year | General | Scheduled castes |
|--------------------------------|----------------|-------------------------|
| 1 Cultivator | | |
| 1961 | 52.78 | 37.76 |
| 1971 | 43.38 | 27.87 |
| 1981 | 41.53 | 28.17 |
| 1991 | 39.74 | 25.44 |
| 2 Agricultural labourer | | |
| 1961 | 16.71 | 34.48 |
| 1971 | 26.32 | 57.74 |
| 1981 | 25.16 | 48.22 |
| 1991 | 19.66 | 49.06 |

3. Household industry

| | | |
|------|------|------|
| 1961 | 6.38 | 6.56 |
| 1971 | 3.55 | 3.33 |
| 1981 | 3.99 | 3.31 |
| 1991 | 2.56 | 2.41 |

4. Other workers

| | | |
|------|-------|-------|
| 1961 | 24.13 | 21.20 |
| 1971 | 26.75 | 17.06 |
| 1981 | 28.32 | 20.30 |
| 1991 | 38.04 | 23.08 |

1. SC/ST Commission fifth report 1998-99

This table is enough to show that scheduled caste population was mostly in unorganized sector & that to basically in primary sector. In 1961 there were 37.76% scheduled castes were cultivators as compared to 52.78% of general category. But after that in 1991 situation was very different there were only 25.44 scheduled castes were cultivators as compared to 39.74% of general category. There is a sharp decline of 12 percent in cultivators among the dalits.

In the case of agricultural labours, in 1961 there were 16.71 labourers in general category and 34.48 percent scheduled castes. But in the next three decades the situation deteriorated drastically. In 1991 there were 49.06 percent agricultural labourers of scheduled castes as compared to 19.66 percent of general category. This is indeed pauperisation of the masses. It seems that those who were cultivators must have lost their land due to inadequate support to farming and thus pushed into the category of landless labourers. So the whole idea of planning and development in the first five decades seems to be counter productive. If we look at household industry that is organized sector of economy, even here in 1961, in general category 6.38 people worked and in scheduled caste category 6.56 percent people worked. The situation in 1991 is like this, in general category there are 2.56 percent and in scheduled caste category 2.41. in the category of other workers in general category there were 24.13 percent workers and compared to 21.20 percent scheduled caste in 1961. But this also increased to 38.04 percent in general and 23.08 percent for scheduled castes.

This is indeed a grave picture for scheduled castes as a whole. Most of them are below poverty line. This can be seen from the table below

Table No. 2

| Year | SC | All population (percentage) |
|---------|-------|-----------------------------|
| 1977-78 | 56.30 | 48.30 |
| 1983-84 | 50.10 | 37.40 |
| 1987-88 | 41.50 | 29.90 |

SC/ST Commission First Report March 1992-93.

From this table it can be clearly seen that scheduled castes as a whole remain below the poverty line. In 1977-78, 56.30 percent scheduled castes were below poverty line, in 1987-88 still 41.50 percent scheduled castes are below the poverty line. That's why on the onset of globalization it becomes necessary to see if there is any possibility of their amelioration. If we look at the impact of protective discrimination policy it seems that it has benefited them to some extent. Which can be seen from the table below.

Table No.3

| | Total | SC | Percentage |
|----------------|---------|--------|------------|
| Govt. of India | 3659391 | 628706 | 17.18 |
| PSU | 2152650 | 365421 | 16.98 |

| | | | |
|-------|---------|---------|-------|
| Banks | 887507 | 132920 | 14.97 |
| | 6699548 | 1127050 | 16.82 |

SC/ST Commission First Report March 1992-93

So it can be seen that protective discrimination policy has helped them to ameliorate their conditions to an extent. Thus, occupational classification therefore brings to light the fact that whereas the secondary and tertiary sectors provide employment opportunities to some extent to the scheduled castes.

DALITS AND THE PANCHAYATI RAJ

One of the important reasons for scheduled castes not getting full benefit of 50 years of planning and development has been their inadequate participation in planing and implementation of economic development programmes and the promotion of social justice, particularly at the decentralized level. The 73 amendment to the constitution, wide its Article 243D has reserved seats for membership and chairpersonship for SCs and STs including women belonging to these groups, at all tiers the Panchayati Raj systems in the country. This is an important step towards empowering socially and economically deprived sections of society as it would enable them to participate in decision making. Elections to the Panchayats in most of the states were held during 1995-96. In these elections about 34 lakh

elected representatives have become members and chairpersons at three tiers of the panchayats across the country of the total elected representatives about 7.50 lakhs are SCs and STs of which about 2.5 lakh are women belonging to these groups. This is indeed an achievement. Looking at the grass root level participatory Democracy and people's successful involvement in it goes to show that the decision of constitution makers to provide adult franchise to all seems to be absolutely correct.

However, keeping in view the hierarchical caste system and the prevailing economic inequality in the rural areas it might be a difficult task for scheduled castes elected representatives to function effectively in the panchayats. In the light of experience gained so far with regard to their participation in Panchayat, the focus should be on whether the deprived sections have started to exert some influence on the functioning of the Panchayats or whether the traditional forces are still hindering their active participation. Focus should also be placed on the extent to which those disadvantaged and deprived sections of society have found Panchayats to be effective platforms to ventilate their grievance and in seeking social justice.

Chapter -IV

NEW ECONOMIC POLICY AND DALITS

“The notion of capability is essentially one of freedom the range of options a person has in deciding what kind of life to lead. Poverty of life, in this view lies not merely in the impoverished state in which the person actually lives but also is the lack of real opportunity given by social constraints as well as personal circumstances to choose other types of living”.

