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## **Globalization: The Case for Diversity and Inclusion in a post-industrial, neo-liberal business paradigm with focus on the caste system and its implications for the Indian labour market**

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### **Abstract**

*Post-industrial study of globalization has been subject to a multi-disciplinary approach and several perspectives. There is, however, limited literature on the role played by globalization on diversity and inclusion. And thus, diversity and inclusion emerges as the key theme this note seeks to explore. At a time when the name ‘George Floyd’ has sparked a movement and farther away in India, a crime is committed against a ‘lower-caste’ Indian every 15 minutes, the need for diversity and inclusion and its importance in discourse is boldly underscored.*

*The note begins by understanding the theoretical underpinnings of the conception of globalization and moves on to identifying the role of diversity and inclusion in theory. It then shifts its focus to the economic perspective of globalization. The economic perspective provides key insights on the Marxian notion of the antagonism between labour and capital highlighting the repercussions this ‘antagonism’ has on labour market standards and deepening inequalities. This note indicates, that these consequences do not have to make the case. It finally uses statistics from India (with particular emphasis on caste-based data) in comparison with statistics from the West to provide an analytical account of modern-day business paradigm. Hardly a discursive analysis when one views it in light of business efforts to incorporate diversity and inclusion in governance and operations.*

*The note moves from a theoretical understanding of globalization to concrete conclusions that address the growing need for diversity and inclusion at all levels of corporate*

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*governance. This ensures that globalization creates a sustainable growth model for all countries. This is especially imperative at a time when, as this note argues, nation-states have an increasingly diminishing role to play in global trade and division of labour.*

**Keywords**

*Globalization; diversity; inclusion; multi-disciplinary; theory; business paradigm; India; caste; corporate governance*

The vast discourse surrounding globalization, the buzzword of buzzwords in the 21<sup>st</sup> century, is characterized by a strong multi-disciplinary approach aimed at understanding the phenomenon and thereby the “processes of social change that are affecting social relations between people living in the world’s different nation states” (Midgley, 2007, p.17).

It has been argued that globalization as a trend, though having gained considerable attention in recent times, has been present “throughout the course of recorded history, though not in a steady or linear fashion” (International Monetary Fund, Policy Paper Discussion, [IMF] 2001, p.2). It, however, cannot be contested that the trend gained insurmountable momentum at the end of the second world war (UNCTAD, 2012). While the extent of inter-dependence among economies on a global scale is unprecedented, it was certainly not unpredicted as evidenced by Marx’s iconic words “the need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere” (Marx & Engels, 1848, p.18).

Globalization has been studied, understood and debated on through a plethora of disciplines and approaches – but an analysis of globalization through a ‘diversity and inclusion’ approach is notably absent. One finds fragments reminiscent of the idea in the cultural framings surrounding the study of globalization, but despite the efforts, it remains an idea grossly underrepresented in literature. Repercussions of globalization have also been extensively studied, but almost never from the diversity and inclusion perspective which is the main theme this note seeks to explore and understand – the note attempts to move from a theoretical analysis of the phenomenon to a more concrete conclusion in terms of its ramifications for modern-day business paradigm.

**Methodology and Questions Explored**

The main questions this note seeks to answer are does diversity and inclusion fit into the larger narrative of globalization, *theoretically* and *functionally*? What are some of the challenges associated with the implementation of diversity and inclusion? Are these challenges relevant? Do corporations have a role to play in ensuring diversity and inclusion? Where do current practices of diversity and inclusion fall short? Does diversity and inclusion look different for developed and developing nations? The answers to these questions are pertinent. Because as this note highlights at several points globalization is

accompanied by a reduced (though not entirely absent) role of the nation-state and an increasingly powerful role played by corporations. In light of this reality corporations hold huge promise in shifting the globalization narrative as well as the growth and development story.

This note begins by discussing the conception of Globalization and the theoretical approaches employed to understand the phenomenon by various disciplines adopted from vast reading material and secondary sources available for each of these disciplines. It then uses the aforementioned multi-disciplinary approach to identify theoretical underpinnings of these approaches and their implications for diversity and inclusion. Post this, the note delves into a specific disciplinary perspective, the *economistic* perspective more deeply to understand the root of declining labour standards. This directly challenges the notion of inclusion by adhering to the quintessentially Marxian thesis of an ever-prevalent antagonism between labour and capital.

