



## Adam Smith vs Manu: Look who's winning

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The most heartwarming book of 2014 is *Defying the Odds*, by Devesh Kapur, Shyam Babu and Chandrabhan Prasad.

It tells the stories of 21 dalits who rose from humble origins to become millionaire tycoons. India has long been a land of oppression. It has just started becoming a land of opportunity too.

Sukesh Rajan came from a family of rat-catchers, eating rats and grain hoarded by rats in holes. His parents educated him and wanted him to become a civil servant. But he flunked the exams. He then had an epiphany. He knew slum-dwellers couldn't afford standard Rs 10 spice packs. Why not sell them one-rupee sachets? He started small, but sales soon soared. He diversified into packaged roasted sattu (gram flour) eaten by labourers. Sattu also sold well to urban youngsters as a health food. Today he employs over 100 persons, and aims for sales of Rs 1,000 crore in five years. Rajendra Gaikwad started buying and selling old newspapers. He then got a job at a pest control unit. He later drove an auto-rickshaw while working part-time at a pest control company. A poultry farm asked the company to eliminate rats in its farm, but the owner refused, saying that was a dalit's job. Gaikwad offered to do the job. When he succeeded, other orders poured in. He diversified into controlling other pests, and expanded fast. Today his company is a multinational, with one branch in Singapore and another planned in Thailand.

Ashok Khade, son of an illiterate cobbler, started as a welder apprentice at Mazagon Docks for Rs 70/month. In time, he and his brother used their welding skills to create a company fabricating oil drilling platforms, jackets and rigs. They made their reputation by completing a five-month order in three months. They now employ 4,500 workers, including 150 engineers.

Malkit Singh Janagal started with a second-hand sewing machine costing Rs 300. Starting with sales of 1,000 t-shirts a week, he is now a manufacturer-exporter with annual sales of Rs 70 crore.

Milind Kamble, son of a school teacher, got educated and became a civil engineer. After working briefly for contractors, he became one himself. His company, Fortune Construction, has built projects worth hundreds of crores. Kamble also organized dalit entrepreneurs into a Dalit Indian Chamber of Commerce and Industry (DICCI), which now has 3,000 members with combined sales of half a billion dollars. This is just a start for dalits, yet implies an economic and social revolution. Most dalits are still poor and oppressed, but some are not just rich but large employers of upper caste workers. Job-seekers have become job-givers.

Many parties, especially the Congress, BSP and Marxists, claim to be saviours of dalits from caste oppression. Yet none openly celebrates the rise of dalit millionaires. Rather, this rise undercuts their own claim to be the sole saviours. Politicians like to keep dalits as objects of pity, to be aided with subsidies, doles, reservations and special schemes. But dalit millionaires are objects of envy, and this interferes with the image of politicians as saviours.

Indeed, for many politicians and left intellectuals, poor dalits are by definition heroes, while millionaires are by definition villains. The rise of dalit millionaires spoils this hero/villain story, suggesting that capitalism can be more revolutionary in transforming dalit fortunes than socialist sops. Indian intellectuals loved the idea of the Dalit Panthers trying to replicate the revolutionary zeal of American Black Panthers. They are uneasy or silent at the rise of Indian millionaires, matching the rise of black US millionaires like Bob Johnson of BET, or black CEOs like Dick Parsons of Citibank, Ken Chenault of American Express and Don Thompson of McDonalds.

In India, as in the US, reverse discrimination and democratic politics helped those at the bottom to break into the middle class and some political positions. But the clincher must mean entry into big business. Kamble says Ambedkar saw capitalism's potential in breaking caste shackles, but couldn't put this into practice. Instead India got the licence-permit raj of the Nehru-Indira family, which helped a small coterie of established upper-caste groups to dominate business. Licence-holders were quasimonopolists, and could afford to give subcontracts to their caste brethren alone, ignoring the resultant inefficiencies. Economic liberalization and globalization after 1991 changed everything. Fierce competition created by reforms meant business survival depended on outsourcing to the cheapest suppliers, no matter what their caste. This opened up new spaces for competitive dalits. Adam Smith, says Kamble, is the enemy of Manu, and is now triumphing. Karl Marx saw capitalism as a revolutionary force that smashed feudalism. In India, it is smashing casteism too.