- Amartya Sen⁴⁰

Thus Amartya Sen sees development in terms of expansion of real freedoms that the citizens enjoy to pursue the objectives they, have reason to value, thus expansion of human capabilities can be seen as the central feature of the process of development. Thus low incomes, meagre possessions and other aspect of poverty are basically instruments a curtailing capabilities. According to Amartya Sen poverty is ultimately capability deprivation and it needs to be investigated not only at economic level but also at socio-political level. Thus capability deprivation is deprivation is deprivation of such basic capabilities as the freedom to lead a normal life or the freedom to read or write.

⁴⁰ Amartya Sen, (1995) 'India: Economic development and social opportunity' pp 11

There has been a tendency amongst the planners and bureaucrats to equate economic growth with development of human capabilities. So instead of explaining development of the country in terms of GNP, it should be explained in terms of its development of citizen. No doubt creation of wealth is an important aspect of development, but unless it is fruitfully enjoyed by the human beings those who have created it, it becomes worthless. Expansion of human capabilities can clearly be enhanced by economic growth but there are many influences other than economic growth that work in that direction. Apart from this economic growth and human capabilities can be extremely variable. So what matters is to judge the policies in terms of enhancement of the capabilities that the citizens enjoy. So evaluating new economic policies in terms of increase in GDP would be quite misleading. NEP needs to be evaluated in terms of enhancement of capabilities in particular of those people who are deprived. Dalits who constitute more than 50% of population who are below poverty line need the enhancement of their capabilities.

But more importantly people should not be treated only as means for achieving economic growth, rather they need to be considered as the ends of these policies, who have the right to share the fruits of economic growth to have a good life which is indeed a basic human right. The success of development programmes cannot be judged merely in terms of their effects on incomes and outputs and must at a basic

level focus on the lives that people can lead. This applies as much to the assessment of economic reforms and current economic policies in India, today as it does to evaluations a development programmes anywhere else in the world. A distribution can be made about the readings of the governments 'duties' vis-à-vis the citizens. They negative role consists in preventing what can be considered and as bad development. Whereas positive roles concerns supporting court constructively the efforts of the citizens to help themselves. So there should be a fine balance of negative and positive roles. Debate on liberalization is concerned with removing the counter productive nature a negative operations in India. But this debate completely neglects the importance of positive functions such as provision of public education, health services and arrangements for social security. So what is needed is to broaden the focus while dealing with impact of liberalization on dalits.

PROFILE OF DALITS AFTER NEP

A. Dalits and poverty – Poverty is sum total of all the deprivations. In India the governmental definition of poverty is based on the sole criteria of minimum food requirement for survival. Thus the poverty line is decided by the income sufficient to buy food equivalent of 2,400 calories in rural and 2100 calories in urban areas. The database for poverty estimates is provided by the surveys of National sample survey. To examine the extent of poverty amongst scheduled castes persons below

the poverty line per capita private consumption, occupational structure of SC/ST and ownership of land may be considered.

Following table is necessary to understand the post reform impact of NEP on dalit i.e., schedule castes.

Table No.4

| 4Year/ category | Proportion of poor households in the category to the total household in that category | | Proportion of a household category in all poor household | | Proportion a household category in all non poor house holds | |
|--------------------|---|-------|--|-------|---|-------|
| | Rural | Urban | Rural | Urban | Rural | Urban |
| 1987-88 | | | | | | |
| SC | 55.22 | 47.07 | 24.72 | 17.63 | 16.30 | 9.17 |
| Others | 39.45 | 28.82 | 60.65 | 76.70 | 75.74 | 85.79 |
| All India | 44.86 | 31.62 | 100 | 100 | 100 | 100 |
| 1993-94 | | | | | | |
| Sc | 49.04 | 42.35 | 28.24 | 21.65 | 18.34 | 19.84 |
| Others | 32.96 | 23.98 | 56.74 | 73.87 | 72.14 | 86.10 |
| All India | 38.46 | 26.89 | 100 | 100 | 100 | 100 |

(SC/ST Commission fifth report 1998-99, pp.94)

We can see in 1987-88, 55.22 percent scheduled caste households were poor in rural areas as compared to just 39.45 percent of other categories. It may be seen that during 1993-94 there was an overall decline in poverty amongst all social groups. However high incidence of poverty amongst scheduled castes continued even during 1993-94 as compared to the rest of the population. It can be easily seen that in the total population of poor among the SC household formed 24.72 percent in 1987-88. However they constituted a large proportion (28.24) percent of poor households in 1993-94. This goes to show that the situation of scheduled castes has not improved much after the reform period. But it can be seen that households other than scheduled castes and scheduled tribes witnessed perceptible improvement in the matter of alleviation of poverty between 1987-88 to 1993-94 in the rural area.

B. Dalits and the employment

Growth rates of Employment in organized sector (percent)

| Year | Public sector | Private sector | Total organized |
|------|---------------|----------------|-----------------|
| 1991 | 1.52 | 1.24 | 1.44 |
| 1992 | 0.80 | 2.21 | 1.21 |
| 1993 | 0.60 | 0.06 | 0.44 |
| 1994 | 0.62 | 0.01 | 0.73 |
| 1995 | 0.11 | 1.63 | 0.55 |

| | | | |
|------|----------|------|------|
| 1996 | (-) 0.19 | 5.62 | 1.51 |
| 1997 | 0.67 | 2.04 | 1.09 |

(SC/ST Commission fifth report 1998-99, pp.114)

From the above table it can be seen that after the introduction of NEP there is constant decline in the growth of employment in public sector. In 1991 it was 1.52 percent but in 1997 the growth rate was 0.67. It is also noticeable that growth has never been above one percent. In 1996 it was negative i.e., -0.19. Public sector had been one of the major sources of social mobility for a large number of scheduled castes through reservation policy. So it seems that the whole concept of privatization, liberalization has shrunk their opportunity. But it needs to be seen as whether these people are absorbed in some other occupations or not. It also needs to be noticed that growth of private sector is also not very good. Except for year 1996 it has not gone beyond 2 percent and for the rest of the year it has been even less than 1 percent. The growth of total organized sector was 1.44 percent in 1991 which has come down to 1.09 percent in 1997. So it seems that after liberalization started people are pushed into unorganized sector because there is negligible growth in organized sector. Dalits who are mostly labour may be pushed into the unorganized sector.

