

# INDIAN INSTITUTE OF DALIT STUDIES

Dalits in Business:  
Self-Employed Scheduled Castes in Northwest India

Surinder S. Jodhka



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### **IIDS Objectives**

- To conceptualise and theoretically understand social exclusion and discrimination in contemporary world.
- To develop methods and measuring tools for the study of discrimination and exclusions in social, cultural, political and economic spheres of everyday life and their consequences.
- To undertake empirical researches on measuring forms, magnitude and nature of discrimination in multiple spheres.
- To understand the impact of social exclusion and discriminatory practices on inter-group inequalities, poverty, human right violations, inter-group conflicts and economic development of the marginalised social categories.
- To undertake empirical research on the status of different excluded, marginalised and discriminated groups in Indian society *vis-à-vis* their social, cultural, political, and economic situations.
- To propose policy interventions for building an inclusive society through empowerment of the socially excluded groups in India and elsewhere in the world.
- To provide knowledge support and training to civil society actors.

**The views expressed in this paper are those of the author(s) and do not necessarily reflect the views or policies of Indian Institute of Dalit Studies and supporting organisations.**

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# Foreword

Indian Institute of Dalit Studies (IIDS) has been amongst the first research organizations in India to focus exclusively on development concerns of the marginalized groups and socially excluded communities. Over the last six years, IIDS has carried out several studies on different aspects of social exclusion and discrimination of the historically marginalized social groups, such as the Scheduled Caste, Scheduled Tribes and Religious Minorities in India and other parts of the sub-continent. The Working Paper Series disseminates empirical findings of the ongoing research and conceptual development on issues pertaining to the forms and nature of social exclusion and discrimination. Some of our papers also critically examine inclusive policies for the marginalized social groups.

The paper “Dalits in Business: Self-Employed Scheduled Castes in Northwest India” draws insights on the expansion of private capital in India during post-1991 period which also marked important ideological shift. Not only did the Socialist rhetoric grow mute, but emerging markets and middle-class came to occupy the central stage. The paper focuses on Self-employed Dalits in business and small-scale entrepreneurship. Apart from reflecting on the consequences of expanding private sector, such as constriction of the space of historically marginalised groups in India; the paper addresses unsought questions of collective prejudice emanating from tradition which has not only crippled their prospects in the markets but are known to shape their self-image and identification. It is argued that while the available data provides broader indications of the employment patterns yet questions related to the patterns of their social and economic mobility, kinds of barriers encountered in the process of setting up their enterprises remain unanswered. Indeed, it becomes important to explore the issues of how and in what ways caste matters in business and entrepreneurship, specifically in subtle mannerism and bias; varying from difficulty in getting enough supplies on credit, lack of social networks, absence of kin groups in the business and control of traditionally dominant business caste groups. These along with other social variables such as lack of social capital, make the Dalit situation in India more complicated and vulnerable to homogeneous categorization. The paper highlights that caste is a social and political reality that haunts the Dalit entrepreneurs and not mere past tradition or value-system that is found incompatible with contemporary market economy.

This paper was completed at the Indian Institute of Dalit Studies as a background paper for the World Bank Report on Poverty and Social Exclusion. Indian Institute of Dalit Studies gratefully acknowledges the World Bank for supporting this study. We hope our Working Papers will be helpful to academics, students, activists, civil society organisations and policymaking bodies.

**Director  
IIDS**



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# Dalits in Business: Self-Employed Scheduled Castes in Northwest India

Surinder S. Jodhka\*

## 1. Introduction

In its attempt to respond to emerging challenges of post-Cold War world India initiated a process of reforms in its economic policy during the early 1990s. These reforms proved to be an important turning point for the country in many different ways. Under the new regime, the state began to withdraw from its direct involvement with the economy. Private enterprise was allowed and encouraged to expand into areas of economic activity that were hitherto not open to it. Though some scholars have pointed to the fact that the growth of private capital in India began to accelerate during the early 1970s<sup>1</sup>, it is during the post-1991 period that the private capital in India experienced expansion at an unprecedented rate. This expansion was not merely in terms of growth rates and profits, India also experienced an important ideological shift during the 1990s. The socialist rhetoric that had been so central to the Nehruvian idea of planned development lost its charm. Markets and middle classes came to occupy the centre stage of India's cultural landscape, displacing the emblematic 'village' and its poor peasants. The Nehruvian state had also worked-out its own modes of dealing with those who had historically been on the margins of Indian society. The quotas or reservations in government sector jobs and state funded educational institutions was the core of the state policy for the development of Scheduled Castes (SCs) and Scheduled Tribes (STs).

Growing privatization of India's economy and declining avenues of employment in the state sector also meant shrinking of jobs available under the quota system for reserved categories. The expanding role of private sector in technical

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and professional education could similarly contract the space given to the historically marginalized groups in India's higher education system. It was in response to the growing restiveness among a section of the Dalit intellectuals about this negative implication of liberalization policy that the United Progressive Alliance (UPA) proposed extension of the quota system for SCs and STs to the private sector upon coming to power at the Centre in 2004. In its National Common Minimum Programme, the new government made an unambiguous statement in this regard:

The UPA government is very sensitive to the issue of affirmative action, including reservations, in the private sector. It will immediately initiate a national dialogue with all political parties, industry and other organizations to see how best the private sector can fulfill the aspirations of scheduled caste and scheduled tribe youth<sup>2</sup>.

Apart from the proposal of extending the quota regime to the private sector, there have also been proposals of encouraging and supporting direct participation of the historically marginalized groups into the private economy as entrepreneurs and capital holders.<sup>3</sup> Though the State is called upon to play an active role in the process by provision of economic support through loans and regulation of markets, the emphasis is on development of entrepreneurial culture that can enable Dalits to participate in the private sector and informal economy on equal terms. However Dalits are not only poor, they also face discrimination in the labour market. Interestingly, the fact about the marginal status of Dalits and their continued discrimination in the urban labour market finds recognition in one of the recently released official documents, the 11<sup>th</sup> Five Year Plan:

....In urban areas, too, there is prevalence of discrimination by caste; particularly discrimination in employment, which operates at least in part through traditional mechanisms; SCs are disproportionately represented in poorly paid, dead-end jobs. Further, there is a flawed, preconceived notion that they lack merit and are unsuitable for formal employment<sup>4</sup>.

What are the ways in which Dalits in the urban labour market negotiate with prejudice and discrimination? What are the experiences of those who have tried to venture to set-up their own businesses and enterprises? The available social science literature on caste, or on labour markets, tells very little about these realities.

Academic writings on caste have invariably tended to look at it as a traditional system of social hierarchy and culture, which is expected to weaken and

eventually disappear with the process of development or modernization. Caste was thus researched in relation to rural social order, kinship networks, religious life or traditional occupations, and mostly by social anthropologists and sociologists. Economists who worked on “hard” questions of development rarely treated caste as a relevant area of inquiry. In the mainstream understanding of text book economics, development or market were essentially secular or socially neutral and anonymous processes. Similarly, the social science understanding of entrepreneurship has typically revolved around the notion of a rational individual operating in a supposedly free-market economy.

## 2. Focus and Research Objectives

Nearly two-thirds of the 16 per cent Dalits<sup>5</sup> of India are either completely landless or nearly landless with virtually no employment or income generating assets of their own. Over the years, many of them have also moved away from their traditional caste occupations. In some other cases, such occupations have either become redundant or non-remunerative. With the process of mechanization, employment in agriculture has also been steadily declining.

With changing aspirations and state support, larger numbers of Dalits are also getting educated and looking for employment outside their traditional sources of livelihood. However, the organized sector is able to provide meaningful employment only to a small number of them. Thus a larger proportion continues to work in the informal or unorganized sector of the economy as casual wage workers. Some of them have also ventured into self employment. According to the 61<sup>st</sup> Round of NSS (2004-05) a little more than 29 per cent of all the urban Scheduled Caste households were in the category of self employed. Though this number was significantly higher for the OBC (nearly 40.3 per cent) and ‘other’ (nearly 38.6 per cent) categories of households, the number of Dalits in the category is also quite significant<sup>6</sup>. Similarly, though the proportion of Scheduled Castes owning private enterprises was significantly lesser than their population in urban areas (around 7 per cent against their population of around 12 per cent) their presence is not insignificant<sup>7</sup>.

