

Dalit Capitalism and Dalits in Businesses: Learning from Facts and Black experiences

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Round Table India

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On December 29th, 2015, **DICCI** (Dalit Indian Chamber of Commerce and Industry), on its tenth anniversary, organised 'National Conference for SC/ST Entrepreneurs' to boost entrepreneurship among young Dalits. Previously, DICCI had taken the initiative of setting up an Entrepreneur Incubation Centre and a Venture Capital fund to promote SC/ST entrepreneurs. Chandra Bhan Prasad, DICCI's advisor and prominent journalist, has changed the Dalit perception of what Capitalism is.

It is not a turn of tide, Capitalism was never our foe instead it has always been our friend, according to Prasad. Prasad also approves of the economic reforms (LPG) of the Indian government and opines that they have been a big help to Dalits. There can be no doubt that whatever change which has been brought in the lives of SC/STs through the constitutional empowerment mechanism of reservations has not been enough for them. Their representation stands inadequate in all places. Therefore, it becomes necessary to critically analyse and explore all alternative possibilities, which have been brought up by visionaries of our society, available. In order to do that let us look at some vital facts, research and also learn from the experiences of the African-American (Black Americans) struggle.

Embracing Capitalism

Capitalism by definition means acquiring of private ownership of the means of production and then processing of these means to get final product which creates profit. The common understanding of the people has been that during this processing, the labour is often suppressed and exploited for the profit of only the owners, thereby creating huge social inequality. Capitalism in India has been part of a mixed economy which allowed state intervention in the market but this intervention had been gradually reduced

through economic reforms of liberalising the markets. Contrary to this view, Prasad says that Capitalism is instead the enemy of feudalism.

In the last 50 years, some Dalits who benefited through reservations got the opportunity to get educated and seek jobs but lakhs of dalits who were unable to do so migrated to urban cities and became industrial labour. These dalits got out of the traditional feudalism they were a part of and took jobs such as driving, tailoring, electrician etc. Mass industrialisation has also led to industrialisation of villages which has been helpful in demolishing traditional feudal societies and establishing democratic civil societies. Today, a dalit businessman who lives in west Delhi owns a workshop and manufactures dyes which are used to produce wires. Similarly, another dalit businessman of Delhi who lives in Aazadpur Sabji Mandi owns 4 mini trucks. Both of them started their journey from being labourers. According to the 2001 census, the population of such small dalit businessman has exceeded 85 lakhs.

Among DICCI's members, Rajesh Saraiya who is a dalit entrepreneur from Uttar Pradesh has a turnover of Rs. 2000 crore. The silencer in Tata Nano is produced by a dalit entrepreneur. Bajaj Pulsar has 3 parts being supplied by Dalits.

Prasad argues that in a capitalist market, caste doesn't matter. Competition is the only thing that matters. If you have an ingenious idea, your product can create demand then it will rule the market. Also, he says that capitalist welfare is better than socialist welfare because a socialist state has no surplus to distribute whereas a capitalist system does. At the same time he does not rule out the fact that this society is deeply entrenched in casteism and all capitalists are dominant upper castes create strong barriers at the time of entry into business. One of the main problems faced by dalit entrepreneurs is that of getting loans because of:

- Caste bias of financial Institutions
- Lack of collateral like land, property etc among dalits

The ground reality is that that there is extreme untouchability in the market. A dalit can't sell milk directly to the market. He/she has to sell it to a middleman at lower rates. This way dalits do not participate in business directly. Prasad points out the barriers but does not suggest whether there is a way such that a dalit could himself/herself overcome these barriers. Instead, he relies on government support through venture capital fund or dalit share in skill India programme. We all know how such government schemes which are mostly created to increase vote banks result in the end.