But this is not all, we need to analyse the wage employment programmes of government of India. It can be seen that government of

India is running numerous programmes. In Jawahar Rojagar Yojana, since its inception in 1989-90 a total amount of Rs. 27,649 crores have been utilized under JRY. Thus it may be seen that a substantial investment has been made for providing employment opportunities in rural areas since 1980. However continuing high incidence of poverty and unemployment in the rural areas point to the fact that there have been inadequacies in the implementation of these programmes. The field visits reveal that in many places, wages are not paid in accordance with the minimum wages prescribed under the act and female workers are paid less wages as compared to their male counterparts.⁴¹ In case of Employment Assurance Scheme, the utilization of funds was as low as 59.26 percent for the period of 1993-94 to 1998-99. In the case of self-employment programme, the number of SC/ST beneficiary families is continuously decreasing since 1992-93, there were 10.64 lakh beneficiaries in 1996-97, it was 8.91 lakh, whereas in 1998-99 it was only 3.50 lakh beneficiary families. In case of Trysem in 1992-93 it trained 116464 SC/ST youths in 1996-97 it trained only 40073 youths. If we analyze special component plan for scheduled castes, we can see that the percentage of SEP outlay to state plan outlay was 7.67 percent in 6th plan and in 8th plan it was 11.03 percent but it was still below the percentage of population. Thus it can be clearly seen that the wage employment programmes have been far from satisfactory in the era of

41 SC/ST commission fifth report pp. 99

liberalization. Indeed in this period such programmes needed to be strengthened.

In case of service we can compare scheduled castes position in 1992 to 1997 to see the effect of liberalization on service.

Table No. 6

| | 1992 | 1997 |
|---------------------|-------|-------|
| Government of India | 17.18 | 17.36 |
| PSU | 16.98 | 18.13 |
| Banks | 14.97 | 15.01 |

Thus it can be seen that there has been negligible change in the proportion of scheduled castes in services. It may be because of governments policy of following protective dissemination policy that they may have been able to retain their share in the service.

Dalits and the Food Security

Food security mainly relates with production, distribution and pricing of food grains and brings agriculture, public distribution system (PDS) and the subsidy structure into focus. The reform measures that predominantly affect them are reduction in fiscal deficit, reduction in subsidies, devaluation of rupee export orientation and reduction in agricultural credit considering the pattern of budgetary outlays of

government, the fiscal contraction inevitably resulted in disproportionate cut in capital expenditure. In 1995-96 budget, capital expenditure was as low as 17.82 percent⁴². Agriculture sector also bore the share of this cut. This cut is bound to have depressing effect on the agricultural production in coming years. The fertilizer subsidy was reduced from 0.82 percent of GDP in 1990-91 to 0.75 percent of GDP in 1995-96. This may lead to decline in foodgrain production. The inherent threat of food security is further magnified in the policy thrust on agricultural exports which has resulted in diversion of land to the export production of non food primary products. There has been a spurt in corporate farming for export horticulture and floriculture products, etc. As a measure of ensuring food security, public distribution system was instituted in India. The system comprises over 424000 fair prices shops spread all over the country in rough proportion of population. The food distributed through PDS is subsidized by the government. It devours a significant part of the government subsidy. Since the difference between the consumer end PDS retail prices and market prices became marginal the not so poor left the PDS and owing to unaffordable prices the poor cut their consumption. The resultant effect on nutrition and hunger had to be borne by the people in direct proportion to their poverty.

⁴² Telumbde, Anand, (2000) Impact of Economic reforms on Dalit.

The cumulative effect of the above could be clearly seen in a trend of falling per capita net availability of cereals per day for the Indian population during two years of reforms, there was 8.43 percent fall in per capita availability of cereals and 12.02 percent fall in that of pulses⁴³. Considering the acute inequality of Indian population the impact of this declining trend on the poorer and particularly the disadvantaged sections like the dalits would be far more severe than revealed by the averages. Pulses being the only source of vegetable protein for poor people a sharp decline in their availability certainly indicates malnutrition.

NEP AND SOCIAL SECTOR EXPENDITURE

The survival of dalits as a marginalized category depends to a great extent upon the social sector spending by the Government. It needs to be emphasized that social sector spending is crucial not because for their survival but for their amelioration from the wretched conditions of life. States role can be analyzed from the table given below.

⁴³ Teltumbde, Anand, (2000) Impact of Economic reforms on Dalit.

Table : Combined Expenditure of Centre and state on social sector
percent of total public expenditure

Table No. 7

| Majors heads | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1977-98 | 1998-99 | 1999-00 (R) | 2000-01 (B) |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|-------------|
| Education, sports, youth welfare | 11.20 | 10.85 | 10.81 | 10.78 | 10.78 | 11.04 | 11.41 | 11.34 | 11.82 | 12.28 | 11.39 |
| Public health and water supply | 4.23 | 4.15 | 4.16 | 4.22 | 4.28 | 4.25 | 4.39 | 4.52 | 4.62 | 4.48 | 4.47 |
| Family welfare | 0.60 | 0.60 | 0.53 | 0.59 | 0.58 | 0.62 | 0.56 | 0.57 | 0.50 | 0.56 | 0.62 |
| Housing and urban development | 0.99 | 1.07 | 0.97 | 0.90 | 0.92 | 1.04 | 1.40 | 1.44 | 1.50 | 1.66 | 1.56 |
| Broadcasting | 0.39 | 0.34 | 0.32 | 0.30 | 0.29 | 0.30 | 0.32 | 0.32 | 0.29 | 0.29 | 0.17 |
| Social security and welfare | 2.50 | 2.55 | 2.55 | 2.40 | 2.47 | 3.03 | 2.97 | 2.88 | 2.78 | 2.84 | 2.86 |
| Labour and employment | 0.47 | 0.45 | 0.44 | 0.48 | 0.41 | 0.42 | 0.42 | 0.43 | 0.40 | 0.42 | 0.41 |
| Other social services | 1.15 | 1.14 | 1.10 | 1.09 | 1.18 | 1.18 | 1.29 | 1.19 | 1.18 | 1.09 | 1.23 |
| Food subsidy | 1.58 | 1.61 | 1.41 | 2.45 | 1.97 | 1.83 | 1.86 | 2.12 | 2.04 | 1.77 | 2.12 |
| Total social service (1to8) | 21.54 | 21.15 | 20.89 | 20.77 | 20.92 | 21.88 | 22.77 | 22.71 | 23.07 | 23.62 | 22.71 |