The last section of the paper denies the deterministic nature attributed to the *economistic* perspective and analyzes the role of diversity and inclusion in modern-day business paradigm, at a functional and operational level. This analysis is performed through a business responsibility, ethics and policy lens in light of increasing conversations around the need for diversity as well as firm commitment on behalf of corporations to include diversity and inclusion in their practices. Secondary research methods have been employed throughout to establish connections and find answers to research questions.

This analysis is additionally supported with diversity statistics (with specific emphasis on caste, the caste system being an age-old stratification system) from the Indian labour market. For this purpose, both reliable secondary citations as well as sources such as the NSS (National Sample Survey, Government of India) have been used.

### **Globalization: Conception, Inter-disciplinary perspectives and the inevitability of Economism**

The multidisciplinary approach surrounding globalization can be classified on the basis of normative perspectives into the *hyperglobalist*, *transformationalist* and *skeptic* views (Held, McGraw, 2007, cited by Stefanović, 2008). These classifications emerge as a result of multiple views on globalization emphasizing normative positions with relation to the consequences of globalization. The hyperglobalists view globalization as a harbinger of change and as an inevitable process that is progressive and socially desirable. (Stefanovic, 2008, p.265) It is seen as a phenomenon that overthrows existing hierarchical structures and establishes a new social order. In this view, the nation state itself has limited power. The world is driven by business enterprises operating in a strongly inter-connected world devoid of borders. On the other end of the spectrum, are the skeptics. The skeptics are, far more critical of globalization. They claim that the process is far less integrated and inter-connected than claimed by the hyperglobalists. The transformationalists on the other hand may be viewed as moderates (Wallerstein, Giddens, Castells). They have a multi-dimensional approach that looks beyond a narrow economic focus, and accepts

some of the accelerated reforms to social order that have been brought about by globalization without subscribing to the skeptic views of globalization.

Analysis of globalization is frequently subject to typological classification based on discipline alongside normative typological classification. While an analytical classification based on multiple disciplines does not preclude normative implications, in this note it has been assumed that analytical classification is distinct from normative classification. The foremost classification has been the *economistic* dimension of globalization, which focuses on the idea of globalization as a system that facilitates international exchange through the flow of international investments, capital and trade (Midgley, 2007). This model is viewed as a replacement of the earlier Keynesian economic model that lay emphasis on centralized economic planning and an endogenous approach to economic policy (Gray 1998, Hoogetvelt 1997, Scholte 2000, cited by Midgley, 2007).

This idea has received considerable merit from one section of the academic population (Bhagwati 2004, Lal 2000, Ohmae 1991, 1996, Wolf 2004, cited by Midgley, 2007) that stresses on the similarity between the global market and domestic economies where producers that meet consumer needs are rewarded resulting in benefits for all those involved. It is also viewed as having created mass employment in low income countries and resulting in a general increase in standards of living across nations. Needless to say, this idea has been met with tremendous resistance by academics, civil society organizations, labourers, unions and several other factions alike.

The *economistic* perspective has over the years gained a reputation for being extremely narrow in its analysis of globalization (Held 2004, Giddens 1999, cited by Midgley, 2007). While academics accept the key role that international exchange has played in the evolution of the phenomenon, they also highlight the extent of its influence on technology, politics and culture. Each of these crucial domains is seen as both shaping and being shaped by the process. Some of the important non-economic dimensions referred to as framings (Jackson, 2016) are the *technological framing* advanced by many that view technological innovations especially in the field of communication as pivotal in shaping globalization as we know it. The rapidity of information transmission allowed by evolution of technology is pertinent in any globalization discourse. *Cultural framings* largely facilitated by rapid spread of information is seen by some to result in cultural diffusion which precedes the formation of a single, global-culture shaped by similar values across nation states and internationally shared preferences and tastes (Lechner and Boli 2005, cited in Jackson, 2016). There are also *political-economic* and *socio-political* framings that emphasize the role played by globalization in migration and political cooperation. Rates of migration is shown to have accelerated in the 21<sup>st</sup> century (Hatton and Williamson, 2005) while the role played by multi-lateral organizations and global civil society organizations in promoting international political cooperation while creating a conducive environment for international law to flourish are also seen as an important facet of globalization.

Despite the multi-disciplinary nature of the study of globalization, the very conception of the idea of globalization and a vast array of literature assessing the

progress and effects of the phenomenon, what is visibly missing and clearly lacking in this discourse are the notions of diversity and inclusion, the main focus of this note.