While the available data provide us with some broad indications of the employment patterns among different categories of workers, yet they leave many questions unanswered, such as: who are these self-employed Dalits; what has been the pattern of their social and economic mobility; what kinds of barriers do they encounter in the process of setting-up their enterprise and in carrying-on with their businesses; How do they mobilize initial resources for

investment and what is the nature of difficulties they encounter in getting bank loans and raising money from the market; do they experience any kind of discrimination in the process of their interactions with different kind of markets; are there only a few niche areas where Dalit entrepreneurship is concentrated and if so for what reasons; how do they survive in the urban setting and what kinds of supports are they able to mobilize in such endeavors for employment and social/ economic mobility; does kinship and other social network or their absence play any role in successes and failures of Dalit enterprises; do the “soft” and “hard” skills acquired from their family background and upbringing help or hinder their mobility?

### 3. Field Sites and Data Collection

Demographically, the Scheduled Castes are often treated as a single/ homogenous and pan-Indian category of traditionally marginalized and excluded section of population. However, their development trajectories vary significantly across regions and across communities within the Scheduled Castes. This is also true about Haryana and Uttar Pradesh from where we chose two towns (Panipat in Haryana and Saharanpur in UP) for the field study. Field work for the study was carried-out during the first half of 2008.

In terms of the SCs population, the two states are quite similar and both have fairly large proportion of Scheduled Castes (Haryana: 19.30 percent and U.P.: 21.10 percent). Though UP is a much larger state and unlike Haryana quite uneven in terms of development indicators; the Saharanpur district of western UP is more like the Panipat district in neighboring Haryana than the eastern part of UP. The two towns are also similar in terms of their location in proximity to the national capital, Delhi.

The agrarian change experienced with the success of Green Revolution in both these regions had far reaching implications for the social structure of the village. If on one hand it led to fragmentation of the village; on the other, it loosened up the hold of dominant castes over the Dalits and provided opportunities to them to move out from the village and agrarian employment. However, notwithstanding this common trajectory, the nature of change experienced on the ground was not similar for the Scheduled Caste populations of the two states. This can be seen from the available data on the patterns of employment among Scheduled Castes across the two states. While more than 44 percent of the urban Dalits in U.P. were in the category of self-employed, their numbers in Haryana was lesser, at par with the national average (29.4)<sup>8</sup>.

Socially and politically also, the Scheduled Castes of U.P. have been more vibrant. Some pockets of Uttar Pradesh have had a history of entrepreneurship among the Dalits. Haryana, on the other, has not been known for any such dynamism. The two states also present quite contrasting pictures of political mobilizations and assertion. While U.P. has virtually become a model state where a Dalit woman has been able to come to power through caste mobilizations, no such trends seem visible in the case of Haryana. It was keeping in mind some of these similarities and differences that we decided to look at Dalit entrepreneurs in two primarily urban settings of Haryana and Uttar Pradesh. The towns chosen for the fieldwork were not very far from the capital city but they were not too close either. While Panipat is around 95 kilometers from Delhi and Saharanpur is around 130 kilometers from Delhi.

**3.1 Panipat** is one of the important urban centres of Haryana. In history books, the town is known for the three crucial battles that were fought here. The town also witnessed a large scale migration during 1947, when a large proportion of the local Muslim population left for Pakistan, and in its place the Punjabi Hindus and Sikhs, who had left their homes in western Punjab (Pakistan) settled in the town, and in many of its adjoining villages. Though the local *Bania* traders continue to be powerful community of the town, it is the Punjabi, mostly Hindus but also some Sikhs from trading caste backgrounds, who have emerged as the dominant community of the town in the post-independence period.

In 1989 Panipat was separated from Karnal district and made into a separate district. The city of Panipat was made its headquarters. According to the Census of 2001, the total population of Panipat district was little lesser than a million (967,449) of which nearly 16 per cent were from the Scheduled Castes. A large majority of the SC population lives in rural areas (72 per cent). The total population of the city of Panipat in 2001 was 268,899 of which nearly 10 per cent were Scheduled Castes. With a population of 63,662 the Chamars were the largest community among the Scheduled Castes in the district, followed by *Balmikis* (39,509) and *Dhanaks* (12,912)<sup>9</sup>.

Over the last 20 to 30 years, Panipat has emerged as a vibrant urban centre of the region, through its industrial development. It is home to a good number of public sector industries including a thermal power station, a fertilizer company and an oil refinery. It is also a major centre of small and medium scale industries and has come to be known as a city of weavers. It is one of the largest centres

of handloom and rug industry and local entrepreneurs earn a large amount in foreign currency through export of textile/yarn. As the official web-site of the city administration states:

There has been a very high growth of handloom sector in Panipat during the last 15 years. Handloom is the most important sector of the town. At present there are more than 40000 handlooms working in the district providing employment to 45000 persons. Majority of the weavers are migrants from U. P., Bihar and West Bengal. There are some local weavers also who come from neighbouring villages to work at Panipat in Handloom Units<sup>10</sup>.

It further claims:

Shoddy industry has picked up sharply in Panipat during the last 15 years. Panipat town has got the distinction of having maximum number of shoddy spinning units at one particular place not only in the country, but in the world, leaving far behind the position held by Italy. There are more than 334 shoddy spinning units in the district with production of 3.90 lacs kgs per day with turnover of worth Rs. 592.65 crores providing employment to 7000 persons<sup>11</sup>.

**3.2 Saharanpur** district of Uttar Pradesh in terms of size and population, is quite bigger than Panipat. According to the 2001 census, total population of Saharanpur district was nearly three millions (2,896,863 with 2,149,291 rural and 747,572 urban). The city of Saharanpur is an administrative headquarter of Saharanpur district and also of Saharanpur division. Surrounded by fertile agricultural land famous for plentiful yields in grains and fruits, Saharanpur is one of the most flourishing cities of Uttar Pradesh. The city has been internationally known for its wood carving cottage industry. A variety of agro-based industrial enterprises like textiles, sugar, paper and cigarette factories are located here.

Population of the city of Saharanpur is also larger than Panipat. In 2001, the city had a total population of 452,925 persons. While the proportion of Scheduled Castes in the district is 22 per cent, only around 11 per cent of them live in urban centres of the district. Of the total population of the city, the SCs made for a mere 9 per cent. Here too, *Chamars* account for the largest SC group (546,674) and their number is higher than any other SC community (*Balmikis*: 46,063; *Kori*: 20,059)<sup>12</sup> Though unlike Panipat, out-migration of the Muslim

population at the time of partition was not very significant, a large number of Punjabi migrants from western Punjab were settled in the town of Saharanpur after 1947. Their social composition was very similar to those of people settled in Panipat, mostly from trading castes. With more than 39 per cent of the total population of Saharanpur being Muslims, it has been identified as one of the Minority Concentrated Districts, by the Government of India.

#### 4. In search of Dalit Entrepreneurs: Mapping the Universe

We began our fieldwork with Haryana. We first visited Panipat during May 2008 and tried to locate people who we thought would be able to help us in the fieldwork. These were mostly people working with the locally active Dalit groups. While it was easy to locate Dalit activists, it was not so easy to locate a Dalit entrepreneur. They simply were not there in big numbers. We were a little dismayed and had to think of an alternative strategy for fieldwork. We decided to hire a local educated Dalit and asked him to spend few weeks and prepare a comprehensive list of Dalit commercial establishments. Since there were not too many in the area that our local researcher could have located, we then asked him to extend the net to the entire district of Panipat, and if required, to the neighboring town of Karnal. As we proceeded with the listing process, we were able to locate a total of 126 enterprises run by Dalits in Panipat and Karnal (including the town of Samalakha located in the district of Panipat). We decided to use the same method of mapping the universe for Saharanpur. We similarly identified a Dalit activist group and appointed a local research assistant. As compared to Haryana it was easier to locate Dalit enterprises in Saharanpur. He was able to make a list of 195 Dalit entrepreneurs within a month's time.

We had a total 321 Dalit entrepreneurs (DEs) enlisted for us in the two towns. As we expected, a large majority of them had rather modest set-ups, run by relatively young Dalit men and had been in existence for relatively brief period of time. Except for seven women (around 2 per cent), the rest were all males. However, our universe mapping also sharply pointed to the important internal differences in the patterns of social mobility across Dalit communities. As mentioned above, though the schedule list contains a large number of communities, the two predominant groups in both the states are those of *Chamars* (traditionally identified with leather work) and the *Balmikis* (traditionally identified with occupation of scavenging). This is also reflected in our mapping of the universe. A larger proportion of *Chamars* (67.3 per cent)

in comparison to *Valmikis* (25.9 per cent) were active in the urban economy as entrepreneurs<sup>13</sup>. The other Dalit groups such as *Khatiks* (4 per cent) and *Dhanaks* (0.9 per cent) were also present but nominal.