| | | | | | | | | | | | |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rural development | 3.32 | 3.13 | 3.17 | 3.80 | 4.10 | 4.08 | 3.69 | 3.48 | 3.47 | 3.32 | 3.02 |
| Basic minimum services | - | - | - | - | - | - | 0.76 | 0.77 | 0.83 | 0.76 | 0.00 |
| Total (10+11+12) | 24.82 | 24.85 | 24.06 | 24.58 | 25.01 | 25.95 | 27.22 | 26.95 | 27.36 | 27.69 | 26.61 |

Note : R.: Revised; B budget,

Source Same as Table 1. For items 9 and 12 source in exp budget Gol.

(S. Mahendra Dev, Social Sector Expenditure in 1990s EPW, march 2, 2002).

From the table it can be analyzed that government spent 11.20 percent on total expenditure on education and it was almost same 11.39 percent 2000-01. On social security and welfare government spent 2.50 percent it 1990-91, it was 2.86 percent is 2001-01, thus there is not much of difference. On labour and employment. expenditure was 0.47 percent is 1990-91 which was reduced to 0.41 percent in 2000-01. In case of rural development, expenditure was 3.32 percent in 1990-91. It was 3.47 percent in 2000-01. So there is not much of increase in it. So social sector expenditure as a whole was 24.85 percent in 1990-91 and it increased only marginally to 26.61 percent. So it seems that the state which started the process of liberalization, did not do much to provide safeguards to people who may be affected by these policies. When the transition was going on state had the responsibility to provide social security net to the people through extensive spending on social

structure which is not done. Apart from this as we have earlier observed that a successful reform process needs a social base. If that base is not provided the process of liberalization may not sustain. It is almost similar to saying that for whom the liberalization has arrived may not benefit them if their capabilities not increased through social sector spending. Here, the dalits, the most marginalized community if not made capable socially to exploit the liberalization, may be left out of process of development.

NEP AND DALIT WOMEN

The structure of employment and characteristics of female labour force of scheduled castes reveal that they work preponderantly in the primary sector predominately as agricultural laborers. Thus new policies may affect them through changes in the labour market on the one hand and in agricultural production and prices especially of food on the other. Despite their higher levels of participation in economic activity they experienced higher than average incidence of poverty. The major cause of poverty is illiteracy and dalit women lack even behind men in this category. Because of this they are forced to accept menial, casual low productivity and low paid occupations. The importance of social and cultural factors which determine female literacy levels which in turn determine the sector of employment where they can work. Higher than average level of economic participation of dalit women could no doubt be a direct consequence of their poverty. It is their low level of literacy

which prevents their access to better paid secure jobs outside agriculture. It is the landlessness that decides the occupational structure of dalit women. Almost 90 percent of dalit women workers worked in rural area. More importantly they are marginal workers that is they are mostly engaged in household chores and earn marginal income if possible.

If we go by the experience of other developing countries structural adjustment may adversely affect the poor dalit women because it is they who will bear the "Social cost" of adjustment. Most dalit women are in rural India and thus likely to be affected much more by poverty and food security questions. As poverty has not declined it can not be expected that the situation of dalit women will become better. The structure of employment and characteristic of female labour force of scheduled castes reveal that they work preponderantly in the primary sector as agricultural labourers. According to economic agenda document prepared by the coordination unit for women NGOs (1998) a futuristic nightmare is visualized for women where widespread unemployment will lead to economic insecurity and an increase in crime where cuts in Govt. spending and employment will mean worsening health services, less access to education and deterioration in civil service. As jobs disappear and cost of living rises, women will be forced to seek employment in insecure poorly paid jobs. Women will be forced to work harder and longer hours. Girls children will be forced to give up education to take

up gainful employment. Rising food prices will mean poor nutrition's particularly for females. It is this weld that the fall out will ultimately be on their health and well being thus economic reforms by ignoring the structural category of gender will affect women in negative ways.

According to karkal Malini (1996) under the new economic policy as well as policy of structural readjustment there has been considerable readjustment of staff in the organized sector and women are also affected whether the men folk loose their jobs on they themselves loose theirs. According to Prof. Jean Pyle the globalization of the economy has had an enormous impact on women's works and health in developing countries. While some women way feel that work in multinational corporations is better than their alternative opportunities but the work environment is hazardous to their health and they are subjected to violence and sexual harassment. According to her, another effect of globalization is that women are pushed into informal sector. It is common for money is poor countries to have to move abrade to take up jobs and due to unregulated work hours they are at great risk of becoming isolated in the country they live in.

Cecilia in her paper deals with the question whether globalization weakening on strengthening patriarchy. According to her globalization process in not integrating women into homogenous entities. Indeed this very global sing process has led to fragmentation. But there have certainly been gains in terms of recognizing women's

rights are human rights. Despite these gains the development model which is being promoted globally is producing increasing inequality (UNDP Human development report 1996 -1999). Thus we find that globalization has necessarily led to feminization of employment responding to tense global competition corporations are dividing strategies for their survival. One of the strategy deals with 3 main forms of labour. Labour flexibility, the casualization of labour and the feminization of labour. This process is double edged, on the One hand globalization has opened up opportunities for women but on the other hand majority of women workers work under inferior working conditions.