What LPG means for Dalits

LPG (Liberalisation, privatisation and globalisation) are the economic reforms committed after 1990. These reforms were aimed at increasing growth through more investment in infrastructure or industries. The market regulating laws were liberalized, government structures were privatised and outsourced and foreign investors were encouraged to invest in India. If we try to understand it technically, nothing more virulent could have happened to Bahujans of India. Bamcef's National Chairman Mr. Waman Meshram says that LPG is a systematic programme to enslave the whole nation. In the name of liberalization, rich upper caste businessmen were lent huge amounts of money easily. These rich businessmen earned a lot of profit through investments made by this money. Many of them even defaulted largely on these loans. After long court cases of 15-20

years, these businessmen were asked to pay small amounts of fine. This liberalisation policy became an easy tool of carrying out tax theft and hiding black money in tax havens. The policy converted black money into white money with no penalty. It obviously, deepened the income inequality. It was said that the country is making growth while actually this growth was highly unequal.

Other than liberalization, government institutions, units, corporations were now being sold to private owners and disinvested. The harm caused by privatisation and disinvestment is immense; SC/ST get a few jobs through reservations and that too were taken away from them and the ownership of those companies sold to some rich upper caste businessman or their groups. Private contractual work like Delhi's Safai *thekedari* is now known for exploiting dalits by providing them unreasonable compensation and in many other ways. A large number of jobs were generated through globalization, but for whom? Did dalits have their share?



Chandra Bhan Prasad doesn't look at these reforms in the same manner. He says "Economic liberalisation is democratising monopoly capitalism and the manufacturing sector. It introduced the new business practice of outsourcing. Earlier, both trucks and bikes were produced under one factory roof, end to end, under one ownership. Now, trucks and tractors or motorbikes have multiple vendors supplying various parts. Some of these vendors are Dalits. A flash strike by Dalit ancillary makers might halt production of trucks, bikes or cars. The market is replacing social markers with material markers. You see, Dalits can't buy social markers. They can buy material markers."

Prasad says instead of opposing the policy, dalits must ask for 'diversity' in jobs created through globalisation because like capitalism, globalisation too would finish off the traditional rural societies. A dalit who realises that English is the key to his/her freedom can make use of the opportunities created for him/her through globalisation. He also insists that dalits should ask for reservations in the private sector just like the Black Americans got several opportunities in businesses through Diversity Commission of the U.S. The Indian government treasury got a lot of money through disinvestment, but did they spend it on dalits? No.

Learning from Black experiences

The number of businesses owned by African Americans have grown in a tremendous manner. The National Negro Business League was founded in 1900 by 'Booker T. Washington' to promote the commercial and financial development of the Negro men and women. President Lyndon B Johnson appointed a Diversity Commission to check whether any public or private institution is working in favour of racial discrimination. In 1969, President Richard Nixon gave a directive to the US government to develop a policy to increase business ownership among the blacks. In 1972, large industrial houses formed the National Minority Supplier Development Council. The council would include black dealers and suppliers in their every business activity. In 1983, President Ronald Reagan issued directives for easy loans to the blacks.

Interestingly, unlike Indian upper castes, some of these initiatives were taken by white owners. The white businessmen knew that employing more blacks and providing them handsome salaries would only help them in making more profits and enable business expansion. If a business owner gives more salaries to her workers, it leads to increase in her consumer base as her own workers would now become consumers thereby increasing demand for the product. The increased demand then leads to business expansion. But in India, businessmen actually go against increasing consumer base. They provide low salaries to their workers and thus their workers do not have enough money to buy companies' own products and become a consumer. In US, a car driver could arrive at work in his own car. The increase in purchasing power of African Americans has helped in the growth of American consumer base which has helped in increased profits of companies. Will Indian upper caste businessmen do the same here? Do they not want to earn more profits?

In a historic court case on 23rd June, 2003, in the US Supreme court, 65 huge corporate companies fought in favour of 'Diversity Policy' of US which provides jobs, businesses, market and education to minorities like African Americans, Native Americans, Hispanics and Asians in proportion to their population. The decision was in favour of the minorities. Will the Indian upper caste business houses fight such cases? Will they take any such initiative for a better society?

I am personally convinced to a limited extent by Mr. Chandra Bhan Prasad's initiatives for Dalit entrepreneurship. The area is literally untouched by any writer or thinker. But, at the same time, I could say that without eliminating the caste barriers which are not only at the level of business entry, but remain there always and without any reservation in the private sector, we cannot trust either LPG or Capitalism and reap their benefits.

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Cartoon by **Unnamati Syama Sundar**.