When exactly did Dalits begin to get into entrepreneurship? As is evident from Table 1 only one of them was set up prior to 1950 and another one during the following decade. The next 20 years did not seem to have been good for Dalit entrepreneurship. A total of 3 respondents reported that their enterprise had been set up during the 1961 – 1970 decade and another 5 during the subsequent decade (1971 to 1980). In other words, of the total universe of 321 only 10 (a little above 3 per cent) were relatively old enterprises. The growth of Dalit entrepreneurship took-off in both the settings only during the decade of 1980, and more vigorously after 1990s.

**Table 1: The year of Starting the Enterprise**

| Place        | Period of start |         |         |         |         |         |            | Total |
|--------------|-----------------|---------|---------|---------|---------|---------|------------|-------|
|              | Before 1950     | 1951-60 | 1961-70 | 1971-80 | 1981-90 | 1991-00 | After 2000 |       |
| Panipat      | 1               | 1       |         | 2       | 7       | 39      | 76         | 126   |
| Saharanpur   |                 |         | 3       | 3       | 25      | 79      | 85         | 195   |
| <b>Total</b> | 1               | 1       | 3       | 5       | 32      | 118     | 161        | 321   |

Table 1 also provides us with an idea about the overall pattern of social mobility of Dalits in the region. It is only when they were able to consolidate themselves economically, which happened in most parts of north India during the 1980s. They developed the capacity to diversify into occupations other than those they had been traditionally employed in, except of course for the jobs in the government sector under the reservation quota.

What kind of enterprise did they run? Our mapping data tends to suggest that a large majority of them have entered into very simple kinds of businesses, mostly in the localities of their domicile. Of the seven women we could locate, six had small grocery shops. However, as shown in the Table below, there is a fair amount of diversity in the kind of enterprise that Dalits own and run in the two settings.

**Table 2: Type of Occupation being Followed by DEs.**

| Occupations                   | Universe           |            | Sample             |            |
|-------------------------------|--------------------|------------|--------------------|------------|
|                               | Panipat/<br>Karnal | Saharanpur | Panipat/<br>Karnal | Saharanpur |
| Petty Shop-keeper             | 67                 | 104        | 18                 | 25         |
| Hotel                         | 1                  | 0          | 1                  | 0          |
| Workshop                      | 8                  | 11         | 11                 | 9          |
| Dealer/Agency/Contract        | 14                 | 19         | 9                  | 7          |
| Factory                       | 3                  | 1          | 3                  | 2          |
| Institute                     | 2                  | 6          | 2                  | 5          |
| Skill based service providers | 19                 | 45         | 8                  | 6          |
| Doctors/Medical Clinic        | 3                  | 9          | 1                  | 5          |
| Independent Work              | 9                  | 0          | 4                  | 2          |
| <b>Total</b>                  | 126                | 195        | 57                 | 61         |

Most of the enterprises are rather modest in size. They did not employ too many people, so generally run by the entrepreneur himself/herself alone (71 per cent). Only 7 out of a total of 321 had more than 10 persons (other than the self) working with them. Dalit entrepreneurs did not have very active or strong links with the banking system. A large majority of them had set up their businesses from their personal savings. Only 28 of the total 321 or less than 9 per cent (9 in Panipat and 19 in Saharanpur) reported having taken bank loan or aid from the government agency for starting the business.

## II

### 5. The second phase of fieldwork:

Having mapped the universe, we moved on to a more intensive phase of fieldwork where we interviewed a purposively selected sample from the universe of Dalit entrepreneurs that we enlisted in the first phase. We conducted a total of 57 interviews in Panipat and Karnal and another 61 in Saharanpur. Our respondents did not necessarily represent the universe in proportional terms. We selected our sample keeping in mind the diversity of the universe and tried to cover different categories of enterprises in these interviews. We also discovered some new cases during the second phase, some of whom were interviewed for the study. Our interview schedule consisted of a total of 74 questions covering different aspects of being an entrepreneur and a Dalit.

In the third phase we conducted focused interviews with some of the respondents who had also been interviewed in the second phase, and who seemed to provide us with interesting details. Apart from interviewing individuals, we also conducted focused group interviews with Dalits. With a few exceptions, our respondents were easy to talk to. However they invariably wanted to know about the possible benefits they could expect from our study. Most of them were aware of the larger Dalit politics and state policies for Dalits. Some of them were keen to know our caste background and to affirm our intentions for speaking to them. Some expressed excitement about the study. They were invariably those who had been relatively more successful and wanted to share their experience of struggle and upward mobility.

### III

#### 6. Who are Dalit Entrepreneurs?

As mentioned above, our sample case studies were selected purposively with the objective of covering different categories of DEs. However, they closely resembled the universe we had mapped. Of the 118 cases we interviewed, four were women, two each from Haryana and UP. In terms of age most of our respondents were relatively young, in the age groups of 20 to 40 (nearly 80 per cent of all the respondents). Only three of them were above the age of 60. A large majority of them (81.4 per cent) were married and had medium size families of an average of 5 to 6 members. A little less than one-fourth (23 per cent) lived in joint families and the rest reported to be living in nuclear families.

When asked about their religion, a large majority of them identified themselves to be Hindus (except for 8 who said they were Buddhists). However, for a good number of them, Hinduism appeared to be a mere demographic identity and not really a matter of faith or passion. There was hardly any one who seemed excited or proud while reporting their religion as Hinduism. "You could write Hinduism, if you must" or "we are Dalits, but we are clubbed with Hindus" were some of the typical answers. Some of them were even more vocal in expressing their annoyance at being classified as Hindus. As a *Chamar* respondent from Panipat put it:

*Itni sadiyon ki bejjati ke baad bhi hum Hindu dharm ka bojh dho rahe hain* (even after having suffered so much humiliation for centuries, we are carrying the burden of being Hindus).

As expected, virtually all of them were first generation entrepreneurs. Only one of them inherited some kind of business set-up from his father. As is

evident from the table below, nearly three-fourths of them had fathers working as wage labourers or employed in traditional callings of their castes. However, a good proportion of them were also those whose fathers were in regular government jobs.

**Table 3: Father's Occupation**

| Type of Occupation | Frequency  | Percent      |
|--------------------|------------|--------------|
| Labourer           | 46         | 39.0         |
| Traditional        | 32         | 27.1         |
| Service            | 37         | 31.4         |
| Not Applicable     | 2          | 1.7          |
| Factory            | 1          | 0.8          |
| <b>Total</b>       | <b>118</b> | <b>100.0</b> |

The question of father's education predictably had similar responses. As many as 68 per cent reported that their fathers were either illiterate or had received education only up to the primary level. Involvement with traditional occupation of fathers or the families, from which our entrepreneurs came, varied significantly across caste groups. Only *Balmiki* and *Chamar* respondents reported that the families they came from were involved with traditional occupations and amongst them two-third were *Balmikis*. Of the 32 *Balmiki* respondents as many as 23 (72 per cent) reported that in one way or the other their parents' families had been involved with the traditional occupation of scavenging. This proportion was much smaller for *Chamars* (15 out of a total of 78, which works out to be 19 per cent).

Along with the enterprise they were primarily involved with, some of the respondents continued to pursue a secondary occupation (nearly 20 per cent). The secondary occupation was not necessarily their traditional occupation, or the past occupation. Since most of them had rather modest businesses, it was possible, and often desirable to have more than one economic activity for a viable sustenance. In some other cases, the entrepreneurs had simply diversified into various activities, such as running a restaurant and also being a property dealer, or running a small grocery shop while also working as a school teacher.

### 6.1 Where did they come from?

The fieldwork was carried-out in urban centers however, it should be pointed out that a large majority of Dalits in the two states live in rural areas, much

larger than the proportions for the total population<sup>14</sup>. Given that we worked in urban settings, a majority of our respondents (56 per cent) were born in urban/semi-urban areas. The proportion of those who continued to live in rural areas was even smaller (30.5 per cent).

Thus along with setting-up of enterprise, some of them had also migrated to urban areas. Nearly, 20 per cent of all our respondents reported as being migrants, either from within the state or neighboring villages, or from another region of the country. In some of these cases, migration had helped them “hide” their caste background. For example, a successful Dalit business family in Panipat was originally from Rajasthan and migrated to Panipat during the 1940s primarily for setting-up their businesses. Only one of them had initially migrated to the town but over the years several of the kins joined him and now they run half a dozen shops in the town. Some of them also run successful businesses as whole-sale dealers in electronic goods. However, in the local market very few knew about their caste background and are known by a caste name of the locally dominant community. It was only through our local contact that we were able to motivate one of them to speak to us. His other kin refused to speak to us when we told them that we are working on Dalit entrepreneurs. He too repeatedly told us about the “story” of their having been down-graded in caste hierarchy for some local political reasons:

“We are Rajputs but got caught in a local conflict and were reduced to the status of *Chamars*. That is the reason why we left Rajasthan. Once we lost our caste identity, what was anyway left for us there?”