### **Globalization: Diversity and Inclusion theoretical underpinnings and the determinism of Marxian thesis supported by a ‘Collective Action**

Diversity as a concept encompasses the values of respect and acceptance. At a functional level, it invokes the idea of representation of multiple cultures and differences within different domains of society. Typically, studies focused on globalization from across different points in time have rarely if ever made a case for diversity. This must be understood in the context of the *cultural framings* of globalization which has continuously predicted and shown evidence of a merging of different cultures paving way for a universal, global culture. This may also be understood through the *socio-political framings* that focus on the political implications of globalization. These ideas are further espoused and strengthened by the *unipolarist* view of globalization which popularized by Charles Krauthammer in the 1990s reflected the realist position of neo-conservative scholars of the 1980s such as Irving Kristol and Norman Podhoretz. The unipolarist view hints at a system that promotes identical institutions across all nation-states in a manner that ensures that they mirror institutions found in economically superior countries. This idea finds support in neoclassical theory, wherein it is established that intensification of global economic competition and expansion of trade and investment, creates the need for all societies to have identical institutions (Stefanovic, 2008, p.270). The cultural doctrine of *cosmopolitanism* allows for the possibility of carving individual identity from cultures as distant (spatially and ideologically) or incongruous as we like, and in doing so, undermines strands of liberal thought that advocate for rootedness in a single-culture for well-being and autonomy (Etinson, 2010). While *cosmopolitanism* and *unipolarism* contribute to the *cultural* and *socio-political* framings respectively, globalization’s social science formulation that witnessed important contributions from the Neo-Marxist dependency scholars of the 1960’s and 1970’s that examined the way international economic and power relations impeded domestic development efforts (Midgely 2007, p.18). This hints at a shrinking role of the nation-state another characteristic of globalization that has deep implications for diversity- particularly under post-colonialism, in a context where cities across countries operate as global centers of production and are ‘unhinged’ from their regional and national economies, a phenomenon that manifests itself in the disassociation of a new class of workers in the service industry from local lifestyles and ‘prevalent social modes of reproduction’ (Bhattacharya & Sanyal, 2011).

Inclusion on the other hand, though often used in common parlance in tandem with diversity has implications that look beyond representation. Society for Human Resource Management (SHRM) defines inclusion as “the achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization’s success.” Central to this notion of inclusion, as well as inclusion as often cited by organizations and MNCs is the idea that inclusion must and can be achieved at an organizational level.

However, this note seeks to establish that the definition of inclusion needs to go beyond the workforce of an MNC to create a more sustainable and equitable globalization model for all nation states. To support this thesis the *economistic* perspective of globalization within the framework of Marxian theory provides an important starting point.

Despite being made skillfully, the ramifications of Marxian theory far exceed the predictions of globalization (as cited in the introduction). They provide fundamental theoretical assertions for the intricate relationship between labour and capital which provide a partial if not complete framework to analyze many of the consequences of globalization as witnessed in the 21<sup>st</sup> century. This unprecedented inter-dependence among nations must be understood from a global perspective that is informed not by laws that govern nations or nations themselves, but from the perspective of Multinational Corporation (MNC's) that drive global trade. MNC's exercise strong influence over the current notions and trends surrounding the global division of labour. These current notions spring from the evolution of business models which staying true to Marxian theory have evolved keeping the primary goal of the capitalist in mind - the need to create surplus value (or the value of output over the cost of production including costs of labour.)<sup>2</sup> The MNC does not simply create these new production methods alone, therefore - these new production methods shape the MNC as well (Hyman, 1999). These new production methods have led to the creation of global supply chains that have become the dominant mode of value creation in the global economy accounting for 80% of global trade and 60% of global production (UNCTAD 2016, cited by Reinecke J. et al., 2019).

Progressing further into the century, the need to remain competitive in a rapidly globalizing, neo-liberal world leads corporations to allow their decisions to be driven by the rampant forces of capitalism – this leads them to developing countries in pursuit of cheap labour. What has followed is an inordinate compromise on labour standards and low pay for workers, which this note attempts to argue, further exacerbates the inequalities already present in these countries and in many cases leads to serious human rights violations (Reinecke et al., 2019). This coupled with the formation of labour unions and strikes only go on to make a strong case for the Marxian model, at the heart of which is the ever-prevalent and never-ending antagonism between labour and capital. However, labour is not the only factor that pulls MNCs to developing countries, prevalent along with labour force is the promise held by multicultural markets, diverse employees and untapped consumer bases (Diversity primer, Diversity best practices, Ch.14).