But at the same time market has also affected culture which is being commoditised now. globalization is leading to consumerism and commercialization which is the needs of the MNCs to sell their products. In this vein sexuality and women's bodies are being commoditised as never before. Thus privatization of public services has led not only to reduced availability but also to higher prices of such services as well as basic necessities. As women are expected to be responsible for child care and family maintained they will have to bear the burden of cut in public subsidies. There will be pressure on them to play both roles as paid and unpaid labour.

Case studies are already available for this kind of casualisation of labour. A field based study of Milie Nihila (1999) leather

tanning industries of Tamilnadu shows that increases in employment generation does not necessarily translate into better deal for women. Her data shows that there is an increasing trend over time in terms of number of women employed in secondary sector but much of the increase is in the categories of self employed and casual temporary. There has been an official hype about increasing employment in post reform period but data shows that quality of employment generated has deteriorated. According to Nihila's study, gender subordination is built into the system and social welfare legislation are not going to change the macro picture of abysmal quality employment.

Similarly a case study of Neetha (2002) of Tirrupur knitwear industry shows that it is good example of feminization and segmentation of the labour market brought out through the system of subcontracting in the post reform period. The changes in the organization of production were in a way to contain labour through labours process in the volatile and seasonal export market. The fragmentation and dispersion of production have brought in large scale employment of female workers. The informalization and feminization of industry had much bearing on the labour relations reflecting in the disorganization and those marginalization the workers. The industry shows how casualisation feminization and disorganization of workers one brought in through redesigning and reorganization of work.

LESSONS FROM AMERICAN EXPERIENCE

When new economic policy was introduced in India, people thought that the much cherished principles of growth with justice, social responsibility and accountability, equity and self reliance are no mere relevant. Everyone thinks that liberalization means privatization and where privatization comes, there can not be any place for reservation for weaker sections because private enterprises run on the logic of efficiency which only can bring them profit for which the organization runs. But this is only one sided picture because social justice and equality are universal values and they can not be left out. There is much to learn from America, which proclaims itself as capitalist state, still fully abides by these universal value.

India and USA are in many obvious ways very different. In some important respect viewer the two nations are similar. Both have functioning democratic electoral systems and are constitutionally committed to preserving civil liberties and individual rights. Both have multicultural population including significant minorities with a long history of deprivations and disadvantage. And both have sought to address the needs of these minorities via certain forms of positive discrimination generally labelled reservation policies in India and 'affirmative action' in USA.

Affirmative action policies in US colleges and universities go back to the mid 1960s. It was due to the civil rights movement that Lyndon Johnson (1963-68) President enacted legislation to promote equal opportunity in education and employment for African Americans. The early offers of university leaders to increase the number of African-American among their students took the form of a systematic and greatly strengthened efforts to reach out and provide relevant information to secondary schools and communities where African Americans were strongly represented. But for the leading universities to increase significantly the proportion of African – American students admitted, it became clear that they would have to give some form of preference in the admission process to African-American applicants. In 1977 the US government enacted legislation called “community reinvestment act” (CRA) making it mandatory to banks and other financial institutions to cater to credit requirements of ‘undeserved’ groups. These are only a few examples, there are a host of initiative institutions and policy packages to boost the business of blacks/ethnic groups.

These kind of initiatives are all pervasive in whole USA. All the private companies, educational institutions, American media, the creative arts follow the ‘diversity policy’ as a moral way of life. Every year they provide the data of requirements of disadvantaged groups & also give as to what effects they have done to improve their requirements. Apart from this all these maintain supplier diversity as how much goods for the

institution has been purchased from the block owned businesses. And lastly the philanthropy donated for the upliftment of minorities is also quite good. To understand the business ethnic of American life we can look at two diversity policy statements. Exxon Mobile, (Fortune 500, number one company) diversity policy statement says, "Achieving peak performance from all our operational, technological and financial resources depends on realizing the full potential from all of our human resources – by hiring people from diverse cultures and with diverse backgrounds and experiences we gain essential local knowledge and the breadth of perspective necessary for achieving business goals". The Walmart stores, (fortune 500 number two company) diversity statement says, "At Wal-mart diversity means respect equality, opportunity, cultural exploration, growth fair treatment and understanding Wal-mart continues to flourish because of our strong commitment to diversity"

So it's not that liberalization means end of social justice. Rather it could be a beginning of social justice in India. If India as a whole alongwith its entrepreneurial class draws some lessons from American business class. Equally important is the role of state. It does not decline, rather state can device new instruments to provide social justice to people. Here also Indian states can take lesson from American federal government and its legislation private business houses.

GLOBALIZATION WITH A HUMAN FACE

“The real wealth of a nation is its people. And the purpose of development is to create an enabling environment for people to enjoy long healthy and creative lives”.⁴⁴ This simple but powerful truth is too often together is the pursuit of material and financial wealth. Thus globalization is all about interdependence of people in today’s globalizing world. Globalization is creating new markets, new tools, new actors, new rules. Globalization offers great opportunities for human advance but only with stronger governance.

This era of globalization is opening many opportunities for million of peoples and dalits too can be benefited by this. With increased trade, new technologies foreign investments, expanding media are all fuelling economic growth and human advance. All this offers enormous potential to eradicate poverty. Globalization offers great opportunities far human advance but this can be done only through stronger governance. We have more wealth and technology and more commitment to a global community than ever before. Global markets, global technology, global ideas and global solidarity can enrich the lives of people everywhere greatly expanding their choices but today’s globalization is being driven by market expansion. More progress has been made in norms standards, policies and institutions for open global markets than for people and their rights. And a new commitment is needed to the ethic of

⁴⁴ UNDP, Human Development Report 1999.

universalism set out in the universal declaration of human rights. Competitive markets may be best guarantee of efficiency, but not necessarily of equity. One should not forget the markets are neither the first nor the last word in human development. Many activities and goods that are critical to human development are provided outside the market. When the market goes too far in dominating social and political outcomes the opportunities and rewards of globalization spread unequally and inequitably concentrating power and wealth in a select group of people, nations, corporations marginalizing the others.