## 6.2 Education and Training

Educationally the family context of an average Dalit entrepreneur does not appear to be very different from the larger community they come from. Nearly 68 per cent of the respondents have illiterate or nearly illiterate fathers. Educational level of mothers was even worse (nearly 90 per cent being illiterate). The proportion of those whose fathers were educated up to high school or above was around 20 per cent. The proportion of respondents who had mothers educated up to high school and above was less than 2 per cent.

However, our respondent’s appeared to be very different from their parents. There was only one *Balmiki* respondent who reported being completely illiterate. Nearly 30 per cent of them have gone to college or university for a degree (B.A. and above). Another 31 per cent had successfully completed their school

up to class 10 or 12. Interestingly, there were no significant variations across caste groups in the level and nature of education among our respondents. Apart from the general education, nearly one-fourth (24.6 per cent) of them had also been to a technical institute and had acquired some diploma or degree. Nearly half of them also reported that they acquired the technical skills required for the business or enterprise that they were running informally, by working with someone who was already in a similar business. Around 12 per cent reported that they were into a business where they could use their inherited skills. These were mostly the ones who were in leather related businesses. Only around 14 per cent had acquired the skills they were using in running their businesses, formally, through a university degree/diploma.

Education continued to be a positive value with our respondents in their attitude towards their children. All those who had children, boys or girls, of school going ages were send schools and were acutely aware of the role that education could play in the further mobility of their families.

### **6.3 Getting Started**

A typical Dalit in business is a first generation entrepreneur, relatively young and educated. However, not all our respondents started working as entrepreneurs. More than one-third of them had been employed in various other occupations (wage labour: 21 per cent; traditional caste occupation: 3.4 per cent; government jobs: 12.7 per cent; and one of our woman respondent reported that before opening the shop she was engaged in housework). They also started their businesses with quite a small amount of capital. As shown in Table 5, a good number of them (nearly 41 per cent) started their business with an investment of 25,000 rupees or less. Another 22 per cent had invested more than 25,000 rupees but less than 50,000. The number of those who began with more than 100,000 rupees was also not insignificant. However, none of them began their businesses with a very large amount of investment.

In most cases the source of initial investment either came from their own savings or was raised from informal sources, mostly from other members of the family/close relatives (59 per cent) or friends (around 8 per cent). Only around 18 per cent of them reported having taken loan from a formal institution, such as a commercial bank, at the time of starting their businesses. The number of those reported having taken loans after having established their business was also not very large (around 21 per cent). Interestingly, the number of those who were aware of special financial schemes for Dalits starting independent enterprises was much larger (50 per cent). Many of them either

did not approach a bank out of some kind of cynicism or were simply refused loan for want of a good reference or an asset against which the loan could be approved. Their caste background indeed played a role here, a point we will discuss in greater detail below. However, the number of those who had never heard about special schemes for Dalits was also equally large (50 per cent).

What motivated them to get into the business? The sources of motivation were of two kinds. First were those who simply had no employment and saw it as a source of livelihood. They somehow managed some money and invested it in a small *kirana* shop or some other such activity. However, some others saw in their new occupation a source of dignity. It helped them move out of village and traditional caste based occupation. *Doosron ki gulami se achha hai ki apna kaam kar lein* (it is far better to have ones own business than to be a slave of others), was the typical response we received from many. Business in town offered a better quality of life for the person working and for the family. For some of our respondents business was also a way of proving to themselves that they too could do something meaningful, which would not only give them income and dignity but also generate employment for other members of the community.

Who helped them start the business? For nearly two-third of them, the most important source of support came from their families, their parents or extended kinship. Nearly one-fourth of them reportedly did not receive any support, and were entirely self-motivated. A few of them also reported receiving support and encouragement from their friends. One's social links with the wider community and with other communities were of crucial importance in setting-up a business. However, not everyone could mobilize such contacts. While a large majority of our respondents were indeed first generation entrepreneurs, many of them had members of extended kinship in the business, though not for very long. Nearly 40 per cent of them reported that they had a close relative or friend in a similar kind of business activity.

What kinds of problems did they encounter while starting their businesses? The two most frequently reported problems that a new Dalit entrepreneur faced were related to mobilization of finance and being able to find a structure/shop where the enterprise could be set-up. In both aspects, caste variable almost always plays a negative role for the Dalits. A well-established Dalit businessman in Panipat found it very hard to rent-in a place from where he could run the cooking gas agency, which he was able to get because of his being an ex-serviceman.

Since almost everyone knew us in the town, no one was willing to rent out a shop to us. It was only because of the goodwill of my father that finally a Punjabi gave us his two shops on rent.

Some others reported that they were forced to locate their businesses in areas which were not good for the kind of business they were setting-up simply because they could not find proper accommodation for want of resources, or because of caste-prejudice. A few of them also reported having experienced hostile competition and conflict in the market during the early years of their business.

#### 6.4 Size and Growth

As mentioned above, majority of the Dalit enterprises are small in size, run mostly as self-proprietorships (96 per cent) and invariably as an informal establishment. Only one of our respondents worked in a partnership. In nearly half the cases (47 per cent) the building from where the business was carried out was also owned by the entrepreneur. However, an equal number of them had rented-in the accommodation. Half of our respondents worked in their establishments just by themselves, without hiring anybody. Occasionally they would take help from other members of the family. The other half of our respondents however, hired labour at different occasions ranging from one to forty or even more. (Table 4).

**Table 4: Number of Regular Workers Employed**

| Number of workers | Frequency | Percent |
|-------------------|-----------|---------|
| Only self         | 59        | 50.0    |
| 2-4               | 34        | 28.8    |
| 5-10              | 14        | 11.9    |
| 11-20             | 5         | 4.2     |
| 21-40             | 5         | 4.2     |
| 40+               | 1         | 0.8     |
| <b>Total</b>      | 118       | 100.0   |

Though most of the Dalit enterprises had started with meager resources, they appeared to have grown over the years. We did not get clear answers to our question on the pattern and pace of growth of their enterprises but when we asked them about the current market value of their businesses, the responses were positive, and in most cases the value of their businesses had grown

many folds in comparison to what they started with. It becomes quite evident when we compare the values given below in Table 5 with those given in Table 4 above. Though more than half of our respondents did not answer our question, there seemed to have been a substantial growth in most cases. Only around 12 per cent of them reported the current market value of their enterprise being less than 50,000. More importantly perhaps, while only 13 per cent of our respondents reported having started their businesses with more than one lakh rupees, the proportion of those who assessed the current value of their businesses being above one lakh rupees was nearly 30 percent of the entire sample and nearly two-third of all those who responded to the question<sup>15</sup>. The main reason for low response rate to the questions on growth patterns and current value was the informal nature of their enterprise. Most of them maintained no books and filed no tax returns.

**Table 5: Initial Investment and Estimated Current Value of the Enterprise**

| Range in Rupees | Initial amount invested | Current value    |
|-----------------|-------------------------|------------------|
| 5000            | 20 (16.9)               |                  |
| 5000-10000      | 17 (14.4)               |                  |
| 10000-25000     | 12 (10.2)               |                  |
| 25000-50000     | 26 (22.0)               | 14 (11.9)        |
| 50000-1 Lakh    | 11 (9.3)                | 4 (3.4)          |
| 1-5 Lakh        | 13 (11.0)               | 17 (14.4)        |
| 5 -50 Lakhs     | 3 (2.5)                 | 14 (11.9)        |
| 50 +            |                         | 4 (3.4)          |
| No Reply        | 16 (13.5)               | 65 (55.1)        |
| <b>Total</b>    | <b>118 (100)</b>        | <b>118 (100)</b> |

Surprisingly, response to the question on their annual turnover was positive. Only 11 per cent of the respondents did not respond to the question. However, more than half of them (53 per cent) reported small annual turnover (less than one lakh). The number of those who reported annual turnover above a lakh of rupees was also significant with 28 per cent reporting a turnover of 1 to 5 lakhs and another 6 per cent reporting it to be between 5 and 50 lacks. Two of our respondent reported a turnover of above 50 lakhs.

### ***Location and Functioning***

Where were the Dalit enterprises located? Was there a concentration of such enterprises into specific types of businesses or localities?

Since a good number of the Dalit enterprises were small grocery shops, they were mostly located in the Dalit dominated residential areas. In proportional terms, more than one-third (38 per cent) of the businesses were located in areas with a majority Dalit population, which were invariably extension of their living quarters. However, nearly half of the respondents reported that they worked from mixed localities, with a majority of non-Dalit population. These were mostly the local markets. A small proportion of them (6 per cent) operated from completely non-Dalit areas, from the main markets or industrial areas of the town, where, in some cases, they were the only Dalits amidst the upper-castes. With the exception of a few respondents, they faced no discrimination at the location of business. In other words, they had no problems in running the business from these locations where they were because of their caste.