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<sup>2</sup> Karl Marx, Capital Volume II, Part I: The Metamorphoses of Capital and their Circuits, Chapter 1 (can be explained by the formula for the circuit of money capital M-C... P... C'-M' where M-C is the money spent on producing the commodity and hiring labour or the first stage ; P characterizes a break in the chain or the act of production itself which transforms the commodities to a commodity of higher value and is the second stage; C'-M' is the third stage where the transformed commodity enters the market through the capitalist and is exchanged for a value exceeding the production cost creating a surplus.

According to a report by Reinecke J. et al in 2019, a large number of human and labour rights violations can and must be attributed to a Collective Action Dilemma where the actions of each individual creates a scenario such that maximum payoffs are obtained with low levels of investment the alternative to which is the overexploitation of the resource (Ostrom *et al.*, 2002). Characteristic of the dilemma is the inability of an individual entity or an individual corporation in this case, to alleviate the problems underlying the business model as all corporations in the market have an interest in lowering costs, driving down labour standards and wages and would face a disadvantage by acting otherwise in a strictly competitive environment.

Further, in this day and age, countries face the threat of competition from other countries looking to be destinations of production and Foreign Direct Investments (FDI). This leads to loosening of regulations that feed further into a system that harbours compromised labour standards and deepening inequalities as this note attempts to show.

One aspect of Marx's theory on the alienation of labour highlighted by Lawrence H. Simon is "In the relation of alienated labour every man sees the other according to the standard and the relation in which he finds himself as a worker" (Simon, 1994). This relationship often manifests in the market as competition among workers for an opportunity to sell labour power as means to an end, the end being basic sustenance (Armando, 2017). With workers being governed by the laws of competition and necessity very similar to those of destination countries mentioned above, a large pool of workers is readily available in destination countries.

While these arguments are deserving of considerable merit, central to the entire thesis of the *economistic* perspective (whether or not one restricts oneself to the Marxian position) is the inherent determinism present in the unfolding of events. As James Midgley states in his report from 2007, *Perspectives on Globalization, Social Justice and Welfare*:

"The widespread tendency to reify the concept (globalization) and even to endow it with anthropomorphic characteristics has unfortunately parodied these events. This is particularly evident in the way that blame for a great variety of social problems, including unemployment, the spread of contagious diseases, environmental pollution and many other human ills are attributed to globalization when they are not in fact the result of some objective "thing" exerting its own, malevolent volition but the result of a complex set of human activities with intended and unintended consequences. This point is not only of methodological but normative relevance. Controlling the processes of globalization does not involve the domestication of some abstract construct but will require that the myriad actions of individuals, organizations, corporations and governments that directly affect human well-being at the international level be shaped through purposeful policy intervention."

When analysed through the lens of 'purposeful policy intervention' one realizes the declining role of the nation-state (albeit, through a deterministic conclusion). Characteristic of a post-industrial world is the interdependence of nations in global trade being driven entirely by corporations, making the age-old Ricardian model of comparative advantage obsolete (Hyman, 1999, p.9). It is therefore imperative, that MNCs with the influence they exercise on global markets target diversity and inclusion as a non-

negotiable. While MNCs are now starting to include diversity and inclusion clauses in their recruitment practices, vision statements and culture this note attempts to show that these efforts are far from being adequate.

While nation-states too share in this responsibility and can influence inclusion (especially when we extend inclusion to mean inclusive growth) through domestic policy, it will not be addressed in this note, as this note attempts to look primarily at business practices as a determining factor for socio-economic outcomes. This holds particularly true in a scenario where MNCs have larger operating budgets than entire nations and higher gross sales than gross domestic products (GDPs) of entire economies (Hyman, 1999, p.5). A profound idea that Jan Breman shares in *Footloose labour* (1996) in a section highlighting his critique of World Bank's 1995 World Development Report states that "Capital is footloose, and that is how it operates most successfully ; on the other hand, labour has to obey capital's whimsical commands and to submit unconditionally to its erratic flows around the global economy." It is imperative, therefore, that the free run being accorded to capital and the capitalist in a neo-liberal world is checked such that the interests of the working class are not completely undermined. While the analysis is normative in nature, it comes from a strong leaning of corporations to incorporate diversity and inclusion in their operations, making it a critical analysis of current business paradigm and corporate governance.