Thus if we have to emancipate the dalits in this era of globalization. The challenge is to find the rules and institutions for stronger governance, local, national, regional and global to pressure the advantages of global markets and competition but also to provide enough space for human community and environmental resources to ensure that globalization works for people not just for profits. Thus to end the poverty we need a globalization with ethics, equity, inclusion, human security substantiality and development. The crux of matter is that opportunities and benefits of globalization need to be shared much more widely.

THE NGOS AND THE DALITS

Over the past two decades there have been many new ways for people to participate in public debates and activities. Though

membership has fallen in political parties, trade unions and other traditional vehicles for collective action there has been an explosion in support for non-governmental organizations (NGO) and other new civil society groups. In 1914 there were 1087 international NGOs. By 2000 there were more than 37,000, nearly one fifth of them formed in 1990s.⁴⁵ Most developing countries have seen an even sharper increase in the number of domestic NGOs. In India too they exist in large numbers. In addition to advocating for and engaging in development projects, NGOs are taking more direct roles in local decision making and monitoring and are developing new collaborative forms of governance. Thus there is enormous scope for broadening participation in governance and promoting mass equitable outcomes for people. By and large civil society works to strengthen democratic institutions not undermine them.

The NGO concept revolves around the basic premise that the state, may not be fully able to understand and address people's problems. And another assumption is that the civil society by definition is that the civil society by definition is more imaginative and more forward looking than the state. But there are questions that needs to be addressed. Do the NGOs have a social vision? What is the representation of dalit in NGO?

⁴⁵ UNDP, Human Development Report 1999.

But it seems that NGOs have played a role in the upliftment of dalits. Given the role of planning and development in India, which was not quite reaching the masses NGO's initiative were quite appreciable. NGOs not having social vision is a false claim because, five day world NGO forum meet concluded in Durban is 2001 which resolved to combat Race, Racial discrimination xenophobia and related influence where caste after racism emerged as the second most focussed concern. Here at this world NGO forum with a membership of over 160 NGOS from all over the world and over six thousand delegates participated. Now the NGO activism world over has a document which along with Racism seeks to Combat caste discrimination. The NGOs thus were successful in influencing public opinion around the world.

So the whole issue of dalits in terms of identity and upliftment is related to NGOs. NGOs can definitely help in enhancing the socioeconomic condition of dalits. But dalit deprivation is not just socioeconomic, it is much more than that. Their deprivation also stems from inherent suppression as human beings. To overcome this suppression they need to have an awareness about their conditions. Active mass movement and political participation can help them create awakening amongst them. Thus whole concept of dalit emancipation needs a two pronged approach, at one level NGO's ameliorating their socioeconomic condition and at other level political awakening will give them a sense of

identity. So NGO and mass movements are complimentary to each other rather than against each other.

DEEPENING DEMOCRACY FOR HUMAN DEVELOPMENT

“Economically, politically and technologically, the world has never seemed more free or more unjust”⁴⁶ Politics and human development are unseperable. Politics matters for human development because people everywhere want to be free to determine their destinies, express their views and participate in the decisions that shape their lives. These capabilities are just as important for human development for expanding people’s choices as being able to read or enjoy good health. Developing countries pursued democratization in the face of massive poverty and pervasive social and economic tensions. But many countries in the world who tried democracy returned to authoratarian rules. India is indeed fortunate enough to have a good record of democracy. But even where democratic institutions are firmly established, citizens often feel powerless to influence national policies. In the wake of globalization, people and their government feel more subjected to international forces. Globalization is integrating the world yet the world seems mere fragmented between rich and poor between powerful and powerless, and between those who welcome the new global economy and those who demand a different course. For politics and

⁴⁶ UNDP; Human Development Report 2002.

political institutions to promote human development and safeguard and freedom and dignity of all people, democracy must widen and deepen.

If we look at the dismal picture of India's scenario of primary education, gender equality, poverty, child mortality along with the spread of democracy and revolutions there seems a paradox here. No doubt we have been able to strengthen democracy and maintain peace by avoiding among civil war, but we have lost on account of opportunities created by the democracy in India. There is a need to understand that in this more interdependent world, that politics and political institutions are even more central to human development. Around the world discussions on development are placing more emphasis on institutions and governance. These debates have focussed on the effectiveness of public institutions and the rules for making market, work and promoting economic growth. Such issues are important for human development. When institutions function badly, poor and vulnerable people tend to suffer most just as human development requires much more than raising income, governance for human development requires much more than having effective public institutions. Good governance also requires fostering fair, accountable institutions that protect human rights and basic freedoms.

Democratic governance is valuable in its own right. But it can also advance human development for three reasons. First enjoying political freedom and participating in the decisions that shape one's life

are fundamental human rights, they are part of human development in their own right. Democracy is the only political regime that guarantees political and civil freedoms and the right to participate, making democratic rule a good in itself. Second, democracy helps protect people from economic and political catastrophes such as famines and descents into chaos. Indeed it can mean the difference between life and death. Noble price winner Amartya Sen has shown how elections and free press gives politicians in democracies much stronger incentives to avert famines⁴⁷.