However, our fieldwork pointed out the presence of some kind of niche areas where Dalits entrepreneurs find it easy to enter and operate. When we asked them if there are other Dalits in the same kind of business, a majority of them (52.5 per cent) reported in affirmative. One obvious area for the *Chamars* was leather related business. Some of our respondents from Saharanpur and Karnal were into leather business.

Interestingly, however, there were also some "secular" spaces which they find easy to access. One of this was opening primary and middle schools. This particularly seems to be the case in Uttar Pradesh where a large number of Dalits run schools. Even in Samalakra we came across a big private residential school being run by Dalit. While it is possible that they initially got into it out of some political motivation for providing education to Dalit children where they do not feel discriminated against on caste lines, in most cases these schools had acquired a life of their own. While some of them continue to be predominately Dalit-run and Dalit-attended schools, many had become quite open and attractive for other castes as well and seemed to be doing quite well. Otherwise also, our respondents reported that even when the local residents tended to show caste-preference, not many of them had exclusively Dalit clients. Only a small proportion of our respondents (5 per cent) reported that their clients were exclusively Dalits. Another around 14 per cent reported having predominantly Dalit clients. A large majority of them (78 per cent) either had a predominant non-Dalit clientele or mixed clientele. However, their caste identity was not known publicly, to every client.

## 7. Beyond Economics: Barriers and Supports

As is evident from the title of the paper, the primary objective of this study was to understand the caste dimension of the everyday economic life in the regional urban context as it is experienced by those who come from the bottom line of caste hierarchy and have tried to step into areas of economic activities that have been hitherto closed to them for various social and historical reasons.

### 7.1 Does Caste Matter?

A simple answer to this question is in the affirmative. Though we were not quite surprised by the answers we received to our questions on caste, the extent to which caste continues to matter and the subtle and not so subtle ways in which it was being experienced by a majority (not all) of our respondents did surprise us. While caste indeed did matter in businesses, its presence was more pronounced in the everyday life of our respondents.

Nearly 63 per cent of the respondents reported having experienced caste related discrimination in their personal/ everyday life. A number of those who reported having faced caste related discrimination in businesses was lesser though not insignificant (42.4 per cent). Those who reported having experienced discrimination in personal life were quick to recall their experiences. A good number of them had their first major experience of caste discrimination during their education in schools or colleges. "My first encounter with caste was when I joined the school", reported a respondent from Panipat. Another respondent put it in sharper language:

*School mein atte hi bhedbhave ka path padha dia jata hai* (one of the first lessons taught in the school is practicing caste discrimination against the Dalits)

One of them reported that unlike other children he was made to wash his utensils and asked to keep them away from the rest. A doctor talked about the caste divisions and prejudice which he experienced during his earlier days in the medical college. Those who had moved from village to the town recalled their life in the village where caste mattered all the time. While some recalled the practice of untouchability in the village, others talked about the "oppression" of the dominant caste, the Jats. Some of them also faced caste prejudice and discrimination in the localities where they were presently residing. It was difficult for Dalit to get a house in non-Dalit locality. Even if someone managed to buy

or rent-in a house in non-Dalit areas, they were always discriminated by their neighbors. One of them also mentioned his experience of not being allowed to sing in the temple he used to visit.

## 7.2 How Does Caste Matter in Business?

Caste appeared to matter in business in many different ways, directly and not so directly. While some mention their experience of having been treated with prejudice of a general kind, others referred to more concrete problems which emanated primarily from their context of being not acceptable to the larger business community. Even when majority of them did not feel being actively discriminated against in business because of their caste<sup>16</sup>, they could not really get away from it. There is no denying the fact that caste influenced their businesses negatively. The number of respondents who reported that caste affected their business negatively (57 per cent) was much larger than those who felt it was of positive values (2 per cent). The locally dominant communities, who have traditionally dominated the business scene, do not like Dalits getting into business. "*They hate us*"; "*non-Dalits do not like us being in the business*", were some of the common responses from several of our respondents.

The Social universe of business has been so completely controlled by certain caste communities that when Dalits come into the business they are invariably seen as 'odd actors'. Their caste identity gets fore-grounded, over and above their professional or business identity. This was articulated by several of our respondents in different ways. One of them put it in the following words:

While most other businesses or enterprises are known by the service they provide or goods they sell, our shops are known by our caste names, *Chamaron ki dukan* or *Chuhdon ki factory* (Chamar's shop or factory of the Chuhra).

Such identifications are not seen by the Dalits merely as a matter of violation of their dignity but also a way of harming their businesses. "*It discourages customers from coming to our shops*", reported a shopkeeper in Panipat. "*Identification of my factory with my caste name tends to discourage my clients. Even when they do not have caste prejudice, they feel we may not be able to deliver because we are traditionally not the ones who have been in business or possess enough resources to run a good business*", reported another entrepreneur who has a "dye-house" a unit for colouring threads used in carpet weaving produced by small scale textile units in Panipat.

This point is further reinforced by the responses we received to the question on their perception on non-Dalits having any advantage over them in running businesses. A large majority of respondents (78 per cent) reported in the affirmative to the question<sup>17</sup>. This appeared to be rather obvious for most of them. As one of them summed it up:

Non-Dalits have been in business much before we entered and they climb much faster because they get support from their fellow businessmen. Many of them have become millionaires while we continue to struggle.

Some others had more cynical views on this. As Deepak, a Jatav from Saharanpur put it:

While they are always referred to, and identified as businessmen, we continue to be called Chamars by the fellow businessmen and everyone else.

As mentioned above, some of them actively tried to conceal their caste identity and had the apprehension that a disclosure of caste could affect their business negatively. As many as 48 per cent of our respondents felt so. It mattered more when it involved providing personalized services. One of our respondents, an electrician, was asked to leave when he was working in the house of an upper caste client when they came to know about his caste while conversing with him. '*Balmiki sunte hee samp katt jaave*' (the moment they heard that we are *Balmikis* they were stunned as though bitten by a snake), was the response of a Dalit entrepreneur in textile business in Panipat. Similarly, a doctor in Saharanpur reported that:

....the identity of being a Dalit almost always works against us. Patients prefer going to non-Dalit doctors. It is invariably only when they are not cured with their diagnosis that they approach me.

Some shop-keepers who have their businesses in non-Dalit areas reported that they often find it difficult to receive the outstanding amount from upper caste customers because of their Dalit background. In the city of Saharanpur also, they complained against the local Muslims. '*They too behave like the dominant/ upper caste Hindus and treat us with prejudice*'. However, on the whole, caste did not seem to matter much with the clients. Nearly half of our respondents simply did not care and said that it had no impact on their businesses.

Caste mattered lesser in procuring supplies. Only 5 per cent of all the respondents reported any kind of difficulties in getting supplies because of their caste. "*As long as you can pay, no one cares who you are*" was the frequent response to our questions. A large majority of our respondents procured their supplies from local traders. Only around 10 per cent of them were dependent on outsiders, from within the state or from other states of India. However, they faced no caste related discrimination in getting supplies or raw materials for their businesses. This was so when the suppliers in almost all the cases were non-Dalits, mostly from the locally dominant business communities, the *Banias*, Punjabis or Muslims. While there may be no direct caste related bias or discrimination that our respondents reported in getting supplies or raw materials, the in-depth interviews with some of the Dalit entrepreneurs revealed that the bias here worked in an indirect manner. Dalits found it difficult to get enough supplies on credit as suppliers were doubtful about their ability to pay back on time. They also found it hard to find guarantors for them.

Lack of social networks and absence of other members of the kin group in the business also mattered a lot. As mentioned above, only a small proportion of our respondents (21 percent) were able to get bank loans sanctioned. As one of them reported:

Banks ask for guarantee. We do not own expensive houses or plots of land in the city. Neither do we own any agricultural land. Our businesses are also small. Why would banks give us loans?

Several of our respondents had taken money from banks or other government departments under special schemes but the money given under such scheme is too meager to help them start or run a viable business. "*You can buy a buffalo or a cow with such loans but can't run a business*". When we asked them to identify four or five different problems they faced in running the business, one of the first things a large number of them identified with was the lack of finance and their inability to raise money to expand their business. Though several of them also identified caste discrimination, in terms of their business, they invariably viewed the problem of finances as major problem.