### **Globalization: Post-industrial socio-economic realities, Implications for the Indian subcontinent, the case for stronger diversity and inclusion practices**

The term post-industrial, coined by Art Historian Ananda Coomaraswamy in 1913 is used to connote a modern-day nation state characterized by a majority of the labour force engaged in the service/ tertiary sector and moving away from the primary (agriculture) and secondary (manufacturing, mining, storage, transportation etc.) sectors (LaJeunesse, 2007). Today's globalized world, consists of a large service industry aiding operations of MNCs, spread across continents. MNCs currently generate employment in developing countries in one of two ways- either through the service industry, more popularly referred to as white-collar<sup>3</sup> labour or through the manufacturing industry. The rest of the note analyses diversity and inclusion efforts in post-industrial, 21<sup>st</sup> century business models at a functional/ operational level and highlights inadequacies where relevant.

A recent study undertaken by Boston Consulting Group (BCG) with the Technical University of Munich conducted an empirical analysis to understand the relationship between diversity in management (defined as per the report as all levels of management and not restricted to the executive management) and innovation. The study found that the positive relationship between management diversity and innovation is statistically significant, contributing positively to large conversations, both emerging and prevalent,

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<sup>3</sup> The term "white-collar worker" was coined by Upton Sinclair in the 1930s in reference to workers employed in clerical, administrative and managerial functions

around diversity in business management and its potential benefits.<sup>4</sup>This leads to a rejection of the age-old impetus for businesses to employ diversity in recruitment practices which was restricted to a wider-pool of candidates representing diverse nationalities/ identities and an increase in social and political status of the company. And, in fact, this analysis would have little relevance if the acknowledgement of the need for diversity in business management had been absent to begin with. This provides us with a relevant starting point. For the sake of this analysis, this note restricts itself to India – primarily because India is rich in diversity and home to the primitive caste system or age-old stratification system, which forms an integral part of India’s socio-economic realities, development trajectory and creates a system of discrimination and oppression that is unique while not being entirely unique, in the sense that it is often equated to race in Western countries. The caste system is a hierarchical division of ‘Indian labourers’<sup>5</sup> based on Hindu principles of the Varna system. The upper castes occupy a more privileged and celebrated position while the lower castes have been historically ostracized and discriminated against, a practice that continues to this day. The historical system still survives and has massive repercussions for the Indian labour market. While the note limits itself to Indian labour context the observations made and the inadequacies highlighted can be extended to other contexts – especially those of other developing countries. The statistics have also been compared to similar statistics in the West, wherever possible and relevant.

With increasing research and discourse supporting the shift to a ‘diverse workplace’ it is indeed hard, and perhaps, next to impossible to identify an MNC that does not have a strong policy on diversity and inclusion. Despite a strong focus on said policies one finds huge disparity. With regard to gender, a study conducted by McKinsey in 2019 on women in the workplace finds a 24% increase in women in the c-suite, whereas, similar growth is at less than 5% for women at managerial level and women of colour in ‘corporate America.’<sup>6</sup> In India, however, out of 1,249 chief executive officers (CEOs) and Managing Directors (MDs) in 2014, only 3.2% were found to be women (Sinha, 2019). As for race, the percentage of white men across corporates increases as we move from the bottom to the top of management hierarchy (entry level: 36%, manager level: 46%, director level: 52%, Vice President: 59%, Senior Vice-President: 67% and C-Suite: 68%)<sup>7</sup> while the percentage of minorities, or in this case people of colour, steadily decreases across the same levels of management in corporate America. In India’s case, White collar labour

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<sup>4</sup> The study included 171 Swiss, German and Austrian companies a sample that is in itself indicative of a shifting focus towards diversity and inclusion. The findings of the study though limited to specific geographic regions, consists of conclusions and findings that the study claims are applicable to organizations/companies operating in a wide range of contexts.

<sup>5</sup>B.R Ambedkar popular Indian Dalit leader, activist, lawyer, thinker and chairman of the drafting committee of the constitution of India popularly referred to the caste system as ‘not a division of labour, but a division of labourers.’