Democracies also contribute to political stability, providing open space for political opposition and handovers of powers. Third, democratic governance can trigger a virtuous cycle of development as political freedom empowers people to press for policies that expand social and economic opportunities and as open debates help communities shape their priorities. Two prominent examples are participatory budgeting and gender responsive budgeting. Gender responsive budgeting, which examines the implication for gender equity of national and local budgets has been pursued in at least 40 countries. According to UNDP human development report 2002, “the links between democracy and human development are not automatic: when a small elite dominates economic and political decisions the link between democracy and equity can be broken”. Thus to have a participatory and

⁴⁷ UNDP Human Development Report 2002

gender responsive democracy it needs to be built indigenously. The democracy a nation chooses to develop depends on its history and circumstances. Countries will necessarily be “differently democratic”. The democracy that empowers people must be built, it cannot be imported. It requires building the key institutions of democratic governance. Building democratic institutions while achieving equitable social and economic development poses tensions. Granting all people formal political equality does not create an equal desire or capacity to participate in political processes or an equal capacity to influence outcomes. Imbalances in resources and political power often subvert the principle of one person one voice and the purpose of democratic institutions.

Promoting democratic politics means expanding capabilities such as education to enable dalits to play a more effective role in such politics and fostering the development of civil society groups and other informal institutions to help democratic institutions better represent the people. A free independent media is another crucial pillar of democracy. Dalits have much stake in media because the people who do not have the voice, media can become the voice of the dumb. Most ordinary citizens have many more sources of information than what they had 10 years ago. But to be plural and independent the media must be free not only from state control but also from corporate and political pressures. Press freedom and technologies are enabling the media to contribute

more to democratic politics by opening public debates and exposing corruption and abuse. This can be seen from the Tehelka Expose, which led to resignation of defense minister in India.

Global interdependence also calls for more participation and accountability in global decision making. Empowering people to influence decisions that affect their lives and hold their rules accountable is no longer just a national issue. In an integrated world these democratic principles have a global dimension because global rules and actors often affect peoples lives as much as national once. So dalits too can get benefits of larger global institutions programmes. But this needs civil society movement promoting pluralism at global level. Though the emergence of a global civil society has created opportunities to deepen democracy at the international level, existing international institutions need reform. Developing countries should be given a stronger voice in their operations. Given their enormous and growing influence these institutions should also be held more accountable for their policies and actions. The lessons from the past decades is that national political institutions are not keeping pace with the governance challenges of a more interdependent world. What is needed is the will to act in ways that cultivate democracy, advance development and expand human freedom around the world.

CONCLUSION

After going through the studies one finds that without a serious intervention in India's unorganized sector the dalits can not achieve any break-through and the larger part of the community will continue to live in a world defined by exclusion, oppression and indignities. Since agricultural sector forms the back-bone of this sector it needs to be given special attention for the upliftment of dalits.

Since the largest majority of scheduled castes are land less agricultural laborers landlessness is the issue that needs to be addressed first. We can have lessons from world history as how it was done in other countries. It can be done under following way firstly in Europe and America farm workers are treated at par with factory workers with similar service conditions. Secondly from feudal to the cooperative farming based on the principle of "Land to the Tiller" in the erstwhile soviet union and China. Thirdly capitalist large scale farming co-existing with individual self sufficient holdings in Japan and some East, South East Asian counties. But considering the existing sociopolitical situation in which the agenda of land reforms has withered because land owning castes have grown stranger and no government can usher in an era of radical land reforms along the principle of "land to the tiller". Given the present condition in India capitalist large scale forming and the cooperative forming seems equally impossible. So what

is the way out for dalits? This can be done through two pronged strategy. Firstly there needs to be a redistribution of agricultural land. Grazing land needs to be downsized to create surplus agricultural land to distribute it to dalits. For example Madhya Pradesh has reduced its grazing land from 7.5percent in each village to 2 percent in each village. This has created a surplus of 6lacs acres which has been distributed in 4lac SC/ST households. Secondly it is necessary to create material conditions by dalit landless agricultural laborers to turn into share cropper to ultimately emerge into independent cultivators. This role of the facilitator to provide irrigation, seeds, the credit and lastly the marketing of the product of these marginal dalit cultivators. This kind of material base alone can help the dalits to enter newer occupations.

If we look at the literacy rate of dalits, we find that it is very minimal. In 1961 it was 10.27 percent which reached to 37.41 percent in 1991 as compared to general literacy of 52.21 percent in 1991. More importantly the gap in literacy for scheduled caste has increased marginally from 13.75 in 1961 to 14.80 percent in 1991. But basically one needs of look literacy in a brooder term. Literacy is a basic tool of self defence in a society where social interaction involves written media. An illiterate person is ill-equipped to defend herself in court, to obtain a bank loan to enforce her inheritance right, to take advantage of new technology, to compete for secure employment to take part in political activity and to participate successfully in the modern economy and

society. Thus basic education is a catalyst of social change. V.K. Ramachandram's (1996) study of Kerala has proved that the spread of education helps to overcome the traditional inequalities of caste, class and gender just as the removal of these inequalities contributes to the spread of education. The value of basic education as a tool of social change has not been lost on the Indian people. And basic education is still the most promising chance of upward mobility for the dalits and their children. A firm commitment to the widespread and equitable provision of basic education is the first requirement of rapid progress in eradicating educational deprivation among dalits in India.

Education policy in India since independence has been inconsistent. In directive principle of constitution (Article 45) urges the state to provide free and compulsory education has not been actually implemented anywhere in India, even through state governments and even local authorities are empowered to make primary education compulsory. And the provision of educational facilities remains completely out of line with the stated goal of universal school education until the age of 14. After independence all educational policies have reiterated the elusive goal of providing free and compulsory basic education but they have not been concretely applied. So India's education policy since independence had suffered from inconsistencies and contradictions between stated goals and resource allocation. So for the emancipation of dalits, there is a need of formulation of more

effective policy which should begin with the tasks of setting clear goals that are adequately ambitious yet realizable and which are practically possible and resources should be provided for that. Basically Indian education policy needs to come out of its Ad hoc schemes like operation blackboard and the new district primary education program. Some of these initiatives are undoubtedly useful. Impressive achievements, have been reported for total literacy campaign. But such program might be useful in localized context, but the basic problem of endemic illiteracy in the younger age groups cannot be solved through such ad hoc schemes and campaigns which represent an over simple response to a particular aspect of problem of educational backwardness.