How did they mobilize money when required? While most of them invested their own meager resources, in emergencies, they invariably turned to professional/ private moneylenders, who always charge high interest rates. Only 23 per cent of our respondent reported arranging money from such sources. The rest either did not borrow, or borrowed from friends and family where they did not have to pay interest.

### 7.3 The Ways-out

How did an average Dalit entrepreneur deal with his/her marginal position in the urban economy and his/her lack of resources?

While they all talked about the difficulties they faced in mobilizing finances required for running a successful enterprise and the manners in which their caste background continued to matter even when they moved to a completely “secular” occupation, some of them also responded to questions on how they dealt with caste prejudices and how they plan to move ahead. One of the evident responses was expectations of the state support. They want government agencies to help them by providing cheap and easy loans and protection. However, the more dynamic one had worked out a different course observing that mere loans would not help them. They realized that the problems were primarily social. As one of our respondents from Samalakhya (Panipat) vehemently put it:

Our main problem is the lack of resources. Our people are poor and also lack confidence to come to cities and try something new. Even those who have the courage, fail to go far. This is because we lack social contacts. We have to build bridges with other communities, dominant communities. More than the dominant business communities, we have to work with the dominant political community of the state, the Jats. Jats matter much more than anyone else does. If they support and do not oppose us, we can make progress.

We were quite surprised to find a good number of our respondents, particularly those who had been successful in business, were invariably also attracted towards electoral politics. They found it much easier to enter into the mainstream political space. Social and cultural spaces seemed more difficult to penetrate. Democratic political process and the system of reserved quota of seats for Scheduled Castes seem to invite them to politics. Success in politics indeed helped them in their businesses. It provided them with some kind of shield in a social environment where they otherwise felt insecure and marginal. They also seemed to be well aware of their move from traditional occupations to new urban occupations and the implications it has for their caste identities and caste politics. We were quite surprised to find that 94 percent of all our respondents claimed that they had some form of association with Dalit movements in their region or the country. Many of them were also involved with local Dalit NGO or Dalit religious organization (63 per cent).

These were perhaps seen as ways of dealing with their weak position in the urban market. Their being in secular occupation and with some success also made them politically aware of their rights.

## 8. Conclusion

Notwithstanding the problems they encountered, no one really had any regrets about the choices they made to come into the new occupation. Nearly all of them faced hardships because of lack of resources and the prevalent caste prejudice, but they all seemed proud of the fact that they were in business and were entrepreneurs. Not only were they doing well economically but also felt that they had dignified existence than before or in comparison with other Dalits.

They also felt proud of the fact that not only had they been able to come out of life of slavery but some of them were also in a position to help others by assisting them set-up an enterprise or provide them employment. Many of them looked at themselves as successful role models for other members of their communities. They gave much weight to education and made sure their children, sons or daughters, went to schools. However, they did not want them to experience discrimination and caste prejudice in the schools. To overcome this they sent them to schools being run by Dalits. Some of them were even willing to spend all their savings to send their children abroad, where no one would have any idea of their background, and indeed no one would believe in the social sanctity of the caste system.

As we have repeatedly stated above, despite several positive changes, caste continues to play a role in the urban economy, and for Dalit entrepreneurs it was almost always negative. Dalits lacked economic resources, but even when they had economic resources they were crippled by a lack of social resources. However, even though it is true across the entire spectrum of Dalits, it varied quite significantly across different caste communities. The Chamars, who have traditionally been involved with some kind of businesses and were producers and providers of leather, have been relatively more successful than the Balmikis. This was true in both the settings, Haryana and U.P.

Dalit situation in Haryana was certainly more vulnerable than in U.P. Apart from a longer history of entrepreneurship among a section of Dalits, U.P. also has the distinction of having a much stronger Dalit politics to the extent that the present Chief Minister of the state is a Dalit woman. Dalits also have larger proportion in the population of U.P. However, despite this, the general

pattern of responses to our questions did not differ much across the two states. Similarly, the experience of caste discrimination also seemed to be shared across caste groups, though it was felt more by the Balmikis than the Chamars in both the states.

The Cartels are invariably controlled by the traditionally dominant business caste groups in the region. As has been shown by studies from elsewhere, community and kinship networks have always played a very crucial role in businesses<sup>18</sup> (Rutten 2003; Munshi 2007). While one can describe it as a lack of social capital<sup>19</sup>, the Dalit situation in India seems a little more complicated and so is not easily captured through such categories. The collective prejudice, originating from tradition not only cripples their prospects in the market but also shapes their self-image. Caste is not simply a matter of past tradition or a value system that is incompatible with contemporary market economy, but a reality, social and political, that continues to haunt the Dalit entrepreneurs.

However, the most remarkable thing that our study was able to capture is the fact that even in such adverse circumstances independent entrepreneurship is rising among the Dalits. Apart from hard work and struggle, they seem to be also imaginatively using the available spaces within the system in order to consolidate their position in the market. It is perhaps to counter the prevalent discrimination in the market that in order to succeed a Dalit entrepreneur not only has to be a good businessman but invariably also a social and political entrepreneur.

## Endnotes

- 1 See Kohli, A. 2006 'Politics of Economic Growth in India, 1980-2005'. *Economic and Political Weekly* Vol. 41 No. 13 April 01 - April 07. p. 1361-70
- 2 National Common Minimum Programme of the Government of India May 2004. <http://www.pmindia.nic.in/cmp.pdf> p.10. (October 16, 2008).
- 3 See for example, Aditya Nigam's 'In Search of a Bourgeoisie: Dalit Politics Enters a New Phase'. *Economic and Political Weekly* Vol. XXXVII (13), March 30 2002. pp. 1188-94; P.G. Jogdand, ed., *New Economic Policy and Dalits* (Jaipur: Rawal Publications, 2000), Gail Omvedt, "Economic Policy, Poverty and Dalits", in Jogdand, ed., op cit, pp. 55-6.
- 4 [http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11\\_v1/11th\\_vol1.pdf](http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf) (October 17, 2008).
- 5 For the purpose of this study we have used the term Dalit to be synonymous with Scheduled Castes all through the Report.
- 6 NSSO Report No. 516: Employment and unemployment situation among social groups in India 2004-05 (61st round). Different Tables.
- 7 See S.K. Thorat and Nidhi Sadana (2009) 'Caste Ownership of Private Enterprises' *Economic and Political Weekly* Vol. XLI (23): p. 14.
- 8 *ibid.*
- 9 The Scheduled Caste list of Haryana has a total of 37 communities. However, three communities of Chamars, Balmikis and Dhanaks together constitute 81.6 per cent of the total SC population of the state. Chamar are the largest groups with 50.8 per cent of the state's SC population. They are followed by Balmikis (19.2 per cent) and Dhanaks (11.5 per cent). (Source: Office of the Registrar General, India).
- 10 <http://panipat.nic.in/Industry.htm> (October 17 2008)
- 11 *ibid.*
- 12 Patterns of SC demographics in Uttar Pradesh are also quite similar to Haryana. It has a total of sixty-six communities listed as SCs and the predominance of Chamars is even more pronounced here. They make for as much as 56.3 per cent of the total SC population. Pasis are the second largest community followed by Dhobis, Koris and Balmikis. These five communities make for 87.5 per cent of the total SC population of the state (Source: Office of the Registrar General, India).

- 13 Our respondents came from six caste groups, viz. Chamars (78), Balmikis (32), Khatiks (4), Dhanaks (2), Dhobi (1), and Odh (1).
- 14 As against 79 per cent of the rural population nearly 88 per cent of Dalits in UP live in rural areas, and against 71 per cent of the total rural population 78.5 per cent of Dalits in Haryana lived in rural areas according to the 2001 Census.
- 15 The proportion of those who did not respond to the question on starting investment was much smaller (11 per cent against 55 per cent to the question on assessment of current value of their businesses). The main reason for low response rate to the questions on growth patterns and current value was the informal nature of their enterprise. Most of them maintained no books and filed no income tax returns.
- 16 When asked if they faced discrimination in business because of their caste, as many as 58 percent of our respondents reported negatively. However, rest of the 42 percent did have the perception of being discriminated against in business because of their caste.
- 17 However there were also those (18 per cent) who did not think that non-Dalits had an advantage in business simply because of their caste background.
- 18 Mario Rutten (2003) *Rural Capitalists in Asia: A Comparative Analysis on India, Indonesia, and Malaysia* London: Routledge;  
  
Kaivan Munshi (2007) 'The Birth of a Business Community: Tracing Occupational Migration in a Developing Economy' [www.econ.brown.edu/fac/Kaivan\\_Munshi/diamond10.pdf](http://www.econ.brown.edu/fac/Kaivan_Munshi/diamond10.pdf) - (November 10 2008);
- 19 See Bourdieu, Pierre (1986): The forms of capital. In: John G. Richardson (ed.): *Handbook of Theory and Research for the Sociology of Education*. New York: Greenwood Press. Pp. 241-258.  
  