<sup>6</sup> The study was intended to span a period of 5 years. Data reported measures growth starting from 2015

<sup>7</sup> Source : Women in the workplace 2018, in which LeanIn.org and McKinsey examined the employee pipeline of 279 US corporations

is generated both by Indian MNCs as well as a large number of Fortune 500 companies of western origin. While a caste-breakup is not as openly available for C-Suite, or upper levels of management this lack of data can to some extent be attributed to the taboo associated with conversations around caste in India. However, today, absolutely and proportionately the country's capital wealth (land, buildings, finance etc) is largely in the hands of the 'upper' castes and the 'lowest' castes participate in the economy primarily as wage labourers (Mosse, 2018). Per-capital income as well as access to high-status occupations decreases as one moves down the caste hierarchy as do returns on investment such as capital and education.<sup>8</sup>As expected, due to intersection of identities lower caste women are subject to even fewer opportunities and greater disadvantage – their participation rate in the labour force remains low and mobility in labour remains restricted (Mosse, 2018, p.247). A number of studies sent out fake CVs keeping qualifications uniform, while only changing the variable of interest (a lower caste name vs an obviously upper caste name or a Muslim name vs a Hindu name) to private firms (includes MNCs, mainly for call centre and software services) and found evidence of discrimination and bias in CV sorting. (Banerjee, Bertrand, Datta & Mullainathan, 2009; Das, 2013; Siddique, 2011; Thorat and Attewell, 2007; Upadhya, 2007, cited by Mosse, 2018). This was particularly true when the person responsible for sorting of CVs belonged to a specific caste/ religion (the particular caste or religion, which has not been named in this paper, was common to a large number of recruiters). There were instances of secondary discrimination as well, which sort applicants based on certain acquired traits that are characteristic of the dominant class/ caste. This indicates that while in Corporate America one may find racial diversity in the lower levels of management (albeit, lesser female representation) in India there are major impediments to diversity for entry level jobs in private firms sustained by discriminatory recruitment practices. This while the private sector in India consists largely of MNCs -and points to a strong need for diversity practices to be uniformly implemented across nations that an MNC operates in. Further, management control helps to align employee decisions and action with corporate objectives (Chow *et al.*, 1999, cited in Sageder, M., Feldbauer-Durstmüller, 2019) and therefore, with increasing internationalization, international MNCs must adapt to economic, political and *cultural* conditions in host countries (Endenich *et al.*, 2011, cited by Sageder, M., Feldbauer-Durstmüller, 2019), an important cultural condition in India being caste. This would also include measures to monitor and evaluate adherence to policy in order to achieve a truly diverse workforce. While not one of the main arguments this note seeks to make, an additional point that may be made is - the recognition of caste as an aspect of diversity *globally* given that caste is a fundamental determinant [of] social

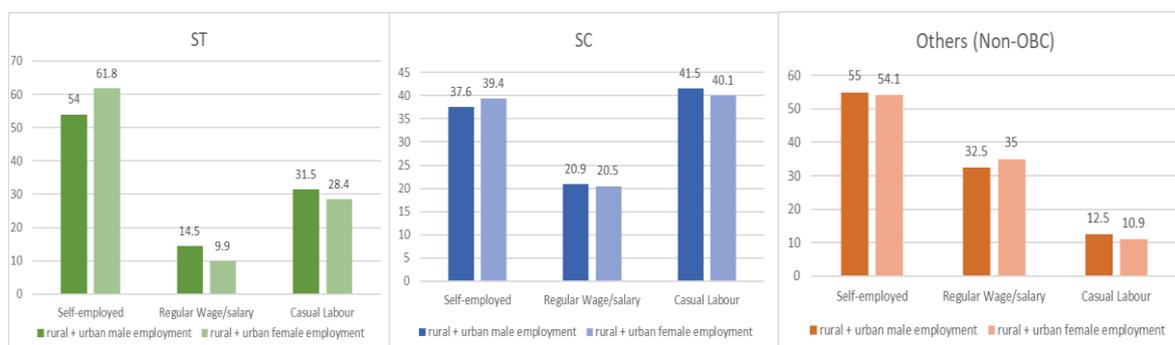
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<sup>8</sup> David Mosse, *Caste and Development: Contemporary perspectives on a structure of discrimination and advantage*, p.423 Mosse explains how the lower returns on investment lead to increased poverty at lower levels in the caste hierarchy resulting in what popular Indian Dalit leader, activist, lawyer, thinker and chairman of the drafting committee of the Indian constitution B.R. Ambedkar referred to as 'graded inequality'

exclusion and development (Asia Dalit Rights forum, cited by Mosse, 2018) and affects close to 20-25% of the global population, mainly people of South Asian descent and their diasporas.

