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# End The Apartheid

Affirmative action policies exist in several countries including Malaysia, Japan, South Africa and the US. India needs more.

**I**N THE 1960S, A SERIES OF NEWSPAPER REPORTS exposed the role played by British companies in the exploitation of South Africa's apartheid regime. It took a campaign lasting some 20 years, but foreign companies finally took responsibility for the links with the regime and either pulled out of South Africa or made radical changes to their policies.

Now, it is becoming clear that an even larger system of corporate discrimination operates in India. Over 260 million people are subjected to caste discrimination, called by those who experience it as 'Hidden Apartheid', because it is hard, if not impossible, to distinguish dalits (the former 'untouchables') from the so-called higher castes.

Caste discrimination, is without doubt, the largest example of systemic abuse of human rights in the world today. Eradicating such a system will take time, but it will not happen unless vigorous action is taken.

There is a real opportunity for global corporations in India to address the caste issue through their employment and corporate sustainability policies. Indeed, there is a compelling business argument that a labour market dominated by caste-based discrimination is by definition a limited one. One of the most effective solutions within India would be the extension of 'reservation' or 'affirmative action' into the private sector.

Affirmative action policies exist in several countries including India, Malaysia and Japan. In South Africa and the US, these policies have been turned into programmes implemented at the highest levels and in all sectors.

In the USA, affirmative action policies give preferential treatment to ethnic minorities and women and set forth goals and timetables for delivery. Considerable progress has been made. However, the biggest drawback remains—that of discriminatory habits, customs and attitudes.

In South Africa, affirmative action policies revolve around the Employment Equity Act of 1998. Black employees are no longer merely individuals who have to be skilled or developed, but are viewed as partners instrumental in the modernisation of post-apartheid South Africa. Mechanisms like the Black Economic Empowerment Transaction, an alternative approach to develop-

ment which also enables transfer of equity in companies to South African partners, ensure this happens.

Numerous tools have been devised in recent times to enable companies to implement affirmative action policies. They are designed for India, specifically to address the issue of the exclusion and discrimination of dalits.

One is the 'Ambedkar Principles,' which contain a set of employment principles to address economic and social exclusion of dalits

in South Asia. Drawing on race equality principles developed in the UK and USA and international business and human rights initiatives, they seek to address the historic injustice against dalits through affirmative action.

Another potent tool is the 'dalit discrimination check'—designed to help companies prevent discrimination and exploitation of dalits in their Indian operations and supply chains. The tool is designed as a comprehensive checklist consisting of self-guided questions and indicators that highlight possible violations.

It provides descriptions of what components of dalit/caste discrimination look like in the business context. It allows managers to check company's policies, procedures and performance. The tool is relevant for all companies operating in or sourcing from India. It can help companies adhere to global initiatives including that of the UN Global Compact and the Ambedkar Principles.

The check takes the Ambedkar Principles as the point of departure and was developed by the Human Rights and Business

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Programme of the Danish Institute for Human Rights and International Dalit Solidarity Network (IDSN) with the support of the Danish Ministry of Foreign Affairs.

## Industry Action

The Confederation of Indian Industry's (CII) Affirmative Action Code of Conduct is also an attempt to address the issue. However, in our dialogue with the CII and Indian companies we have seen that the codes have tended to be 'social' rather than 'economic' development programmes.

International companies often insist they cannot adopt policies such as those envisaged in the Ambedkar Principles because it would undermine their general international diversity policies. We reject this argument. Such policies can rapidly become meaningless if they do not address the specific cultural and economic situation in particular contexts.

In many cases, the general policies are positive, however, they need to be applied specifically and this should be acknowledged by these powerful global actors. Otherwise, their compliance with caste may become a blot on their good name, as is happening to India. It is noticed that many UK companies are initially keen to address charges of discrimination, but any attempt to introduce the Principles are blocked by their Indian counterparts.

The following is a fairly typical response by business: "Our hiring practices are based on merit, not caste—we do not ask candidates to reveal their caste, origin or race at the time of recruitment and we do not use caste as a criterion for any purpose during an employee's career. We have a definition of diversity which can be used in all countries in which we operate. We could, of course, include caste in a statement specific to India, but colleagues there think this will feel irrelevant to a manager who would not be thinking of discriminating on grounds of caste anyway."

Our response is that we would not expect any Europe-based company to discriminate in India or anywhere else. However, the problem is they are entering a system in which discrimination is endemic and if they do not take positive or affirmative action in order to address this, the discrimination will remain. Also, the 'merit' argument does not stand up in a context where a quarter of the population is denied the opportunity to demonstrate their merit because of systemic disadvantages. Companies need to be caste-sensitive, not caste-blind.

In recent years, the Dalit Solidarity Network has been talking to several British companies investing in India, including HSBC, StanChart, Barclays, Lloyds TSB, and Shell. Engagement with some companies of the Ethical Trading Initiative has raised the issue of caste discrimination as one that needed to be addressed as a priority. This is a problem that will not simply go away.

Discussions with European and US governments, the EU, and the UN only indicate that caste discrimination is firmly on the international stage. India's Hidden Apartheid is becoming an open secret, and it will tarnish the image of the country until it is addressed by all sectors of international and national society. ■



SOUMIK KAR

**FORWARD TOGETHER:** The Dalit India Chamber of Commerce and Industries helps caste entrepreneurs.