Putman Putnam, Robert D (1993) *Making democracy work. Civic traditions in modern Italy*. Princeton: Princeton University Press 1993

## Appendix: Some select life stories:

### Dharam Pal

Dharm Pal is a 49 year old Dalit businessman from the local *Chamar* community of Haryana. Born in Madana Kalan village in the Jhajjar district of Haryana, he lives with his four children, wife and parents at Samalkha, Panipat. Three children are studying and the eldest son is helping him in business. His father, who was an agricultural labourer, and educated up to the primary school, a very hard working person has been a source of motivation..

Dharampal has Master's degree and has worked in a nationalized bank for nearly 12 years. He took voluntary retirement 15 years back and started his own business as a brick supplier and over the years diversified his business. Today, he can be counted among successful businessmen. He owns a restaurant, a shopping complex, a milk agency and also works as a property dealer in the town. Apart from his eldest son who works with him, he has recruited a staff of 25 persons in different businesses.

He recollects his journey when his father was given 2 acres of land under the Land Reforms Act by the state government. While the land was officially allotted to them, it was not easy to get possession over the land. He helped his father in dealing with the local authorities and finally decided to sell the land and move to Samalkha. This was the turning point of his life. Remembering the scooter which he purchased in 1986, he became a brick kiln supplier and eventually bought a brick kiln. At one point of time, he claimed, he was the largest supplier of bricks, supplying from 22 brick kilns to different parts of Haryana. He thought of moving to another business which could be more sustainable and cost effective and this was how he started his hotel Mehul, named after his youngest son. All this way, he did not get support of any kind from any source and sees to be a self-made person. It was only after his property and details and his influence that he could take loans from Banks.

Dharampal is well aware of his caste identity and wishes for upward mobility. He has been an active member of several Dalit organizations. Lately, he has become politically active and is an important member of the state unit of Bahujan Samaj Party (BSP). But for effective and successful politics, he states that, "we need to align with the dominant castes as we cannot go very far on our own and our community is very weak without resources". He believes that education helped him succeed in life. He wants to serve the Dalit community since they are continued to be treated badly in society. Reservations and Quotas helped them but things

have become difficult with the changing economic scenario. The government needs to do more for Dalits. Though there are financial schemes for them, but those do not benefit them much. The banks have been given powers to have their own parameters and they have the authority to reject applications for loans using their own subjective criteria. Even when the loans are given to Dalits, the amount is very small. Even for procuring those loans they have to invariably bribe the officials.

### **Ram Singh**

Ram Singh is a senior photographer at Samalkha, Panipat. He belongs to *Chamar* community of Haryana. He came from very poor family background . He started working with a photographer and learnt the skills of operating a camera. In 1977 he could raise a loan of Rs. 3000 to open a shop of his own in the local market. There was no other photographer in the town at that time and partly because of his skills of photography earned popularity in the area which enabled him to fetch lot of work/contract from all sections of society. People flock from far off places even now when there are several photography shops in the town.

He has four sons who support him in business, and have been attending college as well. One of his son is planning to move to Australia to pursue a professional course in management for which he has been trying to get education loan from the bank. Ram Singh strongly believes that whatever he earned is the hard work, he put in. Personally he did not experience discrimination, yet he states that it is a reality of life for a large number of Dalits, particularly those from poor background. He holds the view that caste acts as a barrier in business life. He apprehends that he could have managed more success had he not been a Dalit. Non-Dalits can easily manage to hire people of their own caste for works like photography. However, the quality of work helped him to get recognition. Ram Singh was also the president of photographers association, which does not exist anymore now.

### **Ratan Lal Sirswal**

Ratan Lal, 75 year old, is one of the most Dalit businessmen of Panipat city. He belongs to Valmiki community who migrated to Panipat long back. His parents were engaged in the traditional occupation of scavenging and were illiterate. He could not receive formal education. He has two sons and four daughters. He is running a Dye House and is helped by his youngest son.

He was working as a sweeper earlier with state government but wanted to leave the traditional occupation. For sometime he worked as contractor and cultivated land as a tenant. In 1947, he set up a handloom unit at Panipat. He had contact with some non-Dalit Punjabis, involved in the handloom business who helped him start the business. For a long time Ratan Lal continued to work as a scavenger in

the local municipal corporation along with his business and later gave up his job once his business took-off.

He feels that caste plays a very important role in achieving success in business. Discrimination was always a part of business and social life. Once the caste identity would be revealed, the business collapsed. As he put it, '*Valmiki ka naam lete hi saanp kaat jata hai*' (once people become aware of *Valmiki*, they behave like bitten by a snake). Several of his customers did not want to continue business with him after they got to know about his caste background. Even though he has always tried to keep good relations with members of other communities, the shadow of caste never left him. People continue to discriminate. He articulated his agony in following words:

"If we were to name our enterprise on the name our caste, *Valmiki*, or introduce ourselves by caste name, everything (in business) will be finished overnight".

His 30 years old son, who is running the business now, continues to have similar feelings.. The 'culture of discrimination is very deep rooted', he argued. He had many stories to tell about how his business was affected due to his caste. It drives him angry knowing that despite good knowledge of his business, he faces hardships. The non-Dalits, happen doing well even if they have no background in the business simply because of their caste. When people ask him his caste, he often tells them that if 'he revealed it, he will be reduced to dust'. He wants that his children should not face such discrimination and seeks to give them best available education.

Ratan Lal did not get any financial assistance from any source partly because of no *Valmikis* in banks and unawareness of financial assistance given to Scheduled Caste for business. He has been socially very active in the community life of *Valmikis* of the town and played an active role in constructing the famous *Valmiki* Temple in the city. Ratan Lal is well aware of knowledge of Hinduism and Sikh religion, and the popular history about the contributions of *Valmiki* to cultural traditions of India.

### **Deepak Jatav**

Deepak Jatav is a 51 year old successful footwear manufacturer and designer from Saharanpur and belongs to Jatav (*Chamar*) community. He is educated up to M.A. His father was a clerk in a government department and mother a teacher in a school. He also runs a fertilizer agency and has four sons who are well educated.

He started his business in 1974. Since his grandfather and other relatives were in the business, he picked up basic skills of the trade from them. It was easy to start the footwear business as he was supported by other family members and relatives.

He completed a professional diploma in footwear designing and in 1976 took a small loan from a bank for expanding his business. He has been awarded certificate of excellence from a famous shoe company. He is a successful business entrepreneur and does not have any bitter memories of discrimination at personal level but sees that it happens in society at institutional level and affects the business. There are a number of non-Dalits in footwear manufacturing. He has noticed that Dalits get bad deals while the non-Dalits invariably do better. He says that Dalits are called *Chamar* in business while non-dalits are addresses as businessmen. They do not get equal treatment in the market. Dalits are second option for upper-caste traders and non-Dalit traders approach their own community members first.

He reflects that government does not recognize them as entrepreneurs and does not support them financially due to which big shoe companies exploit the Dalits. He has a legal case pending against a big shoe company which did not pay him the promised price after getting the shoe manufactured by him. Despite all this he wants to expand his work and is trying to link with international markets. He thinks that Dalits need to be very vibrant and should always look for new opportunities and explore newer things. Deepak is also a social worker and a known politician of the district and has a national position with a Dalit political outfit. He proudly identifies with the vision of Dr. Ambedkar.

### **Dharm Singh Mourya**

Dharm Singh Mourya, 50 year old, is a famous businessman and politician from Saharanpur district and belongs to *Chamar* community. He is well educated, with an elaborate list of degrees including M.A., B.Ed and LLB. He has two sons and owns a gas agency and a farm house. His father was in government service. He lives in a famous area of Saharanpur called Ambedkar Puram, where only rich Dalits have their houses. At present his business runs into several crores. His elder son helps him in the business.

He was allotted a gas agency in 1986 under the unemployed youth quota. He started business with a total investment of around two hundred thousand rupees (2 Lakhs). He did not have enough resources at the time when he was allotted the gas agency. To overcome the economic disability he found a rich person of non-Dalit caste to be his partner. He attributes his success to the government scheme of quota for Dalits. Without the quota, he wouldn't have been able to enter the business. At present he employs more than 20 persons in his business.