In India, the organized sector employs only 10% of the total workforce as opposed to the unorganized sector which employs 90% of the remaining workforce (Jit, Bharti & Rajeev, 2018). The question of diversity and inclusion, therefore, acquires further complexity and pertinence when one starts to analyse its role (or lack thereof) in the manufacturing sector. US Bureau of Labour statistics data indicate that in 2017, 79.9% of the labour employed in the manufacturing sector was White. (Women: 29.5%, Men: 71.5%, Hispanic/ Latino: 16.6%, Black: 10.1%, Asian: 7.1%). In India, longitudinal research from the 1950s shows unequal access to new opportunities, whether in irrigated agriculture, or off-farm urban employment as embedded in caste. (Epstein, Suryanayanan & Thimmegowda, 1998; Lanjouw and Stern, 1998, cited in Mosse, 2018) where off-farm urban employment includes employment in the manufacturing industry. Mosse in his study, goes on to explain the outsourcing of labour recruitment to contractors and other middlemen who have a strong caste bias in recruitment for manufacturing. Clearly, the practices and values of diversity and inclusion do not trickle down to the manufacturing sector of corporations and these statistics point to a pertinent need for them to do so.

Evidence of this can also be found in NSSO data from the 75<sup>th</sup> round, conducted between 2018-2019. The tables below present social-group based breakup of the labour force participation rates in the categories of self-employment, regular wage/ salary employment and casual employment. The percentage of labour employed in casual labour, also referred to as the unorganized sector is highest for both men and women in the SC category (men: 41.5%, women: 40.1%) while the number drastically reduces for those that belong to upper-castes or fall within the non-OBC category (men: 12.5%, women: 10.9%). The percentage of those that are employed in regular wage/ salary jobs, including jobs in the manufacturing sector is also highest for those belonging to the upper-castes across rural and urban India (men: 32.5%, women: 35%) and reduces in the SC category (men: 20.9%, women: 20.5%) and reduces further for the ST category (men: 14.5%, women: 9.9%). The numbers for women are also lower than those for men in the same social category for the SC/ ST category which suggests an exacerbated disadvantage for women.

**Figure 1 NSS (National sample survey) findings from the 75<sup>th</sup> round**

Further, diversity in recruitment does little to improve the conditions of workers in the absence of fair remuneration – Reinecke J. *et al.* in their report point to several instances of low wages and compromised labour standards among workers in manufacturing sectors of the developing world. This note argues that corporations in the 21<sup>st</sup> century have a strong responsibility to not only ensure and extend diversity to all levels of management, but ensure that remuneration is fair at all levels of operation and that employees in manufacturing are not pushed further into deepened inequalities which only pass on from one generation to the next. Especially when, as noted later in the paper, recently found evidence indicates that a majority of returns on FDI are returned to the same domestic economies they originate from- highlighting the low rates of returns being pumped into the developing world.

Another important aspect of inclusion worth addressing, especially for workers in the manufacturing sector, is unionization. Past evidence suggests a negative relationship between FDI from US Firms and penetration of unionization alongside centralized collective bargaining structures in an economy (Cooke, 1997, cited in Gaston, 2002). Post-reform India, or India post 1991- a year that witnessed dramatic change in domestic policy and opening up of the economy to ‘privatisation, liberalization, globalization’- was and is characterized by a weakening of the position held by trade unions. Jit, Bharti and Rajeev in their 2018 paper on the impact of globalization and liberalization on trade unions state that ‘To meet the pressures generated by liberalization, privatization and globalization the capitalist class introduced various measures for cost reduction and profit maximization which rendered trade unions weak, fragmented and helpless.’ The ‘helpless’ state of trade unions is telling of a far more deep-rooted issue – that of side-lining worker demands and concerns which once again begs the question of if ‘inclusion’ is restricted to the diverse needs of upper levels of management alone. It, therefore, points to a strong need to include the voices of the millions of Indians and citizens of other developing nations that work in the manufacturing sector.