The priority should be to ensure that every village in the country has a free, functioning, well staffed and well attended regular primary school. One requirement of this basic objective is the provision of adequate educational facilities within the basic framework of village schools. Thus there needs to be major improvement of public schooling facilities in rural India. Two steps are necessary for this first to increase the number of teachers and to ensure that they teach. An expansion of the quantity of schooling facilities in India can be expected to lead on its own to a large increase in school attendance and educational achievements. In India the popular demand for basic education is quite strong to induce most parents to send their children to school, where a free and well functioning school is available close to their homes. Apart

from this public policy must also seek to promote the utilization of existing facilities.

The common reasons for non-attendance are high opportunity cost of children's time as wage laborers and secondly lack of interest in education. Interest in education is directly related to quality of teaching. The notion that education is not important for dalits affects their educational aspiration, the parental social support and even the public commitment to their education Public Policy has a lot to do to address the possible problem of inadequate parental motivation and high opportunity cost of schooling. In Tamil Nadu and Kerala school meals greatly improved the school attendance rates. Popular attitudes to education can also be decisively influenced by active public campaigns. Compulsory education could be another means of intervention.

The third important issue from where dalit emancipation can take place is through participatory democracy. Many of the public provisions that have to be made in order to promote basic equality and ensure minimal social security involve local public services. A primary school, health care center, fair price shops, public works schemes are related to local community. The effective management of these local public services depends crucially on the existence of credible institutions for local governance. Local democracy is still a neglected institutional base of political participation in India. The weakness of local democracy rooted in centralized political institutions and deep social inequalities

has played a major role in the comprehensive breakdown of local public services and this has been the chief cause of economic and social backwardness of people. Importance of local democracy is not confined to public services alone or other instrumental role of participatory politics. Participation also has intrinsic value for quality of life.

Capability to do something not just for oneself but for other members of society is one of the basic freedom which human beings value most and this is true even for time most deprived people's like dalits. The inadequacies of local governance in rural India have several roots, one of the reasons is centralized governance since colonial period. Secondly flourishing participatory politics has been slowed down by low levels of literacy and basic education. Literacy helps people to understand the functioning of the system and makes them aware of their rights. Thus education enhances the quality of state level politics and leads to more vigorous practice of local democracy. Dalits seem to be a disadvantaged category because of their low levels of literacy and socioeconomic suppression. Thus local democracy has often been undersigned by acute social inequalities. No doubt various legislation's regarding local level democracy have created opportunities for the correction of local governance in rural India, but It can not be done without rectifying other causes of the problems. Thus legislative reforms are indeed promising but the actual success depends on the real public action. So most importantly an initiative for widespread literary, a

stronger political organization of dalits and a more vigorous challenge to social inequalities could provide a real opportunity to transform village politics in rural India.

The fourth issue that needs to be dealt is the reservation in private sector. The new economic reforms programs has led to disinvestment from public sector enterprise. As a result of such privatization most of the employment opportunities in the coming years are likely to emerge in the private sector. How can dalits gain entry there. It mostly depends on the will of the private entrepreneurs. As we have seen in the chapter 4 the lessons from American experience that America has been able to create and maintain protective discrimination policy despite being capitalist state. There is a need to realize here that role of state never diminishes, it can create new instruments of control over the capitalist class, but it depend on the will of the state. Apart from this a civil society needs to be created which values social justice above everything and a culture which sees diversity as way of life. But before such a society can be created there needs to be a government initiative to incorporate dalit. The SC/ST commission fifth report, 1998-99 clearly states, keeping in view the trends of the emerging employment opportunities, the Government of India should consider extending the social obligation, cast upon the public sector enterprises of providing reservation in jobs to SC to STs to private sector also. As reservation policy is not applicable to private sector, there is an immediate need to

provide vocational training to dalits to enhance their skills so as to enable them to compete in private market for jobs. So vocational training institutes should be so structured so as to upgrade the skills of the dalits to make their products competitive in the market besides providing them training in the areas which offer large employment opportunities.

Last and the most important issue of empowerment of dalit women. In India dalit women tend in general to fare quite badly in relative terms compared with men. This is reflected not only in such matters as education and opportunity to develop talents but also in the more elementary fields of nutrition, health and survival. Mortality rates of females tends to exceed those of males until the late twenties. Result is remarkably low ratio of females to males in the Indian population as a whole. Though there are variations in gender relations but north-western states have very high unequal gender relations which includes practice of female seclusion very low female labor force participation rates a large gender gap in literacy rates restricted female property rights, strong boy preference in fertility decision, widespread neglect of female children and drastic separation of a married woman from here natal family. In all these respects social standing of women is somewhat better in south India. The decline of the female male ratio in India was not been at all even between different castes and religious communities.

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literacy and fertility is particularly clear. Education helps to disseminate the knowledge of family planning. Thus we need to recognize the role of women's agency in social progress. There is indeed a clear cut connection between women's agency and fertility and child mortality. We can see from the example of Kerala that how the empowerment of women has led to female literary and other forms of female emancipation. Thus there cannot be any progress without women having more equal and active role. The importance of women's agency is not confined to the field of demographic change. When the creating abilities and personal contributions of one half of the society are stifled by constant subjugation in addition to the drudgery of constant domestic work, social opportunities are suppressed in a wide range of domains. The level of economic production is likely to be higher in a society where women are able to engage in a diverse range of activities compared with that of a society where their life is confined to domestic work. The realms of politics and social reforms can also be considerably enriched by the active participation of women.

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