Now that he is a successful businessman, he does not experience any discrimination on caste basis. However, he is aware of the fact that almost everyone in the city knows that he belongs to *Chamar* community. He attributes his success to his management skills and the formal education, which helped him in understanding

the wider social context and the business culture. So far, he has never taken any financial assistance from any bank or government agency. Though he sees himself as a successful person and no longer bothers about his caste, he recalls the kind of discrimination he has faced in his personal life because of caste identity. While recalling his school days and the life in the village, he mentions that untouchability and discrimination were a part of everyday life for almost every Dalit. He vividly recollected the humiliation he felt when he was offered tea in a cup separately kept for Dalits by a non-Dalit family. However, he is not cynical and believes that business depends on good management and skills. The caste factor can be neutralized.

At present holding a position with the regional political party, earlier he served as the Chairman of the Zila Parishad (District council-the highest body in Panchayati Raj System at District level), which is considered to be a powerful position in the district.

Dharm Singh says that by faith he is an atheist but has played an important role in maintaining the communal harmony in the district. He has a strong desire to work for the upliftment of marginalized sections particularly the Dalits.

#### **Dr. Mahesh Chandra**

Dr. Mahesh Chandra, 25 year old, is a medical practitioner by profession. He is a well-known skin specialist and has a clinic in the centre of Saharanpur city. He hails from Buland Shahar, another district of western Uttar Pradesh and belongs to Jatav (*Chamar*) community. He lives with his wife, two sisters, a daughter and a son. His wife is also a medical doctor. Before starting his own clinic, he was serving in a government hospital. He comes from a poor family background. His father is a small farmer in Buland Shahar.

He came to the Saharanpur in 2003 in search of opportunities to start the clinic. Before starting the clinic, he made a survey of several districts. He went to some districts and observed the nature of skin problems people suffered from and the extent to what these skin diseases prevailed. He came to know that Saharanpur was more prone to skin problems than other districts nearby; so he decided to open a clinic there. In informing people about his clinic, he visited a number of villages, particularly the Dalit habitations.

Initially he faced problems as no one knew him in the town. He had no social circle to interact with and was not well off financially and Dalit background was an issue where he often felt discrimination. However, he feels that caste matters only at initial stages of mobility. Most of the times he used to treat Dalit patients. 'Once your work is recognized you get a lot of work and also respect'. It took him some time to look for the base for his clinic and to make a name for himself; after

which life was smoother. He has also been in contact with Dalit activists near his residence. Through them he came in touch with people and made Dalit friends who were of great help. He now helps other Dalit doctors to start their clinics in Saharanpur. For establishing the clinic he had taken loan from a bank. He mentioned that being a doctor by profession, the bank gave him loan quite easily.

He owes his success to hard work, to his consistent curiosity to read the latest literature on skin diseases, networking with people and, of course, to professional medical education. He joined the medical college in a reserved quota for scheduled castes and comments that such reservations help poor people like him. Although he is happy about the medical education he received, but he has many bitter memories of college days, of having been treated differently and caste-based discrimination. The teachers and non-Dalit students never supported or cooperated with the Dalit students. He always felt excluded in the college. He reported that there is no representation of Dalit doctors in the medical professional bodies.

Unlike the Dalits, the non-Dalits have great support from their families and friends which encourages them to move ahead. Now that he is of repute and does not feel discriminated, however he is of the opinion that people have tendency to visit their own caste doctor. He wishes to expertise in the field of skin diseases treatment and for this he always tends to update with the upcoming professional knowledge and skills. He has links with international organizations of his field. He desires to prove that Dalits are as competent as non-Dalits and continues to take interest in social and political work of Dalit activities in his town.

### **Ramesh Chand Pahal**

Ramesh Chand Pahal is 61 year old and belongs to *Valmiki* community of Haryana. He is a famous businessman of Panipat. He is running two gas agencies, one petrol pump and also investments in transportation and agricultural land. He employs more than 25 persons and his assets are worth 50 million rupees. He is educated up to tenth class, but acclaims to be a scholar of Urdu language and writes poetry. He has published two books and is working on a volume on the famous poet of Panipat origin, Hali.

His father was an illiterate person, a sweeper at the local municipality. His family also had a business of buying buffaloes from the local market and taking them to Andhra Pradesh for sale. His father wanted him to be a successful businessman. He has three sons and a daughter. All his children are well educated. One of his sons helps him with his business. Initially, he was helped by a friend from *Chamar* community who helped him getting the gas agency allotment. He did not get any financial support from any government agency but after he managed to set-up his business, he took loan from the bank several times. When he was allotted the gas agency, he had to sell entire jewellery of his wife to raise money for the initial

investments. Though he was aware of the government financial schemes, but he did not apply for them.

He has bitter memories of discrimination in his life. At school he faced discrimination. And recollects how people used to maintain distance when he would go to sell milk in the city. Very few people used to buy milk from his family. He mentioned that everyone in the city knows him by his caste name and clearly sees the discomfiture of non-Dalits. He takes interest in the social and political life of the city and has been a councillor. Though his caste is always fore-grounded, many people of the town respect him as a successful businessman and a kind human being. Various organizations in the town have felicitated him for his work and for his knowledge of religion and Sufi saints.

### **Ram Kumar**

Ram Kumar, a 35 year Dalit from the *Chamar* community. He owns and runs a school in Saharanpur, the town where he was born. He is well educated with M.A. and LLB. He has also completed a diploma in mushroom production. He comes from very poor background. His father was uneducated and a low paid worker with a private company in Saharanpur. He is living with his wife and a daughter. His wife also helps him with his business and works as an *Anganwadi* worker with ICDS Centre (Integrated Child Development Scheme).

He started the school in 1999 with a meager investment. Initially he used his own home for running school. He was inspired to start the school by some of his friends who were successfully running schools in the town. Over the years, Ram Kumar has also helped some other members of his caste background to start such schools. It was surprising to see that a large number of schools in the district are run by Dalit youth. All of them are well educated. After completing his studies, Ram Kumar tried for the government job but could not succeed. The school came as an alternative. It gave him a source of earning livelihood and also a sense of purpose. Now he has bought land for his school nearby his residence and the bank has advanced him loan for construction of the school building. Initially he faced financial difficulty due to which he could not develop proper infrastructure at school. He had to struggle in getting his school recognized by the district education authorities. He experienced that how easy it was for non-Dalits to get things done as compared to the Dalits.

The locality where he lives is inhabited by majority Muslims and Dalits. Muslims are a landowning community and most of the students at his school come from Dalit and the 'most backward communities' of the nearby areas. He feels that Muslims do not like sending their children to his school because of the caste prejudice. Only lower caste Muslims, mostly belonging to *Teli* community send their children to his school. Lately, there has also been some tension between Dalits and Muslims; as he mentioned.

The number of private schools run by Dalits in Saharanpur district and the state of UP is surprisingly very large and they have formed their own Association called, 'The Uttar Pradesh Recognized Schools Association'. Ram Kumar is also a part of this association. They were motivated to form such an Association because of the discriminatory attitude of educational administration towards them. The administration prefers to favour non-Dalits schools as they are owned by powerful dominant caste people. He feels that Dalit- run schools are victims of caste discrimination and are denied several benefits routinely given to other private schools. He expresses that engaging in this profession has earned him respect, particularly among the Dalits and 'most backward communities'. He believes that the ill effects of caste can be done away with excellence and competitive aspirations. Ram Kumar is also a social worker and helps people in obtaining the Below Poverty Line (BPL) cards, guides young Dalits to seek good jobs and at times also work for the communal harmony.

## Recent IIDS Publications

### Books

- Blocked by Caste: Economic Discrimination and Social Exclusion in Modern India, Sukhadeo Thorat and Katherine S. Newman, (Eds.), New Delhi, Oxford University Press, 2010
- Dalits in India - Search for a Common Destiny by Sukhadeo Thorat, Sage Publications, 2009
- Social Justice Philanthropy by Sukhadeo Thorat, Gail Omvedt and Martin Macwan, Rawat Publications, 2009
- Naye Shitij Ki Aur (Hindi Poems) by Jai Prakash Leelwan, IIDS and Anamika Publications 2009
- Samaye Ki Aadamkhor Dhun (Hindi Poems) by Jai Prakash Leelwan, IIDS and Anamika Publications 2009
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- Bhartiya Dalit Sahitya Ka Vidrohi Swar by Vimal Thorat and Suraj Badtiya, Rawat Publications, 2008

### Forthcoming Books

- Dalit Human Development Report by Sukhadeo Thorat and Martin Macwan
- Dalit Art and Imagery by Gary Michael Tartakov
- Satta Sanskriti Varchasva Aur Dalit Chetna by Suraj Badtiya, IIDS and Anamika Publications
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- Experience of Discrimination and Social Exclusion in Health Care Utilization among Dalit Children, Sanghmitra S. Acharya, Volume 01 Number 02, 2010, IIDS-Unicef Working Paper Series

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