Another phenomenon that Bhattacharya and Sanyal (2011) refer to as the the constant war between the ‘need’ economy and ‘accumulation’ economy is characteristic of capitalism in the developing world. ‘Need’ economy is defined as the ‘survival’ economy of workers engaged in the primary sector whereas ‘accumulation’ is referred to

the capitalist notion of creating surplus value. According to World Bank statistics, 42.39% of the Indian labour force is engaged in agriculture and 25.58% of the labour force is in manufacturing while agriculture's contribution to Gross Value Added (GVA) was 16.5% in 2019-20 (decreased from 2014-15 where it was 18.2%) whereas, the share of Industry to GVA was 29.6% in 2018-19 (PRS India, 2019), which echoes concerns of several researchers who argue that rapid industrialization has environmental repercussions, particularly in developing nations where the jobs generated do little to compensate for the jobs that are displaced given that a large section of these populations are dependent on natural resources for their livelihood – natural resources that are often depleted (Hirway and Shah, 2011). This idea is further supported by Bhattacharya and Sanyal 2007 & 2009 (cited in Bhattacharya, 2011) who noted that a majority of the Indian labour force was trapped in 'disguised unemployment' in the agricultural sector and employment hardly increased in proportion to the 'spectacular growth rate' in output of the formal/ organized sector which pushed workers into an expanding informal/ unorganized sector (as is also supported by the NSS data provided above). This led them to categorize capitalist development in India as 'exclusionary', which brings this note to its final argument – that inclusion can hardly be achieved if its understanding is not expanded to include inclusive growth and expansion strategies that are not fundamentally exclusionary. Further, one witnesses ranking of labour, where a new wave of rural industrialization creates skilled/ managerial jobs for *upper-caste outsiders*, but despite legally contested claims for such permanent posts – sometimes taken to the international level where multinational companies are involved – those who lost land to new complexes at best gain casual work as security guards, loaders or janitors (Bommier, 2016; Donegan, 2018, cited in Mosse, 2018).

It is, therefore, imperative that corporations today account for *all* or at least, the most prevalent forms of exclusion that emerged and continue to emerge as a result of globalization. This will have to be backed by strong domestic policies, needless to say, though it is beyond the scope of this note. While most of the observations made and conclusions drawn are normative in nature and take a strong social justice stance, what is important to note is that the central theme of this note emerges not discursively but as a response to increasing conversations and a firm commitment to employ diversity and inclusion in corporate operations and governance. This will inevitably create a more sustainable global market – similar to an observation made by the International Labour Organisation (ILO) who noted that if the benefits of increase in labour productivity are not passed onto workers, it is likely to create a severe aggregate demand deficiency sooner than later (Hirway & Shah, 2011). This analysis is further justified when understood in the context of large FDI investments remaining in the developing world (92% of total FDI outflows come from developed states) and 72% of the total inflows are returned to domestic economies of the investors (UNCTAD, 1999 as cited in Bhalerao & Bhalerao, 2017) – which makes it even more clear that corporations can and must take cognizance of their practices, monitor and evaluate their implementation strategies and discontinue the practice of viewing their conscious decisions as the inevitable result of 'impersonal market forces.'

## Conclusion

Globalization remains a topic of significant interest in the academic community, but looking beyond the academic community it continues to have major repercussions for the world today. It has triggered a global division of labour allotting specific positions to countries on the map as either centres of manufacturing or service hubs – the distinction, of course, is not as binary and the processes underlying it not as simple. Globalization has and can be understood through multiple viewpoints and *framings* – cultural, political, socio-political, economic, technological – and this note chose the diversity and inclusion perspective. Unipolarism and cosmopolitanism that fall within the cultural framings of globalization never allowed for an inclusive or diverse globalized culture – theoretically it was impossible to imagine a multicultural globalized world. The economic perspective provided a clear and deterministic framework with which to understand and accept the pervasiveness and permanence of a complete lack of overlap between the interest of workers and the interest of corporations – but what one ends up finding is this does not have to be so. With corporations finding a strong link between innovation and diversity<sup>9</sup> and committed to diversity and inclusion one finds scope for changes that could result in a far more sustainable and holistic growth model than the world witnesses today. A model informed by the idea that diversity and inclusion can and must extend to *all* countries, and *all* peoples at every level of management and that conscious corporate decisions need not and usually are not a result of ‘impersonal market forces.’

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<sup>9</sup> As stated in the BCG report cited earlier in the note

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